

Towards 2020:

New Horizons for RTD and Innovation in the Western Balkan Region

WBC-INCO.NET Final Conference & Brokerage Event

Tech Gate Vienna / Donau-City-Straße 1 / 1220 Vienna / Austria

Innovation policy learning from Norway in Western Balkans

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NIFU

WBinNO project

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- ▶ Faculty of Economics, Prilep, Macedonia
 - ▶ Slavica Roceska, Professor; Gjorgji Mancheski, Associate Professor; Olivera Kostoska, Lecturer; Marjan Angeleski, Lecturer
- ▶ Economic Institute Sarajevo, Bosnia and Herzegovina
 - ▶ Anto Domazet, Professor, Almir Pestek, Deputy Director

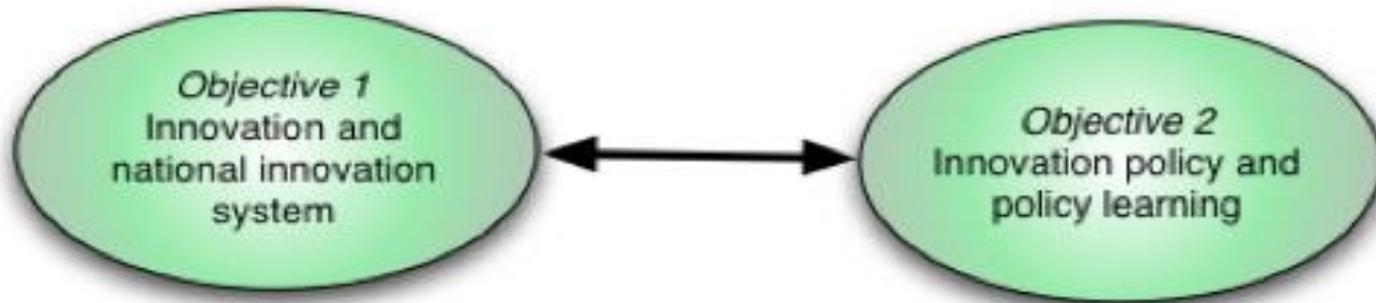
Project funded by Norwegian Research Council with EEA funds.

Project objective

- ▶ WBinNO aimed to assist policy makers in the Western Balkan countries develop and implement innovation policies by way of identifying appropriate 'good' practices in other countries.
 - ▶ Identifying good practices, that support sustainable economic growth and catching-up, depends on policymakers having a better understanding of the innovation system.
 - ▶ Norway provides the model or a framework within which one can identify 'good' policy practices and policy learning.
- ▶ The Balkan countries depend on the creation, transfer and use of knowledge to catch-up with technological leaders.
 - ▶ This success depends on the development and implementation of new institutions and policy instruments that are complementary to the needs of the economy.

The project is composed of two work packages

- 1 – An analysis of the different innovation systems in the Western Balkan region, including formal (legal) and informal (cultural) institutional arrangements of the society.
- 2 – a study of innovation policy development, including the integration of different policy instruments into a coherent policy-mix, and policy learning.



- Targeted Special issue focused on national innovation systems and policy learning in the Balkan countries.
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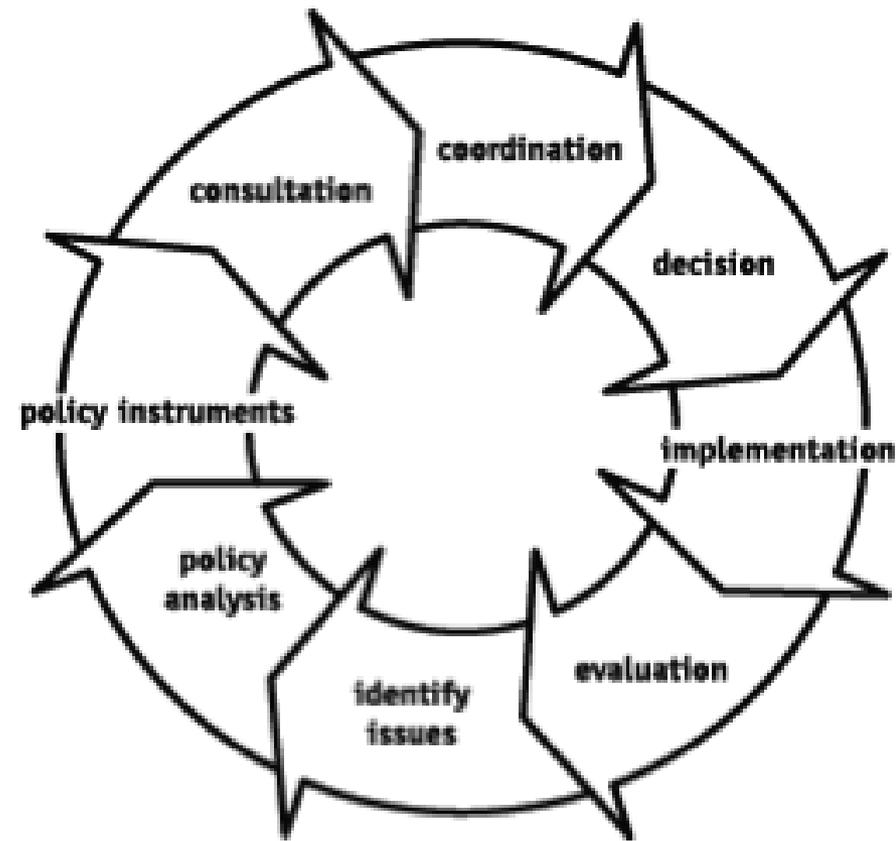
Some basic issues being discussed

- Science and technology provides an important way to learn how to use existing knowledge as well as develop new knowledge.
 - ▶ Education, life-long learning and R&D are important for developing an **absorptive capacity**.
 - ▶ Improving institutional complementarity and innovation governance is essential to this process.
- Institutional diversity is vast across the Western Balkan countries.
 - ▶ The Western Balkan countries are highly heterogeneous, with many interlocking complementarities.
 - ▶ Hence, many different institutional constellations can bring about economic growth, suggesting that the use of ‘best practice’ norms are unconvincing.
- The need to develop a strategic, horizontal approach to innovation policy.
 - ▶ Innovation policy should include vertical, horizontal and temporal coherence.
 - ▶ Good policy, or successful paths of economic growth, depends on institutional complementarity, and a coherent policy framework for dynamic innovation.
- ▶ A coherent innovation policy should span across ministerial boundaries (horizontal) as

Policy learning is an essential to innovation governance

- Policy learning is key for developing and governing innovation policy.
- Innovation is a process and not an end in itself.
 - ▶ Policy makers require an active dialogue with different stakeholders, and monitor the performance of a policy that has been implemented.
 - ▶ Interaction between researchers and policymakers is essential for the policy cycle
 - ▶ Need to create platforms to facilitate inter-action between the different policy actors.
- Building an effective innovation policy is path-dependent.

The Policy Cycle



Four different modes of policy learning

- **Explicit conceptual delivery and acquisition**
 - ▶ Interaction between policy-makers and external researchers providing perspectives.
 - **Learning networks**
 - ▶ They include formal and informal professional networks; dialogues with local constituencies, intra- or inter-ministerial networks, and international networks.
 - **Benchmarking and other indicator-based approaches.**
 - **Continual improvement.**
 - ▶ Various learning processes (learning-by doing, learning-by-using) generate capabilities and competences that are operational and experience-based.
 - ▶ These capabilities and competencies are shaped by the evolving policy “culture”, including perception of the governance system and policy agenda.
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Rationalities, Lifeworlds and Belief Systems

- Lifeworlds are sets of beliefs and knowledge that are shared by a group.
- Lifeworlds appears like mental maps and beliefs systems of the individual (Edmund Husserl and Alfred Schutz).
- Lifeworlds
 - ▶ Are the individual is a sum of lived experiences.
 - ▶ A collective understanding of reality anchored in social groups.
 - ▶ Patterns of behaviour shared by members of a specific social group that may be explained or legitimized by their shared rationality or belief system.
 - ▶ Ideologies, or formalized and codified expressions of a specific belief system that influence the development of many different rationalities and social groups.

Rationalities in European innovation policies

- Many different rationalities are relevant for innovation policy:
 - ▶ the market rationality
 - ▶ the macroeconomic rationality;
 - ▶ the science rationality;
 - ▶ the systemic rationality
 - ▶ the entrepreneurial rationality
 - ▶ the social rationality.
 - Economics is has its own caste and status within the tribe (Leijonhufvud)
 - ▶ Maintains a shared distrust of other academic tribes
 - ▶ Castes appear as differences in belief systems (schools of thought), and the status of macroeconomics, microeconomics and industrial economics, etc.
 - ▶ Pareto optimum suggest there is a best practice, but there may be many good practices.
 - The innovation policy rationality
 - ▶ Several national, local and international political and bureaucratic units (groups; organizations) have a stake in national innovation policies.
 - ▶ Networks and clubs.
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Barriers to policy learning

- Different ministries, agencies and stakeholders have different mentalities and speak different languages.
- There are many policy narratives.
 - ▶ What society is and how it works; How research interacts with society; What is the role of science is; What is the best theoretical foundation for policy.
 - ▶ Different policy narratives parallel the different rationalities.
- The presence of tribes and territories create “silo mentalities”
 - ▶ They create internal barriers and “silo mentalities”.
 - ▶ Parallel systems maintain their own organizational norms, belief systems and practices.
 - ▶ Power struggles and turf wars stops flow of knowledge.
- Distinct and well-established professional groupings, with their own communities of practice and rationales.
 - ▶ Researchers grounded in narrow belief systems, interests and ideologies.
 - ▶ Individual researchers tend to move to groups compatible with their own belief systems.

Other barriers to policy learning

- Risk aversion
- Lack of clear agreement with respect to perceived problems, approaches and solutions
- Overlap in responsibilities, and communication difficulties.
- A lack of dialogue between different parts of the public system, horizontally or vertically, between different professional groups.
- Lack of resources – time and funding -- for systematic learning
- Power-struggles



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Thank You For Your Attention!

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