What are the latest changes to innovation policy in the world?

Firstly, there is no such a thing as a single unique national innovation system for the whole world. For policy purposes, innovations are organized at national level. Sometimes, it is organized at the regional level, especially for big countries, sometimes even at the local level, for example, for major cities. So, there is no single system, and technology development and innovations have been taking place in very different circumstances. There is no single way, there is no single method, there is no single approach, there is no single best practice.

What has to be decided is to develop a system, institutions and policies which are appropriate for a particular country’s conditions. For example, Russia has the advantage of having many highly educated people, especially in engineering, mathematics and so on. But many of these people are now of the older generation. As far as the younger generation is concerned, that kind of emphasis seems to have been weakened. All this has to be taken into consideration in developing an appropriate national innovation and technology policy.

Of course, innovation is not just about support for technology development and innovation. It also involves the way people are organized – human resources. It is not just question of education and training, but also involves methods of organization and management of people. And again, you have in Russia many different experiences of how to organize people from the period before and during the Soviet time, and for the last twenty years as well there have also been many different types of experiments. This vast experience of experimentation is very valuable, because in many countries, you don’t have this variety of experiences.

This is basically what I’m trying to say: innovation policy ultimately has to be pragmatic, and in order to be pragmatic, it has to be appropriate. In other words, it has to take into consideration the current situation as well as past experience. But, of course, we want to expand opportunities for the future. That is the major challenge we all face.

What would you call the best and the worst example of innovation policies in the world?

As I said, there is no single best or worst example. For instance, many people don’t realize that there has been any innovation policy in the United States or in the United Kingdom. But this is not true. If we look at what governments do, the governments are doing a lot in trying to facilitate innovation. They themselves are also innovating, and it’s not true to think that these things are happening spontaneously.

The worst type of innovation policy is to deny the need for innovation policy and to pretend as if these things happen spontaneously, and you don’t have to do anything to make it happen. And especially for Russia, which has experienced a huge economic collapse during the 1990s, you have the experience of a shock. Shocks can involve creative destruction but can also result in catastrophic destruction. Unfortunately, what happened in 1990s is closer to catastrophic destruction, not creative destruction. You need to be creative; you have to create the conditions for creativity and innovation. I would say that is dangerous to be dogmatic; in other words, you are inflexible and you presume you know how to do things, and you don’t change strategy or course according to the facts. Another danger is to be completely arbitrary; in other words, you let different people do different things without any sense of coordination, without any sense of the need to support successful innovators.

So, these are some bad things. Now, some good things. Innovation is not developed by government in isolation, but is developed after a very careful consideration of the situation and close consultation with the private sector, with private corporations, and with all other actors involved, from the government side as well. You cannot ask government officials to do something which they do not have the resources or the capacity for. A successful innovation policy has to be realistic.
In innovation is not developed by government in isolation, but is developed after very careful consideration of the situation and close consultation with the private sector, with private corporations, and with all other actors involved, from the government side as well. You cannot ask government officials to do something which they do not understand for the officials in Russia?

Vivek Wadhwa from Duke University was talking about how he was so impressed by Russian engineers and mathematicians. He had this stereotyped image, a prejudice of the Soviet Union, that Russians are incapable of thinking for themselves, that they are dogmatic, as this is what he presumed about a supposedly totalitarian society. What he found instead was that these engineers and scientists were very intelligent, thinking of many different things, and very innovative. What they couldn’t do, according to him, was because they were not familiar with certain practical things such as business practices, management practices, raising finance, etc. But it was not because of lack of ideas, or willingness to explore and openness to new ideas.

What ideas you think are crucial for understanding for the officials in Russia?

As I said, there are a lot of things Russia can learn from the rest of the world. But, ultimately, Russia can only move forward on the basis of what exists in Russia.

To your mind, what exactly exists in Russia?

Abay Alpamyssov, chairman of the Management Board of Kazyna Capital Management, remarked that developing venture infrastructure is critical to supporting and advancing an innovative environment in Kazakhstan. "The attraction of two highly professional companies in the establishment of the venture fund is an excellent signal for other investors. Fusing different management approaches and technologies will help the management team attract additional investment to achieve targeted capitalization and ensure effective leadership for the fund."

"We have chose management companies that can work effectively in selecting and supporting promising nanotechnology projects in Russia and Kazakhstan. Moreover, they will apply their experience in developing venture projects at the pre-industrial stage to maximize returns for the fund’s investors,” said RUSNANO managing director Dmitry Pimkin. "Criteria for choosing projects for investment will be scientific and technical validity and forecasted return on investment."

"VTB Capital is a leader in the Russian venture industry. Our experience in venture financing is considerable. There are currently five venture funds with aggregate value of 5.8 billion rubles under VTB Capital’s direction. This year Russian Navigation Technologies, a VTB Capital portfolio company, made the first ever IPO offering in Russia. We believe that VTB Capital's global platform and experience will enable us to realize the potential of the Russian-Kazakh fund," said Aidar Kaliev, head of Venture Investments at VTB Capital.