

Change Is Possible in Russia



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

First, there has been a lot of interest in innovation, mostly led by few country-specific examples. And I would define success as a sustained economic growth. In particular, these stories have occurred in a very short period of time – 30-50 years. I would also include the US, but the most rapid growth has been in Asia, first Japan, then Taiwan, Korea, and Singapore, and more recently China and India. Though Israel and Finland have also attracted much attention.

Did the economic crisis influence government's innovation policies?

It brought a sense of urgency. Unemployment is high. And in democracies in particular, the people hold the government responsible to some degree. So, many places are desperate to find ways to help their economy grow and the crisis has only strengthened those feelings.

What examples of economic policies in the world you think are the most and the least successful?

I'm a co-author of the innovation report of the New York Academy of Science presented at Yaroslavl. In the report specifically we illuminated several examples, such as Taiwan, Finland, US, India and Israel. But of course, there are other shining examples such as Singapore and Korea. It hasn't attracted as much attention recently but the transformation of Japan for the past 60 years has also been phenomenal. They had some challenges for the past ten years but they are still one of the wealthiest countries in the world. But mostly – Asian countries are good examples with some exception. Most of them have invested heavily in human capital through math, science, and engineering-based applied education. Then they've also been very targeted about the research and development investments. And of course the overall growth and specialization of the world economy created the opportunity for them to find market niches and play a role.

Why are they successful?

Fundamentally, it's about talented people, empowering them and then allowing them to reach their potential. I don't think this is really dependent on nationality, many of these countries such as the U.S. and Singapore are nations of people from many different nations. So, I think it is less about your origin and more about education. For example,

Israel, Finland and every successful Asian country has had two common elements. The other piece is taking that energy and talent created through that education and unleashing it for the economy. And the latter happens primarily through entrepreneurship and the creation and realization of new ideas and products.

How does this relate to Russia?

I've lived in Czech Republic, and I'm familiar with the economies of Eastern Europe in general. Like in Russia, there were communist governments but for a shorter period of time. In Russia the revolution was in 1917 but in many these places communism didn't take hold until much later. Change has been hard there but perhaps not as challenging as it will be in Russia. While Russia must chart its own course, institutions such as universities, standard-setting entities, and laboratories are important. In Eastern Europe (and many of the places we studied), institutional change (or creating new ones) was a critical element of their rapid growth. Russia may face similar challenges.

During the conference many people said, for example, that Russia must do what's in Russian interest. And I think these things like education and entrepreneurship are critical, but these are very general statements. There are at least 120 countries attempting to reform their innovation system. But the real question is whether it will be effective? And I think effectiveness is only dependent on whether it's proper for the context.

There are indeed many talks about innovation. Let's say, there are good ideas, and there is a proper context, what else do we need?

There should be a healthy, entrepreneurial culture. By culture I mean the relationships that are among people. Even in the US, the culture when it comes to innovation differs among regions. For entrepreneurship to flourish, the culture often needs to embrace the new, which is often difficult and seen as bad. For example, if you worked for a company for ten years and made a good salary, you may be very comfortable and your family and your employer would look upon you as a loyal individual. If you left the company to start a new company, you may be looked down upon and certainly there is a risk of failure for your new company but this phenomenon is critical to economic dynamism.

Many people talk about entrepreneurship in California. But the Bay Area of California is special for entrepreneurship not only because a lot of intelligent individuals live there, but also because there is an environment where failure is tolerated, where smart risk is appreciated, and entrepreneurship is seen as a normal thing. And though many, many companies fail, the ones that do succeed become very important, the high-tech U.S. companies that you know today.

What is your general opinion about the Global Policy Forum in Yaroslavl?

The Forum was very good. I really liked the second day. It was an honor to see and hear President Medvedev. But I also thought the discussions were very rich and interesting. It is also interesting that so much change is possible in Russia. It's a very exciting time to be here. Most of all, I enjoyed meeting the people both from Russia and from all over the world who attended the conference. The hospitality was wonderful and it made for a truly memorable experience.