



Informal Summary

2013 ECOSOC 2013 High-level Segment of Economic and Social Council

Launch of the Global Innovation Index

10:00 - 11:00 am

Monday, 1st July 2013, Geneva

Introductory remarks: H.E. Mr. Néstor Osorio, President of ECOSOC

The President pointed out that the Council is the perfect backdrop to learn more about the GII (Global Innovation Index) in STI (Science, Technology and Innovation). The GII has already been established as an important benchmarking tool. Furthermore, he highlighted that STI has an important role to play in facilitating the achievement of the Millennium Development Goals (MDGs), as well as being crucial for addressing climate change and other global challenges. STI can also shape education and health services provided by governments. In general, all countries recognise that innovation is indispensable and creating STI capacity has helped with growth in most countries, while leaving behind the LDCs.

Mr Ban Ki-Moon, UN Secretary General

Mr Ban Ki-Moon stated that STI has played an enormous role in influencing progress towards achieving the MDGs. He gave the example of a simple vaccination against a childhood disease, which saves 2.5 million lives every year. The combination of STI and culture has contributed greatly to job creation, enriching cultural life and enhancing social movements, as well as in promoting sustainable energy and advances in the quality of health. The Secretary General highlighted that the concept of innovation is changing; it is becoming more open, global and collaborative. He also asserted that it is important to harness STI's transformative power to ensure innovation is locally adapted and built on home grown expertise. If such criteria are fulfilled, then STI has a key role to play in advancing sustainable development. According to the Secretary General, the GII is a unique tool of high importance to define detailed metrics and innovation policies. In this line, he added that the High Level Segment (HLS) can help to identify suitable national policies and priorities for innovation. The Secretary General concluded by encouraging the international community to work with WIPO to ensure that the benefits of STI are shared by all and to promote sustainable development.

Mr Francis Gurry, Director General, World Intellectual Property Organization

Mr. Gurry gave several reasons why ECOSOC was the right body to launch the 2013 edition of the GII. According to him, innovation is the major component of economic growth, the source of competitive advantage for companies and industries, as well as for improvement in the quality of life. Innovation contributes to the capacity to reach food security and health

outcomes by producing new food varieties, drugs and treatments. It is also the driver for a green economy by promoting the use of clean energy and new industries.

Intellectual property has an essential role to play in innovation by capturing the economic value of innovation through investment in research and development. It also arbitrates between encouraging investment in innovation on the one hand and the diffusion of social benefits, on the other hand. Mr. Gurry contended that the capacity to innovate can be acquired. The aim of the GII is to give a blueprint of the innovation system and to benchmark countries' inputs and outputs so they can improve. The concentrations of universities and industries matter in securing innovation and these clusters are becoming increasingly important for LDCs that are seeking to improve. Mr. Gurry concluded by saying that the GII is in its 66th edition. It is established as a global reference for policy-makers and provides a growing understanding of the role of innovation around the world.

Mr. Soumitra Dutta, Dean of the Graduate School of Management at Cornell University (Editor of the GII)

Mr. Dutta stressed that economic growth, despite picking up in the first half of 2013, remained uneven among emerging markets and high income economies, with a focus on balancing debt reduction on the one hand and supporting demand. He suggested that innovation is the basis from which growth would be able to drive the global economy and it provides a foundation for better jobs and quality of life improvements.

He noted that spending on R&D by governments has been increasing since 2010, particularly in countries like India, Indonesia and Malaysia. The top 25 ranked countries on the GII are a mix of nations from different regions, such as North America, the Middle East and Oceania. The GII results indicate that country rankings are correlated with income levels and a conclusion that can be drawn is that innovation needs a holistic approach with investments across sectors. He gave the example of a recent article to explain that great scientific centres not only require eminent universities and laboratories, but also a broader environment of meritocracy and openness to diversity that can attract top talent from across the world. This holistic approach is in line with the principles and framework of the GII. It follows the approach of five input pillars, including: institutions, human capital and research, market sophistication and business sophistication. The two output pillars are: knowledge and technology, and creative outputs. *The innovation input soft index* is an average of scores in these five pillars. Innovation outputs are the results of innovative activities within the economy. Each output pillar is divided by three sub-pillars, and each sub-pillar is composed of individual indicators, with a total of 84 indicators. *The GII score* is the result of the average between inputs and outputs. *The Innovation efficiency ratio* is the simple average of outputs and inputs.

Mr. Dutta noted that the results show how much output is enjoyed by each country according to the inputs it has made. The index provides a key tool for metrics and innovation policies, as well as for the identification of good policies and practices to foster innovation. A country's rank on the GII, Mr Dutta concluded, reveals how much it is getting for its inputs. It is a process of continual evaluation and the GII's main concern is with the process rather than the rank alone.

Mr Bruno Lanvin, Executive Director, INSEAD European Competitiveness Initiative (Editor of GII)

Mr. Lanvin, the co-editor of the GII, gave an overview of the GII model saying that it covers 142 countries, which represent almost 95% of world population and nearly 99% of GDP. He shared some of the key messages emerging from the 2013 GII:

1. Innovation is a global game. Those at the top of the list are highest performers in innovation and include Switzerland, UK, Sweden, USA and the Netherlands. Switzerland remains number one in all rankings, and together with Sweden, are the only two countries that are in the top 25 of all pillars of 2013 GII.
2. An innovation divide persists. There are the innovation leaders and innovation learners. However, there is cautious optimism as some economies are learning and improving their capabilities but progress is not uniform. Important ways of doing this include investing in institutions, skills and infrastructure, integrating into global markets and promoting linkages between universities and the business community.
3. Local dynamics of innovation are important. One chapter in the report looks at encouraging examples from the Middle East and North Africa where there is success at local levels. National data only reflects a part of the reality, according to Mr. Lanvin. The 2013 “*local dynamics in innovation*” report shows examples of successful innovation of all levels of development.

Mr. Lanvin echoed remarks that the GII should be seen as more than a ranking system. He noted that while benchmarking and time series are important, ranking is only a small part. Each country in the GII is described by a specific profile, identifying strengths and weaknesses. This year’s report provides a contrasted view on innovation: first, investment in R&D has been sustained despite the crisis, and second, innovation remains a dispersed phenomenon with many obstacles in developing countries. Some key messages are: first, innovation is a mindset and multiple resources are needed; second, metrics are useful; and third, talent is a requirement before cooperation and innovation. It is essential to motivate human resources and educate in this regards. He suggested that the GII can be used as a platform to discuss relevant issues and interactive policies, noting that a holistic approach is required to promote sustainable progress.

Mr. Samir Mitra, Senior Adviser in the Office of Adviser to the Prime Minister of India and India’s National Innovation Council

Mr Mitra stressed that innovation is a necessity for India due to three overlapping events: India possesses 1/5 of the worldwide working population and by the year 2025, there will be a large young population of the same size as the EU-27. This means that there will be 500 million people that will need housing and employment. Approximately 400-450 million of the population will be middle class and will require products and services for education, health and overall development that the government will no longer be able to afford. India has the largest population of absolute poor in the world and there is the possibility to reach a situation of economic stagnation.

As a result India's Prime Minister has declared 2010-2020 the decade of innovation. The steps taken towards this are establishing a national council and engaging in inclusive innovation that is focused on the 'bottom of the pyramid'. He noted that most of the global R+D funding are spent on the problems of the rich while the poor do not get the resources they need. The objectives of the National Innovation Council of India are, firstly, to focus on inclusive innovation, with an impact on people at the local level. Secondly, to spread innovation in all sectors and, to this end, it is essential to reach local. Thirdly, to rebuild infrastructure for innovation, with the aim to connect everyone via a broadband network that should be operationalized by 2017. Mr. Mitra gave several examples of local innovation showing the outstanding progress of India in this field.

The Government's aim is to achieve a self-sustaining cycle where innovation is built, developed and managed locally. India is a practitioner of this approach as demonstrated by the creation of a billion dollar innovation fund, as well as instituted city innovation files. Measuring progress is also critical. As well, there is an emphasis on clusters - regional collections of know-how and technology - based on harnessing the transition from lobbying to being champions of innovation. Mr Mitra concluded by saying that India has a desire to be a leader in innovation and will appear at all the relevant forums, as well as host an annual innovation roundtable in Delhi.