

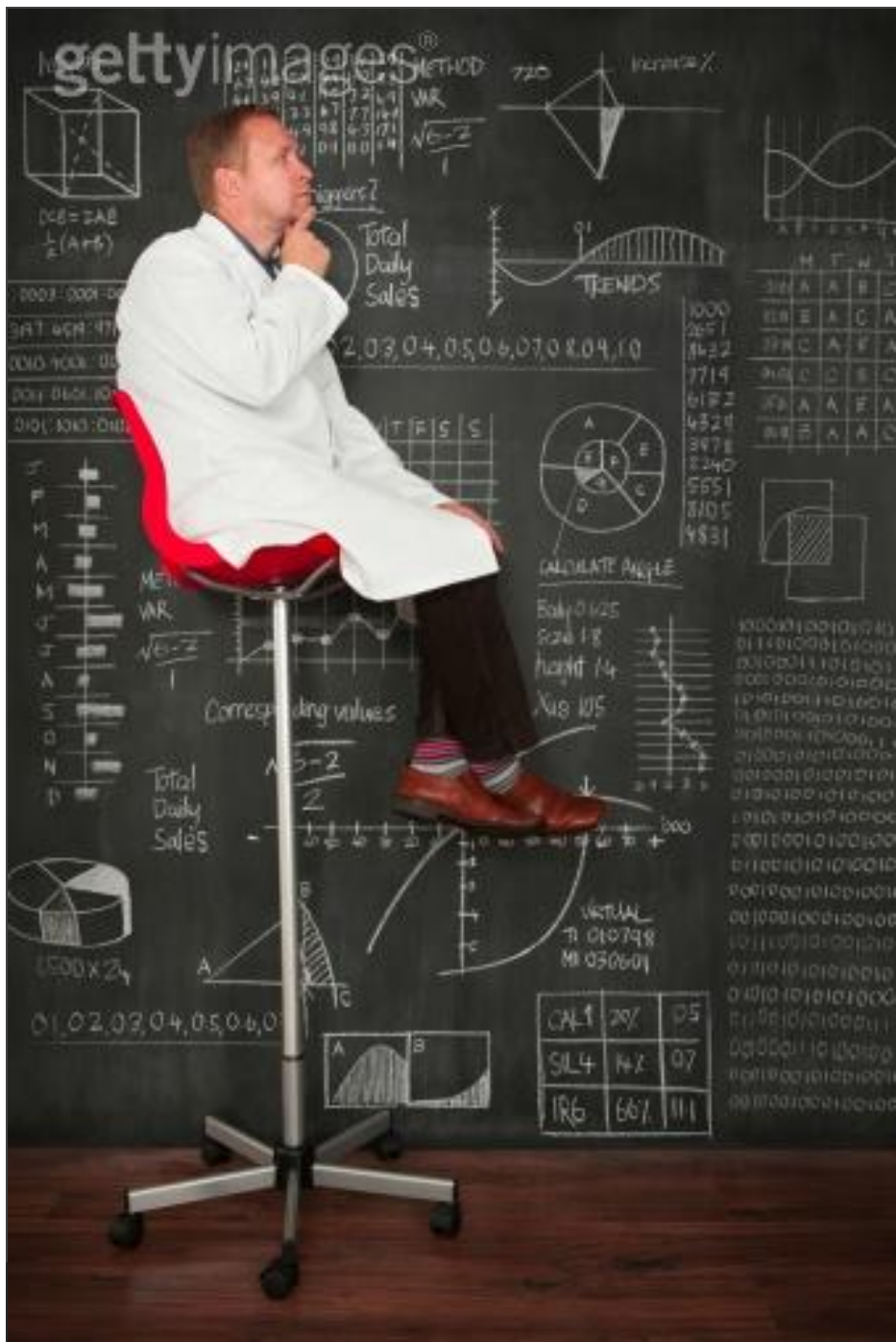
National Policy for Innovation

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“If you don’t get better, you get worse”

(My Mom)



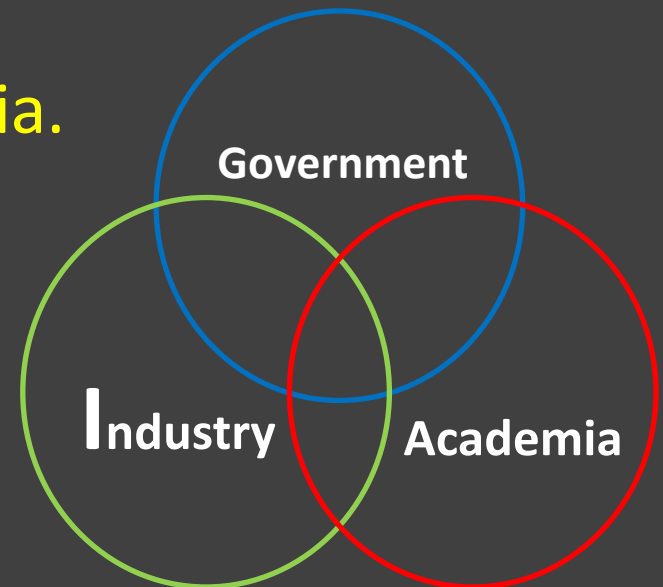
.... So how can we generate innovation? Or, at least, influence its creation?

Why focusing on Innovation Ecosystems?

The linear model of innovation is dead!

Who are the Innovation Ecosystems' principle actors?

- There are many essential ingredients or elements of innovation ecosystem
- The triple Helix:
Government – Industry – Academia.
In addition to fulfilling their traditional functions, each institutional sphere also “takes the role of the other”

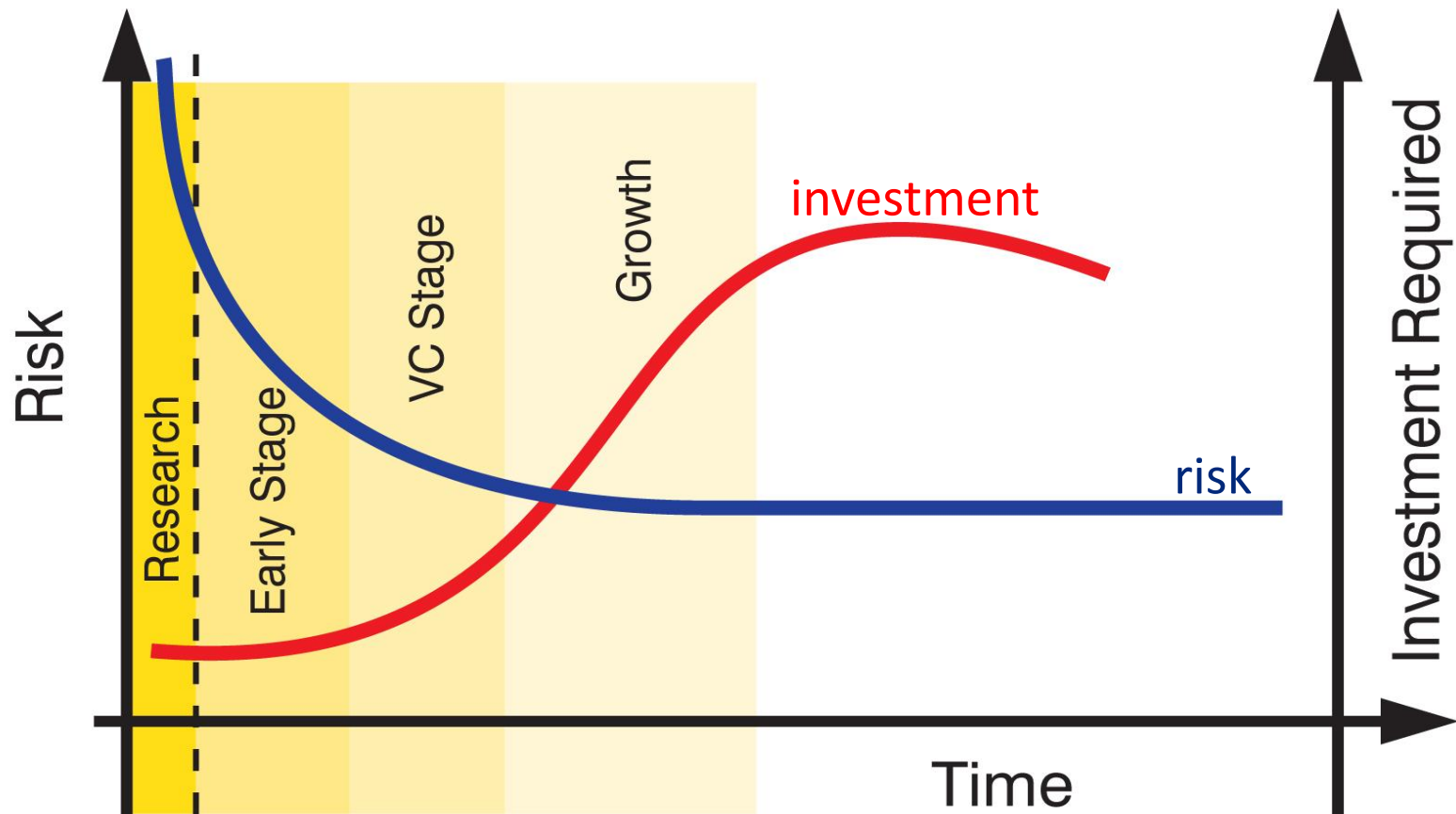


Government

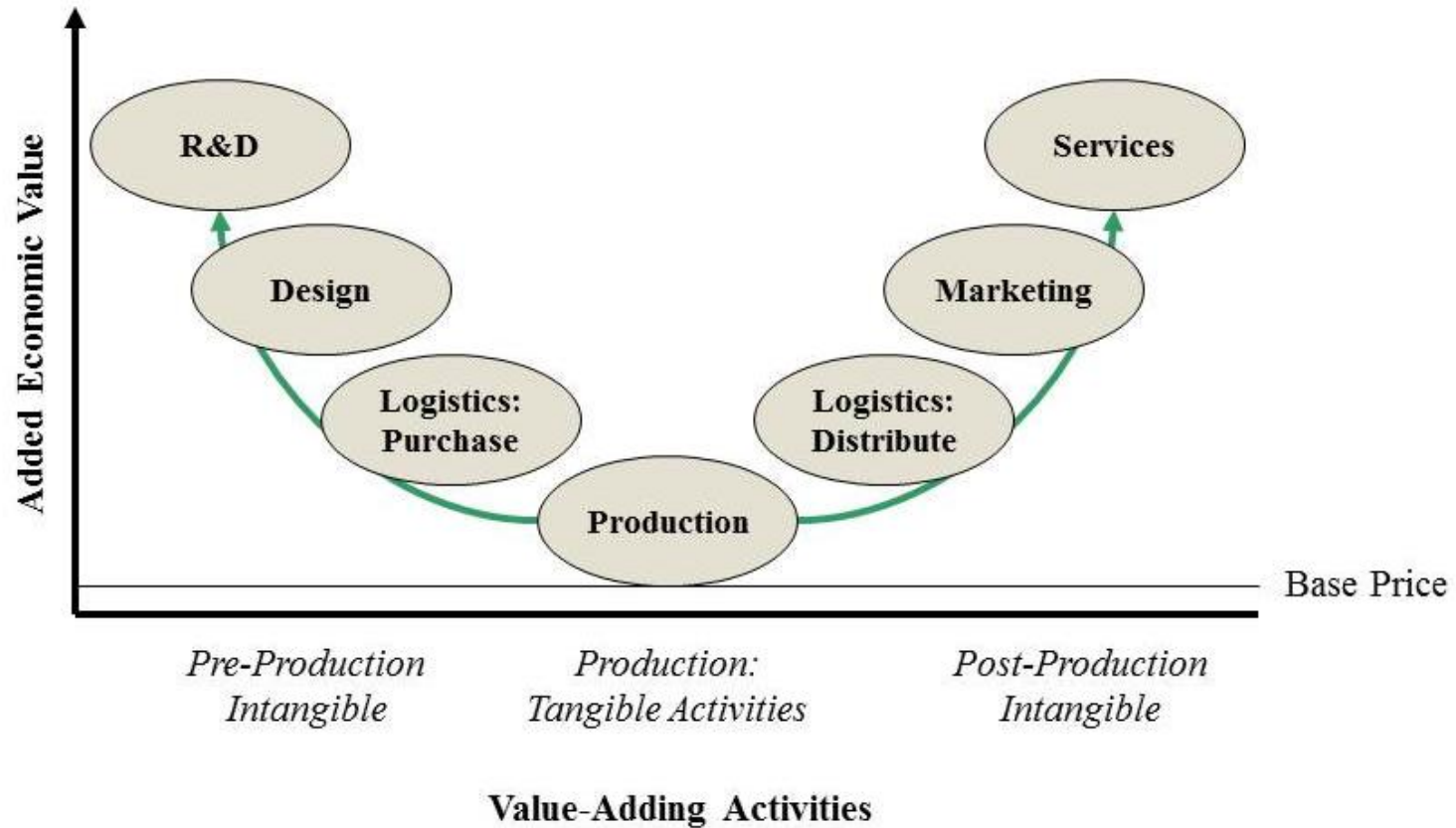
Government Role

infrastructure

- Technology: education, basic/applied R&D
- Financial: direct involvement, investment tools
- Business: ease of doing business
- Balanced Systems
- Risk Mitigation
- International Activity Support



Location of value added in the value chain



Source: Gary Gereffi, presentation at OECD workshop, September 2010.

Key Instruments

(supporting all stages of innovation)

- First Step Support – Accelerators
Incubation Centers
- Matching Grants, Mini Grants
- Academic / Business Cooperation
- Financial Instruments
- International Cooperation

Even the best technology companies failed to understand their areas of activity

IBM

computers

NOKIA

cellular

MOTOROLA

cellular

Government should enable and nurture

- Actively encourage constant development of the ecosystem
- Provide conditions for continuous growth of companies
- Regulate and guard the “rules of the game”
- But! It is not the government’s role to replace the private sector or to predict the “next big thing”

Israel's Approach

- Support System for All Innovation Stages:
 - Entrepreneur Level
 - Incubation
 - Growth stage
 - Generic pre competition
- Private Sector Financial Tools
- International Cooperation

Israel's advantages

- Human Capital
- Scientific Base
- Excellence in - IT, Life science
- Government Support
- Disruptive Perception
- Supportive Environment

National DNA

Israel's weak points

- Financial - VC major investment tool,
No Equity Funds, Institutional Investors are out of the game
- Weak transition from Start Ups to Mature companies
- Academic Infrastructure
- Technology Absorption

Achievements

- High Tech - 35%+ of the Industrial Export
- Start Up nation
- 5X Direct Return on the Government Investment (5-7 years)
- Major Tool of Job Creation
- Substantial Additionality and Spill Over

Israel is...

- **1st** in the world for scientific research
- **1st** in the world for entrepreneurship
- **1st** in the world for information technology skills
- **1st** in the world for expenditure on R&D (as % of GDP)
- **2nd** in the world for innovative capacity
- **2nd** in the world for venture capital

VC Investment, \$ per capita



IMD World Report 2011
The Global Competitiveness Report 2010-2011 (World Economic Forum)

THANK YOU

Dr. Shuki Gleitman