## THE STATE AS A DRIVER OF INNOVATION – LED GROWTH

الدولة كمحرك للنمو المؤسس على الابتكار

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## A DEVELOPMENTAL STATE AND ITS INDUSTRIAL POLICY

- THE STATE MUST LEAD THE PROCESS OF INDUSTRIAL DEVELOPMENT BY DEVELOPING STRATEGIES FOR TECHNOLOGICAL ADVANCE IN PRIORITY AREAS.
- AND DESIGN A NATIONAL INNOVATION STRATEGY FOR INCLUSIVE , SUSTAINABLE ECONOMIC GROWTH

## INNOVATION IS ONE OF THE MAIN FORCES WHICH SUPPORTS ECONOMIC TRANSFORMATION

GOVERNMENTS OF DEVELOPING COUNTRIES WHICH SUSTAIN ENTERPRISE INNOVATION OF PRODUCTS AND PROCESSES WILL TRANSFORM THEIR ECONOMIES INTO DEVELOPED ONE .

## INNOVATION-LED GROWTH POLICIES TO SUPPORT THE KNOWLEDGE ECONOMY

- GOVERNMENT SPENDING ON AREAS THAT INCREASE NATION CAPACITY FOR INNOVATION : R&D, INFRASTRUCTURE, LABOR SKILLS, DIRECT AND INDIRECT SUPPORT FOR SPECIFIC TECHNOLOGIES AND FIRMS.
   INVESTMENTS INTO PROGRAMMES THAT INCREASE PRODUCTIVITY.
- SYSTEMS OF INNOVATION : THE NETWORK OF INSTITUTIONS IN THE PUBLIC AND PRIVATE SECTORS WHOSE ACTIVITIES AND INTERACTIONS INITIATE, IMPORT, MODIFY, ADAPT AND DIFFUSE NEW TECHNOLOGIES.

## TARGETING THE SMALL and MID SIZED GROWTH-ORIENTED TECHNOLOGY-DRIVEN FIRMS . MARKETING & FISCAL POLICY [ tax incentives ] and OTHER INSTRUMENTS TO INDUCE INNOVATIVENESS .

# SYSTEMS OF INNOVATION [SECTORIAL, REGIONAL, NATIONAL] REQUIRE :

THE DYNAMIC LINKS BETWEEN DIFFERENT ACTORS [FIRMS, FINANCIAL INSTITUTIONS, PUBLIC SECTOR FUNDS, RESEARCH CENTERS, EDUCATION INSTITUTIONS ......ETC.] AS WELL AS HORIZONTAL LINKS WITHIN ORGANIZATIONS AND INSTITUTIONS.

TO CREATE A PLATFORM FOR ENGAGING A BROAD SECTOR OF ACTORS TO SUPPORT THE CREATION OF A KNOWLEDGE-BASED ECONOMY AND INNOVATION-LED GROWTH

 IMPACT ANALYSES, TECHNOLOGY COMMERCIALISATION AND UNIVERSITY/PRIVATE SECTOR PARTNERSHIPS PROGRAMS TO STRENGTHEN THE ELEMENTS OF THE INNOVATION ECOSYSTEM THE NEW INDUSTRIAL POLICY TO REBALANCE THE ECONOMY AWAY FROM NON VALUE-ADDED ACTIVITIES TOWARDS THE " REAL ECONOMY " .

STATE INVESTS IN AREAS THAT THE PRIVATE SECTOR WOULD NOT INVEST [ NO CROWDING ]

PUBLIC VENTURE CAPITAL IS DIFFERENT FROM PRIVATE VENTURE CAPITAL SINCE IT IS WILLING TO INVEST IN AREAS WITH HIGHER RISK .

#### THE PROBLEM IS NOT ABOUT PUBLIC VS. PRIVATE

BUT ABOUT THE ROLE OF THE STATE IN THE ECONOMY AWAY FROM IDEOLOGY AND TOWARDS PRACTICAL THINKING .  1. GOVERNMENT TO ENVISION A DIRECTION FOR TECHNOLOGICAL CHANGE AND INVEST IN THAT DIRECTION
 2. ABONDONING THE SHORT-SIGHTED WAY PUBLIC SPENDING IS EVALUATED. IT SHOULD BE MEASURED BY ITS PUSHING MARKETS IN NEW AREAS.
 3. ALLOWING PUBLIC ORGANIZATIONS TO EXPERIMENT, LEARN AND EVEN FAIL.

4. WAYS FOR GOVERNMENT AND TAXPAYERS TO REAP SOME OF THE REWARDS .

RETURNS EARNED ACROSS SECTORS AND TECHNOLOGIES FUNDED BY THE STATE SHOULD BE PAID INTO A " NATIONAL INNOVATION FUND ".

WHICH THE GOVERNMENT CAN USE TO FUND FUTURE INNOVATIONS.

AN INCLUSIVE APPROACH TO INNOVATION-LED GROWTH WHEREBY THE STATE RETAINS A DEGREE OF OWNERSHIP IN THE INTELLECTUAL PROPERTY CREATED FROM ITS INVESTMENTS WHICH RETURNS RE-INVESTED INTO NEW-GROWTH –GENERATING PROJECTS .

SINCE THE STATE IS BURDUNED WITH THE COSTS OF INNOVATION WHILE REWARDS ARE PRIVATISED , REDUCING THE ABILITY OF THE STATE TO FINANCE FUTURE PROJECTS .

### A SUSTAINABLE INDUSTRIAL SYSTEM

 WILL MEET TARGETS FOR REDUCING RESOURCE CONSUMPTION & CO2 GENERATION WHILST DOUBLING PRODUCTION OUTPUT OF MANUFACTURING INDUSTRIES.
 THIS REQUIRES A MEASURED APPROACH TOWARDS SUSTAINABLE MANUFACTURING THAT CONSIDERS OPERATIONS AND BEHAVIORS ALONG SIDE TECHNOLOGICAL DEVELOPMENT RELATED TO EFFICIENT USAGE OF ENERGY, MATERIAL AND WATER RESOURCES.

## BUILDING A SUSTAINABLE INDUSTRIAL SYSTEM REQUIRES TECHNOLOGIES FOR :

RECYCLABLE MATERIALS

 ADVANCED WASTE MANAGEMENT
 BETTER AGRICULTURAL PRACTICES
 STRONGER ENERGY EFFICIENCY ACROSS SECTORS
 WATER DESALINATION INFRASTUCTURE
 ALTERNATIVE FUELS AND ELECTRIC CARS
 ADVANCED MANUFACTURING
 NEW MATERIALS
 NEW GENERATION IT
 BIOTECHNOLOGY

### CIRCULAR APPROACH TO ECONOMIC DEVELOPMENT

COMPETITIVE ADVANTAGE OF THE FUTURE DEPENDS ON EFFECTIVE RESOURCE MANAGEMENT AS WELL AS REDUCED WASTE AND POLLUTION . CLEAN TECHNOLOGIES AS PART OF A STRATEGIC VISION AND LONG-TERM COMMITMENT TO ECONOMIC GROWTH

## TO ACHIEVE THE 17 SUSTAINABLE GOALS 2015-2030

And the Egyptian 10 goals of Vision 20301.economic development2.energy3.knowledge and innovation4.transparency&efficiency of government institutions5.socialjustice6.health7.education and training8.culture9.environment10.urban development

## **HE GLOBAL GOA** r Sustainable Developm

