

**Taking political objectives seriously
when analyzing innovation policy tools**
The case of Russia

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The object

Academic entrepreneurship in Russia



Organizations promoting academic entrepreneurship



Rusnano and Skolkovo



Innovation policy and its objectives

The problem

Innovation policy tools are analyzed as “cases” of an application of a global reference (or as that global reference)

That perspective pushes:

- to analyze differences as poor implementation
- or to discard differences when framing the case as a success story

The cause

Individual cases are special for a reason: the goals behind the policy are not what they are supposed to be

The goals behind innovation policy are too often taken for granted, not analyzed or even mentioned

The problem is discussed – but rarely when analyzing particular “national” cases

Innovation for the sake of innovation?

The debate seems to be quite advanced

- “the innovation policy objectives are formulated in terms of innovation intensities for certain kinds of innovations, in a political process” (Edquist et Borrás 2016, 8)
- political process may go further and “provide direction” to innovative activities (Schot 2014, 3)

Russian case

Mainstream point of view: primary goal of innovation policy instruments is to create in Russia an “market-based” innovation system (ex. Klochikhin 2012)

More nuanced approach: studying KPI, reports, plans etc. but officially declared goals are typically in line with the mainstream presupposed goals

More general objectives could and should be studied

Source of inspiration: analogy between innovation and market-oriented policies

Michel Callon (2017): markets do not have universal effects -> marketization may be used to fulfill different goals

Truly relevant for Russian market-oriented policies
(Great example: privatization of the electricity sector, Susanne Wengle 2014)

Innovation policy and its outcomes are shaped by government's strategic and political goals :

- Assert, centralize the power
- Promote development strategies formulated in a more specific way than intensity of innovation/degree of marketization

The case of Rusnano

Investment fund as an organizational reference

Founded in 2007 with a stated goal to boost the volume of production of Russian “nanoindustry” up to 500bn rub (15bn euro) in 2015

Initially had a focus on academic spin-offs, early stage VC, even financing research

A misguided policy?

The political goals of the nanotechnology programs

2000s – Russian Govt starts framing science as part of "innovative economy", promising economic and technological development

New instruments of project funding, competitive and oriented towards applications

Nanotechnologies became an emblematic domain of that change

Reforming Russian science with nanotechnology?

Russian Academy of Sciences: huge self-governing scientific organization not so eager to play “innovative economy” games

The “differential growth” (Streeck et Thelen 2005) strategy of reform: creating new powerful actors to transform the Academy

Those actors (M. Kovaltchuk, Kurchatov Institute) have political support and promote the agenda of science promising economic and technological development

Kovaltchuk, with political leadership support and nanotechnology money package was about to become Academy president

But why an investment fund?

The “takeover” of the Academy of Sciences did not happen

The promise of the economic development was more rhetorical than real for the powerful nanotechnology researchers administrators

But the Government took that promise seriously and pushed economic KPI and the financial logic into the nanotechnology program

Double mission of Rusnano

Nanoindustry:
Industrial
development
of an innovative
high-tech sector
(explicit)



Research:
Changing power
balance in Russian
science in favor of
applied
innovation-oriented
research
(implicit)

Rusnano's focus on early stage investment, academic spin-offs are not (bad) design decisions, but (bad?) political decisions about the institution's goals

Rusnano: further developments

The 500bn goal was achieved in 2015

The mission evolved a lot, nanoindustry building objective prevailed with

- less (almost 0) focus on research
- less focus on early stage VC, more on private-equity growth stage investment

Takeaways

The political context of innovation policy design, the explicit and implicit objectives behind that policy influence it at all levels

The political context of functioning is also important

May that be a good idea for the countries with developed democracies to analyze the innovation policy in relation to the political cycle?

Thank you!

Questions?

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Second case: valuation within Rusnano and Skolkovo

After the creation of Rusnano, venture capital became the reference for the innovation policy

The key professionals – (investment) managers present themselves as doing Venture Capital and Private Equity investment in high tech-firms

However, the political representation of the State's strategic interest influence the very way investments are evaluated