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OECD Suggests More 'Balance' in Innovation

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The Russian innovation system is distorted by imbalances that can be addressed through a policy of "balancing acts," a senior official with the Organization for Economic Cooperation and Development said Monday.

These balances include a shift of focus toward industrial and large firms versus small and medium-sized enterprises and diversifying the economy versus dwelling on existing strengths, said the official, Jean Guinet, head of the country studies and outlook division at the OECD, during a presentation of "The Russian Innovation Policy and System OECD Review."

In the 17 years since the last OECD report, Russia has gone from seeking humanitarian aid from the rest of the world to being a provider of humanitarian aid to countries in need in the 2000s, said Education and Science Minister Andrei Fursenko.

Despite the brain drain and a reduction in the number of scientists by two-thirds compared with the number of scientists employed by the state in the Soviet Union, President Dmitry Medvedev has come up with five priorities for the modernization of the country's economy — IT, pharmaceuticals, nuclear technology, energy efficiency and space and telecommunications — and Russian scientists are capable of competing with their foreign colleagues, the minister noted.

"In Russia, while support to innovative small and medium-sized enterprises should be reinforced, more attention should be given to enhancing the innovativeness of large firms, primarily, but not only, through structural reforms of state-owned enterprises," the OECD report said.

This would yield double benefits for small firms, in the form of increased demand for their innovations and reduced unfair competition from less efficient or creative, but subsidized, large firms.

Other shifts of the balancing act innovation policy include giving preference to private investment over public investment and promoting innovation in sectors other than high-tech.

Among the OECD's specific recommendations on how to make the country more innovative are linking education with research, implementing measures to cut down on red tape and further improving small and medium-sized enterprises.

The report also suggested the use of Skolkovo, an innovation hub 30 kilometers outside of Moscow, "as an experimental space for testing and demonstrating arrangements that could be extended to the wider economy," to contribute to Russia's modernization.

At the same time, other useful references besides Silicon Valley should be found to guide thinking and to frame realistic objectives for Skolkovo, like Beijing's Zhongguancun science city, the report said.

"It is also important that talks in support of Skolkovo do not crowd out factors essential for upgrading Russia's innovation performance and for increasing the presence of Russian actors within global innovation networks," Michael Keenan, policy analyst with OECD's country studies and outlook division, told The Moscow Times.

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