Chapter 7. The Role of Innovation in International Economic Integration

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Research questions:

- How is it possible to develop policy tools and mechanisms to increase the benefits of globalization/internationalization?
- What contributes to the competitiveness of the national economy?
- Why are education and R&D institutions so important for knowledge creation and knowledge distribution?
- Can the internationalization of national economy improve the environment for innovations?
- Can regional cooperation become the first step for building up international cooperation and for improving competitiveness of the national economy at the global level?
Globalization

- International trade;
- International and regional integration;
- International competitiveness
Economic growth

- Investments (foreign & domestic)
- Trade (international & national)
- Innovations
Economic Growth

- One of the key elements in the triangle of economic growth, international trade and investment and innovation is the active and comprehensive flow of information and knowledge within countries and between countries.
Components of information inflow

- Ukraine continuously develops all three major components which stimulate international knowledge flows:

  - internationalization of higher education and R&D,
  - cross-border mobility, and
  - promoting greater awareness about the potential of national R&D (research and development) and S&T (science and technology) through international conferences and exhibitions
Public Policy on Internationalization of the economy and innovation

- Developing institutional framework;
- Building stronger institutions;
- Promoting trade;
- Stimulating FDIs
The examples of priorities

- Joint educational projects;
- Green Economy programs, including alternative energy programs;
- New economy programs
- A single national flagship project
Recommendations

- Access to international knowledge plays a critical role in modernizing the Ukrainian economy. External markets can provide critical demand for innovative Ukrainian companies. Facilitating participation in the global networks through which information flows and ensuring that researchers, students and companies have full access to the mechanisms of international cooperation helps create the framework conditions for innovation to flourish.
Recommendation 7.1

Ukraine has a well educated population, but continued improvement of human capital and the ability to retain local talent are ongoing challenges. The authorities could consider a number of actions to foster these aims, including:

- **Building on existing initiatives, introducing new measures to facilitate the international mobility of graduate students, young researchers and educators. These could include taking advantage of existing EU programmes, developing new forms of cooperation through regional integration initiatives and establishing mechanisms of collaboration with the private sector through shared sponsorships;**

- **Developing R&D programmes, including with the participation of foreign partners and private investors, to create long run employment opportunities for returning students and researchers; and**

- **Introducing appropriate mechanisms for attracting foreign experts and leading scholars to work with Ukrainian partners especially on projects of high priority for the country (national projects).**

Participation in global innovation networks and regional partnerships are important to have access to the knowledge necessary to advance the country’s competitive position and ensure the relevance of domestic efforts. Ukrainian scientists are increasingly engaged in various research collaboration initiatives within bilateral, regional and international frameworks. However, the potential for collaboration has yet to be fully realized due to bottlenecks in existing capacity regarding skills and access to information.
International cooperation in science can be encouraged by strengthening coordination mechanisms and the circulation of information. Engaging in these exchanges requires specific linguistic and managerial skills that can be developed through appropriate training. Building on current efforts, the Ukrainian authorities could consider measures to:

- Develop Internet-based platforms to enhance skills in international research collaboration, including managerial and administrative aspects related to grant applications, research collaboration and commercialization of research projects;
- Support existing services and establish new ones to provide foreign language translation and other assistance with research articles and manuscripts for publication in international academic journals; and
- Promote the emergence of a network of private business and non-profit NGOs to provide training services in preparation for grants and fellowship competitions and legal, managerial and administrative aspects of international collaboration.

Ukraine has a favourable geographic location and well developed cultural and economic relations with CIS countries. This creates a significant potential for cooperation opportunities, which could be exploited more fully. Despite a raft of ongoing initiatives, there remains scope for actions to provide a more solid institutional basis for common projects in various fields.
Recommendation 7.3

- The authorities should build on existing initiatives and common traditions to derive greater benefits from bilateral and regional economic cooperation in areas related to innovation, including through a number of possible actions such as:

- Strengthening R&D and S&T links with similar programmes in the CIS, and champion those programmes and projects where Ukrainian institutions and scientists have potential to become regional leaders and centres of excellence;

- Facilitating the integration of the emerging innovation infrastructure into various regional and international networks in the CIS, EU and BSEC; and

- Promoting the establishment of joint educational and training programmes in the field of higher education by establishing dual diploma/degree programmes or joint graduate programmes with major international universities.

- International visibility of innovation efforts is important to attract the interest of foreign partners and engage them in domestic initiatives. However, this requires coordinated efforts that present a coherent view of public programmes and allow synergies.
Recommendation 7.4

- The authorities should build on the growing network of cooperation with international partners to ensure increased recognition of the potential for cooperation by implementing new measures that could include:

  - Identifying or developing a single national flagship project that would be promoted internationally, as a rallying point and catalyst for the interest of foreign partners;

  - Improving coordination between different R&D and innovation programmes, identifying elements that would benefit from international cooperation, so these can be communicated in a consistent way to foreign partners; and

  - Developing a strategy for the promotion of national goals and priorities among key partners, which defines a specific role for international cooperation in the achievement of these goals.
Thank you

- Please let me know if you have any questions