

Comments on the draft of 'Innovation, Sustainability, Development: A New Manifesto' from Prof Mu Rongping, Director of the Chinese Academy of Sciences - Institute of Policy and Management at the workshop on 'UK-China Innovation for Sustainability and Equitable Development' Tsinghua University, 19th March 2010

Mu Rong-ping: Thank you for inviting me to attend this meeting. I want to make two points in about 5 minutes. The first point is my observation that the scope of innovation policy research continues to extend. As we all know, the issue we discussed in the early 1990s was the shift from science and technology policy to innovation policy. Since the 1990s, the initial scope of innovation policy in fact had mainly focused on the technological area, therefore an emphasis on technological innovation is more common. In the twenty-first century, the issues that innovation policy have started to extend in some aspects. The first one is global issues such as SARS and climate change, although still with a technological focus. The other is the expansion and extension of innovation into the social domain, which involves issues of society and the environment. Another one is that the cost of services in the public sector is decreasing in order to allow sustainable social development. Of course, these are discussions from the perspective of the demand-side on the one hand. On the other hand, the impacts of innovation require us to look at innovation policy from a broader view. Research on innovation policy and sustainable development in China, and the formation of dedicated research institutes, started in the early 1990s. We (the Chinese Academy of Sciences) set up a sustainable development research office in 1992 – before the launch of Agenda 21 - and have published annual reports on sustainable development research from 1999 to the present day. These have had a great influence in terms of sustainable development. In 2007, I participated in conference on innovation and sustainability, with many interdisciplinary researchers – this is quite similar to the approach in CAS.

The second point is the change of innovation policy itself in China. In fact the Chinese government's approach to innovation policy is evolving. There has been a shift from proposing to build a *moderately well-off society* since 2002, to putting forward the concept of a *harmonious society*, to the concept of *people-oriented* development and a *scientific outlook on development*, actually extends our innovation policy in similar ways to the international trends I have observed just now. There is a

great similarity between them. The first aspect is to pay more attention to innovation management capabilities, or the capacity for organizing and coordinating innovation activities, which a main concern of the Chinese government, that is, the capacity for allocating innovation resources. This is the ability of the government to allocate public innovation resources and to guide other bodies to invest in innovation. The second aspect is to focus on the development of science and technology. Our previous policies around the development of science and technology probably paid more attention to science and technology itself. Take the Ministry of Science of Technology (MOST) as an example. The scope of science and technology development and the national five year plan for science and technology is in fact extending into the social domain. The third aspect is private sector innovation. Now we are giving increasing support to private innovation in the industrial field. The government encourages private investment through China's industrial policy. The fourth aspect is the innovation for public goods. In China the development outlook is changing. We increasingly need innovation in fields such as health, public services, public security and environmental improvement. The fifth aspect is the infrastructure for innovation. The government aims to share innovators' risks and has played an important role in this area, for example in investments through China's National Science and Technology Five-year Plan. In 2006 China issued the mid-to-long-term science and technology plan (2006-2020), which contained such considerations. The last aspect stresses the importance of innovation culture and institutions. The aims of the institutions are to coordinate and balance relationships amongst the innovation stakeholders, which is in fact very important in order for us to implement the whole innovation policy. It entails an innovation culture. We believe the innovation culture is a kind of soft institution, which may bring more far-reaching effects. Thank you.