

Welcome and introduction

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The Hon Dr Wayne Mapp, other members of the House, Professor Sir Peter Gluckman, distinguished speakers and conference attendees. Welcome to this joint New Zealand Association of Scientists and Institute of Policy Studies conference. The conference marks the re-setting of government funding for research, science and technology under the banner of 'science and innovation' with a merging of Ministry of Research, Science and Technology and the Foundation for Research, Science and Technology into a new Ministry.

The conference aims to tease out what we mean by 'science and innovation', illuminate and analyse the basis of current government policy and the changes taking place, New Zealand innovation practice and the role that various institutions play in New Zealand's 'innovation ecosystem', and ideas for potential future developments.

With the constraint of a one-day programme, some important parts of the innovation system are not being presented but may emerge in discussion. There is little direct researcher input on the obvious role of basic research in innovation. Instead we have tried to focus on policy and practical implementation issues and perspectives. Despite our best efforts, a representative of the New Zealand Business or the Manufacturers and Exporters Association was not available.

A widely recognised concern is the low level of business involvement in the 'innovation system.' NZAS had campaigned for 20 years to get recognition of the need for a business R&D tax system to match Australia's. Of little direct benefit to scientists, the primary reason for our support was to get potential growth businesses interested in, and enabled to find, the innovation solutions that suited them. We are saddened that this has come and gone and been replaced by what seems to be a more bureaucratic grant system with a narrow economic focus and resources that have been redirected from some important areas of science. We hope to find out that that this is too black an interpretation of the current situation.

Thanks to an interested and involved government, there is much debate in the news media and in specialist reports on what might be wrong with the New Zealand economy because labour productivity stubbornly fails to improve. In addition to issues in the New Zealand innovation system and a need for improved rigour in the strategic development process, the low degree of capital intensity and low business spend on R&D in

New Zealand are seen as major areas requiring improvement.

The fundamental importance of New Zealand's intangible capital, its people, the quality of institutions in society and especially our educational system, are key issues. Of particular importance is the development of practical skills and the creation, application and management of new technology in a vastly upskilled private sector.

We would also like to sound a note of caution about the direct relevance of overseas innovation models. A paper by Alan Hughes (2007), University of Cambridge, suggests that a narrow interpretation of US economic performance, often used in innovation policy, is doomed to fail. This paper concludes that '...the crafting of innovation policy in the context of any specific national innovation system requires a careful consideration of the structural features of that context and the particular opportunities and challenges facing policy practitioners in it. An imperfect interpretation of the experience of one country's system is unlikely to be an appropriate guide to innovation system failure or success elsewhere.'

Overall, there does not appear to be a single clear view, underpinned by New Zealand evidence, that is a reliable guide to improving New Zealand's policy framework for encouraging better performance from the 'science and innovation ecosystem'. In fact, the Association contends that the science and research sector will be placed at risk if too narrow a focus is placed on foreseeable economic benefit as the major requirement from research scientists in the innovation system.

In this conference we hope to throw more light on the science and innovation part of this subject, identify some of the key issues and problems with existing arrangements and consider how the 'innovation system' might be improved.

We also hope that the results of the conference will serve as a sort of 'briefing' on key issues for the new Ministry of Science and Innovation.

I'll now, with great pleasure, hand over to Professor Jonathan Boston, Director of the Institute of Policy Studies our chair for today's proceedings.

Reference

Hughes, A. 2007. Innovation policy as cargo cult: Myth and reality in knowledge-led productivity growth. *ITEC Working Paper Series 07-26*. [CBR (University of Cambridge) – ITEC (Doshisha University) Joint Papers]