

EU-Russia Modernization Partnership - Case: Finnish-Russian Innovation Cooperation



Prof. Kari Liuhto
Director
Pan-European Institute
www.tse.fi/pei

Director
Centrum Balticum
www.centrumbalticum.org

Modernization with the EU and its members

General framework:

The EU-Russia Partnership for Modernization (since Stockholm Summit 2009)

Some political declarations on the bilateral level:

Modernization Partnership with Germany (2008)

Modernization Partnership with France (2009)

Modernization Partnerships with the UK, Denmark, Slovenia, Finland (2010)

Modernization Partnerships with Sweden, Austria (2011)

... also with China (2011)



Russia's innovation co-operation with EU: Different goals ?

Russia's goal for technological modernization

Innovation rhetoric in Russia (inflation)

<p>Increasing competition:</p> <p>Russia upgrades its industries and army, whereas the EU tries to maintain its own competitiveness.</p>	<p>Sustainable partnership:</p> <p>Integration of goals, business-driven innovation cooperation.</p>
<p>Stagnation of partnership:</p> <p>Political rhetoric, declarations without major actions.</p>	<p>Status quo:</p> <p>Russia continues buying machinery from the EU and the keeps on buying raw materials from Russia.</p>



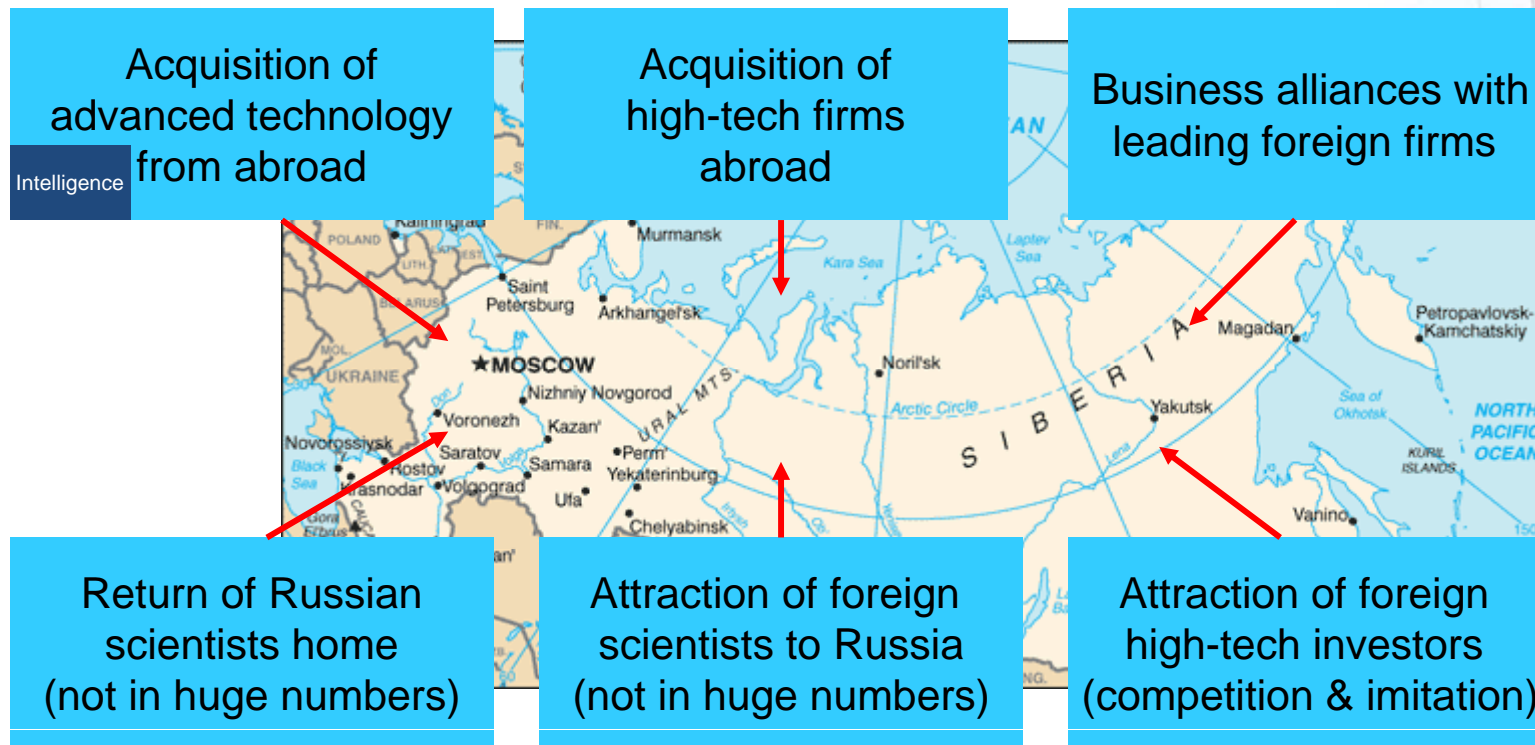
Theatre on co-operation from the EU side

The EU's goal for broader politico-societal modernization in Russia

Co-operation with foreigners:

Technology / knowledge transfer from abroad to Russia

“... countries should follow a development strategy of openness to foreign ideas and knowledge, and to build capacity to absorb and blend them with existing capacities.”
Aduagna Lemi (2010, 29) Transnational Corporations, UNCTAD.



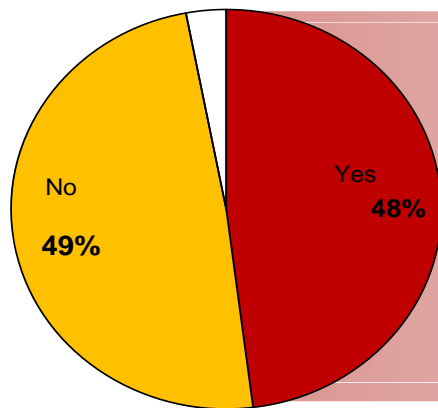
Russia's technology cooperation with foreign countries

Finland is R&D superpower in industrial cooperation with Russia

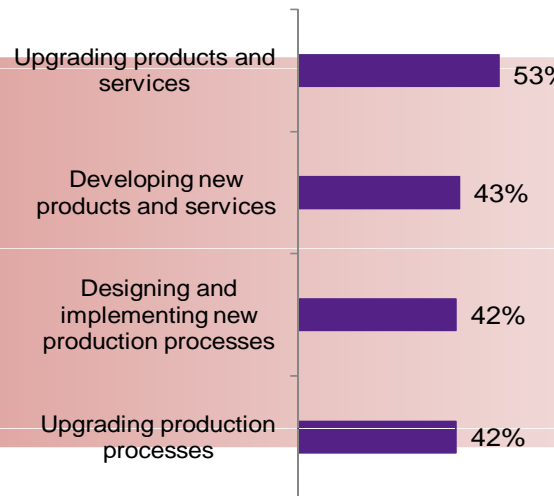
Figure 10

Cooperation with foreign companies in area of technology and innovation

Technological cooperation with partners abroad (during last three years)

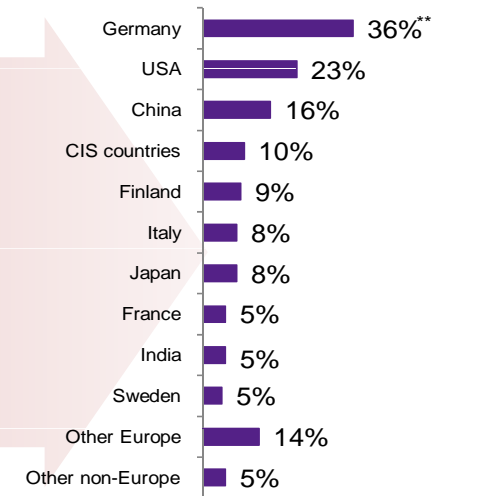


Areas of cooperation



* The sum exceeds 100%, since multiple options were allowed

Location of main technology partners



** The sum exceeds 100%, since up to two options were allowed

Source: Prazdnichnykh & Liuhto, PEI 2010

Source: Bauman Innovation and OPORA – Russian Innovation Survey 2009-2010

Finnish-Russian innovation cooperation: Some examples

INTER-ENTERPRISE JOINT INNOVATION ACTIVITY

- * Flagship: Nokia in Skolkovo
- * Jointly-owned shipyard specialising in Arctic shipbuilding in Helsinki

INNOVATION FINANCE

- * TEKES-FASIE
- * Rusnano-Finnish Industry Investment Ltd

NETWORKING

- * FinNode Russia (match making)
- * Technopolis (technoparks)
- * Finnish-Russian Innovation Centre (regional cooperation)

PR- ACTIVITIES

- * EU-Russia Innovation Forum (mainly bilateral annual event - third time in June 2011)

JOINT RESEARCH

- * Academy of Finland and the Russian Foundation for Humanities (2006-2009)
- * Various universities and their Russia-units

EXCHANGE OF RESEARCHERS

- * Various universities

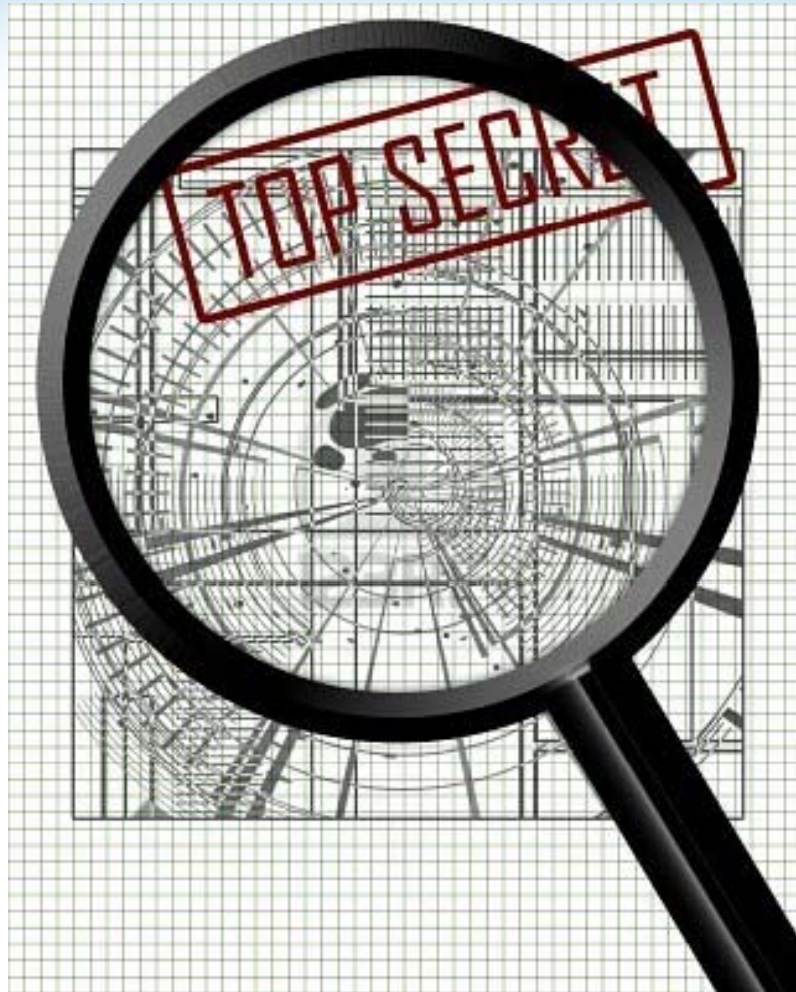
Some policy considerations based on Finnish-Russian cooperation

- (1) Establish a Joint EU-Russia Innovation Centre both in Russia and in the EU.*
- (2) Support the internationalization of innovations.*
- (3) Turn the innovations conducted in the military sector into civilian use.*
- (4) Improve intellectual property rights (IPR) and the investment climate.*
- (5) Institutional innovations are needed.*
- (6) Design a service innovation policy.*

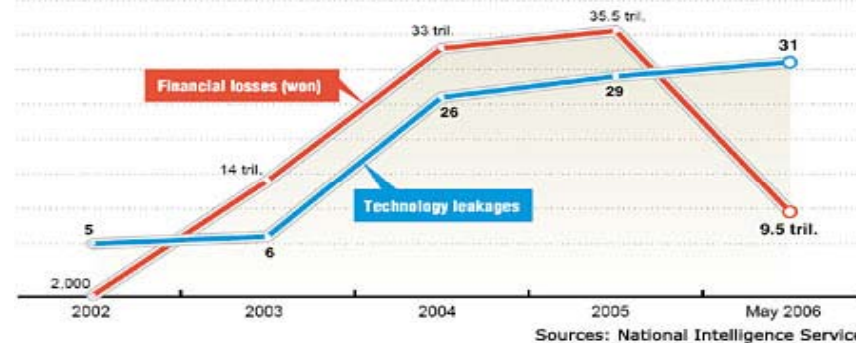
Some policy considerations based on Finnish-Russian cooperation

- (7) Enhance management innovations.*
- (8) Create innovation competition.*
- (9) Establish innovation journalism to share best practices.*
- (10) Do not concentrate on radical innovations.*
- (11) Teach creativity and entrepreneurship in universities.*
- (12) Avoid political stagnation.*

Avoid the creation of the neo-CoCom policy



Attempts of Technology Leakage

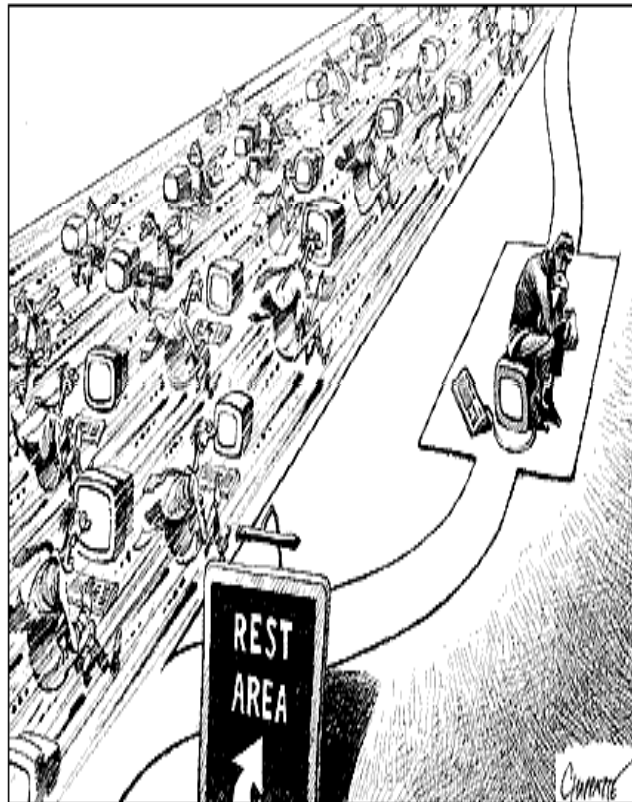


Russia's modernisation path

Russia in the 1970-1990s: Russia's industrial competitiveness deteriorates

Russia in this millenium: How to turn Russia more innovative ?

Russia tomorrow: two major paths in modernisation



State-led,
military-
oriented
reform

vs

Private firm
dominated,
civil society-
oriented
reform