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# GOVERNANCE OF INNOVATION IN THE DIFFERENT COUNTRIES OF THE WORLD

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## ABSTRACT

This paper has as objective to approach the “*Governance of Innovation in the different countries of the World*”, using information from World Economic Forum.

The improve of cooperation between richest and poorest countries and between the poorest countries (between South Africa and Zambia, for example) is necessary to extract lessons and so to solve problems at level of what is necessary, what is missing and what is falling at the progress of nations more poor in knowledge that is cause of low level of innovation and economic development.

**Keywords:** Governance, Innovation, Governance of Innovation

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## **1. INTRODUCTION**

### **1.1. What is innovation?**

According to Fagerberg, Mowery, et al (2005), an important distinction is normally made between **invention** and **innovation**. According to these authors, Invention is the first occurrence of an idea for a new product or process, while innovation is the first attempt to carry it out into practice. Sometimes, invention and innovation are closely linked, to the extent that is hard to distinguish one from another (biotechnology for instance). While inventions may be carried out anywhere, for example in universities, innovations occur mostly in firms, though they may also occur in other types of organizations, such as public hospitals, and to be able to turn an invention into an innovation, a firm normally needs to combine several different types of knowledge, capabilities, skills and resources.

Innovation is a powerful explanatory factor behind differences in performance between firms, regions, and countries. So, firms that succeed in innovation prosper at the expense of their less able competitors, and innovative countries and regions have higher productivity and income than less innovative ones.

This paper has as objective to approach the “Governance of Innovation in the different countries of the World, using information from World Economic Forum.

## **2. GOVERNANCE OF INNOVATION. DEFINITION**

**Governance** consist on form how are organised activities of governs the politics agents, administrative, and social (OCDE, 2001).

Governance means the act of governing, the planning, influencing, and conducting of the policy and affair of an organization or country.

**Governance of Innovation** means to supplier what is missing, to manage what exist, and what is necessary as well as to improve what is falling on the technological progress.

## **2.1. What is happening to G-8 Countries?**

According to World Economic Forum (2006), Japan is the member state of G-8 that is governing better the innovation, because it appears with the best classification at level of innovation, it is in 1<sup>st</sup> position on World ranking, having the best ranking compared with 125 countries showed in this study for 2006-2007 (see annex – table 1).

Following Japan it is USA in 2<sup>nd</sup> and Germany that is in 5<sup>th</sup>. Russian Federation (59<sup>th</sup>) and Italy (43<sup>rd</sup>) are the countries of G-8 with poorest position on innovation ranking.

## **2.2. What is happening in the World?**

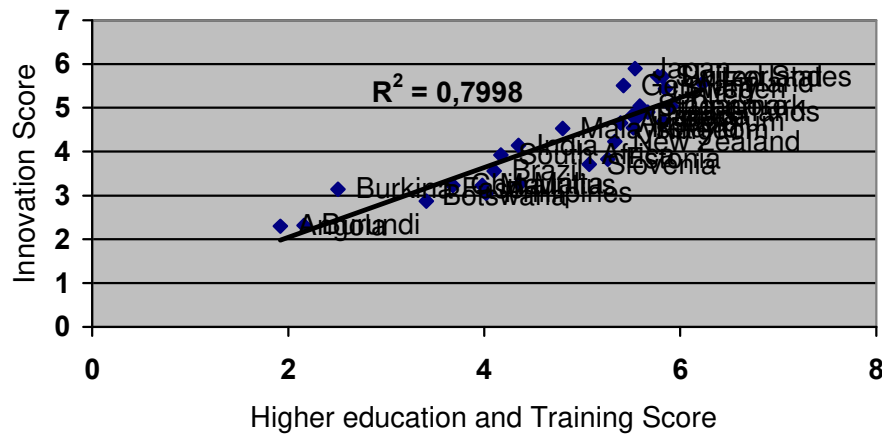
According to World Economic Forum (2006), Japan is the country that registered the best position on world ranking at level of innovation, it is in 1<sup>st</sup> position, being the country of the world that is governing better the innovation (see annex – table 1).

In the 2<sup>nd</sup> position appear the United States, and in 3<sup>rd</sup> we have Switzerland. In the last position, we have Timor-Leste (124<sup>th</sup>), Paraguay (123<sup>rd</sup>) and Chad (122<sup>nd</sup>).

The poorest positions at this level are the African countries such as Angola (121<sup>st</sup>), Burundi (119<sup>th</sup>), Chad (122<sup>nd</sup>), Ethiopia (114<sup>th</sup>), Lesotho (117<sup>th</sup>), and others like Timor-Leste (as we had already seemed).

According to graphic 1, we can see that the best position on world ranking at level of innovation are the countries with high level of education and training, for example, if we see the table 1 (see annex), its easy to understand that United States is in 2<sup>nd</sup> position at level of innovation and it is in 5<sup>th</sup> position at level of higher education and training, the same it happens to Finland that it is in 4<sup>th</sup> at level of innovation and has the best position in higher education and training (1<sup>st</sup> position). Whereas countries like Zambia that is in 117<sup>th</sup> at level of higher education and training and it is in 118<sup>th</sup> in innovation, the same it happens to Mauritania, that is in 121<sup>st</sup> at level of higher education and training and it is in 108<sup>th</sup> position at level of innovation.

**GRAPHIC 1 – Higher Education and Training vs. Innovation**



India had registered better position than China, having India registered the 26<sup>th</sup> position and China the 46<sup>th</sup>. And it is important to refer that India has more higher education and training level than China, and if we see the table 1 (see annex), we can verify that China is in 77<sup>th</sup> position and India is in 49<sup>th</sup> at this level.

### 3. CONCLUSIONS

We saw the state of innovation of the different countries of the World and to understand so which countries are governing and managing better/poor the innovation in era globalization.

We concluded that the richest countries are continuing to register the best position according to information edited by World Economic Forum (2006), and the gap between North and South is visible at level of governance and management of innovation.

The improve of cooperation between richest and poorest countries and between the poorest countries (between South Africa and Zambia, for example) is necessary to extract lessons and so to solve problems at level of what is necessary, what is missing and what is falling at the progress of nations more poor in knowledge that is cause of low level of innovation and economic development.

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## **ANNEXES**

**TABLE 1 – Higher education and Training and Innovation in the different Countries of the World**

Country	Higher education and Training		Innovation	
	Rank	Score	Rank	Score
Algeria	84	3.46	76	3.09
Angola	125	1.92	121	2.30
Argentina	39	4.51	83	3.03
Austria	19	5.39	17	4.65
Belgium	4	5.83	16	4.68
Benin	101	2.96	90	2.87
Botswana	87	3.41	91	2.87
Brazil	60	4.10	38	3.56
Burkina Faso	116	2.51	69	3.14
Burundi	123	2.16	119	2.32
Cambodia	110	2.63	98	2.72
Cameroon	103	2.85	97	2.73
Canada	17	5.51	13	4.82
Chad	124	1.99	122	2.26
Chile	40	4.48	39	3.56
China	77	3.68	46	3.44
Cyprus	41	4.48	55	3.30
Czech Republic	27	5.04	28	3.98
Denmark	2	5.91	10	5.04
Egypt	75	3.73	82	3.04
Estonia	23	5.26	30	3.83
Ethiopia	120	2.39	114	2.50
Finland	1	6.23	4	5.56
France	12	5.57	14	4.80
Gambia	106	2.81	115	2.48
Germany	18	5.42	5	5.51
Greece	34	4.78	47	3.43
Hungary	30	4.93	31	3.82
India	49	4.35	26	4.14
Indonesia	53	4.25	37	3.60
Ireland	16	5.52	20	4.54
Italy	35	4.77	43	3.50
Japan	15	5.54	1	5.90
Kenya	88	3.41	48	3.42
Latvia	28	5.01	66	3.19
Lesotho	115	2.52	117	2.37
Lithuania	29	4.97	50	3.35
Luxembourg	45	4.42	23	4.36
Madagascar	113	2.55	77	3.07
Malawi	119	2.46	103	2.70
Malaysia	32	4.80	21	4.53



Mali	118	2.48	80	3.04
Malta	47	4.36	62	3.26
Mauritania	121	2.33	108	2.60
Mauritius	68	3.98	65	3.23
Mexico	71	3.88	58	3.29
Mozambique	122	2.30	110	2.58
Namibia	105	2.82	88	2.91
Netherlands	8	5.67	11	4.90
New Zealand	22	5.33	25	4.23
Nigeria	100	3.04	52	3.33
Paraguay	102	2.93	123	2.20
Philippines	63	4.02	79	3.05
Poland	33	4.79	44	3.47
Portugal	37	4.63	32	3.81
Russian Federation	43	4.44	59	3.28
Singapore	10	5.59	9	5.04
Slovak Republic	38	4.52	42	3.51
Slovenia	26	5.07	34	3.71
South Africa	56	4.17	29	3.92
Spain	31	4.86	35	3.68
Sweden	3	5.85	6	5.44
Switzerland	6	5.77	3	5.72
Thailand	42	4.44	33	3.74
Timor-Leste	111	2.62	124	2.14
Tunisia	36	4.72	27	4.05
Uganda	107	2.78	72	3.11
United Kingdom	11	5.57	12	4.89
United States	5	5.82	2	5.72
Uruguay	55	4.19	74	3.10
Vietnam	90	3.39	75	3.10
Zambia	117	2.48	118	2.35
Zimbabwe	96	3.10	93	2.86

*Source:* World Economic Forum, 2006