

Genesis and Development of the National System of Innovation (NSI) Framework

ABSTRACT

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by

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The concept of a national system of innovation (NSI), developed in the field of innovation studies, provides a tool for analyzing country specificities in the innovation management process, as well as a guide for policy formulation. Since the approach was first propagated over a decade and a half ago, it has gained widespread popularity. Finland was the first country to adopt the concept as a basic category of its science and technology policy. Supranational organizations, such as the OECD, UNCTAD, the World Bank and the IMF have absorbed the concept as an integral part of their analytical perspective. Sweden has named a new government department VINNOVA, which stands for 'Systems of Innovation Authority.'

This paper examines the history of the concept to establish just how and why it has become so widespread. The questions this paper poses include: What does this term actually mean? Where did this term come from? How and why did the approach develop? Who promoted it? What gave it such power in discussions of science and technology policy? The findings of the paper are based on the author's in-depth interviews, conducted from Oct-Nov 2003, with over a dozen of the major champions and proponents of the NIS concept both in academia and policymaking (particularly OECD). The paper concludes by examining the fundamental tension between the framework deployed as a descriptive resource against it being used a prescriptive tool to inform policy. It asks how this tension is reconciled with its increasing success in terms of redefining science and technology policy in academic and governmental arenas.

Abbreviations:

UNCTAD: European Commission and the United Nations Conference on Trade and Development
OECD: Organization for Economic Co-operation and Development
IMF: International Monetary Fund