

Speaking Points

Date : 6 November 2017

For Isabelle Durant, Deputy Secretary-General of UNCTAD

Meeting: CUTS International
5th Biennial Competition, Regulation and Development
Conference
9-11 November 2017
Hotel Clarks Amer, Jaipur, India

Session: Opening: "Setting the Context: Role for Innovation for
Sustainable Development"

Date, time: 9 November, 18h-20h

Excellencies,

Distinguished Delegates,

Esteemed Panellists,

Ladies and Gentlemen,

- New digital technologies hold enormous promise to improve the lives of people everywhere.
- But without effective governance, these technologies can also pose significant societal risks, for example to privacy, competition and, indeed, innovation itself.
- Striking a policy balance between fostering entrepreneurial innovation and harnessing technology for the public good represents an enormous challenge, in developing and developed countries alike.
- Looking at examples of thriving innovation sectors around the world, we see the importance of an integrated, forward-thinking policy approach, which anticipates both the market's needs, as well as the incentives that steer activity towards beneficial societal outcomes.
- This policy approach must ultimately reinforce a well-functioning innovation system, which:
 - Serves to create and diffuse knowledge, technologies and innovations among all stakeholders; and

- Is typically embedded in a large city or industrial area.
- The obvious example is Silicon Valley in California.
- Many countries have tried to copy the Silicon Valley model, but few have succeeded, as simple cut-and-paste solutions ignore a country or region's specific context, including its:
 - Industrial and technological development;
 - Production structure;
 - As well as culture and history.
- In the case of developing countries, particularly LDCs, an innovation system must also respond to the additional challenges they face, such as:
 - Weak capabilities;
 - Many small firms that invest little in technology and innovation;
 - The prevalence of the informal sector;
 - Difficulties with access to finance
 - Weak infrastructure, such as inadequate electricity; and
 - Ineffective policy frameworks.
- UNCTAD works with developing countries on science, technology and innovation (STI) policy to help overcome these challenges.
- At a policy level, we tend to assist them in coordinating the interrelated areas of competition, intellectual property and innovation.
- In principle, fostering competition encourages innovation. In parallel, many countries seek to create incentives for innovation by protecting innovators' intellectual property rights, ensuring a stable environment for private investment in research, development and innovation.
- However, there are many examples of protection going too far, and serving to block innovation or the diffusion of new technologies, depriving the wider public of their benefits.
- UNCTAD has long argued that intellectual property should be a tool for development, not an end in itself – and therefore that competition and innovation policy should align on this principle.

- There is major disagreement on where that balance should be struck.
- Some argue that intellectual property rights are too strong and work against the public good.
- Others argue that intellectual property must be treated industry-by-industry:
 - In pharmaceuticals, for example, protection is critical to reward large research and development spending needed to develop a new drug.
 - Meanwhile, in other industries, the role of intellectual property protection in rewarding innovation may be less important.
- A third argument is for intellectual property systems that are adapted to a country's level of development.
- Despite these divergent proposals on how to account for countries' different contexts, the current approach is to have a single global standard that applies to all countries and industries.
- At a minimum, UNCTAD believes that there should continue to be special and differential treatment for LDCs, which often lack the means to assert their priorities in the intellectual property debate.
- We hope that the debates at this conference advance the consensus on what other nuanced approaches could respond to countries' different contexts, as well as mitigating risks associated with new technologies – all to ensure that the benefits of technology have the broadest impact on people's lives.
- Thank you for your attention.