

CNI



COMMITMENT TO

Innovation



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Innovations make the world go round – they bring novelties and new ways of doing the same things. They save materials, energy, time, and resources; they engage creativity, technology and science to better meet old demands or solve new problems. In general, innovations bring small improvements. But sometimes they mean radical changes that permanently change the way we live. They are the main driving force of productivity and are at the core of policies on competitiveness in many countries. As the leaders of these countries say: they are critical for leadership.

Brazil also has an innovation agenda. It is part of a broad based platform of competitiveness and it is essential to change the profile of our production structure; it is an agenda driven by the need to boost productivity and ensure a sustainable way to grow, an agenda geared towards adding value and strengthening technology intensive sectors, towards growing while improving income distribution and expanding consumption, and towards growing without compromising the quality of life of future generations.

We have a unique opportunity to shape our future. On rare occasions could we have such positive prospects in the medium and long terms. We are able not only to dream, but also to work with the notion of a virtuous cycle, with an improved distributional profile, real income gains and high growth rates. This stems from a combination of global demand for raw materials and food, the availability of new sources of natural resources, the new level of domestic consumption, and investments and spending in infrastructure. This gives us freedom of action in the face of a troubled global economy.

It is time to think about what future we want. What will be our role internationally? What will be the profile of our economy and employment for new generations?

Two years ago we launched a manifesto – a manifesto for innovation. Back then, we said that innovation was the basis for building the future. We undertook a commitment to change in order to overcome the challenge of playing a more significant role as a country in the new global economy – the challenge of innovation, our ability to translate ideas into value.

We hereby reaffirm our commitment, a commitment to the future, a commitment that is predicated on the notion that it is up to the private sector to play an unprecedented leading role in the innovation agenda. Innovation, as we said, is about a business agenda; it is a consumer requirement and an imposition of the market. We play this leading role by recognizing that innovation is our responsibility, because innovating is key to the success of every company.

Our agenda is about innovation, but innovation is more than a commitment to ourselves, it makes up an agenda of society, an agenda that is of interest to all – to workers, to the academic community and to the government. It is a consequence of the need to speed up technological development, to seek a competitive position in the world, to generate better jobs.

Playing a leading role means increased responsibility, but it does not mean exclusivity. It entails more responsibility towards our own effort, and also greater responsibility to dialogue with society and the government. It means showing paths that allow us to better organize our work and improve the relationship between universities and businesses, between the government and the private sector. It also means contributing to improving our public policies. But above all, innovation is an inherent topic for businesses. It is our role.



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Two years ago we proposed a goal: doubling the number of innovative businesses within four years. We knew it was an ambitious goal, and an extra difficult one. But we knew and we do know that it is feasible. More than feasible, it is indispensable. Therefore we would like to reaffirm this commitment.

The challenge that lies ahead is not about lack of ambition or lack of an innovative culture. For businesses, innovation is an economic fact, not just an exercise of will. Businesses respond to signals they receive. Today, this is our biggest problem.

As stated many times, we have a complex competitiveness agenda: cost of capital and hefty taxes; distribution and infrastructure shortcomings; excessive red tape; shortage of qualified workers and inadequate educational profiles. This is now further compounded by an appreciated currency that brings difficulties, which causes a great increase in imports and prevents us from reaching overseas markets.

There is no silver bullet solution to our competitiveness agenda or to the issue of currency appreciation. However, because we risk seeing a setback and wasting activities that took us decades to learn, it is necessary to indicate the future we want. And we should think bigger – engaging in activities where we are just giving the first steps, but which point to the future, not because we want to be self-sufficient, but because we know that an integrated production chain will strengthen our competitiveness and help shape a more balanced and fair society.

While our prospects of growth seem virtuous, the same cannot be said of the path taken by our production system. We are at risk. We will not stop growing, but we might grow with a specialization that is unnecessary and irrelevant to our interests as a society.

We need to send out signals – to ourselves and the world – that we want a diversified and strong economy, an integrated and innovative production system that is able to develop and incorporate new technologies. We need clear signs of which paths to follow, both for systemic factors that have such a negative impact on our competitiveness and the exchange rate; and a macroeconomy that fosters our development.

We need a direction to guide us in this journey that lies ahead. We need to understand that the world moves at warp speed – we must inject a sense of urgency into the actions that we need to undertake, a direction that clearly indicates a strong connection between the science and technology policy on the one hand, and the industrial and innovation policy on the other, a direction that helps set priorities, sectors and segments in which Brazil desires to play a leading role or share this leadership globally. We have this sense of urgency because we are aware that these opportunities exist, but they are not perennial. They depend on our ability to seize them, to lay the foundations that will allow us to harness them for the benefit of our development.

With a defined direction and the necessary urgency, our commitment is to engage the private sector in this innovation

agenda. With the right signals, good government programs and actions that can awaken the entrepreneur spirit, we are committed to touring the country, showing alternatives, disseminating best practices, encouraging more and more businesses to innovate, developing technologies, actively engaging them in this adventure.

The leading role we want to play is also about being able to help improve what we already do. To this end, we put forward a ten-item agenda, an agenda that draws on our experience in practice. It is also our responsibility to indicate these paths, tap into our experience and dialogue with the government to create an environment that is much more conducive to innovation in the business sector. And we are glad to see enthusiasm and enormous goodwill by the government in this dialogue. These are the items in our proposal:

- becoming more active in attracting R&D centers of foreign companies, better reconciling and coordinating public and private actions;
- supporting the internationalization of Brazilian companies and their R&D activities in order to enable them to compete globally;
- improving the infrastructure and culture of intellectual property in Brazil, based on a pragmatic Intellectual Property regime that is consistent with our current interests;
- placing more emphasis on the qualification of human resources in engineering, “hard sciences” and technical education;
- improving the legal framework in support of innovation, with adjustments that make the existing incentive systems more effective;
- supporting infrastructure R&D projects on a large scale by calling on large companies to engage their supply chains;
- Supporting pre-competitive R&D projects through appropriate legal and institutional arrangements;
- supporting innovation, R&D activities and technology diffusion to SMEs with a view to reducing current productivity gaps in the private sector;
- improving the relationship between the innovation policy and the foreign trade policy;
- establishing effective innovation programs at sector level that set goals and objectives agreed on by the government and the private sector.

As we stated two years ago, Brazil has come of age to push through this agenda whereby the government, business sector and society will converge. We reaffirm what we said: “it is a challenging environment, but that’s the game. And this is the playing field where we can prevail if we have the courage to dare.”

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