

**Speech at the Nordic Forum in Tallinn 8 May 2007**  
**by Lennart Nilsson**

**Innovation Policy for Growth**

Let me shortly tell something about my background, why I am standing here and then make a speech about the need for a national Innovation Policy.

I have since 1983 professionally worked as Innovation a Manager and Technology Transfer Consultant. I have assisted hundreds of new products to reach the market and more than 10 new companies. All of them based on inventions from independent inventors.

I know what influence a national Innovation Policy has for stimulating new jobs and new enterprises.

My standpoint is based on the conditions we have in Sweden, the experience we have of more than 100 years of supporting independent inventors and inventions, and the importance it has for industrial growth.

Let me also make a definition of the words Inventor and Innovator, Invention and Innovation as well for the word Entrepreneur. I will do so because the most of us mix up these words.

**Invention** is a technical solution of a defined problem that can be patented. It can come up as a result of science detection or as an unexpected technological leap.

**Innovation** is in technical meaning an Invention, which has reached the market and been accepted by the user.

**Inventor** is the person who has find the technical solution. The inventor can be anyone - scientists, entrepreneurs, business peoples or workers.

**Innovator** is the person who is talented in all the knowledge that is needed to make the invention and lead it to the market.

**Entrepreneur** is the person who uses his/her stubbornness and with mental power eliminates all hindrance for an invention or business idea to reach the market.

The more than 100 years of experience we have in Sweden shows that direct support to independent inventors and entrepreneurs is tremendously important. I mean of course for all those who are involved in the innovation process, which lead to new products and new

enterprises. Of special importance is support that is directed to ideas, which can lead to production and new jobs within the country.

Even if the form for support have been changed during the years, it has always existed governmental institutions, which have had as their duty to support the innovation process.

It is not the big companies who create the new jobs. They more often prosecute rationalisation to increase the productivity, which often leads to reduction of the number of employees. It is vice versa the small enterprises, which stands for economical growth and the new jobs. This growth is the basic for a national economical growth.

The Innovation Policy has consequently to be focused on questions “How to organise the support to the small and growing enterprises as well as to those who are working for this growth”. The foreign big companies investment can of course give a short-term economical growth and work in sub-contractor companies, but it can also leads to a huge back lash when these companies move their operations to countries with lower salaries. Of that we have seen many examples both in Sweden and other western countries. Therefore is an well-organised support system for inventors and SME so important.

We have in Sweden a range of different supporting institutions and forms of support directed to inventors, entrepreneurs and SME (picture 1).

ALMI is the organisation that is closest to the independent inventors (picture 2).

ALMIs importance for creation of new products and new companies can not be too much accentuated.

We know that every single krona invested in inventions give many times over back to the state purse, even if only two of hundred will lead to successes.

I am of course well aware of that Estonia’s population is much smaller than the Swedish. However, I can not see any national difference, which should lead to that the economy in Estonia do not need the same kind of support as we have in Sweden.

Finally, I just want to say that the Innovation Policy shall not focus on specific branches. It has to support all possible creativity.

*“Water every seeds and let many seedlings growth and you can pick a nice bouquet of flowers”*