

**ARTNeT / WTO Research Workshop on Emerging Trade Issues in
Asia and the Pacific: Meeting contemporary policy challenges**

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**The role of IP in economic development
The case of Thailand**

Deunden Nikomborirak
Thailand Development Research Institute

Outline of the Presentation



Part 1: Environment for Innovation in Developing Economies

- 1.1 Framework Condition**
- 1.2 Innovation Capabilities**
- 1.3 Network Development**
- 1.4 Policy Dilemmas**

Part 2: Innovation Indicators

1.1 Framework condition



- 1. Framework condition in developing countries are different from that of developed countries – i.e., excessive government intervention, burdensome legal procedures, market protection, credit constraints, uncertain government policies, corruption may discourage innovation.**
- 2. Weak capabilities (lack of skills and education) hamper domestic innovation and growth.**
- 3. Network connections may help unlock internal constraints for innovation**

What are the implications ?

1.1 Framework condition (2)



- **Excessive government intervention:**
 - i state owned enterprises that carry special privileges may undermine private sector's ability to compete and hence, incentive to innovate.
 - i Price-based and corruption in government procurement discourage innovation to produce high-quality products and encourage “race-to-the-bottom”.
- **Burdensome legal procedures**
 - i Lengthy patent registration due to insufficient man power.
 - i Overly generous intellectual property protection . For example, reverse engineering may be prohibited, “patentable subject matter” may be too broad covering, for example, plant and animal breeds, software and business methods that can be rather abstract.
- **Credit constraint**
 - i Incentives for “venture capital” may not work well.

1.2 Weak capabilities



- Why foreign companies choose not to construct R&D or invest even when strong IPR protection is made available?
- Education, skilled workers, language barriers, infrastructure, supporting industries, etc. ?
- List of “short run measures” that offer “quick gains” to be made from altering or improving the status quo rules or regulation should be clearly declared and advocated -- i.e., overly restrictive immigration rules, distortionary tax incentives, etc.

1.3 Network connection can help promote innovation



- How to create “industrial clusters” that can support innovation ? Does this require clear policy in promoting specific industry and creating industry-specific “industrial estates” such as “IT towns”?
- How to link industries with local academic institutions?
- How to promote innovation in export-oriented industries where technology is provided from overseas ?

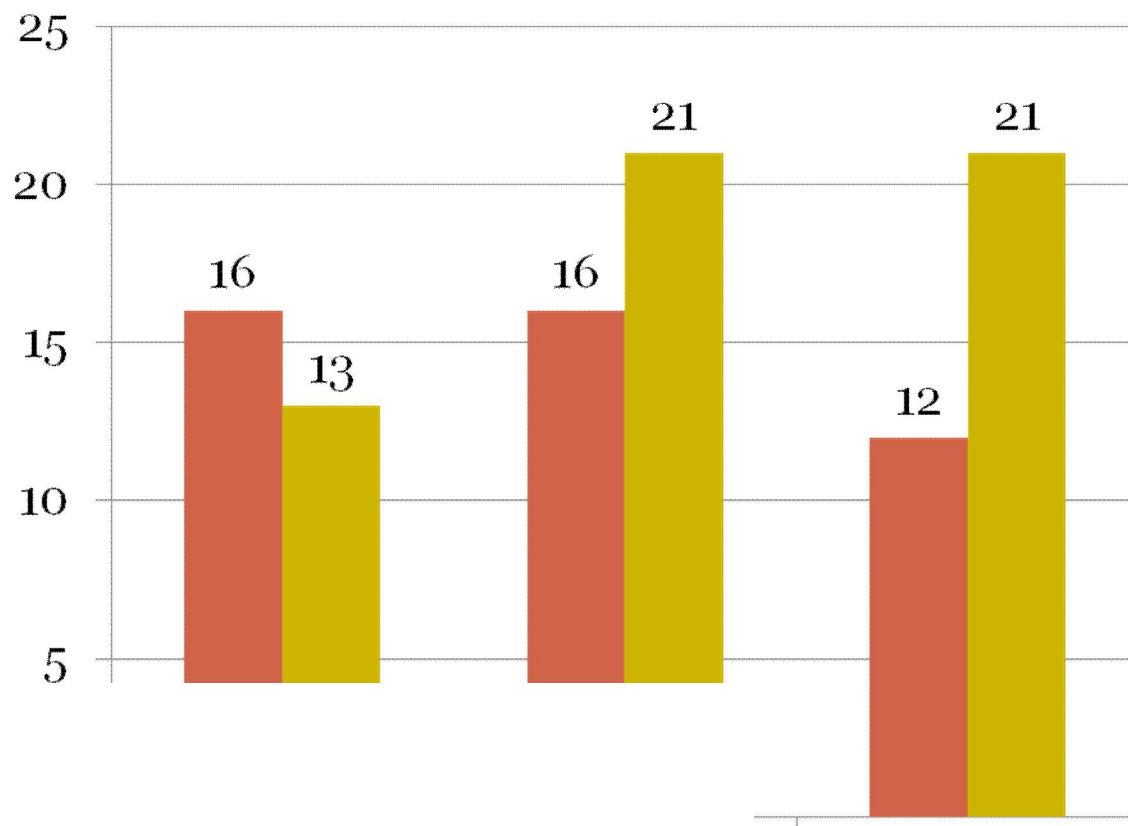


Most firms do not benefit from locational proximity for innovation

Industry	No. of firms interviewed (Firms 1)	No. of firms involved with innovation	No. of firms involved with innovation that are within 30 km.
Food	27	6	1
%			3.7
Auto	30	8	2
%			6.7
Electronics	31	13	3
%			9.6

Source: Thailand Development Research Institute (2009), A Study on the Linkage between Industry and Service Clusters

Local Industry
tend to
innovate more
than export-
oriented



预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_7690



Electronics
adquarter

stitute (2009), A
Service Clusters