

**Workshop on
“Technology Innovation, Private Sector
Development, and Economic Growth”**

May 25-27, 2005

Hangzhou, China

Program Agenda

Organized by:

**World Bank Institute
Zhejiang University
Zhejiang SME Bureau
Zhejiang Economic Construction &
Development Promotion Commission**

Background

Until the 1950s, technological innovation was the primary explanation for the gap in economic development and per capita incomes between the industrialized or ‘developed’ countries and the largely agriculture-based developing countries. In the decades that followed, a small set of developing countries (in East Asia, LAC, such as China and Chile) succeeded in rapidly narrowing the gap in per capita incomes. They were successful in *catching up* with the ‘developed’ countries by strategically escalating their technological capabilities in specific industries and attaining global competitiveness.

An effective innovation system is the key for such technological advancement. An innovation system refers to the network of institutions, rules and procedures that influences the way by which a country acquires, creates, disseminates and uses knowledge. Institutions in the innovation system include universities, public and private research centers and policy think tanks. The knowledge economy framework postulates that total factor productivity is affected by the education level of the workforce/population and also the level of innovation that occurs within the economy.

China has made great progress in propelling economic growth with high capital and labor investment as well as attracting FDIs. It has a large pool of relatively skillful labor force and a critical mass of scientists and engineers, which has formed a solid foundation for its innovation system. However, its overall productivity in all sectors and technology levels in traditional industries are still far behind those of developed countries. Except some SOEs and big corporations, most SMEs and private firms do not conduct many R&D activities. Due to its weak technology diffusion system, many application technologies are not effectively disseminated into industries and firms. This hinders its productivity growth and international competitiveness. How to strengthen China’s innovation system and promote China’s private sector and industrial growth through better technology acquisition, adaptation, diffusion and creation, is an important area to be explored. On the other hand, Korea has greatly enhanced its global position in terms of R&D activities, and technology innovation, vividly illustrated by the success of Samsung, LG, Hundayi and many other Korean technology-intensive firms that have become global players.

In order to share Korean and global experiences in strengthening technology capacity and competitiveness at both industry and firm levels, and global practices of financing innovation and accessing the global capital market, as well as together explore the issue of how to promote regional development through technology and innovation, both Korean and Chinese governments, universities and private sectors show strong interests in having a joint workshop on this theme with the facilitation of the World Bank Group.

From China side, we are very lucky to get strong interests and support of Zhejiang Province, which is the most dynamic place in terms of private sector development in China; and Zhejiang University, which is ranked No.3 in China and one of the best R&D universities in China, is quite pleased to host such a joint workshop.

Considering these demands, the WBI K4D program, KDI, the Zhejiang Provincial Government and Zhejiang University have decided to hold a workshop on “Technology Innovation, Private Sector Development, and Economic Growth” in Hangzhou, the capital city of Zhejiang Province.

Objective

The main objectives of the workshop are:

- (1) To share policy experiences (especially of Korea) in strengthening technology capacity and competitiveness at both industry and firm levels, and improving the R&D efficiency. Experts from the World Bank and OECD are also invited.
- (2) To explore the issue of how to promote regional and private sector development through technology and innovation together.
- (3) To establish the basis for policy dialogue between decision makers of China and Korea.

Participants

The workshop will gather about 60 participants from Korean and China, the World Bank, and possibly selected OECD countries, such as Australia. They are mostly:

- Policy makers involved in science, technology, innovation and growth
- Private sector representatives
- SOEs and public research institutes representatives
- University experts
- Professionals involved in technology diffusion and extension services
- Industrial experts, especially technology industries, including those from high-tech parks
- Staff of international organizations (World Bank)

Venue and Date

The workshop will take place in Zhejiang University, Hangzhou City, the Capital of Zhejiang Province, China from May 25-27, 2005. Simultaneous translations will be held in English and Chinese.

Organizational Committee

The workshop is organized by the following people:

Mr. Douglas Zeng (Task Manager), Knowledge for Development Program, World Bank

Mr. Il-whan An (Coordinator), Knowledge for Development Program, World Bank

Mr. Chen, Jin (Coordinator), Center for Innovation and Development, Zhejiang University, China

Mr. Xu, Runnan (Coordinator), Zhejiang Economic Construction and Development Promotion Commission, China

Agenda

Note: Due to time constraint, each speaker should strictly limit his/her presentation to 25 minutes! There are about 5 minutes for Q&A for each presenter.

DAY 1, MAY 25, 2005

8:30 - 9:00 Registration
9:00 - 9:20 **Opening Ceremony**
Chair: Zhu, Jun, Vice-President, Zhejiang University
Opening remarks

- Mao, Linsheng, Vice Governor, Zhejiang Province
- Carl Dahlman, Senior Advisor, Knowledge for Development Program, World Bank Institute, World Bank; Luce Professor, Georgetown University

9:20 – 10:30 **Keynote Presentations**

- **The Development of Zhejiang Private Business Enterprises**
- Wu, Jiayi, Deputy Director-General, Zhejiang Economic and Trade Commission; Head, Zhejiang SME Bureau
- **Innovation in China: Key Challenges** (a short videotaped presentation)
- Jean-Eric Aubert, Acting Manager, Knowledge for Development Program, World Bank Institute
- **Technology Innovation & Competition in the Global Knowledge Economy**
- Carl Dahlman, Senior Advisor, World Bank Institute; Luce Professor, Georgetown University

• Questions and answers

10:30 – 10:40 **Coffee / Tea Break**

Session I

10:40 - 11:40 **Knowledge, Technology and Growth**
Chair: Carl Dahlman, Senior Advisor, World Bank; Luce Professor, Georgetown

- **Education, Science, Technology and Innovation**
- Alfred Watkins, Lead Specialist, World Bank
- **How Technology and Knowledge Drive Economic Growth? A Comparison of China and India**
- Douglas Zhihua Zeng, Economist, World Bank Institute, World Bank

- Questions and answers (Q&A)

Session II

11:40 - 12:35 **Institutional Support for Technology Innovation and Private Sector Development**
Chair: Chen, Jin, Deputy Director and Professor, Center for Innovation and Development, School of Management, Zhejiang University

- **China's Investment Climate for the Private Sector Development**
- Shuilin Wang, Sr. Economist, World Bank
- **Institutional Support for High-tech in China**
- Gao, Shi-ji (高世楫), Senior Fellow and Deputy Director-General, Development Research Center of the State Council, China

Q&A

12:35 – 14:00 **Lunch**

14:00 - 14:30

- **Vocational and Technical Training for SMEs in Korea**
- Kye Woo Lee, Professor, Ewha University, Korea
- Q&A

Session III

14:30 – 16:00

Technology Innovation and Enterprise Development

Chair: Alfred Watkins, Lead Specialist, World Bank

- **Towards Indigenous Innovation: Pathways for Chinese Firms**
- Chen, Jin, Deputy Director and Professor, Center for Innovation and Development, School of Management, Zhejiang University
- **Technology Innovation in Business Sector in Korea**
- Ki Young Oh, Chief Technology Officer, Jusung Engineering Co., Korea
- **Technology Innovation of Enterprises: A Case of Zhong Kong Group**
- Jin, Jianxiang, General Manager, Zhong Kong Enterprise, Zhejiang University
- Q&A

16:00 -- 16:10

Coffee / Tea Break

16:10 -- 17:10

- **Firm-level Technology Innovation – Kang Lai Te Group**
- Li, Dapeng, President, Kang Lei Te Enterprise, Zhejiang Province
- **Indigenous Innovation – Huali Enterprise Group**
- Wang, Licheng, President, Huali Enterprise, Zhejiang Province
- Q&A

Session IV

17:10 – 18:10

Financing Innovation and Entrepreneurship

Chair: Shuilin Wang, Sr. Economist, World Bank

- **China's Venture Capital Market and IFC Operations in China**
- Doug Coulter, Sr. Investment Officer, IFC (TBD)
- **Financing Technology-based Firms in Korea**
- Jeong-suk Koh, CEO, Ilshin Investment Co., Chairman of the Korean Venture Capital Association
- Q&A
- Evaluation

18:30 -

Welcome Dinner

DAY 2, MAY 26, 2005

Session V

9:00 -- 10:30

Linking Science & Technology to the Production Sector

Chair: Chair: Gao, Shi-ji, Senior Fellow and Deputy Director-General, Development Research Center of the State Council, China

- **Connecting Science to Innovation: A Key Task for Achieving Sustainable Growth**
 - *Jean Guinet, Principal Administrator, S&T Policy Division, OECD*
- **R&D and Production Activities: Implications of R&D Globalization**
 - *Lan Xue, Associate Dean, School of Public Management, Tsinghua University*
- **Technology into Business in Korea**
 - *Jun ho Oh, Professor, KAIST High-tech Venture Center, Korea*

- Q&A

Session VI

10:30 – 10:55

Technology and Industrial Development

Chair: Jean Guinet, Principal Administrator, S&T Policy Division, OECD

- **Development of IT industry in Korea**
 - *Dong-pyo Hong, Research Fellow, Korea Information Strategy Development Institute*

10:55 – 11:05

Coffee / Tea Break

11:05 – 11:40

(including Q&A for Dr. Dong-pyo Hong)

- **Innovation in China's Industrial Base under the FDI Framework**
 - *Chen, Xiangdong, Professor, School of Economic Management, Beijing University of Aeronautics & Astronautics*

- Q&A

Session VII

11:40 - 12:40

New Explorations of Innovation System & Strategy

Chair: Li, Meng, Professor, Shanghai Jiaotong University

- **Total Innovation Management: A New Innovation Paradigm in China**
 - *Xu, Qingrui, Professor, Zhejiang University*
- **Disruptive Innovation: An Appropriate Innovation Strategy for Developing Countries**
 - *Hang, Chang-Chieh, Professor, Center for Management of S&T, National University of Singapore*

Q&A

12:40 – 14:00

Lunch

14:00 – 15:00

- **Economic Growth and Innovation Capacity Building: Reflections on China's Development Strategy**
 - *Mu, Rongping, Director, Institute of Management and Policy, Chinese Academy of Sciences*
- **Environment Analysis of Self-Determined Innovation with Three-factor Model of Innovation System**
 - *Zhou, Jizhong, Professor, Chinese Academy of Sciences*

Q&A

Session VIII

15:00 – 16:30

Technology Innovation and Regional Development

Chair: Lan Xue, Associate Dean, School of Public Management, Tsinghua University

- **Korea's Technology Innovation and Regional Growth**
- Sungchul Chung, Sr. Research Fellow, STEPI, Korea
- **Indigenous Innovation & Regional Industrial Adjustment**
- Zhou, Yuan, Deputy Director, National Research Center for S&T for Development, China
- **Research on District Innovation System in China**
- Xie, Fuji, Center for Technological Innovation, Shanghai Jiaotong University

Q&A

16:30 -- 16:40

Coffee / Tea Break

Session IX

16:40 – 17:20

Wrap-up session

Chair: Douglas Zeng, World Bank

- Carl Dahlman, World Bank
- Alfred Watkins
- Il Whan An
- Chen, Jin
- Xu, Runnan

17:20 – 17:30

Evaluation by new participants of 2nd day.

18:00 --

Dinner (hosted by the Zhejiang University)

DAY 3, MAY 27, 2005

FIELD VISITS (ARRANGED BY ZHEJIANG GOVERNMENT AND ZHEJIANG UNIVERSITY)

9:30 AM –

1. Enterprise 1: Zhong Kong Inc.
2. Enterprise 2: Kong Lai Te Group Inc.

12:30 – 2:00

Lunch

2:00 -

Short tour in Hangzhou City