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Mexican Government

- Mexico is a **federal, presidential, representative, democratic** republic
- The president is both head of state and head of government

- Mexico’s government has three branches: the **executive branch, legislative branch, and judiciary branch**
- There is provision for separation of powers, although each branch keeps the other in check

- **Each state** is governed by its **constitution and retains legislative rights and the right to levy taxes excluding interstate customs duties**
- **State governments** can implement their own policies in a variety of topics, including innovation

Source: Political Constitution of the United Mexican States.
Expenditure on R&D in Mexico

Gross domestic expenditure on R&D (GERD) as a percentage of GDP (2009 - 2016)

* There is no data available for Latin America.

Sources: UNESCO, How much does your country invest in R&D. CONACYT, Informe General del estado de la Ciencia, la Tecnología y la Innovación. 2016.
**Granted patents** by technological field (2010 - 2017)

Source: Political Constitution of the United Mexican States.
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# Institutional arrangement for innovation policy in Mexico

## Mexican System of Science, Technology and Innovation

<table>
<thead>
<tr>
<th>Coordinating councils</th>
<th>CGIDTI - General Council for Scientific Research, Technological Development and Innovation</th>
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<tbody>
<tr>
<td></td>
<td>CNCTI - National Conference on Science and Technology and Innovation</td>
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<td></td>
<td>CONACYT - National Council of Science and Technology</td>
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<td></td>
<td>CCTI - Coordination of Science Technology and Innovation</td>
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<table>
<thead>
<tr>
<th>Ministries</th>
<th>SE - Ministry of Economy</th>
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<tbody>
<tr>
<td></td>
<td>SHCP - Ministry of Finance</td>
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<tr>
<td></td>
<td>SEP - Ministry of Education</td>
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<table>
<thead>
<tr>
<th>Institutes and Under Ministries</th>
<th>INADEM - National Institute of the Entrepreneur</th>
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<tbody>
<tr>
<td></td>
<td>SIC - Vice Ministry of Industry and Commerce</td>
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<td>UPE - Economic Productivity Unit</td>
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<tr>
<th>Relevant institutions</th>
<th>Accelerators</th>
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<tr>
<td></td>
<td>Incubators</td>
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<td></td>
<td>Industrial chambers</td>
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<td></td>
<td>OTT - Technology Transfer Offices</td>
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<td></td>
<td>Higher education institutions</td>
</tr>
</tbody>
</table>

### Autonomous National Agencies

- FCCyT - Consulting and Scientific Forum
- NAFINSA - National Development Bank
- IMPI - Mexican Institute for Industrial Property
Mexican Innovation Ecosystem

Stakeholders in the Mexican Innovation Ecosystem

Creating knowledge
Institutions/organizations that develop STI activities that generate disruptive innovation.

National Researchers System (SNI)
CONACYT Research Centers
Higher Education Institutions (IES)

Exploiting knowledge
Institutions/organizations that develop STI activities that generate incremental innovation using, among others, disruptive innovation.

CANACINTRA
CONCAMIN
CGUTyP
IMPI
ADIAT
OTT
REDNACECyT

Enabling knowledge
Commissions of Science and Technology form both chambers of the congress
Institutions/organizations that contribute to the improvement of the environment, promoting innovation culture and ensuring the presence of resources for innovation development.

CCTI
CGIDTI
CNCTI

Supporting knowledge
Institutions/organizations or funding programmes that support and incentivize the development of new innovative ideas and innovation activities in the productive sector.

CONACYT
INADEMY
INAES
NAFIN
SE
SEP
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## Challenges for the Mexican Innovation System

<table>
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<tr>
<th>Area</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
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<tbody>
<tr>
<td><strong>Institutional framework</strong></td>
<td>Mexico has strong institutions and regulations to boost innovation policy</td>
<td>The competence and experience of institutions is not reflected in the coordination between them</td>
</tr>
<tr>
<td><strong>Human Capital/ Knowledge Assets</strong></td>
<td>The country has a favorable environment for scientific research, the largest system of support in this area reflects steady growth</td>
<td>The incentives of the National System of Researchers, are not related to the development and commercialization of innovation</td>
</tr>
<tr>
<td><strong>Funding</strong></td>
<td>The offer of financial support for entrepreneurship and innovation is increasing</td>
<td>The funds available for research, generally have academic goals</td>
</tr>
<tr>
<td><strong>Ecosystem Environment</strong></td>
<td>The number of new businesses and the government's interest in them are increasing</td>
<td>The business environment is not the most efficient, so many new businesses must close in early stages</td>
</tr>
<tr>
<td><strong>Broader Environment</strong></td>
<td>The public and private sectors and the international environment are increasingly conducive to the development of innovation</td>
<td>There is no clear strategy to promote greater integration between business and universities, nor to achieve the decentralization of knowledge production</td>
</tr>
</tbody>
</table>
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Challenges for the Mexican Innovation System

- Make Innovation a government-wide priority
- Promote a long term view
- Make it a failure friendly policy. For both government and private sector
- Take away innovation policy from researchers and academics
- Promote private sector investment. Get away from a subsidy exclusive view of innovation policy
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