NZST Class 1 Overview

Overview: We introduced frameworks for understanding the innovation ecosystem in New Zealand and established a baseline for how New Zealand fares compared to other countries. Additionally, we discussed the role governments can play to increase their country's innovativeness.

The MIT Regional Entrepreneurship Acceleration Program framework focuses on the innovation-driven entrepreneurship (IDE) ecosystem, stakeholders, and strategy.
- A region's IDE ecosystem potential depends on both the innovation capacity (I-Cap) and the entrepreneurial capacity (E-Cap) of the region.
- IDE ecosystem strategy must be shaped and realized through engagement across stakeholder groups: entrepreneur, university, government, risk capital, corporate.

Regions leverage innovation as the engine of their economies by investing and prioritizing in their competitive advantages.
- A cluster is a regional concentration of related industries connected through various types of linkages, spillovers and supporting institutions (e.g., motion pictures in Los Angeles).
- Industries that are part of a strong cluster environment register 1) higher level growth and sustainability of start-up activity and 2) higher level and impact of innovation.
- Cluster mapping creates a dataset on the presence of clusters across geographies and can be used to understand cluster strengths in different regions.

Governments can incentivize innovation / R&D through either grants (spending side) or tax incentives (revenue side).
- A New Zealand Treasury study cited the high marginal tax rate on high earners as a potential cause of "brain drain" – 25% of highly skilled New Zealanders live abroad.
- A new government proposal would allow loss-making start-ups to "cash out" losses from R&D expenditures.

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