

Formalising the National Innovation System in a Developing Country

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(Received 11 February 2019; Revised 04 May 2019; Accepted 26 September 2019)

Abstract: *Since the introduction of the National Innovation System (NIS) concept, most of the research has focused on innovation capabilities and economic development of developed countries. The paper contributes to the NIS literature for small developing countries that operate largely in low-technology sectors. A case study approach was adopted, detailing the steps for formalising a NIS in a developing country, The Republic of Trinidad and Tobago (T&T). System dynamics is used to examine the policy initiative. For the formalisation of the NIS in T&T, the design of the system must account for all three elements of innovation systems: the actors, the interactions among the actors and the intended innovation output. Policy makers in developing countries must consider their local context when specifying the innovative activity of the NIS. In measuring the success of innovation polices targeting small and medium-sized enterprises (SMEs), financial and non-financial measures should be used.*

Keywords: *National Innovation System; Developing Country; Economic Diversification; Small Business Innovation*