



## Knowledge, Options and Institutions: The Way Forward for a Regional System of Innovation

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## Today

- The challenge of regional innovation
- Prerequisites for successful regional experimentalism
- Getting Action
- Conclusion



## I. The challenge of regional innovation

### **My thesis**

The renewal of an economic region requires a simultaneous “re-invention” of organisational and regional capabilities: Complementary to the restructuring of the regional firms, the region, its boundaries, its identities, its governance structures, its “collective competition goods” and its political and associational actors have to be “re-invented” in order to face the uncertainties of an international competition about costs and innovation. The simultaneous and reciprocal “re-invention” of regional firms and governance structures is only possible in an experimental, discursive way which can be described as “experimental regionalism”

## New Regionalism

- Lisbon strategy: renewal is necessary and possible. Importance of endogenous capacities, regio-specific assets
- Learning process
- Option also for not so central regions

## Employment Change in Cultural and Creative Industries

	2003-2008 Employment Growth in Per Cent	
Regional Type I: Metropolitan regions: 1. Urban cores	6,1%	
Regional Type II.: Urban regions 5. Urban Cores	5,8%	
6. Moderately settled areas	7,3%	
Germany (total of 9 regional sub types)	5,0	

## Three types of regional clusters in Baden-Württemberg

- Dominant Clusters (Region of Stuttgart): Automotive, Machinery, Electronics
- Traditional local clusters of small and medium sized firms (e.g. Tuttlingen Medical Instruments, Pforzheim Jewellery)
- Emergent, geographically highly concentrated high technology clusters (e.g. Heidelberg Biotechnology)



## II. Prerequisites of successful regional experimentalism

## The changing paradigms for innovation policies: implications for regional innovation agencies (OECD 2009)

	Old paradigm	New paradigm
Place of agency	Outside of the system	Actor in the system
Role	Top-down resource provider	Facilitator, node in the system
Rationale for intervention	Market failures	System failures, learning failures
Mission	Redistributing funds	Identifying and reinforcing strengths in a system; change agent
Instruments	Isolated	Policy Mix
Accountability	Administrative, financial	Strategic, goal oriented
Autonomy	Restricted to execution	Expanded to strategic decisions

## Six demands for successful regional innovation policies

- Not technology, but innovation oriented
- Building on existing strengths
- Diversification of competencies
- Support of horizontal cooperation
- Global extensions
- New profiles vs. new creation of network moderators



### III. Getting Action

#### **Getting Action**

- The collective construction/attribution of threat or opportunity: a shared sense of uncertainty/crisis regarding the rules and power relations governing the field
- Organizational appropriation: sustained mobilization by incumbents and challengers
- Innovative action; framing

## New Areas of Regional Activities

Cluster Policies	Networking Platforms	Employment promotion
Innovation Promotion	<b>New Activities</b>	Regional Reports
Image Campaigns	Competence Centres	Regional Competitions

## Proposition One

The reorientation of regional innovation capacities becomes organized through a creative social process akin to a social movement

## **Proposition Two**

Skilled social actors are pivotal for new fields to emerge. They must find a way to translate existing rules and resources into the production of new local orders by convincing their supporters to cooperate and finding means of accommodation with other groups

## **Proposition Three**

Skilled social actors can help produce entirely new cultural frames for fields. They do so by building compromise identities that bring many groups along. In this process, every groups identities can be transformed.

## Proposition Four

Regional Innovation Systems are stable when they have role structures that are based on either hierarchical incumbent / challenger structures or political coalition. Unorganized social space, on the contrary, is characterized by the frequent entry and exit of organizations, no stable social relationships, and no agreement on means and ends. This kind of drift or conflict can go on for long periods of time.

## Cluster Activities

Information	Networks between regional and cross regional companies. Systems for information exchange and brokering of business relationships
Interaction	Institutional support for regional networking
Interlinkages	Service and transfer institutions
Lead customers	Strategies for regional embedding of external companies
Policy	Coordination of different levels and actors



## IV. Conclusion

### **What makes Regional Systems of Innovation successful?**

There is no single formula or sequence for building a successful regional system of innovation!

Warning! Do not expect quick results.  
Be open for the unexpected.

# Regional Innovation System

