

Reconfiguring Regional Innovation Policy: Toward Extended and Dynamic Clustering

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Who we are

EIIR is a leading European Think-Tank on innovation in the private and public spheres

Its intellectual original origins are traceable to the non-commensurability of concepts with practice

Its spatio-temporal origins are traceable to INSEAD

It is composed of an international network of scientists and researchers, business leaders, and policy makers engaged in different fields ranging from business strategy, policy and regulation, and state and regional economic development strategies

EIIR's research focuses on dynamic interrelationships between technological and economic transformations, firms' organizational and knowledge-creating capabilities, emerging market and industrial structures, and public institutions, including regulatory, technical-scientific, social, political, and cultural systems

**International
knowledge network**

**Board of Advisors of
diverse profiles**

**International teams
on projects**

**Establishing
best practices**

**Development of
methodologies**

**Sharing experiences
with business and
scientific community**

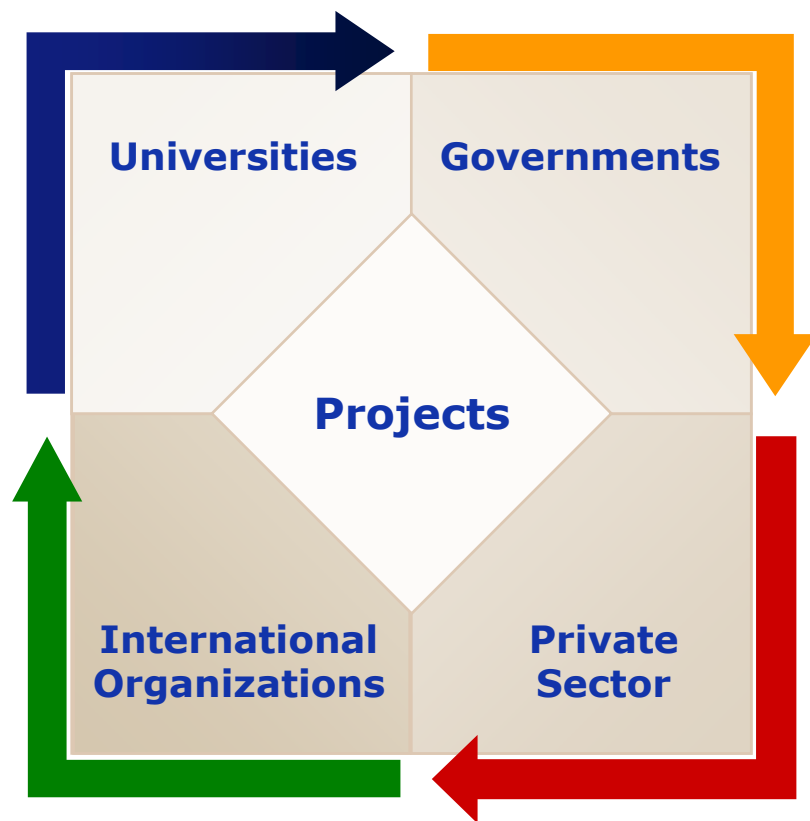


What we do

Industry Focus	Research Activities	Business Advisory Services
<ul style="list-style-type: none">✓ Life Sciences & Healthcare✓ Public Sector✓ Financial Services✓ Consumer Business✓ Telecommunications / Media✓ Manufacturing✓ Energy	<ul style="list-style-type: none">✓ Socio-economic dynamics and organizational structures of innovation✓ Corporate, regional, and state strategies of innovation✓ Technology implementation strategies✓ Technology transfer and diffusion✓ Organizational structure and change dynamics✓ Comparative financial systems of innovation✓ Regional systems of innovation✓ Intellectual capital management and learning networks✓ Law and regulation in networked systems of innovation✓ Innovation policy in regional systems	<ul style="list-style-type: none">✓ Strategy✓ Policy & Regulation✓ Economic, Innovation, R&D✓ Finance✓ Legal✓ Technology Management



How we do it



Modus operandi

We bring together the right composition of skills and competencies according to specific research projects and scientific objectives

A pragmatic approach

We provide actionable solutions and recommendations with total integrity and independence based on the outputs of our research and the expertise of our team

An integrated network of practitioners

We leverage knowledge and expertise from our network of affiliates to bring together the right skill sets for specific projects and advisory engagements

An international reach

We work in cooperation with renowned institutional academic and research partners in the European Union, North America and Eastern Europe



Transformative tendencies in regions: A structural break?

The strengths of yesterday might be becoming the liabilities of tomorrow:

- **Geography is not value topology**
- EU clusters are facing a crisis related to EU economic structures and the emergence of global competition from low-cost countries (regional clusters are showing their age as a way to organize business in a maturing and changing global economy)
- Structural changes are also fueled by the global strategies of multinational firms operating in different sectors of economic activity. In contrast to earlier approaches that tended to follow the 'product cycle' today multinationals are increasingly organizing their R&D activities on a global basis. In this process the 'R' is coming closer to 'D'...
- This requires a change of optic where clusters are no longer seen as regional constellations nurtured by the regional economic base but rather as 'hubs' within a system of flows of economic activity which is increasingly defined on a global basis.



Transformative tendencies in regions: A structural break?

- Against this background a critical issue in regional innovation policy concerns understanding the governance structures, sustainability and constituency drivers of dynamic cross-border and cross-regional clustering of SMEs in order to improve their ability to access a more competitive and global market.
- The current challenges faced by regional clusters can be confronted through a process of *extended* and *dynamic clustering* that improves the market access, innovation capabilities and adaptability to the emerging structural realities of the EU.
- *Extended and dynamic clustering* involves selecting and aggregating capabilities of clustered SMEs at regional, national, cross-regional or international levels, thus overcoming regional geographical boundaries and operational limitations of ‘traditional’ clusters.



Three views on the Global Economy 1: Global Industrial Topology of the ICT Industry

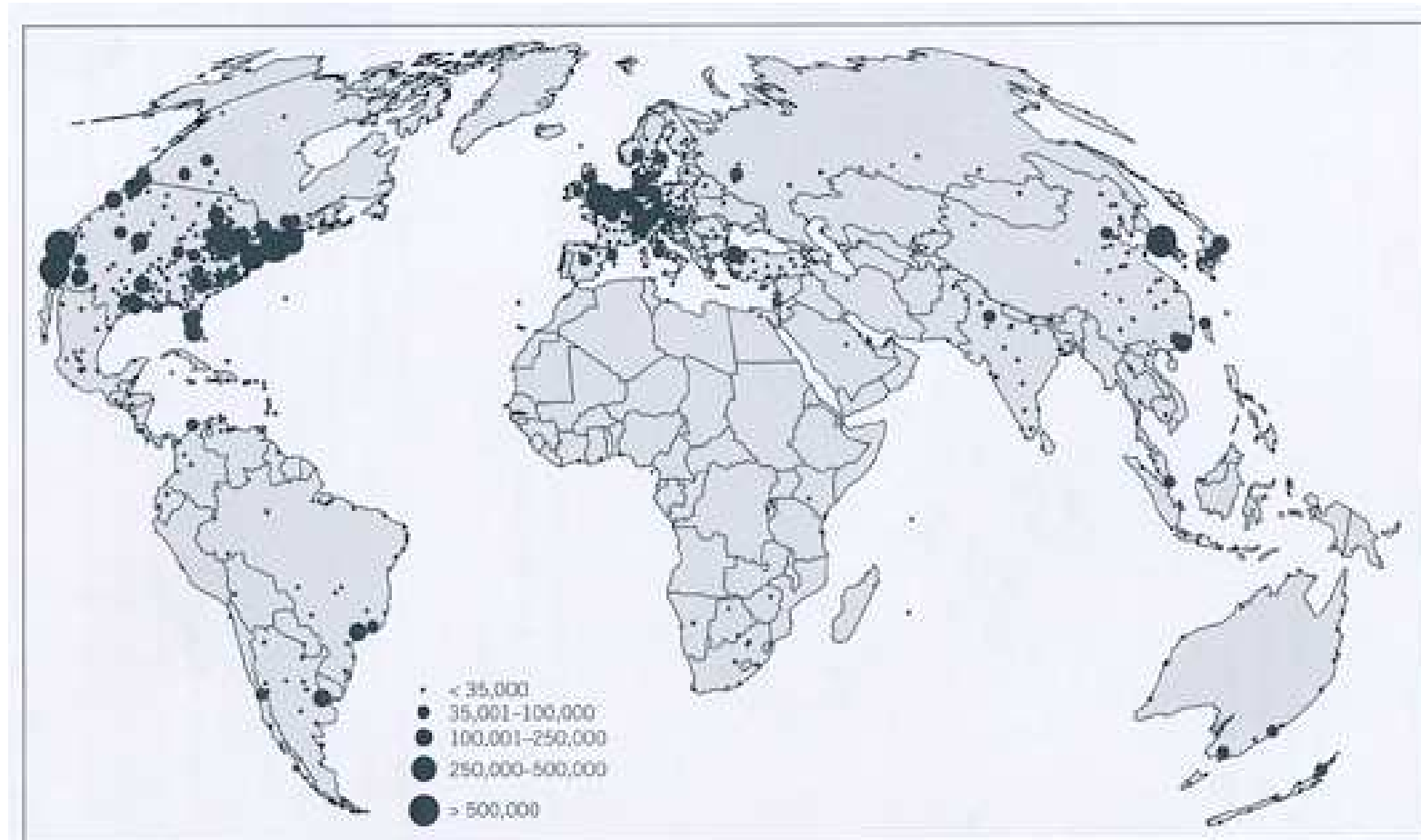
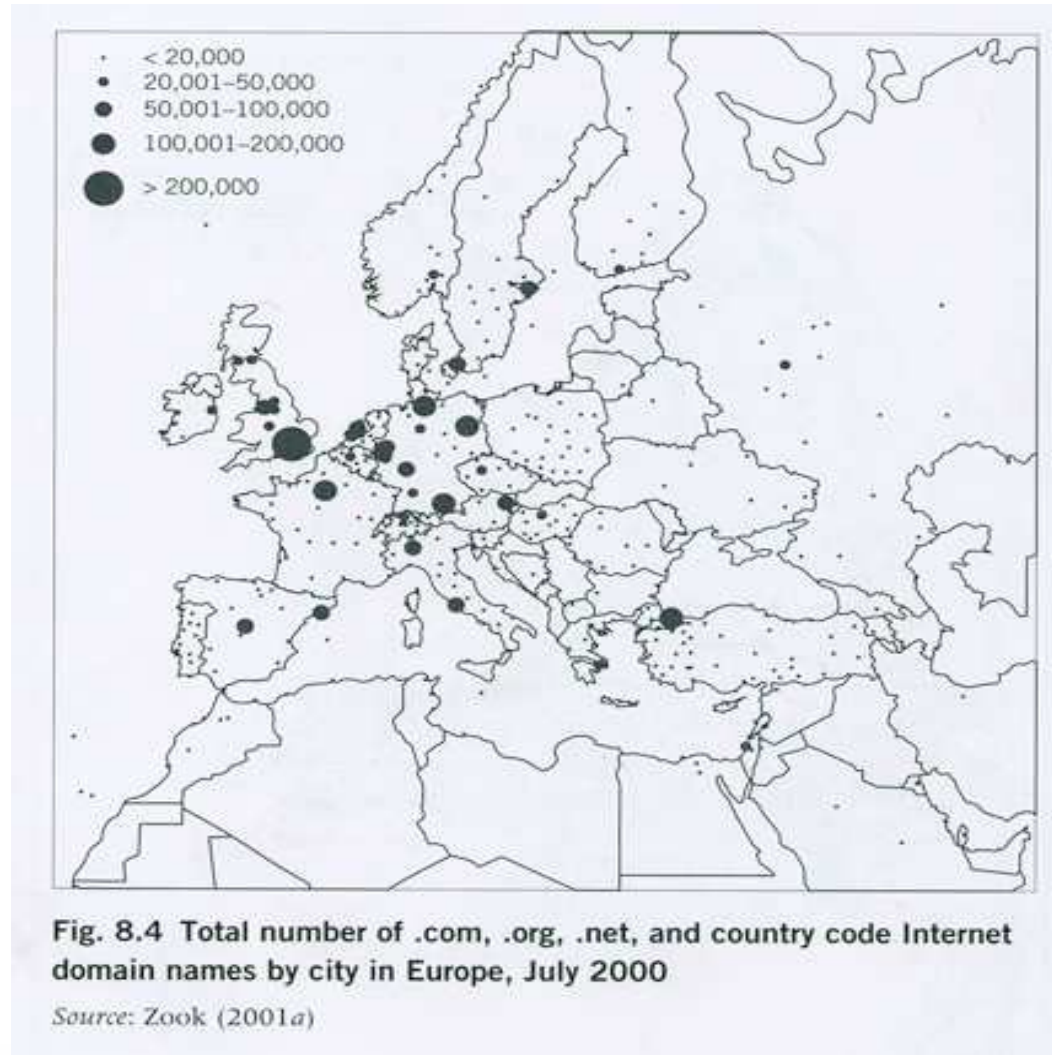


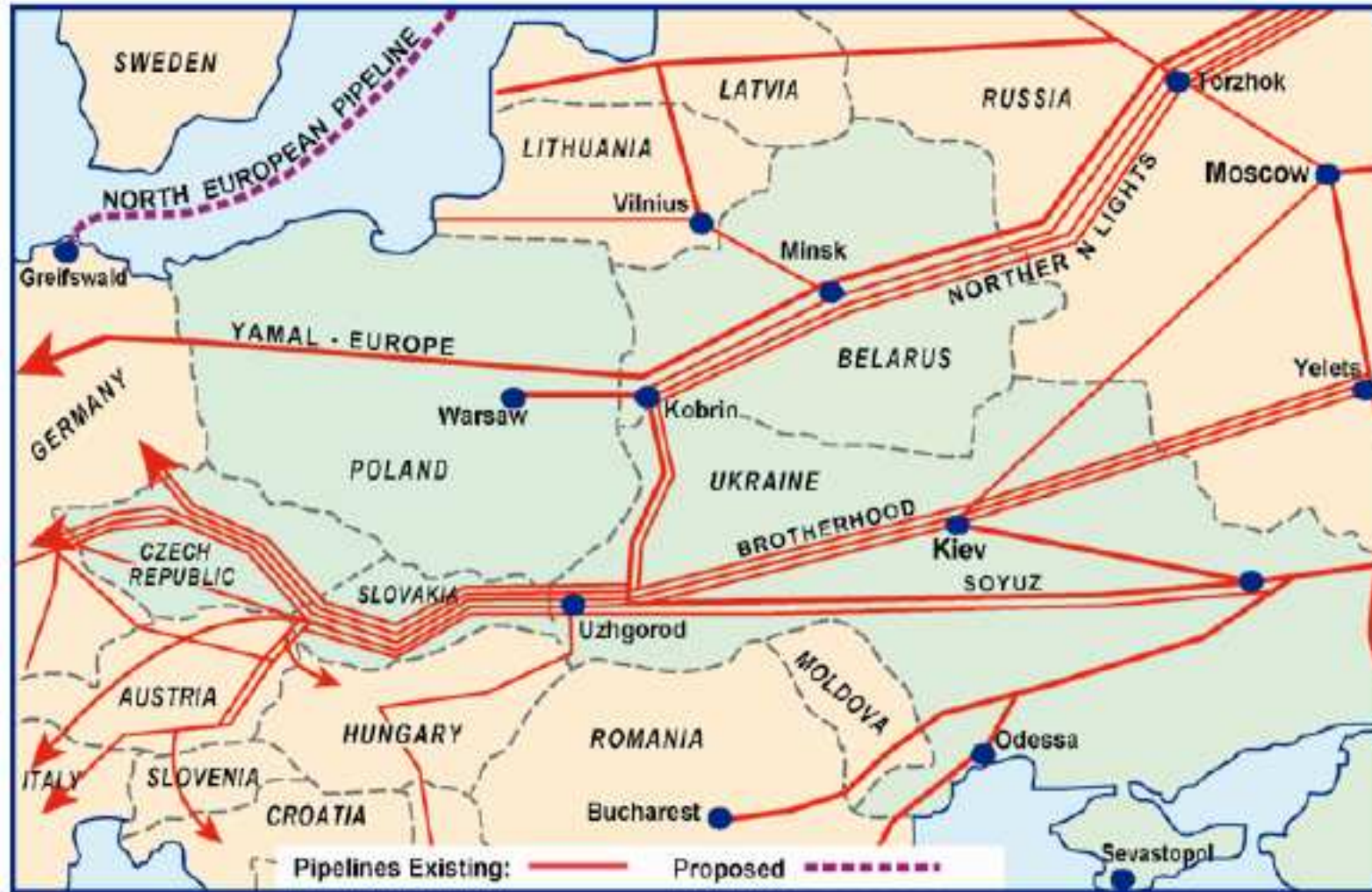
Fig. 8.3 Total number of .com, .org, .net, and country code Internet domain names by city worldwide, July 2000

Source: Zook (2001a)

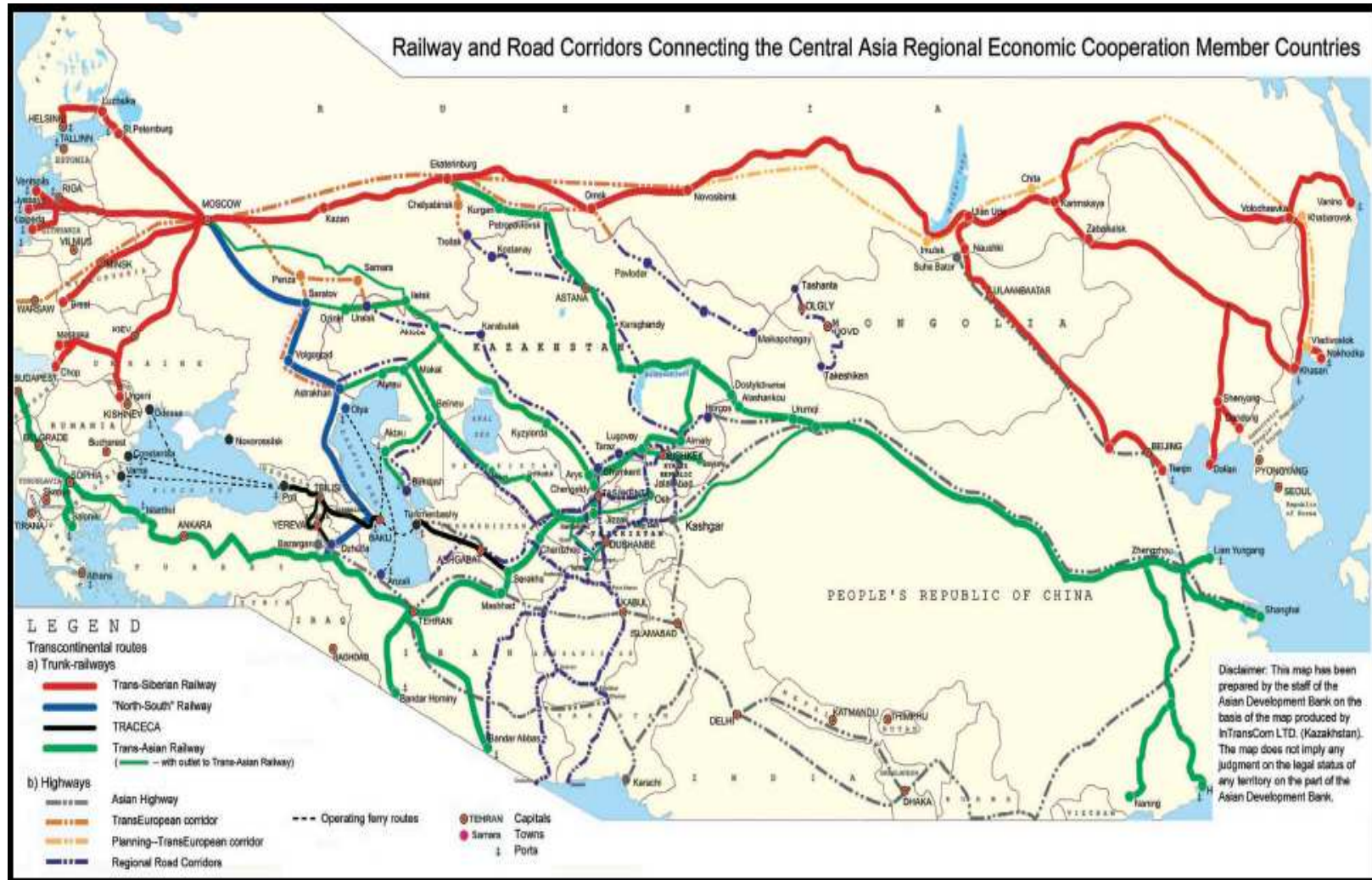
Three views on the Global Economy 1a: Global Industrial Topology of the ICT Industry



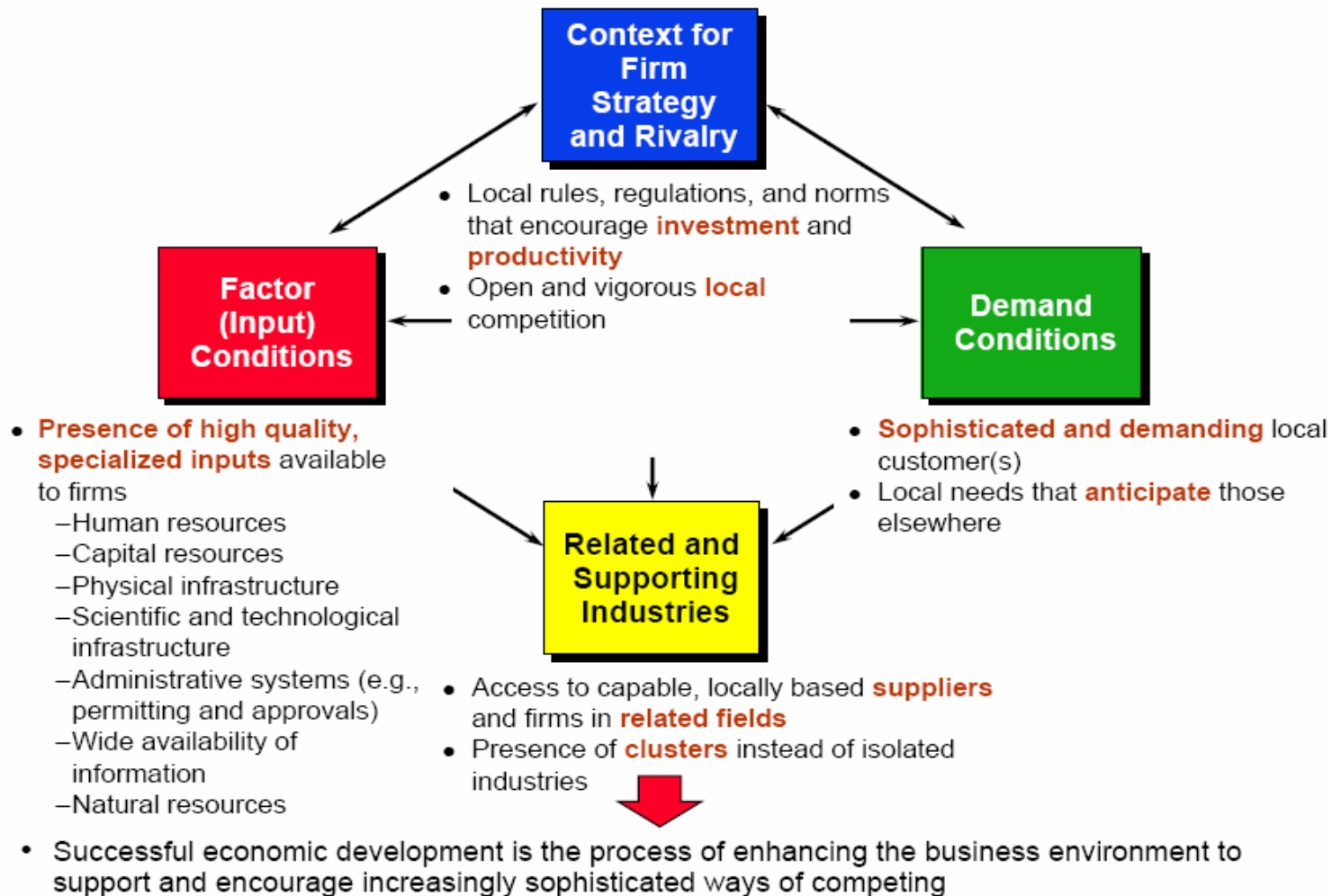
Three views on the Global Economy 2: Topology of natural gas pipelines from Russia to the EU



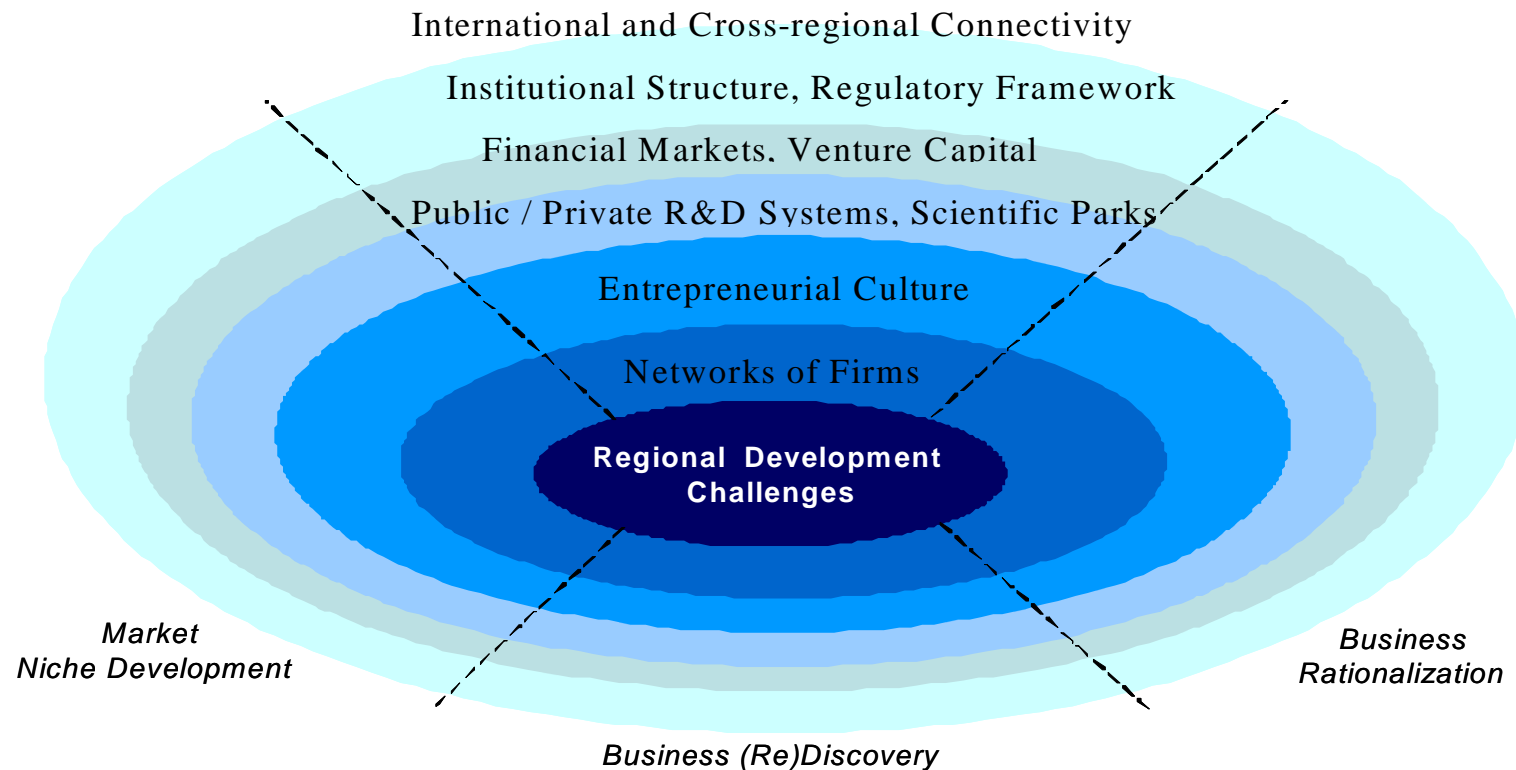
Three views on the Global Economy 3: Railway and Road Connections in Central Asia



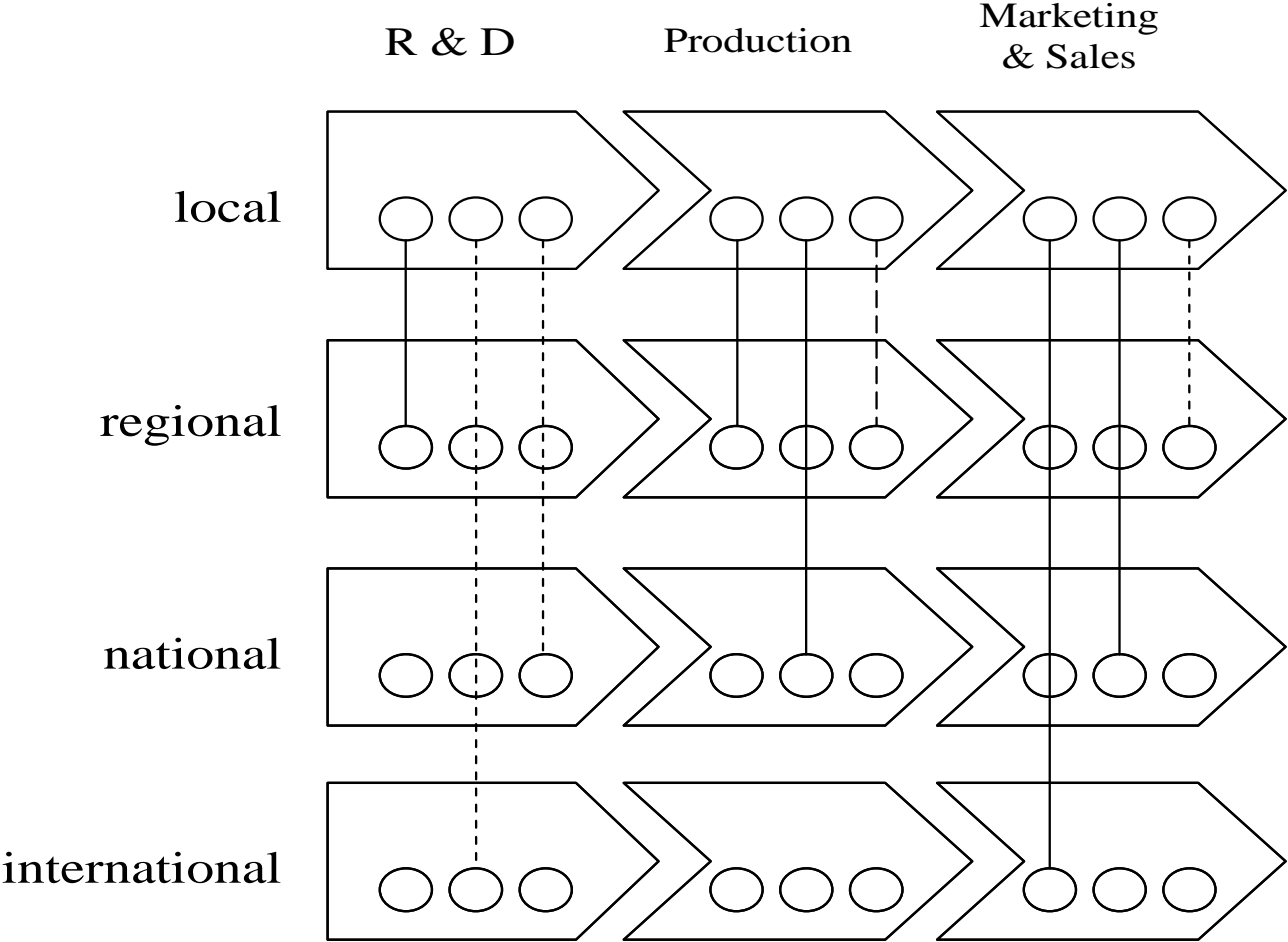
What's inside regional ecosystems...: factors



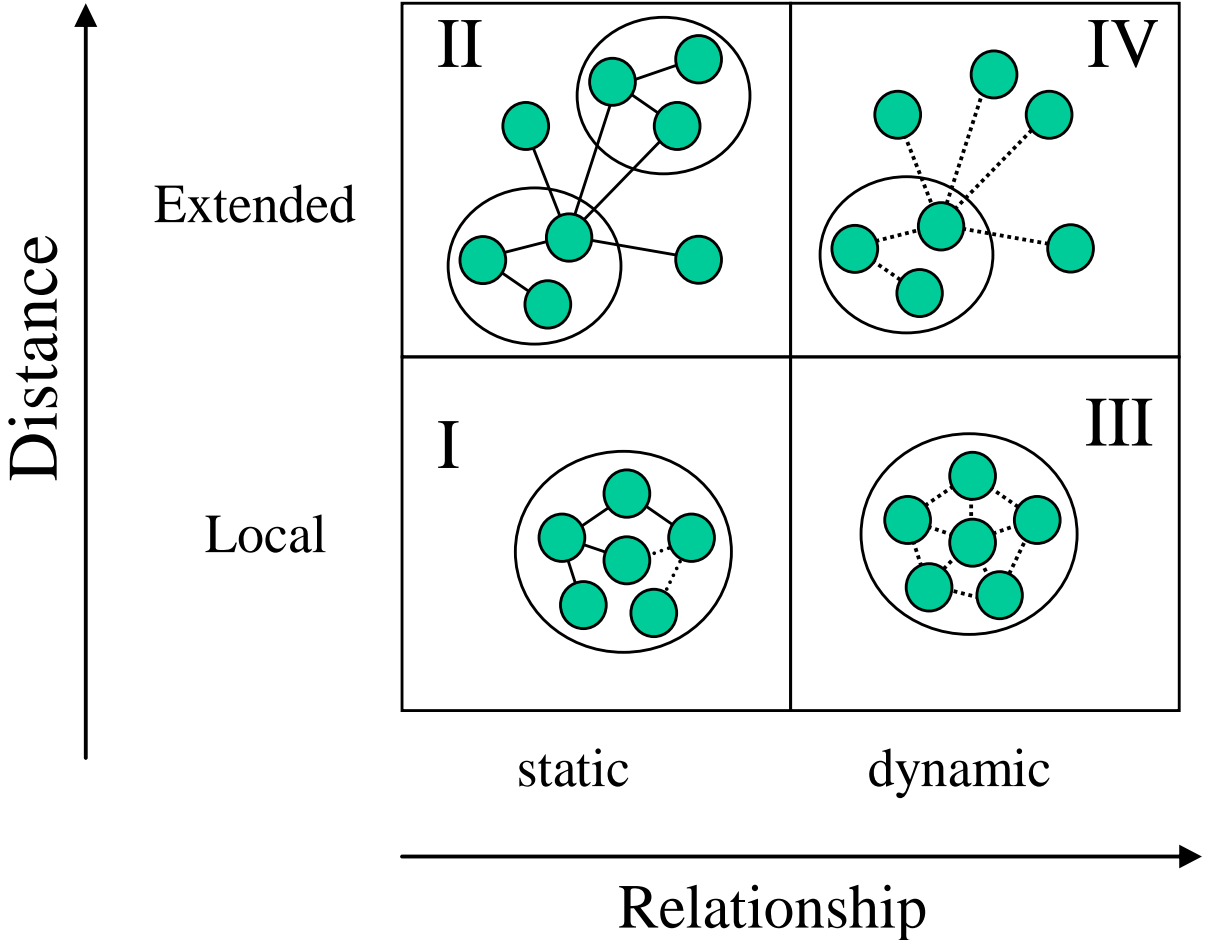
Elements of Regional Economic Ecosystems



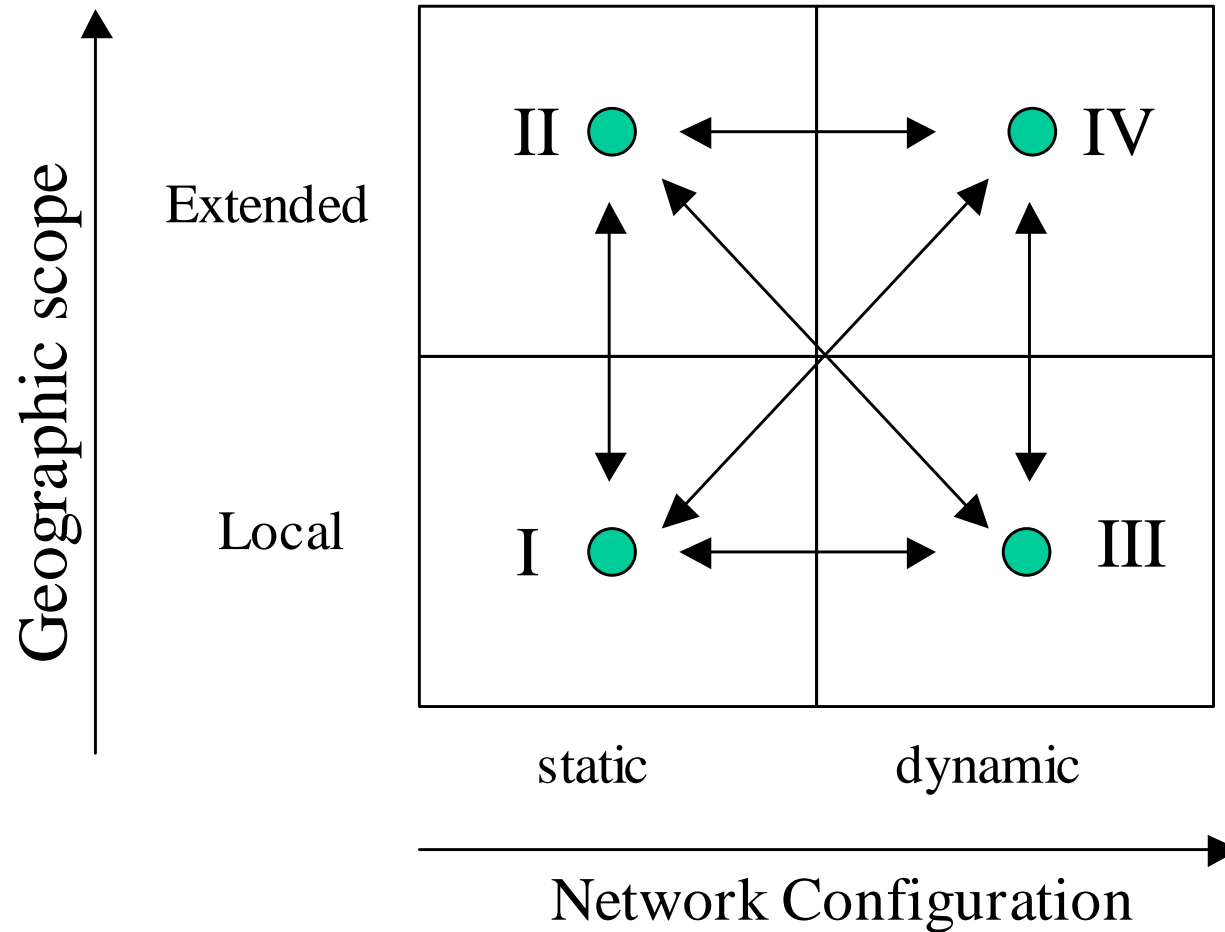
Extended and Dynamic Clustering: Disaggregating the value chain topology



Extended and Dynamic Clustering

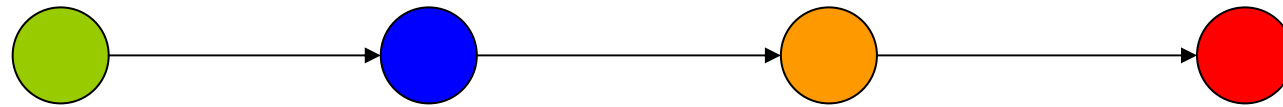


Extended and Dynamic Clustering



Mapping the Regional Economic Ecosystem Life Cycle

Stages of regional economic ecosystem development



Launch

- Rationale
- Objectives
- Strategy
- Stakeholders

Identity

- Self awareness
- Ecosystem analysis
- Action plans
- Policy mix

Implementation

- Initiatives
- Networking
- Involvement
- Policy steps

Institutionalization

- Collaborative organizations
- Cross-regionalization
- Business reconfiguration
- Agenda reviews



Thank You

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