

Final Report: EU-SPRI Winter School on Geography of Innovation



Short facts:

Location: CIRCLE/Lund University, Sweden

Date: March 5-9, 2018

Organisers: Markus Grillitsch & Magnus Nilsson, CIRCLE, Lund University

Speakers CIRCLE/LU: Martin Andersson, Charles Edquist, Olof Ejeremo, Lea Fünfschilling, Markus Grillitsch, Karl-Johan Lundquist, Magnus Nilsson, Josephine Rekers, Torben Schubert.

Guest Speakers: Sandra Hannig (OECD), Dän Kärreman (Copenhagen Business School), Jonathan Potter (OECD), Richard Shearmur (McGill School of Urban Planning), Markku Sotarauta (School of Management at University of Tampere).

Number of participants: 22 from 20 different institutions and 10 different countries

Number of participants from EU-SPRI network: 6

Overall satisfaction: 4,74 (on scale 1-5)

Introduction

The European Forum for Studies of Policies for Research and Innovation, EU-SPRI Forum, holds a series of winter and summer schools targeted at state-of-the-art training for PhD candidates. This series focuses on the study of innovation policy and supporting disciplines. It concentrates on current research and debates on innovation studies and associated fields, with emphasis on policy and pressing societal challenges.

CIRCLE/Lund University hosted the third session of this series on the theme of Geography of Innovation from March 5-9, 2018.

In total, we received 26 applications out of 22 were finally participating in the course. Interestingly, the participants came from a large variety of institutions (20) located in 10 different countries. Furthermore, the participants had a highly diverse background concerning nationality, gender, professional experience, theoretical perspectives on the Geography of Innovation, and methodological approaches. This diversity was the basis for very fruitful discussions and a great learning atmosphere. Non EU-SPRI participants: 14, EU-SPRI member participants: 8

The Content of the Course

Regional competitiveness and regional inequalities are major themes in the policy debate and often presented as two sides of a coin. Knowledge-based activities and innovation drive the economy in core areas, while the periphery lags behind. This dichotomy ignores the variegated nature of innovation and the linkages between places, the core and periphery, the north and the south. The EU-SPRI Winter School in Lund on Geography of Innovation provided a more nuanced picture. This helped participants to study innovation in different geographical contexts, recognize the linkages between local and global innovation processes, understand how innovation contributes to structural change, and the role of policy at local, national and international levels.

Course objectives

This winter school sought to familiarise participants with state-of-the-art scientific and policy debates about the Geography of Innovation and its associated practices. Through lectures and discussions, the school participants explored theoretical and conceptual underpinnings of the geography of innovation as well as implications for regional innovation and development policy at different levels.

The course enabled participants to:

- Critically examine the framing of innovation in different streams of literature and related to different contextual conditions;
- Recognise to what extent, why and how innovation influences regional competitiveness and inclusive development in different contexts;
- Consider the global embeddedness of local innovation processes;
- Identify place-based characteristics and – against this backdrop - assess and evaluate regional development and innovation policy;
- Discuss the role of innovation in promoting structural change in different types of regions;
- Develop cutting-edge scientific contributions and research proposals

Organisation of the Course

Each day of the conference was dedicated to a specific topic. The first day started with a discussion about the variegated nature of innovation in different geographic contexts. The second day was devoted to the interdependencies between local processes and global innovation networks. The third day pivoted around innovation policy, including an intervention by OECD representatives. The fourth day focused on long-term structural change (or persistency) and the role that innovation plays in this context. The fifth day addressed research skills. The final program is presented in Table 1. Annex 1 provides short information to each session plus a literature list.

Table 1: Final program

	Monday	Tuesday	Wednesday	Thursday	Friday
Theme	Geographies of Innovation	Innovation: Local-Global	Innovation Policy	Structural Change	Research skills
8:30-9:00	Arrival and Registration				
9:00-10:45	Introduction Markus Grillitsch & Magnus Nilsson	Territorial Innovation Models Josephine Rekers	New path development in regions Markus Grillitsch	Geography of Transitions Lea Fünfschilling	Making a Contribution: Constructing Mystery Dan Kärreman
10:45-11:00	Coffee Break	Coffee Break	Coffee Break	Coffee Break	Coffee Break
11:00-12:45	Geographies of Innovation Richard Shearmur	Agency and Regional Innovation Systems Markku Sotarauta	Regional Innovation Policy Markus Grillitsch	A Holistic Innovation Policy Model Charles Edquist	Successful Research Applications Markus Grillitsch & Magnus Nilsson
12:45-13:45	Lunch	Lunch	Lunch	Lunch	Lunch
13:45-15:15	Innovation and the City Martin Andersson	Local and global innovation networks & trust Magnus Nilsson	OECD Linking academia and policy practice Sandra Hannig	Long-term structural change in regions Lars-Olof Olander	Closing Discussion Markus Grillitsch & Magnus Nilsson
15:15-15:30	Break	Break	Break	Break	
15:30-17:15	Innovation and the Periphery Richard Shearmur	Migration, heritage and regional persistence of entrepreneurship Olof Ejermo	Models of innovation: Development and policy applications Merle Jacob	Global innovation processes Torben Schubert	
Evening	Welcome drinks	Social activity	Dinner	Free evening	

Evaluation

The students were highly satisfied with the EU-SPRI Winter School as becomes evident from the scores shown in Table 2. The scores are on a 1-5 Likert scale (1 – strongly disagree to 5 – strongly agree). Accordingly, the overall satisfaction was 4.74 and highly recommendable to PhD in the field of geography of innovation (4.75). The comparably lowest agreement with 4.05 and 4.20 relate to the relevance of the lectures with the topic of the event and the general quality of the lectures. Given the high diversity of students, it will be probably nearly impossible to put together a program where each lecture perfectly fits topic of the event for all students. However, as the organisers (Markus Grillitsch and Magnus Nilsson) have participated in all lectures, we still feel that minor adjustments could even further improve the quality of the program – subject of course to the availability of lecturers.

In addition to the formal evaluation, we conducted a qualitative evaluation with the students, which was highly positive. One aspect that was considered very valuable was that the organisers embedded each lecture in the broader context and explicated the links between lectures. Furthermore, the learning environment and atmosphere was praised (score of 4.9 in the formal evaluation) allowing for inspiring discussions and cross-fertilisation between the various participants. In particular, the participants highlighted that they enjoyed the high diversity of the group, the possibility to develop networks, and accessibility of speakers. As regards topics that could be included in a future program, the participants mentioned social innovation and innovation in a development country context.

Table 2: Evaluation scores of students

Overall, I was satisfied with the event.	4,74
The scientific quality of the event fulfilled my expectations.	4,35
The lectures were relevant to the overall topic of the event.	4,05
The general quality of the lectures was high.	4,20
The winter school provided me with inspiration and opportunities to learn.	4,65
The overall atmosphere of the course was good.	4,90
The social activities were a valuable addition to the course.	4,60
The course is recommendable to PhDs in the field of geography of innovation.	4,75
I consider what I have learned to be valuable for my future	4,45

Annex 1. Reading List

Geographies of innovation (Richard Shearmur)

The aim of this lecture is to get students thinking about what innovation is, why it is of interest, and how (and why) geography is a relevant consideration. After briefly proposing a Schumpeterian-inspired conceptualisation of innovation, the wide variety of actors or organisations that can innovate will be discussed: these range across municipalities, criminals, governments and, of course, private sector. Narrowing the scope down to the private sector, we will then consider how the conceptualisation of innovation has evolved towards that of open innovation. A variety of theories/concepts that are common in the literature such as regional systems of innovation, clusters, milieu and creative cities will be described. However, these key concepts were mainly developed and observed in the pre-Internet age. Recent work on communities of practice, travel, fairs, etc... as well as work on global value chains, should make us question whether (and if so how) we can assign innovation to particular locations. Particular locations can, of course, play a role in the innovation process: but this does not mean that innovation can be localised at, or within, them.

Suggested readings (with * the most important ones):

- *Bathelt, H. and S.Henn, 2004, The Geographies of Knowledge Transfers over Distance: Toward a Typology, *Environment & Planning A*, 46, 1403-24
- *Dahlander, L. and D.Gann, 2010, How open is innovation? *Research Policy*, 29: 699-709
- *Dawson, P. and L.Daniel, 2010, Understanding Social Innovation: A Provisional Framework, *International Journal of Technology Management*, 51.1, 9-21
- *Lazonick, W. and M.Mazzucatto, 2013, The risk-reward nexus in the innovation-inequality relationship: who takes the risks? Who gets the rewards? *Industrial and Corporate Change*, 22.4, 1093-1128
- *Moulaert, F. and F.Sekia, 2003, Territorial Innovation Models: A Critical Survey, *Regional Studies*, 37:3, 289-302
- Aldridge, J. and D.Décary-Héту, 2014, Not an 'eBay for Drugs': The Cryptomarket "Silk Road" As a Paradigm Shifting Criminal Innovation, (Available at SSRN: <http://ssrn.com/abstract=2436643> or <http://dx.doi.org/10.2139/ssrn.2436643>)
- Shearmur, R. and V.Poirier, 2016, Conceptualizing Nonmarket Municipal Entrepreneurship: Everyday Municipal Innovation and the Roles of Metropolitan Context, Internal Resources, and Learning, *Urban Affairs Review*, DOI: 10.1177/1078087416636482

Innovation and the city (Martin Andersson)

As cities grow in size, they also become more complex in terms of interactions, flows and networks (Batty 2013). This begs the question of how the inner landscape of urban economies, i.e. their economic microgeographies, relate to their aggregate performance. This session will deal with innovation in cities with a specific focus on the role played by the inner geography of cities in driving innovation and entrepreneurship.

Suggested readings (with * the most important ones):

- Andersson, M, J P Larsson and J Wernberg (2016), "The Economic Microgeography of Diversity and Specialization", IFN Working paper 1167, <https://econpapers.repec.org/paper/hhsiiwop/1167.htm>
- Arzaghi, M., & Henderson, J. V. (2008). Networking off madison avenue. *The Review of Economic Studies*, 75(4), 1011-1038.
- Andersson, M , J Klaesson and J P Larsson (2016), "How Local are Spatial Density Externalities? Neighborhood effects in agglomeration economies", *Regional Studies*, 50 (6), 1082-1095
- Andersson, M., Klaesson, J., & Larsson, J. P. (2014). The sources of the urban wage premium by worker skills: Spatial sorting or agglomeration economies?. *Papers in Regional Science*, 93(4), 727-747.
- Duvivier, C., & Polèse, M. (2016). The great urban techno shift: Are central neighbourhoods the next silicon valleys? Evidence from three Canadian metropolitan areas. *Papers in Regional Science*.

Innovation and the Periphery (Richard Shearmur)

After describing results obtained by analysing the geography of innovation in Quebec service and manufacturing firms, in this lecture a case will be made that the role of the city has been overstated by many students of innovation. Innovation of course takes place in cities – by and large in proportion to their size. Yet cities are often presented as fonts of innovation, ignoring (or at least downplaying) innovation occurring in non-urban places. Some possible reasons for this will be outlined (the type of data used, survey methods, urban gatekeepers...), and an approach will be described that reconciles a variety of empirical facts, i.e. a) that the propensity to innovate is similar for firms in cities and for those in remote areas; b) that remoter areas are tending to decline; c) that clusters of innovative firms do exist and tend to be located in or close to cities. This approach will provide some pointers as to how firms can innovate in peripheral areas, what types of innovation they are more likely to produce, and why this does not mean that peripheral regions will necessarily grow.

Suggested readings (with * the most important ones):

- *Fitjar, R. and A.Rodriguez-Pose, 2011, Innovating in the Periphery: Firms, Values and Innovation in Southwest Norway, *European Planning Studies*, 19.4, 555-74
- *Florida, R., P.Adler and C.Mellander, 2017, The city as innovation machine, *Regional Studies*, 51.1, 86-96
- *Shearmur R., 2012, Are cities the font of innovation? A critical review of the literature on cities and innovation, *Cities*, 29.2, S9-S18
- *Shearmur, R, 2017, Urban Bias in Innovation Studies, in Bathelt, H., P.Cohendet, S.Henn and L.Simon (eds), *The Elgar Companion to Innovation and Knowledge Creation: A Multi-Disciplinary Approach*, Cheltenham: Edward Elgar, 440-456
- *Shearmur, R. and D.Doloreux, 2015, KIBS use and innovation: high-order services, geographic hierarchies and internet use in Quebec's manufacturing sector, *Regional Studies*, 49.10, 1654-71
- Baptista, R. and P.Swann, 1998, Do firms in clusters innovate more?, *Research Policy*, 27: 525-40
- Huber, F., 2011, Do clusters really matter for innovation practices in Information Technology? Questioning the significance of technological knowledge spillovers, *Journal of Economic Geography*, 12, 107-26

Territorial Innovation Models (Josephine Rekers)

Why did Silicon Valley flourish when Route 128 struggled? Why did the Ruhr area face crises and (how) did it manage to rebuild its old industrial region? In this session we cover fundamental big ideas that underpin territorial innovation models: knowledge dynamics and the social in production, learning and regional culture, and evolutionary dynamics of local production and innovation systems.

Suggested readings (with * the most important ones):

- Gertler, Meric S. (2003). A cultural economic geography of production, in *Handbook of Cultural Geography* (eds. Kay Anderson, Mona Domosh, Steve Pile & Nigel Thrift), p. 131-146. Sage, London.
- *Grabher, Gernot (1993). The weakness of strong ties: the lock-in of regional development in the Ruhr area, in *The Embedded Firm: On the Socio-Economics of Industrial Networks* (Grabher ed.), p.255-277. London, United Kingdom: Routledge.
- *Henry, Nick & Steven Pinch (2000). Spatialising knowledge: placing the knowledge community of Motor Sport Valley. *Geoforum*, 31(2), 191-208.
- *Moulaert, Frank and Sekia, Farid (2003). Territorial Innovation Models: A Critical Survey. *Regional Studies* 37(3), 289-302.
- Saxenian, AnnaLee (1994) *Regional Advantage; Culture and Competition in Silicon Valley and Route 128*. Cambridge: Harvard University Press. (a summary of the story can be found in the article: Saxenian, AnnaLee (1996). Inside-out: Regional networks and industrial adaptation in Silicon Valley and Route 128, in *Cityscape: A Journal of Policy Development and Research* 2(2): 41-60.)

Agency and Regional Innovation Systems (Markku Sotarauta)

Regional development and related innovation-oriented studies have faced interesting challenges. On the one hand, micro-level analyses do not usually provide much insight into structural changes. On the other hand, more structurally oriented studies tend to “read off” actors from national or local/regional institutional structures. Consequently, more specific conceptualisations of institutional agency and related strategies are called for, as regional development is about (a) releasing the future potential underlying existing institutions and (b) institutionalising the released potential. Understanding institutional agency in the context of regional development, regional innovation systems or perhaps path development is crucial because actors aim to mould and are simultaneously affected by many kinds of history-informed social practices and routines. At the most basic level, to study institutional agency (incl place leadership) is to be interested in revealing the things that actors actually do to influence other actors in very particular types of settings both formally and informally – openly as well as opaquely – and how they go about doing what they do.

Suggested readings (with * the most important ones):

- *Garud, R, Kumaraswamy, A. and Karnøe, P. (2010). Path dependency or path creation? *Journal of Management Studies*, 47, 760–74.
- Dawley, S. (2014). Creating New Paths? Offshore Wind, Policy Activism, and Peripheral Region Development. *Economic Geography* , 90(1), pp. 91-112
- Mazzucato, M. (2014). *The Entrepreneurial State: Debunking Public vs Private Sector Myths*. London, UK: Anthem Press.
- Uyarra, E., Flanagan, K., Magro, E., Wilson, J.R. & Sotarauta, M. (2017) Understanding regional innovation policy dynamics: Actors, agency and learning. *Environment and Planning C: Politics and Space*, 35(4) 559-568
- *Sotarauta, M. & Pulkkinen, R. 2011. Institutional Entrepreneurship for Knowledge Regions: In Search of a Fresh Set of Questions for Regional Innovation Studies. *Environment & Planning C: Government and Policy*. 29 (1), 96-112

Global and local innovation networks & trust (Magnus Nilsson)

The transfer of knowledge and information between individuals, organizations and across space is key for collaborative learning and innovation. In order to share information and knowledge, a level of trust is however needed. Awareness of the way trust evolves is therefore crucial for understanding the geography of innovation, inter-organizational collaboration and in extension regional path development. This lecture addresses the issue of trust and trust formation from a spatial point of view. The relationship between learning, innovation and trust is discussed. Implications for regional knowledge dynamics and new path development are drawn.

Suggested readings:

- Bachmann & Zaheer (2008) Trust in inter-organizational relations, in *The Oxford Handbook of Inter-Organizational Relations* eds. Cropper, Huxman, Ebers & Smith Ring (2015) Oxford University Press.
- Bathelt H., Malmberg A. and Maskell P. (2004) Clusters and knowledge: local buzz, global pipelines and the process of knowledge creation, *Progress in Human Geography* 28, 31-56.
- Nilsson M. and Mattes J. (2015) The spatiality of trust: Factors influencing the creation of trust and the role of face-to-face contacts, *European Management Journal* 33, 230-44.
- Nooteboom B. (2013) Trust and Innovation, in Bachmann R. and Zaheer A. (Eds) *Handbook of Advances in Trust Research*, pp. 106-22. Edward Elgar, Cheltenham, UK.

Migration, heritage and regional persistence of entrepreneurship (Olof Ejermo)

Entrepreneurial activities such as start-ups and inventive activity has been observed to be highly persistent in regions over time, despite substantial evolution of industries and social and political turmoil.

What are the reasons for such stability? This session reviews existing literature on entrepreneurial persistence, and looks at the prime candidates for explaining persistence, including heritage. The sometimes-extreme persistence we observe is almost paradoxical: it originates from human behavior but is almost as if given. Which raises questions such as: Can persistence be changed at all? What role can be given to policy? The session links the phenomena of persistence to a research agenda on the role of large migration flows in altering persistence based on Swedish returnees from the age of mass migration, where over a million Swedes emigrated to America and about 200 000 returned home.

Suggested readings (with * the most important ones):

Abramitzky, Ran; Leah Platt Boustan and Katherine Eriksson. 2012. "Europe's Tired, Poor, Huddled Masses: Self-Selection and Economic Outcomes in the Age of Mass Migration." *The American Economic Review*, 102(5), 1832-56.

Aghion, Philippe; Ufuk Akcigit; Ari Hyytinen and Otto Toivanen. 2017. "The Social Origins of Inventors," National Bureau of Economic Research

*Hornung, E. 2014. "Immigration and the Diffusion of Technology: The Huguenot Diaspora in Prussia." *The American Economic Review*, 104(1), 84-122.

*Lindquist, M.J.; Sol, J. and Van Praag, M. (2015). "Why Do Entrepreneurial Parents Have Entrepreneurial Children?" *Journal of Labor Economics*, 33(2), 269-96.

*Stuetzer, M., Obschonka, M., Audretsch, D. B., Wyrwich, M., Rentfrow, P. J., Coombes, M., Shaw-Taylor, L. and Satchell, M. (2016). "Industry structure, entrepreneurship, and culture: An empirical analysis using historical coalfields." *European Economic Review*. 86, 52-72.

Regional Innovation Policy (Markus Grillitsch)

Regional innovation policy has evolved with the opportunities and challenges of regions. This session aims to provide a short overview of the changing policy rationales over time, to introduce and compare key policy approaches (including cluster, regional innovation system approaches, and smart specialization), to discuss the theory underpinning these approaches, and to unveil the extent to which regional innovation policy is dependent on regional characteristics. Furthermore, this session takes up the recent debate in policy circles and academia on industrial diversification, and regional industrial path development.

Suggested readings (with * the most important ones):

- Asheim, B, Boschma, R, Cooke, P (2011) Constructing Regional Advantage: Platform Policies Based on Related Variety and Differentiated Knowledge Bases. *Regional Studies* 45:893-904.
- Asheim, B, Grillitsch, M, Trippl, M (2016) Regional innovation systems: past–present–future. In *Handbook on the Geographies of Innovation*, ed. R. Shearmur; C. Carrincazeaux; and D. Doloreux, 45. Cheltenham: Edward Elgar.
- Foray, D (2014) From smart specialisation to smart specialisation policy. *European Journal of Innovation Management* 17:492-507.
- Grillitsch, M (2016) Institutions, smart specialisation dynamics and policy. *Environment and Planning C: Government and Policy* 34:22-37.
- Morgan, K (2016) Nurturing novelty: Regional innovation policy in the age of smart specialisation. *Environment and Planning C: Government and Policy* 35:569-583.

New path development in regions (Markus Grillitsch)

In the wake of technological change, globalization and the financial crisis, there has been an increasing focus on structural change, industrial diversification and new industrial path development in regions. This session elaborates on the various shapes new industrial path development can take. It zooms in on local and global sources for inspiration, knowledge and resources for new path development. Furthermore, the session elaborates on regional differences as regards barriers and opportunities for industrial diversification and what implications this has on regional policy. Finally, while structural barriers are a frequent focus, there has been an increasing appreciation of the role of agency for new path development. Consequently, the session introduces agency as key factor for shaping new regional growth paths.

Suggested readings (with * the most important ones):

- Boschma, R (2017) Relatedness as driver of regional diversification: a research agenda. *Regional Studies* 51:351-364.
- Grillitsch, M, Asheim, B, Trippel, M (2017) Unrelated knowledge combinations: Unexplored potential for regional industrial path development. *Papers in Innovation Studies* Nr. 2017/10, CIRCLE Working Papers, Lund University.
- Grillitsch, M, Sotarauta, M (forthcoming) Regional Growth Paths: From Structure to Agency and Back. *Papers in Innovation Studies* Nr. 2018/1, CIRCLE Working Papers, Lund University.
- Hassink, R (2010) Locked in decline? On the role of regional lock-ins in old industrial areas. In *The Handbook of Evolutionary Economic Geography*, ed. R. Boschma and R. Martin, 450-468. Cheltenham: Edward Elgar.
- Martin, R, Sunley, P (2006) Path dependence and regional economic evolution. *Journal of Economic Geography* 6:395-437.

Entrepreneurship and innovation policy levers for regional economic resilience and diversification – linking academia and policy practice (Sandra Hannig)

Worldwide and among OECD countries there has been a remarkable decline in inequality between countries. At the same time however, inequality among regions within countries has been growing in many OECD countries. OECD has shown that some regions have managed to narrow the productivity gap while other still lag behind (OECD 2016).

One key issue arising in this context is how to reinforce regional resilience and adaptation across different types of regions through economic diversification and new path formation. Entrepreneurship and innovation policy levers have a key role to play in this regard and policy-makers are increasingly interested in the place-based dimension of these policies.

This presentation will provide an overview of the work that the OECD has been carried out on entrepreneurship, SME and innovation policy analysis at regional level. It will further introduce a new project that aims to support national and regional governments to develop effective diversification strategies and policies and discuss preliminary findings and recommendations from recent case study analysis in Poland and the UK.

Suggested readings (with * the most important ones):

Entrepreneurship, SMEs, and Local Development in the Marche region, Italy, OECD 2011.

The local dimension to SME and Entrepreneurship Policy in Israel. In: SME and Entrepreneurship Policy in Israel 2016, OECD 2016.

OECD Regional Outlook 2016 – Productive Regions for Inclusive Societies, OECD 2016.

Geography of transitions, Lea Fuenfschilling

This lecture introduces the field of sustainability transitions research and pays attention to the geography of transition dynamics. Transitions are deep-structural changes of highly institutionalized socio-technical systems, often representing industries such as energy, water, transport or food. Innovation is thereby considered to play a crucial role in order to generate more sustainable consumption and production patterns. The lecture will reflect upon the multi-scalar nature of innovation processes and show how space, place and scale affect the dynamics of sustainability transitions.

Suggested readings (with * the most important ones):

- *Markard, J., Raven, R., Truffer, B., 2012. Sustainability transitions: An emerging field of research and its prospects. *Research Policy* 41 (6), 955-967.
- *Coenen, L., Benneworth, P., Truffer, B., 2012. Toward a spatial perspective on sustainability transitions. *Research Policy* 41 (6), 968-979.
- *Fuenfschilling, L., Binz, C., forthcoming. Global socio-technical regimes. Accepted for publication in *Research Policy*.
- *Binz, C., Truffer, B., 2017. Global Innovation Systems—A conceptual framework for innovation dynamics in transnational contexts. *Research Policy* 64 (7), 1284-1298.
- Van Den Bergh, J.C.J.M., Truffer, B., Kallis, G., 2011. Environmental innovation and societal transitions: Introduction and overview. *Environmental Innovation and Societal Transitions* 1 (1), 1-23.
- Truffer, B., Murphy, J.T., Raven, R., 2015. The geography of sustainability transitions: Contours of an emerging theme. *Environmental Innovation and Societal Transitions* 17, 63-72.

A Holistic Innovation Policy and the Practice of the Swedish National Innovation Council (Charles Edquist)

A holistic innovation policy is defined as a policy that integrates all public actions that influence or may influence innovation processes. The Swedish National Innovation Council (NIC) was created by the Swedish Prime Minister, Stefan Löfven, in February 2015. It is personally chaired by the Prime Minister, which is unusual for similar councils in other countries. Another atypical characteristic of the Swedish NIC is that it has a dominant and wide focus on innovation policy. In other countries, such councils focus predominantly on science and/or research policy and treat innovation policy, if at all, as an “appendix” to research policy. The purpose of this presentation is to answer the following four questions: Has Swedish innovation policy recently been moving in the direction of a more holistic innovation policy? If so, how and in what respects? Has the Swedish National Innovation Council (NIC) had an influence on Swedish innovation policy and has it played a role in the transition towards a holistic innovation policy? Which role and how? Have conceptual specifications and advancements, such as innovation systems (in a broad sense), functional public procurement, additionality, and holistic innovation policy played a role in the changes in Swedish innovation policy? Can Sweden serve as a role model for other countries in these respects?

Suggested readings (with * the most important ones):

- *Charles Edquist (2018). Toward a Holistic Innovation Policy: Can the Swedish National Innovation Council Serve as a Role Model?, CIRCLE Papers in Innovation Studies, Paper no. 2018/02 http://wp.circle.lu.se/upload/CIRCLE/workingpapers/201802_edquist.pdf
- *Charles Edquist (2017). Developing strategic frameworks for innovation related public procurement, European Commission. [file:///C:/Users/charles.edquist/Downloads/ML-IP%20topic%20A%20report%20V2_03112017%20\(10\).pdf](file:///C:/Users/charles.edquist/Downloads/ML-IP%20topic%20A%20report%20V2_03112017%20(10).pdf)
- Borrás, S., Edquist, C (2013) “The choice of innovation policy instruments”, *Technological Forecasting & Social change* 80, 1515-1522. <https://www.sciencedirect.com/science/article/pii/S0040162513000504>

Long term structural change and growth in a regional system (Lars-Olof Olander)

In this lecture we discuss the long run economic growth and productivity performance of regions and how this relates to different phases of structural change and adaptability in different part of a national regional system. Special emphasis is given to radical technology shifts and their effect in time and space, such as lead-lag relations between industries and regions leading to divergence and convergence in regional growth as consequences of technological change, market integration and economic growth. This neo-Schumpeterian inspired economic geography framework suggest that technology shifts in combination with industry structure and the existing hierarchy of regions will put strong restriction on what can be achieved in terms of transformation and growth for single regions in specific time periods. The empirical analysis of Sweden shows that the technology shift have targeted various part of the regional system at different points of time setting the overall average agenda for structural change and growth for different levels of the regional system.

Suggested readings (with * the most important ones):

- *Lundquist, K-J, Olander L-O & Martynovich (2017) The technology shift thesis. Understanding long term growth in a regional system. *Research Reports in Human geography 2017: 1*, Department of Human Geography
- *Henning, M., Lundquist, K-J. & Olander L-O (2017) Regional analysis and the process of economic development: changes in growth, employment and income. In Ljungberg, J. (ed.) *Structural analysis and the process of economic development*. Routledge, New York.
- Martynovich, M. (2016). *General purpose technology diffusion and labour market dynamics: A spatio-temporal perspective (Chapters 2*, 3, 4, and and article I*. Lund: Media-Tryck. Available at: http://portal.research.lu.se/portal/files/23558144/Dissertation._Mikhail_Martynovich.pdf
- Schön, L. (2012) *An Economic History of Modern Sweden*. Oxon: Routledge.

Management of Global Innovation Processes: Creating Modular Organizations (Torben Schubert)

The lecture introduces the concept of modularity guiding decisions on when and how firms are likely to be able to offshore innovation activities successfully. The concept of modularity, loosely speaking, refers to organizationally and/or spatially collocating activities with strong interdependence, while organizationally and/or spatially separating activities with weak interdependence. As such, the concept of modularity complements approaches in transaction costs theory, which were invoked often to analyze offshoring or outsourcing decisions. The lecture provides recent insights into how predictions from transaction cost theory and modularity theory compare to each other and suggests lines for future research.

Suggested readings (with * the most important ones):

- * Baier, E., Rammer, C., & Schubert, T. (2015). The impact of captive innovation offshoring on the effectiveness of organizational adaptation. *Journal of International Management*, 21(2), 150-165.
- Eppinger, S. D., Whitney, D. E., Smith, R. P., & Gebala, D. A. (1994). A model-based method for organizing tasks in product development. *Research in engineering design*, 6(1), 1-13.
- * Simon, H. A. (2002). Near decomposability and the speed of evolution. *Industrial and corporate change*, 11(3), 587-599.
- * Williamson, O. E. (1998). Transaction cost economics: how it works; where it is headed. *The economist*, 146(1), 23-58.

Making a Contribution: Constructing Mystery (Dan Kärreman)

In principle, there are two major routes to producing credible research texts. One is to follow rules and procedures indicating rationality. The other, which is the focus of the workshop, is to deal with the interpretive, political, linguistic, theory-data fused nature of the research process. Awareness of the various elements influencing the research process and the research results is seen as crucial. Reflexivity emphasizes these aspects and tries to develop ideas for how to avoid traps and pitfalls in the process and how to deal creatively with the various elements in the research process. The ambition is to produce more interesting and unexpected research results through re-thinking conventions and open up for more varied and challenging uses of research questions, fieldwork practices, modes of interpretations and styles of writing

Suggested readings (with * the most important ones):

- *Alvesson, M. & D. Kärreman 2007 Constructing mystery: empirical matters in theory development. Academy of Management Review 32, 1265-1281
- Alvesson, M. & J. Sandberg 2011. Generating research questions through problematization, Academy of Management Review, Vol. 36, No. 2, pp. 247-271.
- Alvesson, M. & Y. Gabriel.2013. Beyond formulaic research: in praise of greater diversity in organizational research and publications. Academy of Management Learning & Education : 12:2: 245-263.