Alpha Clusters

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A Strategy of Innovation

“Innovation is increasingly recognized as the key to successful competition in the global knowledge–based economy”

ISRN Cluster Initiative Project Proposal

“The ability to create, distribute and exploit knowledge is increasingly central to competitive advantage, wealth creation and better standards of living.”

OECD Science, Technology and Industry Scoreboard 2001 - Towards a Knowledge-based Economy

“Innovation has always been a driving force in economic growth and social development. But in today’s knowledge-based economy, the importance of innovation has increased dramatically.”

Canada’s Innovation Strategy, Government of Canada 2002

“It is now well recognised that technology and innovation are key drivers of productivity and growth performance.”

Statistics Canada Research Workshop - The Many Guises of Innovation: What We Have Learnt and Where We Are Heading, October 2003
“Alpha Clusters”

• Financial investment
• Advertising
  – Advertising agencies
  – Public relations
• Media
  – Periodical and book publishing
  – Television
• Fashion
  – Clothing
  – Jewellery
  – Cosmetics
• Motion pictures
• Sound recording
• Performing arts/artists
  – Theatre and dance
  – Artists, writers, musicians
Spatial Concentration
(Canadian census subdivisions and U.S. counties)

Data source: Canadian Business Patterns, Statistics Canada; County Business Pattern, U.S. Census Bureau
Industries Highly Concentrated in New York

TEXTILES & CLOTHING
- Knitting Mills
- Cut & Sew Clothing
- Accessories
- Textile & Fabric Finishing
- Jewellery and Silverware
- Integrated Record Production/Distribution
- Taxi
- Limousine

ADVERTISING
- Public Relations
- Media Buying
- Periodicals

SPECIALIZED DESIGN
- Independent Artists
- Agents & Managers
- Dance Companies
- Theatre Companies
- Graphic Design
- Investment Brokers
- Music Publishers
- Record Production

INVESTMENT
- Music Publishers
- Independent Artists

NEWS SYNDICATES
- Pay & Specialty Television

PAY & SPECIALTY TELEVISION
- Theatre Companies
- Integrated Record Production/Distribution

MOTION PICTURES & SOUND RECORDING
- Theatre Companies
- Independent Artists

PERIODICAL & BOOK PUBLISHING
- Integrated Record Production/Distribution

PERFORMING ARTS
- Dance Companies
- Theatre Companies
- Independent Artists

TRANSPORTATION/INF. & COMMUNICATIONS
- Transport/Info.& Comm.

MANUFACTURING
- Manufacturing

PROFESSIONAL - EDU/HEALTH
- Professional - Edu/Health

RECREATION & RES.
- Recreation & Res.

JEWELLERY & SILVERWARE
- Jewellery and Silverware
Average Annual Pay

Average Pay in Selected Industries: U.S. States Ranked in Ascending Order

Some of Toronto’s Alpha Clusters
Leading Alpha Cluster Cities

- Los Angeles
- New York
- Toronto
- Montréal
- Nashville
- San Francisco
- Vancouver

location share differential

Investment
Advertising
Media
Fashion
Motion pictures
Sound recording
Performing arts
Pay compared to national average

* Canadian data for broadcasting includes telecommunications

Innovation?

**The Process**
- Firm growth
- Financing
- Intellectual property
- Technological advance

**The Indicators**
- Fast Growth Firms
- Venture Capital, IPOs
- Patents
- Scientific Capacity, R&D

**The Policies**
- Tax Treatment of Capital Gains
- Tax incentives for Venture Capital Investment
- Intellectual Property Protection
- Investment in Science Education, Fund/Perform R&D, R&D Tax Credits
Questions & Comments?