ISRN Over the Decade

by

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2001 Project Framework: Innovation Systems and Economic Development: The Role of Local and Regional Clusters in Canada

Goal: to determine how the formation and growth of clusters contribute to economic development and prosperity across Canada.

How do local networks of firms in these regions and its supporting institutions and organizations foster innovative dynamism and robust economic development.

To what extent — and in what ways — do local, extra–firm relationships and interaction enable firms to make the transition to more innovative and knowledge–intensive forms of production?
2001 Project Questionnaire

1. Please indicate the location of your *most important* suppliers, partners, competitors and service providers. (Please check all that apply)

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<th>Local &lt;100km</th>
<th>Rest of province</th>
<th>Rest of Canada</th>
<th>United States</th>
<th>European Union</th>
<th>Pacific Rim</th>
<th>Rest of World</th>
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2. What percent of your establishment’s sales are in the following markets?

- Local (within 100km)  
- Rest of the province:  
- Rest of Canada:  
- United States:  
- Europe:  
- Pacific Rim:  
- Rest of world:
Findings

- Key elements of the (cluster) literature maintain the importance of the local supply network and demand conditions for cluster development

- **ISRN findings contradict this**
  - Both key suppliers and customers are often non-local
  - Cluster firms are well integrated into global supply chains and knowledge networks
    - This is more true for ICT, bio-life sciences and mechanical engineering
    - In multimedia, food and wine clusters, local demand conditions and supply base are more critical

- Clusters are anchored to their locality by agglomeration economies,
  - especially the labour market

(Source: Excerpt from: David Wolfe: Embedded Clusters in a Global Context: Findings from the ISRN Research Initiative, Kingbridge Centre, King City, May 4, 2006)
Cities are more messy.

Visible dynamics are the outcome of many different processes, some of which might not be easily captured.

The project started out with a clever set of propositions on urban growth and prosperity.
1. City-regions are the key source of economic vitality and innovative capacity for nation-states

Source: www.utoronto.ca/isrn/city-region_initiative/index.html
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2. Innovative activity is becoming more, not less, concentrated in city-regions

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2. Innovative activity is becoming more, not less, concentrated in city-regions
3. The comparative advantage of city-regions in the knowledge economy rests on their social characteristics as much as their economic assets.
4. City-regions’ social characteristics have become its principal economic assets.

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But looking back one sometimes gets the impression that you went in to this project with a perhaps less open agenda.

The ambition was NOT to test the propositions in any rigorous way. The propositions were partly taken for granted.

The task thus seemed to be to do something rather different, as shown in two so-called *Critical issues to be addressed*.
1. *How* do local social characteristics and processes in city-regions determine their economic vitality and dynamism as centres of innovation and creativity?

ISRN City-Region initiative - initial RQs
"Critical issues to be addressed"

1. *How* do local social characteristics and processes in city-regions determine their economic vitality and dynamism as centres of innovation and creativity?

2. *How* is the city-region’s economic growth, creativity, and innovative potential shaped by:
   - the social learning dynamics between economic actors,
   - the social dimensions of quality of place,
   - the social nature of civic engagement and governance processes

It strikes us as less clear what the outcome of this may be.
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Can you claim to have found support for the assumptions that formed the starting point, or can you claim that you have rejected some of them?
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Or is the result more to be interpreted as a manifestation of the complexity of these issues?
Three natural effects of a 'how do' approach:
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- Difficult to keep teams adhere to HQ-defined methodologies.
- Difficult to systematically compare across teams and generate aggregate findings.
- Difficult (impossible?) to falsify initial propositions.
ISRN City-Region initiative

Upsides

Wealth of targeted findings, filling the gab between anecdotes and regressions

Insights relevant for policy makers

Cities and growth
Cities as nodes in global (supply)networks
Growth interconnectedness: which spillovers are captured locally and why?
Challenge for the next decade:
ISRN - Concluding comments

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Passing on the torch to the next generation:
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Challenge for the next decade:

Passing on the torch to the next generation:

• Applying broader range of methods
ISRN - Concluding comments

Challenge for the next decade:

Passing on the torch to the next generation:

• Applying broader range of methods

• Highlighting dependent variables, identifying causal mechanisms, falsifying or supporting hypothesis
Get cracking!  Good luck!