



Ontario's Regional Economic Development and Innovation Newsletter

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ANNOUNCEMENTS

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[Ontario bioscience industry forms Ontario BioAlliance](#)

Ontario's bioscience industry, along with several organizations promoting the growth of bioscience and attracting investment, have formed a new organization to raise the profile of Ontario as one of the leading regions of bioscience research in North America. The Ontario BioAlliance will also be tasked with collaboratively initiating policies that generate new wealth and employment opportunities in bioscience. [Newswire]

[ICT sector receives most of the 2002 venture capital investments made in Canada](#)

For a third year in a row, communications and networking of emerging technology has benefited the most from venture capital investment, finishing 2002 with \$673 million in 59 firms. Such activity in the ICT sector contributed to a better-than-anticipated outcome of the industry as a whole in 2002, though disbursement levels from Canadian VC firms were down across all sectors by 35% from \$3.8 billion in 2001 to \$2.5 billion in 677 companies. However, activity in the Canadian industry continued to prove stronger than in the U.S., where year-end capital invested, totaling \$US21.2 billion, was only half of the \$US 41.3 billion recorded in the previous year.

[US Bill could have \\$200M impact on VC availability](#)

A U.S. Bill has been introduced that seeks to boost the flow of venture capital to small businesses by allowing tax-exempt entities, such as pension funds and university endowment funds, to invest in Small Business Investment Companies (SBIC) without incurring unrelated business taxable income. The Small Business Investment Company Capital Access Act of 2003, should it be passed, could boost capital available for SBICs by \$200 million in the first year alone, according to the National Association of Small Business Investment Companies. Under current law, nonprofit organizations cannot invest in debt-investment type SBICs without incurring tax liability. [SSTI]

EDITOR'S PICK

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[NEW BOOK: Science and Innovation: Rethinking the Rationales for Funding and Governance](#)

Edited by Aldo Geuna, Ammon J. Salter, W. Edward Steinmueller,

This book re-examines the rationale for public policy related to the funding of S&T, concluding that the prevailing 'public knowledge' model is evolving towards a 'networked' or 'distributed' model of knowledge production and use whereby public and private institutions

play complementary roles. It provides a set of tools and models to assess the impact of the new network model of funding and governance. Governments need to adapt their funding and administrative priorities and procedures to support the emergence and healthy growth of research networks. Interdependencies and complementarities in the production and distribution of knowledge require a new and more contextual, flexible and complex approach to government funding, monitoring and assessment.

INNOVATION & RELATED POLICY

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Measuring the Impact of ATP-Funded Research Consortia on Research Productivity of Participating Firms

M. Sakakibara (UCLA) and L. Lee Branstetter (Columbia)

This study empirically evaluates the impact of consortia funded by the U.S. Advanced Technology Program (ATP) on the research productivity of participating firms. The authors find that there is a positive association between the intensity of participation in research consortia and the overall research productivity of participants. Participation in one additional ATP-funded research consortium per year would generate an increase in patenting for that firm in that year of nearly 8%. The study also finds that consortia have a positive impact on the research productivity of participants in the technological areas targeted by the consortia, and all the more so when the average technological proximity of participants is high. There is also preliminary evidence that large firms conducting intensive R&D tend to benefit more from their participation in consortia.

Winning an Award from the Advanced Technology Program: Pursuing R&D Strategies in the Public Interest and Benefiting from a Halo Effect

M. Feldman and M. Kelley, NIST

This paper addresses two questions: how attributes of a firm's R&D strategy relate to the goals of the Advanced Technology Program and affect the chances of winning an award from the program; and how winning an award affects a firm's success in raising additional funds for the proposed research project. Using data from a 1999 survey of the firms that applied for ATP funding in 1998, the authors find that award-winners are more likely to behave in ways that enhance the transfer of knowledge to, and the take up of technology by, other firms. The award-winning group is also more likely to include projects and firms that open up new pathways to innovation. Moreover, award-winning firms have greater success in attracting additional funding for their ATP projects from other sources. Hence, ATP increases spending on risky R&D projects by other actors in the U.S. innovation system.

The Public Research System In Europe: a Comparative Analysis of Public, Semi Public and Recently Privatised Research Centres

D. Cox et al., PREST

This paper reviews the evolution and role of public sector laboratories in Europe at a time when these organizations have been subject to some fundamental changes, as many governments have reappraised their relationships with this sector. From an analysis of some 730 European laboratories, the report compares basic funding trends, strategic orientations (e.g. the trend towards R&D services), and governance issues. The paper concludes with a discussion of the implications of the findings for the European Research Area ERA. One such implication is the rationale for the continued existence of the ERA given the finding that despite growing international linkages, public laboratories remain essentially national, catering to the needs of the central government.

REGIONAL INNOVATION & CLUSTERS

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The Calgary-Edmonton Corridor

TD Economics

According to this report, the Calgary-Edmonton Corridor is in a unique position to develop its potential due to the fact that it is the only region in Canada to amass a U.S.-level of wealth while preserving a Canadian-style quality of life. Yet several challenges must be faced before this potential can be realized. These include an over-dependence on volatile energy markets, poorer than average post-secondary enrollment, flagging R&D spending and venture capital supply, and a shortage in labor supply. In response, the report advises that all three levels of government get involved to empower the municipal level with new taxing

powers, create a world-class research centre, prioritize education and reduce provincial tax.

Technology Clusters: By Accident or Design? - Conference Highlights

Research Money Inc.

Here is a summary of what Canada's technology cluster experts had to say at a February 2003 conference on the country's technology clusters and the feasibility and challenges of establishing new ones. Participants included representatives from business, finance, government and academia, all of whom shared their experiences and commented on the role stakeholders play in identifying and nurturing a successful cluster.

EVENTS

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SMART Toronto Talk: Innovative Communities: Lessons Learned – the New Opportunities

Toronto, 12 May 2003

This talk, by Bill Hutchison, on Innovative Communities will be the keynote address for SMART Toronto Technology Alliance's annual Innovator's Dinner. Mr. Hutchison is an award-winning pioneer in information technology and telecommunications.

Evaluation of Government Funded R&D Activities

Vienna, 15-16 May, 2003

The aim of this conference is to discuss recent scientific contributions to the understanding of the effects and implications of government funded R&D activities. It will focus on recent theoretical, qualitative and quantitative studies and the exploration of different approaches to evaluate their effects. An applied workshop with policy makers will be organized on "What we know and what we should know about evaluation of technology policy" at the end of the conference.

Regional Foresight Methods Training Workshop

Varese (Italy) 26-28 May, 2003

Organized by the European Foresight Academy, this three-day training course will focus on the organization and management of regional (sub-national) foresight exercises, with emphasis on some of the methods that might be used. The course is targeted at prospective regional foresight practitioners and will be practical in orientation. Sessions will be run on how to elicit creative thinking and expert opinion, on how to discipline this thinking through the use of scenarios, and on how to practically translate foresight results into concrete regional policy actions.

Innovation through Collaboration: Clusters, Networks, Alliances

Manchester, 8-11 June, 2003

This conference aims to address the issues associated with collaboration in the context of recent research which suggests that as many as 50-70% of strategic alliances will fail within four years due to a vast array of cultural, political, technological and commercial factors. It will provide a forum for academics, business people and consultants to discuss these issues in depth by presenting the latest academic papers, delivering company presentations on the subject and running interactive workshops. Selected proceedings will be published in a special edition of The Journal of Enterprising Culture. The conference is organized by the International Society for Professional Innovation Management.

Creating, Sharing And Transferring Knowledge: The role of Geography, Institutions, Organizations

Copenhagen, 12-14 June, 2002

The conference has four main objectives: to contribute to a more satisfactory understanding of the mechanisms underlying the way in which knowledge is created, shared and transferred; to examine the promoting or inhibiting effect of particular circumstances of organizational context, institutional setting or geographical configuration, such as cities and agglomerations or clusters; to investigate arrangements particularly capable of enhancing, capturing and utilizing end consumer knowledge; and to consider the implications for managerial strategy and public policy. Both senior and junior scholars are invited to participate and contribute with a paper to the conference.

5th Berlecon Workshop on the Economics of IT

Berlin 13-14, June, 2003

This conference is focused on improving the understanding of the economic aspects of information technology and its role in our economy. The program not only covers IT in the strict sense, but it includes communication technologies that converge with traditional IT. Each year the workshop focuses on a single topic, which is analyzed in its different facets. This year's workshop topic is "e-business: economic impact and policy implications".

Clusters, Industrial Districts and Firms: The Challenge of Globalization

Modena, 12-13 September, 2003

Organized in memory of Professor Sebastiano Brusco, this conference focuses on the international competitiveness of industrial districts and clusters, and the effects that globalization has on SME's and their interactions with markets and institutions. Questions to be raised relate to how clusters' internal networks, productive patterns and specializations are changing; how the cluster firms themselves are changing; what factors determine the competitive advantage of industrial districts; and finally, how their international competitiveness can be enhanced. Invited speakers include Charles Sabel, AnnaLee Saxenian and Frank Wilkinson.

Business Innovation and Growth from the Exploitation of Academic Research (BIGEAR) Open Conference NEW!

Vienna, 18-19 September 2003,

This conference will be an open meeting to present and discuss good practice and issues on Business Innovation and Growth from Exploitation of Academic Research. Supported by the European Commission's Directorate-General for Enterprise as part of the Innovation and SMEs program, BIGEAR aims to understand and disseminate best practice in the effective exploitation of academic research to stimulate business growth in Europe.

Communities and Technologies (C&T 2003)

Amsterdam or Bonn, 19-21 September, 2003

This international conference is a forum for stimulating and disseminating research into all facets of communities and information technology. Attendees represent multidisciplinary research efforts from applied computer science and social science. The 2003 conference will focus on presentations and discussion of empirical and conceptual research on a wide range of topics including (Virtual) Community formation and development; Virtual communities vs. location-based communities; Digital cities, and Design methods for communityware.

Information Technology in Regional Areas Conference (Itira) NEW!

Caloundra (Australia) 5-7 November, 2003

This conference will focus on strategies that link ICT-enhanced economic, social and cultural development efforts and opportunities in such areas as electronic commerce, community and civic networks, tele-centres, electronic democracy, on-line participation, self-help and virtual health communities, advocacy, and cultural enhancement. This event, geared to practitioners, and policy makers in developed and developing countries, will provide a platform for sharing ideas across practice, research and policy. A call for papers has been issued with a deadline of May 10, 2003 for proposals.

What Do We Know About Innovation? A Conference in Honour of Keith Pavitt

Brighton, 13-15 November, 2003

This conference is in recognition of the lifetime contribution of Professor Keith Pavitt to the study of innovation. Keith's work was based on a deep empirical understanding of innovation and firm behaviour, and he placed particular emphasis on the development of new data, methods, and taxonomies. His contributions spanned economics, management and science and technology policy. The conference is organized around the major themes of his work, including the structure, dynamics and management of innovation processes, the relationship between basic research and technical change, knowledge and the theory of the firm, the globalization of R&D, and science and technology policy.

WILL YOU BE ONE OF OUR REGIONAL REPORTERS?

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Yes, you! In an effort to improve our coverage of Ontario's regional economies in this newsletter, we are looking for a few people who are 'plugged in' to the latest local economic development and innovation happenings in their regions. All we ask is that you send us a short message once a month highlighting recent news and research initiatives from your

region - please forward items that you would like to share with newsletter recipients, as well as other items of interest, to: onris.progris@utoronto.ca.

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