

Ontario's Regional Economic Development and Innovation Newsletter

Issue #65

July 15, 2003

Studies & Publications: [Announcements](#) | [Editor's Pick](#) | [Innovation Policy](#) | [Regions & Clusters](#) | [E-Com Events](#)
[Search the OREDI Newsletter](#)
[Subscriptions & Comments](#)

This newsletter is published by [ONRIS](#) at the [Centre for International Studies](#), University of Toronto, and sponsored by the [Ministry of Enterprise, Opportunity & Innovation](#). The views and ideas expressed in this newsletter do not necessarily reflect the views and policies of the Ontario Government.

ANNOUNCEMENTS

[\[Table of Contents\]](#)

[Ontario announces new program to encourage innovation and prosperity](#)

The government of Ontario has announced a three-year, three million dollar Prosperity Partnerships Fund (PPF) designed to support small-scale projects within communities and industry sectors that demonstrate innovative ways of advancing prosperity. Projects will be selected through a competitive process and be led by not-for-profit organizations such as industry associations, municipalities or regional organizations. A maximum of \$200,000 is available for each project with a requirement that the project's private sector partners match the PPF funding. For more details, please see [program description](#) and [proposal guidelines](#).

Correction: Quebec's \$300M biotechnology support program dropped in new budget

The \$300M biotechnology corporation capitalization support program reported in the last issue of the OREDI newsletter was dropped in the new Liberal government's June 12th 2003-2004 budget. The new budget, in fact, dropped virtually all the new measures included in the March budget tabled by the previous government and added few new measures to support R&D. In many cases, it reduced the funding given or promised to several existing programs. For related documents and press releases, see [2003-2004 budget](#) and [Finance Quebec](#). [We thank P. Cenerelli, from the Ministère du développement économique et régional, Gouvernement du Québec for this correction]

EDITOR'S PICK

[\[Table of Contents\]](#)

[Bidding for Industrial Plants: Does Winning a 'Million Dollar Plant' Increase Welfare?](#)

M. Greenstone, E. Moretti, NBER

This paper assesses the benefits of local governments competing by offering substantial subsidies to industrial plants to locate within their jurisdictions. Using a novel research design to examine the consequences of successfully bidding for a plant on county-level, the paper finds that such bidding does indeed affect welfare in a positive manner. Labor earnings and property values are found to increase without any notable deterioration in local governments' financial position. Overall, the results undermine the popular view that the provision of local subsidies to attract large industrial plants reduces local residents' welfare.

INNOVATION & RELATED POLICY

[\[Table of Contents\]](#)

[What Are Advances in Knowledge Doing to the Large Industrial Firm in the "New Economy"?](#)

Keith Pavitt, SPRU

This paper argues that systems design and integration, including advanced applications of ICT, could replace manufacturing as the dominant industrial activity in high-wage countries. As a consequence of two characteristics of technology - the continuous increase in specialisation in production of both artefacts and knowledge and periodic waves of major innovations based on rapid improvements in specific technologies - the large, integrated and diversifying manufacturing firm is facing increasing disruption, and is outsourcing an increasing share of detailed product design and manufacture.

REGIONAL INNOVATION & CLUSTERS

[\[Table of Contents\]](#)

2003 Best Performing Cities index

The Milken Institute

U.S. cities with diverse and stable economies came at the top of this year's Best Performing Cities index, unlike past years where technology-oriented metros dominated the top echelons. The top three, Fayetteville-Springdale-Rogers, Las Vegas, Nevada, and Fort Myers-Cape Coral, Florida, each benefited from traditional growth factors: strong retail (Fayetteville is home to Wal-Mart), and a growing population in the case of Las Vegas and Fort Myers (retirees). The index tracks growth in jobs, wages and salaries and high tech sector output.

Investing for Prosperity

A. Horne, Sierra Business Council

This book argues that rural communities, such as those in the Sierra Nevada, can diversify and expand their economies in ways that were never possible over the last 150 years, thanks to new technologies and the market premium put on the Sierra's natural assets and livable communities. Supported by 44 case studies, the author outlines a strategy that can help rural communities build long-term wealth that is based on: capitalizing upon existing assets; cultivating innovation and economic diversity; creating long-term social capital; and catalyzing community partnerships.

E-COMMERCE

[\[Table of Contents\]](#)

Business Networks: An Assessment of the Dynamics of Business-to-Business Electronic Commerce in Eleven OECD Countries

P. Verhoest et al. TNO-STB, OECD

This report presents the main findings of the Electronic-commerce Business Impacts Project (EBIP), an 11 country study examining a range of e-commerce approaches and technologies. With a primary focus on the Internet and its potential role in the evolution of industries and markets, the project reports a range of findings related to E-commerce impacts on products and services, on products, processes and business relationships, on business strategies and on the structure and competitive dynamics of the market. On the whole, EBIP found that firms are not approaching e-commerce from the direction of product innovation – rather, they are concentrating on using e-commerce to improve process efficiency and to enhance relationships with customers and suppliers. As to its impacts on the 'New Economy', the report did not observe any phenomena that necessarily required radical rethinking of economic principles, but potentially significant new forms of economic activity and opportunity were identified, some of which arguably are viable only through the mediation of electronic networks.

EVENTS

[\[Table of Contents\]](#)

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

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.

Workshop at C&T 2003: The ambiguous role of ICT in regional inter-firm clusters: Towards a better empirical knowledge base for theorizing

This workshop, organized out of Michigan State University, will focus on the role of ICT in inter-firm networks in light of the mixed evidence regarding ICT usage and benefits in clusters, both for internal coordination in the cluster (e.g. CSCW and collaborative commerce) and for contact with external markets (e.g. B2B and B2C ecommerce). Interested parties should contact [Dr. Steinfield](#) for further information.

The Knowledge-based Economy and Regional Economic Development: An International Perspective NEW!

St. John's (Newfoundland), 3-5 October, 2003

This conference offers an opportunity for European and North American researchers and policy-makers to meet and debate the issues pertaining to regional economic development as these areas become increasingly exposed to the forces of the new economy. Sub themes include: the role of the education sector in facilitating economic development in the knowledge economy; R&D; innovation and productivity; connectivity, ICT and economic development; e-governance and the role of government in facilitating economic development in a knowledge economy; and economic development and economic clusters in the knowledge economy.

Information Technology in Regional Areas Conference (Itira)

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.

The New Rural Community: Problems and Prospects

Guelph (Ontario), 7 November, 2003

In the context of the challenges faced by rural communities as a result of the social, political and economic restructuring now underway, this conference addresses four sub-themes. These are the new rural landscape (how do we reconcile the built and ecological landscapes of our rural communities to achieve environmental sustainability); the new rural government (what impact does the restructuring of the nation state have on power relations and public accountability?); the new rural economy (what are the repercussions of re-defining economic relationships for rural communities); and the new rural resident (how do we build inclusive rural communities?).

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.

New Directions in Technology Management: Changing Collaboration Between Government, Industry and University

Washington D.C. 3-7 April, 2004

This Conference of the International Association for Management of Technology will discuss new directions in technology management and their influence on innovation and the creation of economic growth and prosperity. Special attention will be given to the necessary mechanisms of knowledge generation, science and technology policy, and the collaboration required to accomplish national and organizational objectives. Best practices in technology development and utilization will be presented. The academic institution's role in preparing the needed human resources for the technological environment of the 21st century will also be addressed. *Submission of Abstract:* October 15, 2003.

The 4th Congress on Proximity Economics: Proximity, Networks and Co-ordination

NEW!

Marseilles, 17-18 June, 2004

This conference is geared towards all of the scientific community interested in the proximity concept, as it relates to everything from industrial organization to networks of public health. The call for proposals, which is open until October 31st, 2003, will give priority to either theoretical or empirical communications likely to produce a better understanding of the conceptual links between proximity, networks and co-ordination.

SEARCH THE OREDI NEWSLETTER

[\[Table of Contents\]](#)

To search for past items in the OREDI Newsletter, simply add the term 'ORED' to your keywords when using a search engine such as www.google.com.

SUBSCRIPTIONS & COMMENTS

[\[Table of Contents\]](#)

Please forward this newsletter to anyone you think will find it of value. We look forward to collaborating with you on this initiative. If you would like to comment on, or contribute to, the content, subscribe or unsubscribe, please contact us as onris.progris@utoronto.ca.

This newsletter is prepared by [Tijs Creutzberg](#).
Project manager is [David A. Wolfe](#).