



# Ontario's Regional Economic Development and Innovation Newsletter

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**[ANNOUNCEMENTS](#)**

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## **[CATA and SMART Toronto Technology Alliance Merge](#)**

The mid-August merger announcement - the outcome of a formal partnership agreement signed in November 2002 - by Canada's Advanced Technology Alliance (CATA) and SMART Toronto Technology Alliance resulted in the amalgamation of the services, membership and resources of the two organizations. Despite the merger SMART Toronto will maintain its unique identity and continue to represent the GTA's technology community as a division of CATA. The merger will enable the two organizations to provide expanded services, business development tools and several new initiatives for their membership.

## **[CITO helps SMEs Leverage Research Opportunities](#)**

Communications and Information Technology Ontario (CITO), through its new College Partnership Program and in partnership with industry, has turned \$482,000 of research investment into \$1.341 million of support for research in Ontario colleges. This combined CITO/industry investment supports five industry/college research collaborations in the IT, communications and digital media sectors for one year. All five industrial collaborators

are small and medium-sized enterprises (SMEs). Traditionally SMEs have had little time, money or resources to dedicate to long-term research and development. The program allows small companies to leverage research expertise and labs, while giving college-based researchers an opportunity to develop technologies and products in response to real-life industry requirements.

## **EDITOR'S PICK**

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### **Human Capital, Social Capital and Innovation: A Multi-Country Study**

*Dirk De Clercq and Mourad Dakhli, Vlerick Leuven Gent Management School*

This paper tests the idea that levels of social capital and human capital are positively correlated with levels of innovation drawing on data for 59 countries. The authors hypothesize that high levels of human capital and social capital - measured in terms of generalized and institutional trust, associational activity and norms of civic behavior - will result in generally high levels of innovation. The study concludes that while there is a strong relationship between human capital and innovation the results for social capital are mixed. These findings support the idea that the proxies for social capital, widely used in the literature, do not necessarily constitute a coherent set of indicators and may affect levels of innovation in different ways.

## **INNOVATION & RELATED POLICY**

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### **Fast Forward 4.0: Growing Canada's Digital Economy**

*Canadian E-Business Initiative*

This report analyzes current trends and developments in the Canadian digital economy in three categories - e-business readiness, growth and acceleration, and investment and image - and provides a series of recommendations to address the areas in which we are falling behind. While Canadians, citizens and businesses alike, have enthusiastically embraced the Internet as demonstrated by high rates of connectivity there is growing concern with respect to the commitment to online privacy and security in e-business. Despite this overall high level of connectivity, statistics show that e-business process implementation is lagging among SMEs probably as a result of a combination of a lack of e-talent, shortages of time and money and the lack of SME-tailored e-business solutions. Access to skilled labour will be a key to Canada's future digital success as will volumes of new e-business investment, both of which have increased slightly. However, as a nation we are struggling with a weak innovation image based on investor and public perception that we are a resource-based economy. That represents a major hindrance to attracting additional investment and skills to the Canadian market.

### **ICT and Economic Growth: Evidence from OECD countries, industries and firms**

*OECD*

In 2000, at the height of the new economy, information and communications technology (ICT) was hailed as a technology that would radically transform OECD economies and bring large economic benefits. The recent slowdown has laid to rest several of the myths surrounding ICT: the business cycle is not dead, stock market valuations must be backed by profits, and the ICT sector is not immune to downturns. But this should not distract from the structural changes and economic benefits that have already accompanied the spread of ICT and that continue. This report examines the impacts of ICT on business performance and the policies that can help seize its benefits. It examines the impacts that ICT has already had on economic performance, analyses why some countries have invested more in ICT than others and why only some countries have thus far clearly seen its benefits. It argues that ICT remains an important technology for the years ahead, as ICT networks have now spread throughout the economy. What counts is how the technology should be made to work. This report argues that ICT is no panacea, but a technology that can help business transform and enhance performance. But this transformation will only occur in a competitive environment, and when investments in ICT are accompanied by organizational changes, investment in skills and good management.

## **REGIONAL INNOVATION & CLUSTERS**

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### **Community of Discovery: Sixteen Pillars of Prominence and Promise in Alberta**

*University of Calgary*

The University of Calgary has released a publication that features sixteen stories representing some of the major research projects underway on campus. These stories explain how current research can translate into concrete results, jobs, treatments and products outside of the university. The publication captures responses from people in the community who have benefited from university research. Some of the major research themes include innovation in energy and the environment; health and wellness; human behavior, cultures and institutions; technology and the knowledge economy.

### **Building the Perfect System: An Analysis of the Computer Systems and Related Services Industry**

*Moreno Da Pont, Statistics Canada*

This paper focusses on describing how a leading IT industry, Computer Systems Design and Related Services, has responded to the mounting demand for IT services in Canada. The paper explores structural differences between small and large system design firms and examines data describing industry growth rates, export markets and employment characteristics. The author finds that the Computer Systems Design and services industry is dominated by small and relatively more specialized firms, less than 1% of the firms in the survey had over 100 employees. But even though a majority of the firms are specialized, it is the diversified firms - those that offer a wide variety of services - that have been most successful in generating revenue.

## **EVENTS**

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## **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.

## **The Knowledge-based Economy and Regional Economic Development: An International Perspective**

**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.

## **SSTI's 7<sup>th</sup> Annual Conference: Building Tech-based Economies: From Policy to Practice**

**Seattle, 21-22 October, 2003**

This year's highly regarded SSTI conference on technology-based economic development features a range of topics, two of which - technology entrepreneurship and research universities' contribution to local and state economic growth –involve multiple sessions that will explore the topics in depth. Other sessions will focus on the right tools to improve program performance and expand reach, financing life science firms, the future of manufacturing, and rural tech-based economic development.

## **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?).

## **Clusters 2003 Conference**

**Montreal, November 7-8, 2003**

The Conference will bring together university and industrial decision makers and their municipal counterparts with a view to fostering debate and discussion about best practices with respect to the creation, management and development of technology clusters. Clusters 2003 *will focus on municipalities*: municipal or regional representatives will second the academics and business representatives in attendance. Clusters being by their very nature regional entities, the conference will afford an excellent opportunity to raise the interest of cities in the scientific and technological issues at stake.

## **The European City in Transition: The City and the Region (Third Euroconference) **NEW!****

**Bauhaus-Universität Weimar (Germany) November 14-15, 2003**

The relation between the city and the region has been challenged in the run of new patterns of urbanization. It seems that the distinction between the "inside" and the "outside" of the city has become unclear. A "city region" is developing challenging our concepts of what urbanity might mean. Urban functions are placed outside the core of the traditional city where a new social life is developing. Some important questions to be addressed at this conference include: How can we conceptualise, comprehend and analyse the new spatial, functional and social structures of the region and the city? What role do regions play in the world economy and how does globalization influence the forming of metropolitan regions? What are the new opportunities for regional and urban governance?

## **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**

**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 31<sup>st</sup>, 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.

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