

## Ontario's Regional Economic Development and Innovation Newsletter

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### **ANNOUNCEMENTS**

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#### **Inagural tri-region technology mission to Silicon Valley**

This business and investment attraction mission will include participation by Ottawa Global Marketing (OCRI) and Waterloo (CTT) in a pilot project with the GTMA to promote the ICT corridor in Ontario as one of the top global regions to potential investors and off-shore companies seeking expansion. This initiative will include a partnership with MEDT and the Canadian Consulate in San Jose, who will be helping the three regions to mount special events and meetings, including a roundtable program and other opportunities to meet businesses and to promote the regions.

#### **NRC honours Canada's Innovation Leaders**

Canada's Innovation Strategy cites the commercialization of knowledge in the private sector as a priority and specifically pledges to encourage small and medium-sized enterprises (SMEs) to adopt and develop leading-edge innovations. To help promote these themes and priorities, the NRC is celebrating the successes of innovative Canadian firms that work with the NRC Industrial Research Assistance Program

(NRC-IRAP), Canada's premier innovation assistance program for small and medium-sized Canadian enterprises (SMEs). These firms are being honoured by NRC as "Canadian Innovation Leaders". By recognizing these firms, NRC highlights innovation successes that will lead to wealth creation for Canada, add value to government investments, develop talented people, build partnerships - national and international, and demonstrably increase a firm's innovation capacity.

## **EDITOR'S PICK**

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### **Investing for Prosperity**

*Institute for Competitiveness and Prosperity*

This report builds on the results of previous research that identifies a significant prosperity gap between Ontario and US states. Preceding working papers identified four potential sources of this gap: attitudes, investment, motivations and structures. This report concludes that Ontario has a 10 percent prosperity gap against the leading US states because individuals, businesses, and governments invest less in education, machinery and equipment, on reaping productivity gains from immigration and cities than our counterparts in these states. To close the gap Ontario needs to reverse the widening pattern of under investment that limits potential for productivity gains.

## **INNOVATION & RELATED POLICY**

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### **Regional Innovation Systems Within a Federation: Do National Policies Affect All Regions Equally?**

*Adam Holbrook and Monica Salazar*

This paper attempts to answer the question of whether National Innovation Systems (NIS) are the sum, or more than the sum, of Regional Innovation Systems (RIS). The answer to this question is significant especially with regards to national innovation and science and technology (S&T) policies. Because regional innovation systems are not ubiquitous "one size fits all" policies aimed at promoting them ignore a majority of the provinces in the federation. Ideally the deferal government should have seperate S&T policies for each RIS.

### **Annual Innovation Report 2003**

*Conference Board of Canada*

Based on information from a survey of CEOs and senior executives of Canadian companies, this report looks at what Canadian firms are doing right in the innovation and commercialization process. It profiles case studies of six leading innovative companies and offers a snapshot of what governments of other countries are doing to

promote commercialization.

## **REGIONAL INNOVATION & CLUSTERS**

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### **Firm Location and the Creation and Utilization of Human Capital**

*Andreas Almazan et al., NBER*

This paper outlines the conditions under which human capital is more efficiently created and better utilized within industrial clusters that contain similar firms. The analysis indicates that location choices are influenced by the extent to which training costs are borne by firms versus employees as well as by the uncertainty about future productivity shocks and the ability of firms to modify the scale of their operations. Extensions of this model consider, among other things, endogenous technological choices by firms in clusters and how behavioral biases (i.e., managerial overconfidence about their firms' prospects) can affect firms' location choices.

### **The Role of Universities in Regional Development and Cluster Formation**

*David A Wolfe, PROGRIS*

Despite the growing consensus that the industrial economies are becoming more 'knowledge-based', there remains considerable controversy over the role that universities should be expected to play. Wolfe examines the traditional roles universities have played, how economic development has changed and intensified expectations for return on research investment and their roles in cluster formation. He concludes that universities perform vital functions both as generators of new knowledge through their leading-edge research activities and as trainers of highly qualified labour and can contribute to cluster formation and evolution. However, Wolfe warns that it is dangerous to judge returns on higher education investment only in terms of commercialization. Recent policy initiatives which aim to elevate the commercialization of technology to equal status with research and teaching as mandates of the university fundamentally miss this point.

### **Contribution of Universities to the Knowledge Capital**

*Luke Georghiou and Jennifer Cassingena Harper, Institution of Innovation Research*

This report describes the process and outcome of a Success Scenario Workshop on how universities could contribute to the development of the City-Region of Manchester as a Knowledge Capital, with its economy founded on science and the creative sector. The Success Scenario Workshop identifies five areas of weakness: infrastructure, human resources, university missions, inward investment, and networking. The workshop then presents ten action goals to achieve regional prosperity under three headings: Focus academic resources in centers of excellence, promote networks, and develop a cadre of people ready to lead and work in a networked Knowledge Capital.

## State Development Report Card

### *Corporation for Enterprise Development*

CFED's respected Development Report Card of the States is now in its 17th annual edition. It measures how states are performing in terms of innovation and entrepreneurship, equity, and in their ability to develop effective economic development initiatives. The results indicate that while the economy appears to be improving several states are slipping behind in development, business vitality and development capacity while others continue to prosper. The common variable in successful states is the extent to which the economy is led by strong human capital and opportunities for it to be used productively.

## EVENTS

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### **CITO Innotalk: Finding Government Support for Industry R&D**

#### **Toronto, 3 December, 2003**

Research and development are the lifeblood of any technology company. But, for companies large and small, finding the resources to properly fund R&D efforts can be a challenge. In the search for funding, too many companies overlook the array of programs supporting R&D offered by the federal and provincial governments. This InnoTalk features Renato Bernardo, president of the RnD Team and former R&D cost auditor with Canadian Customs and Revenue Agency, who will provide a detailed overview of the government programs (SR&ED Tax Credit and IRAP) available to assist your R&D efforts. At the provincial level, Mr. Bernardo will explore options that include tax credits, tax exemptions and enhanced deductions. Finally, the program examines benefits to industry from government contributions to universities and other research organizations.

### **CITO Techtalk: Transmitting Touch Over Networks** **NEW!**

#### **Ottawa, 16 December, 2003**

This TechTalk will highlight the developments in optics technologies emerging from the research of Ottawa-based experts. It will introduce participants to an emerging sector that will affect how industry operates. Topics will address human communication, interaction, learning and training; applications in surgical environments; tele-robotics; and military applications.

### **CANARIE's Third Pan-Canadian E-learning Workshop** **NEW!**

#### **Vancouver, 12-13 January, 2004**

This event will bring together several hundred people who are involved in the development of technology-enabled education and training. The main objectives of the Workshop are to provide a forum for E-learning Program projects to demonstrate their results and a venue at which the emerging Canadian e-learning community can

meet. The theme of this Workshop is E-learning to Learning and will be of interest to educators, developers, and strategic planners at all levels of education (K-12, post-secondary and workplace training).

## **Urban Impacts of the Information society: Facts, Fiction and Policies Telecities and MUTEIS conference**

**The Hague, 17-19 March, 2004**

The "information revolution" and the emerging Information Society entail fundamental changes in social interaction and relationships, and modifications in the socio-economic and spatial organization of activities. The main driver in this process is the rapid development and application of Information Society Technologies (ISTs). The main inhibitors are the fictions that emerged from the discussion of the New Economy. Better knowing the drivers and inhibitors is crucial for contemporary urban management. This conference will explore the urban economic and social impacts of information society technologies (ISTs), as well as the way new technologies urge local governance in cities to change their policies. Academics and senior city managers, planners and researchers will discuss practical case studies, experiences and state of the art research under the following themes: urban policies for and patterns of IST adoption, spatial behaviour in the context of global IST developments, patterns of digital infrastructure and use, and the relationship between IST, productivity and competitiveness.

## **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.

## **The Europe of Knowledge 2020: A Vision for University-based Research and Innovation**

**Liege (Belgium), 25-28 April, 2004**

This conference will explore the issues raised by the Commission's communication published in February 2003 on "the role of universities in the Europe of Knowledge". The conference will address in a series of parallel sessions that address the following issues: the creation and certification of knowledge, the changing nature of research teaching, P3s, the role of universities for research in the regions and the challenge of inter-disciplinary research. This conference aims to produce an agreed roadmap to help European universities to realize fully their ambitions in the 21st century.

## **Smart City Summit 2004**

**Ottawa, 27-28 April, 2004**

The Smart City Summit combines Ottawa's Business and Technology Trade Show with a major business and technology conference that draws international attention from business and government. It is also Ottawa's premier mega-networking and business development event, catering to technology and business decision-makers and federal, provincial and municipal government attendees from across Canada. In just three short years, the Summit has evolved into a dynamic local and international marketplace for business innovators encompassing a major conference, trade show, keynotes, networking, and innovation awards.

## **Regionalization of Innovation Policy - Options and Experiences**

**Berlin, 4-5 June, 2004**

Globalization leads to a greater relevance of regional factors for innovation processes. There is a growing consensus in the academic field, as well as among politicians, that innovation policy should include this regional dimension, i.e. regional innovation systems. But it is still not quite clear how this could or should be done in practice. In general, there are two approaches to the regionalization of innovation policy. One strategy is attempting to improve the quality of the innovation system in certain regions. The main questions here concern appropriate instruments for such a strategy and the selection of regions. A second strategy that may be complementary to the above-mentioned one is to scale down national innovation policies in such a way that they take into account the various regions (for example, by focusing measures on certain clusters). In some countries, interesting attempts at such a policy that are worthy of investigation have been made (for example, the BioRegio or the InnoRegio program in Germany). This conference will bring together scholars working in the field of innovation systems and policy at the national and regional level.

## **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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