

Ontario's Regional Economic Development and Innovation Newsletter

Issue #78

February, 16, 2004

Studies & Publications: [Announcements](#) | [Editor's Pick](#) | [Innovation Policy](#) | [Regions & Clusters](#)

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 Economic Development and Trade](#). The views and ideas expressed in this newsletter do not necessarily reflect the views and policies of the Ontario Government.

ANNOUNCEMENTS

[Table of Contents](#)

Partnership Launches Waterloo Region High Tech Directory

The 2004 Tech Directory was launched earlier this month through a partnership between Canada's Technology Triangle Inc, Communitech Technology Association and publisher Silicon Valley NORTH. The Directory offers insight into the diversity, growth and productivity of the region's exceptional high tech cluster. It includes four hundred high tech listings, complete with contact information and profiles. The listing indicates that more than 18,000 are employed in high tech firms in the region and that the area's high tech cluster is remarkably diverse.

Tech Task Force Sees Too Much Focus on R&D - Too Little on Commercialization

After a year of studying the local tech sector and its place on the global stage, an OCRI task force has confirmed what many have long suspected—local firms spend too much energy on product development and too little on commercialization. That was the conclusion of a preliminary report filed Thursday by The Ottawa-Gatineau

Task Force on Commercialization. The task force was organized by the Ottawa Centre for Research and Innovation about a year ago, a time when the region's tech sector was still in full retreat before the telecom industry slump. The task force includes representatives from local economic development agencies such as OCRI, as well as local universities. Its mandate is to determine why only a handful of Ottawa tech firms manage to become significant players in their respective industries.

EDITOR'S PICK

[Table of Contents](#)

The R&D Funding Scorecard: Federal Investments and the Massachusetts Innovation Economy

Robert G Kispert, Massachusetts Technology Collaborative

In The R&D Funding Scorecard, the Massachusetts Technology Collaborative argues that the state's traditional competitive advantage in R&D funding is eroding. Massachusetts continues to attract federal R&D funds, but other states are attracting such investment at faster rates. A slowdown in funding via the Small Business Investment Research (SBIR) program is especially significant, as these funds typically generate new entrepreneurial activity. The report recommends that state leaders focus on increasing the state's share of SBIR funds, and also work to increase federal investments in Massachusetts' life science firms. In particular, new funding streams for the Department of Homeland Security offer great opportunities for this business sector.

INNOVATION & RELATED POLICY

[Table of Contents](#)

Understanding Absorptive Capacities in an "Innovation Systems" Context: Consequences for Economic and Employment Growth

Rajneesh Narula, MERIT

This paper seeks to broaden understanding of the concept underlying absorptive capacity at the macro-level, paying particular attention to the growth and development perspectives. Narula analyzes the elements of absorptive capability, focusing on the nature of the relationship within a systems view of an economy, on the role of firm and non-firm actors and the institutions that connect them, both within and across borders. He also explains how the nature of absorptive capacity changes with stages of economic development, and the importance of the different aspects of absorptive capability at different stages. The relationship is not a linear one: the benefits that accrue from marginal increases in absorptive capability change over time. Finally, this paper provides a preliminary conceptual argument of how the different stages of absorptive capacity are related to productivity growth, economic

growth and employment creation.

Why the New Economy is a Learning Economy

Bengt-Ake Lundvall, DRUID

This paper shows that the intense focus on the new economy reflects real change as well as 'hype'. The basic reason why new economy-growth could not be seen as sustainable is that introducing advanced technologies can only take place successfully when it is accompanied by organizational change and competence-building among employees. Any strategy that gives technology an independent role as problem-solver is doomed to fail. Danish data is used to demonstrate that the key to economic performance is to promote learning at different levels of the economy. It concludes that there is a need for new types of knowledge- and learning-oriented strategies in order to get close to the kind of growth rates that characterized the high days of the new economy adventure in the US.

ICT and Europe's Productivity Performance: Industry-Level Growth Account Comparisons with the United States

Robert Inklaar, Mary O'Mahony and Marcel Timmer, Groningen Growth and Development Centre

This paper presents a new industry-level database to analyse sources of growth in four major European countries: France, Germany, Netherlands and United Kingdom (EU-4), in comparison with the United States for the period 1979-2000. This paper shows that ICT is not the dominant explanation of the slowdown in labour productivity growth, at least in the four large EU countries studied. One explanation for the slowdown in the European countries may be non-ICT capital deepening, whose contribution slowed down in most of the EU-4 industries, with the largest declines occurring in manufacturing, business services and mining. One likely candidate for explaining such a development is slower (nominal) wage growth in the EU-4 as this may well have induced a substitution of labour for non-ICT capital.

REGIONAL INNOVATION & CLUSTERS

[Table of Contents](#)

Technology Commercialization in Greater Washington: January 2004 Benchmark Study

Greater Washington BOT and Potomac Conference Technology Transfer Task Force (Metrics Group)

This study for the Washington Board of Trade finds that the region around Washington DC needs to do a much better job in capturing the benefits of extensive local investments in R&D. The region's R&D base is strong, but very narrowly focused--more than 82% of all local R&D spending comes from the federal government. Yet, local federal research labs and universities still do a very poor job of commercializing

research. The report recommends that local labs band together in a demo project to test new ideas for generating economic output from such research. It also suggests that these facilities seek to spin out 2 or 3 new companies from research facilities--- the development of these firms would then serve as a model for additional new company formation in the region.

EVENTS

Table of Contents

Exceler@tor: Early Stage Financing Strategies NEW!

Toronto, 24 February, 2004

This event, the first in a series, features Barry Gekiere (Senior VP of Ventures West) who will provide an overview of calculating pre-money valuation and highlight potential pitfalls through a presentation of VC case studies. Also, Ingemar Borgers (Associate Counsel, Miller Thompson LLP) will speak about share structure strategies. The event will run from 8:00am - 10:00am at the Exceler@tor. Please register or request further info by [e-mail](#).

CITO InnoTalk: How to Turn Your Research Dollar\$ into Profit\$: NEW!

A Workshop on SR&ED Tax Credits

Kitchener ON, 2 March, 2004

This InnoTalk features experts from Canada Revenue Agency, KPMG and Deloitte. The workshop will focus on the requirements related to both the activities and expenditures that qualify under the federal SR&ED program. Canada Revenue Agency will outline the technical and financial requirements for a successful claim and will discuss recent developments in the program. KPMG and Deloitte tax specialists will provide case studies on how they have helped companies take advantage of SR&ED Tax Credits.

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.

Financing Innovation in the Regions **NEW!**

Ostersund, Sweden, 25-26 March, 2004

The conference will present speakers from several European regions, covering a critical mass of experience and background in financing innovation at the regional level. The objective of the conference is to bring together key European agents and stakeholders in financing innovation and share knowledge from the Innovative Actions. The conference will focus on financing innovation and on exchanging knowledge and experience from the Innovative Actions in Europe. One important aim is to initiate processes to develop European cooperation between bottom-up regional initiatives for the promotion of integrated systems and increased access to private seed capital in the regions.

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.

MERIT Workshop on Information Technology, New Industry and Labour Market Dynamics

Maastricht, 3-4 June, 2004

The aim of the workshop is twofold. First, to develop a perspective on the changing way in which goods are being produced, production processes are being organised and jobs are being occupied as a result of the adoption of IT. Second, it aims to investigate the consequences of IT diffusion and the determinants of adoption empirically at the firm level, its impact in the labour market both from a theoretical and empirical point of view and its macroeconomic consequences.

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.

DRUID Summer Conference on Industrial Dynamics, Innovation and Development

Copenhagen, Denmark, 14-16 June, 2004

This conference aims to promote the general understanding of the interplay between industrial dynamics, innovation and development; investigate arrangements organized at various scales to enhance and utilize knowledge geared towards economic development; examine the role of entrepreneurship and innovation at various stages of economic development; the geographical reach and development consequences of knowledge spillovers; and to consider the implications for

managerial strategy and public policy. Participation in the conference is restricted. Potential participants must supply a detailed abstract of at least 2 pages to summer2004@druid.dk no later than January 30, 2004.

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 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.

Patent Policy: Using, Abusing and Reforming NEW!

Duke University, 17-19 September, 2004

It has long been recognized that the patent system provides a unique means for trading off ex ante innovation incentives against the ex post inefficiencies of monopoly power. The current system of patent acquisition and protection is now frequently criticized on numerous grounds, including its manipulability, its susceptibility to abuse and holdup, its regional specificity, its differential treatment of leaders and laggards, and the agency costs that are present not only among business competitors, but among the very bureaucrats and judges who administer the system itself. The proposed conference intends to explore these ideas further, bringing together leading scholars from law schools, business schools, and economics departments. Submission deadline: May 1, 2004.

Hydrogen & Fuel Cells 2004 Conference and Trade Show

Toronto, 25-28 September, 2004

As society shifts towards the Greener World, it is increasingly important that the teamwork necessary to achieve and meet our challenges and objectives be effectively integrated, shared and understood across disciplinary and business boundaries. In planning for the September 2004 Meeting in Toronto seven such inter-related themes have been identified: Hydrogen technology progress, fuel cells, economics & policy, renewable hydrogen, demonstrations, investment & marketing options, and climate change. We invite you to submit abstracts for oral and/or poster presentations to be presented to an international audience of hydrogen and fuel cell industry leaders. Submission deadline: March 17, 2004.

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 Jen Nelles.
Project manager is [David A. Wolfe](#).