

Ontario's Regional Economic Development and Innovation Newsletter

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[Canada's VC Investments Up in Q3 2004](#)

Canada's Venture Capital and Private Equity Association (CVCA) recently released venture capital investment figures for Q3 2004. According to the CVCA and research partner Macdonald & Associates, Canada's venture capital industry invested a total of \$498 million in Q3 2004 (21 per cent more than the \$411 million invested during the same period of 2003). This is the third consecutive quarter in 2004 where the investment numbers have been up relative to the same quarters in 2003.

The IT sector dominated in Q3 2004, as 72 firms captured \$332 million, or two-thirds of disbursements, and up by 57 per cent from the \$211 million that was invested in this sector between April and June. Capital invested in IT this time around represents the most substantial injection of industry cash into such companies since Q4 2002.

Realizing our Prosperity Potential

The Institute for Competitiveness and Prosperity

Ontario has the potential to achieve prosperity that matches results in the most vibrant economies in the world if its governments, businesses and individuals act on a set of ambitious recommendations made by the Ontario Task Force on Competitiveness, Productivity and Economic Progress. This Third Annual Report shows that Ontario's prosperity ranking remains at 13th place among a peer group of 16 North American jurisdictions consisting of the 14 most populous US states, Quebec and Ontario. The report argues that Ontario can close the prosperity gap and realize its full economic potential. The key to this is higher productivity – the increased capability of Ontarians to add more value to the physical, human, and capital resources in the province. Previous reports concluded that more investment is an important element in raising productivity. This year's report sets out areas where that investment is required.

INNOVATION & RELATED POLICY

University-Industry Interrelations in Montreal in the Reconversion to the Knowledge Economy

Juan-Luis Klein, Claude Manzagol, Diane-Gabrielle Trembley and Serge Rousseau

This paper deals with the following issue: How the university-industry relationship is structured in the Montreal region? It shows that, in the Montreal and Quebec contexts, relations between these two actors have undergone major changes since the 1980s, evolving towards a partnership-based research system. Traditionally weak, these relations have become much stronger today as a result of a tripartite process in which socio-economic actors, universities and the public actor all play a part. As will be seen, the numerous partnerships stemming from this process are centred on the firm, even the large firm, which have effects on both research and training.

CLUSTERS & REGIONS

Temporary Clusters

Harald Bathelt, Peter Maskell and Anders Malmberg

Business people and members of particular professions, such as lawyers, doctors, auditors, etc., all regularly rally on conventions, congresses, conferences, and other convocations, huge or small. They muster at fairs, shows, displays, exhibitions, and assemblies where their latest and most advanced findings, inventions or produce are exposed, examined and evaluated by their peers and competitors as well as by customers and suppliers along the value chain. These events resemble many of the characteristics ascribed to permanent localised clusters, albeit in a temporary and intensified form. The temporary clusters are hot-spots of intense and dedicated knowledge exchange, network building and idea generation. This paper asks why such temporary clusters do not, over time, develop into permanent territorial hubs and, if participation in such a cluster can satisfy a firm's need to learn through interaction then why is the phenomenon of permanent clustering so pervasive?

Proximities in a Cross-border Regional Innovation System: On Knowledge Dynamics in Medicon Valley (DK/SE)

Lars Coene, Jerker Moodysson and Bjorn T Asheim, Lund University

In the light of the globalizing knowledge economy new arguments have stressed that localized learning processes need to be complemented by extra-local knowledge flows to sustain innovation. In the field of biotechnology this dual pattern of knowledge flows is striking, with strong spatial concentration in nodes of excellence (i.e. megacentres) interconnected in global networks. This implies new challenges to regional innovation systems and presupposes a qualification of the proximity concept emphasizing its multifaceted configuration. This paper examines these challenges through the case of Medicon Valley. It highlights the importance of relational proximity in epistemic communities shaping innovation systems in multi-spatial scales. Within Medicon Valley relational proximity across the national border is not particularly well developed, which raises questions about the actual presence of an integrated cross-border regional innovation system. Rather the cluster can be considered embedded in two nationally demarcated regional innovation systems, no further integrated across the Danish-Swedish border than with nodes in other parts of the world.

Labour Productivity, ICT and Regions: The Revival of Italian "Dualism"?

Simona Iammarion, Ceilia Jona-Lasinio, and Susanna Mantegazza, SPRU

The requirements of the current 'knowledge-based economy' and the contribution of Information and Communication Technology (ICT) to socio-economic change have been found to have a significant impact upon regional differentials in the European Union. This paper looks at the distribution of ICT-producing small and medium enterprises in Italy, comparing structural variables - in particular spatial and sectoral dimensions - with labour productivity levels. Ultimately, the objective is to shed some light on the role that ICT-producing firms might play with respect to regional gaps in the Italian economy, traditionally characterised by geographical polarisation and imbalances which are among the most striking in the "Europe of regions".

Whatever Happened to Canada-US Economic Growth and Productivity Performance in the Information Age?

Tarek M Harchaoui and Faouzi Tarkhani, Statistics Canada

Productivity growth in the U.S. economy jumped during the second half of the 1990s, a resurgence that the literature linked to information technology use. This paper contributes to this debate. First, using the most comparable Canadian and U.S. data available, it quantifies the contributions of information technology to output, capital input, and productivity performance. Second, it examines the extent to which information technology producing and information technology-using industries have contributed to the aggregate multifactor productivity revival. The results suggest that while information technology is indeed the story in the U.S. productivity revival, it is only part of it in the Canadian context. The U.S. labour productivity revival is primarily attributable to information technology capital deepening and multifactor productivity gains of information technology-producing industries, a finding that contrasts with the common U.S. wisdom. The Canadian evidence points towards the importance of multifactor productivity gains in information technology-using industries as a major source of productivity acceleration.

Estimation of Research and Development Expenditures in the Higher Education Sector, 2002-2003

Statistics Canada

This publication is an explanation of the estimation procedures used to calculate 2002-2003 research and development (R&D) expenditures in the higher education sector. This estimation procedure was revised in 2000 as R&D activities in the higher education sector have increased in importance to policy developers, major funders of these activities, and also to the performing institutions themselves. In 2002-2003 the R&D expenditures for higher education were estimated to total \$7.4 billion, an increase of 16% over 2001-2002 revised estimates.

EVENTS

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Innovation and New Ventures 2005 NEW!

Vancouver, 21-22 January, 2005

This conference brings together representatives from industry, universities & colleges, and government from across Canada to share strategies and best practices in the areas of innovation, new ventures and entrepreneurship. This year's conference is the fifth in the series and will be championed by both WestLink Innovation Network and CATAAlliance, along with host organization Simon Fraser

University. This is an important forum for addressing issues regarding support and funding of new ventures and infrastructure at the community level and nation-wide. The conference will focus on innovation and new ventures in Canada's industries and regions; financing new ventures; community infrastructure; and the role of industry, universities, colleges and government in innovation and new ventures.

Conference on Plant-Made Pharmaceuticals

Montreal, 30 January- 2 February, 2005

This conference will convene developer of biopharmaceuticals and the plant-factory community. The three themes emphasized this year are compounds (biologic drugs in development, pharma partnerships, markets), capacity (speed, cost, quality and reliability of production), and compliance (evolving regulations, biomass production in North America and Europe, progress in clinical trials).

Regionalism and Local Government Reform in Europe

Tolo, Greece, 8-11 April, 2005

The objective of this conference is to explore comparative regionalism and regionalisation, together with comparative local government and governance. Plenary speakers include a welcome from Fofe Yenimata, President to the Greek National Union of Prefectural Local Authorities (ENAE), Prof. Charlie Jeffery, University of Edinburgh and Dr. Evie Christofilopoulou, Hellenic Open University and Member of the Greek Parliament. The major themes of the conference are: The impact of structural reorganisation on local governments and local governance; Local political and administrative leadership, including the impact of directly elected mayors and other existing or new political leadership arrangements; Local economic development; The development of regional government and governance, including the influence of the European Union on regional development. For full conference details and costs please contact Dr Joyce Liddle of the organizing team before January 31, 2004 through the link above.

5th Triple Helix Conference - The Capitalization of Knowledge: Cognitive, Economic, Social and Cultural Aspects

Turin-Milan, 18-21 May, 2005

The 5th Triple Helix Conference will bring together researchers interested in the interaction between University, Government and Industry. The conference program will include 10 Track Sessions per day, made up of paper sessions dedicated to individual scientific contributions, workshops on selected specific themes and panels intended for industrial experts and policy makers. The organizers invite contributions on issues related to the conference theme: economics of innovation, organizational sociology, regional policy, business & management, cognitive economics, finance, law & economics, industrial economics, scientific and technology policy, and political science.

Dynamics of Industry and Innovation: Organizations, Networks and Systems **NEW!**

Copenhagen, Denmark, 27-29 June, 2005

The DRUID Ten Year Anniversary Summer Conference will be held at the Copenhagen Business School. The conference's scientific committee will consider all papers in the order in which they arrive with respect to novelty, academic quality and the proposed paper's relation to the theme of the conference.

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