



Ontario's Regional Economic Development and Innovation Newsletter

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

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ANNOUNCEMENTS

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

[LINK Study the Next Step for Commercialization Research at Acadia](#)

ACOA is investing \$167,500 in a study for a new facility at Acadia University. The proposed LINK centre would combine research and entrepreneurial activities at the same facility, making it a unique site that would benefit the surrounding rural communities. The proposed LINK complex will include both research facilities and a new home for the Acadia Centre for Small Business and Entrepreneurship. It will feature a combined focus on business and research, with business incubator facilities next door to the labs where research will be conducted for potential commercialization.

[ITAC Calls for a National Productivity Strategy](#)

The Information Technology Association of Canada (ITAC) has called upon the Federal Government to establish a national strategy for the planned evolution of a strong modern economy built upon the widespread and rapid use of productivity enhancing information and communication technology. ITAC's call for a national productivity strategy was included in its submission to the Telecom Policy Review panel, which it filed recently. The panel is mandated to study and report on regulation, access and ICT adoption. ITAC's paper notes the strong link between ICT investment and productivity growth. It also points out a disturbing gap between Canadian ICT investment and that of the U.S. (58 per cent less than comparable U.S. investment).

[High Tech Enterprise Calls for a Commercialization Crusade](#)

Canada's largest high-tech business association today called on the Federal Government to partner with industry in a campaign to create "Enterprise Canada" -- a national program to support efforts to commercialize Canadian products and services. In a paper released recently called "Technology Commercialization and Wealth Creation", the Canadian Advanced Technology Alliance (CATAAlliance) called on governments to provide the leadership to make massive changes to the way commercialization is performed in Canada. The paper notes that Canadian productivity is falling relative to our largest trading partners, partly as a result of a weakness in commercializing and capitalizing on creativity.

EDITOR'S PICK

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

Governance of Innovation Systems: Volume 1: Synthesis Report

OECD

Stimulating innovation is key for achieving sustainable economic growth. Recently, however, prevailing practices and institutions of innovation governance have come under pressure. This publication examines the sources of these pressures, and provides lessons on how governments can adapt their governance practices to achieve better coherence and co-ordination of policies to promote innovation. The changes under way point to the emergence of a "third generation" of innovation policy: a broadly based, strategic policy area, crossing traditional ministerial boundaries.

INNOVATION & RELATED POLICY

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

The Indirect Costs of Venture Capital in Canada

Cecile Carpentier and Jean-Marc Suret, CIRANO

Some analysts and policy makers consider the growth of New Technology Based Firms (NTBFs) is impeded by an insufficient supply of capital. In Canada, as in other jurisdictions, public authorities have interceded to fill this equity gap by increasing the supply of funds. However, several researchers contend that this gap is mainly associated with information asymmetry that particularly affects technology firms. Agency and moral hazard problems explain why it can be so time consuming and costly to obtain outside equity. This paper presents a first analysis of these indirect costs of financing. These costs are partially intangible and are determined through field surveys and case analysis. This study identifies the elements that generate indirect costs associated with 18 financing rounds undertaken by 12 NTBFs based in Quebec, where the supply of venture capital is abundant. It shows that these costs are indeed substantial and heavily penalize small firms, especially during pre-commercialization financing rounds. As a consequence, the classic government intervention policies intended to increase the supply of funds may be largely ineffectual.

Evaluating and Comparing the Innovation Performance of the United States and European Union

Giovanni Dosi, Patrick Llerena and Mauro Sylos Labini, TrendChart Policy Workshop

The present report aims at evaluating and comparing the innovation performance of the United States and the European Union. More specifically this report discusses European comparative performance in terms of scientific output, proxies for technological innovation, and actual production and export in those lines of business which draw more directly on scientific advances. Findings show significant differences across scientific and technological fields. While Europe lags in top level science and innovative performance vis-à-vis the US, it is relatively strong in physical sciences and engineering. There is also evidence of corporate weakness, despite many success stories. The report suggests that effective European catching up would require much less emphasis on various types of "networking", "interactions with the local environment", "attention to user need" — current obsessions of European and national policy makers — and, conversely, much more on policy measures aimed to both strengthen "frontier" research and, at the opposite end, strengthen European corporate actors.

Economic Growth, Innovation Systems, and Institutional Change: A Trilogy in Five Parts

Saeed Parto, Tommaso Ciarli and Saurabh Arora, MERIT

Development and growth are products of the interplay and interaction among heterogeneous actors operating in specific institutional settings. There is a much alluded-to, but under-investigated, link between economic growth, innovation systems, and institutions.

There is widespread agreement among most economists on the positive reinforcing link between innovation and growth. However, the importance of institutions as catalysts in this link has not been adequately examined. The concept of innovation systems has the potential to fill this gap. But these studies have not conducted in-depth institutional analyses or focused on institutional transformation processes, thereby failing to link growth theory to the substantive institutional tradition in economics. This paper draws attention to the main shortcomings of orthodox and heterodox growth theories, some of which have been addressed by the more descriptive literature on innovation systems. Critical overviews of the literatures on growth and innovation systems are used as a foundation to propose a new perspective on the role of institutions and a framework for conducting institutional analysis using a multi-dimensional typology of institutions. The framework is then applied to cases of Taiwan and South Korea to highlight the instrumental role played by institutions in facilitating and curtailing economic development and growth.

The Greater Philadelphia Life Sciences Cluster: An Economic and Comparative Assessment

Ross DeVol, Rob Koepp, Lorna Wallace, Armen Bedroussian and Daniela Murphy, The Miliken Institute

The life sciences industry is an emerging powerhouse for U.S. global economic competitiveness in the 21st century. According to this study, Boston, the San Francisco Bay Area and Greater Philadelphia have the most dynamic life sciences clusters in the country. Encompassing biotechnology, pharmaceuticals, medical devices, associated research and development activities, and supporting infrastructure – including research universities, teaching hospitals, medical laboratories and venture capital firms – life sciences is one of the most knowledge-intensive and research-rich sectors of the U. S. economy. It directly and indirectly supports millions of jobs and pays above-average wages to life science industry workers. Researchers benchmark and assess the current position of the Greater Philadelphia life sciences sector relative to 10 other leading centers – Greater New York, Boston, Greater Raleigh Durham, Minneapolis, Chicago, Dallas, Greater San Francisco, Seattle, Greater Los Angeles and San Diego – and estimate the total impact on the region's economy by calculating the multiple ripple effects, evaluate how it is positioned for future growth by investigating its ongoing ability to innovate, and formulate an overall composite for the life sciences.

STATISTICS

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

Key Figures 2005 on Science, Technology and Innovation: Towards a European Knowledge Area

CORDIS

This report takes a detailed look at the most important aspects of EU investment and performance in the knowledge-based economy, where R&D plays a central role, as well as at the most recent progress made in this regard. Part I of the publication charts recent progress towards the knowledge-based economy in the global macro-economic context. Part II reviews investment in R&D, human resources in science and technology, and higher education. Part III deals with the performance of the EU's research and innovation systems, examining indicators such as scientific publications and patents as well as high-tech trade, productivity and value added at the sector level.

EVENTS

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

Global Aspects of Technology Transfer: Biotechnology

London, UK, 4-9 September, 2005

The 2005 GRC offers opportunities to present and discuss biotechnology impacts on World economy and how it relates to scholarly research on technology transfer between government, industry, and universities/nonprofits. The meeting will have a distinctly global perspective, as the Chair and Vice-Chair believe that challenges in biotechnological technology transfer are increasingly universal in nature, and that addressing these challenges requires this perspective. Research being undertaken, for examples, by MMV, TB Alliance, the Pharmaceutical Industries, the World Bank, World Trade Organization, World Health Organization, London School of Hygiene and Tropical Medicine, the Center for Management of IP in Health R&D, and others are leading to insights on this evolution. By examining in the Gordon Conference format new and innovative ideas emerging from such research, the organizers hope to continue to stimulate thoughtful discussion, engage the participants, and catalyze the dissemination of the fruits of biotechnology to the world community in a sustainable, economically viable and socially responsible manner.

Innovations and Entrepreneurship in Functional Regions

Uddevalla, Sweden, 15-17 September, 2005

The objectives of the symposium/conference are: i) to provide a unique opportunity for scholars and senior and junior researchers to discuss path-breaking concepts, ideas, frameworks and theory-essentials in plenary key-note sessions and parallel competitive paper sessions, and ii) to facilitate the development and synthesis of important contributions into cohesive and integrated collections for potential publication. The conference will focus on the themes of international entrepreneurship; innovation, entrepreneurship policy and regional development; entrepreneurship in the public and non-profit sector; innovation, academic entrepreneurship and high tech firms in functional regions; and SMEs, immigrant entrepreneurship and local economic

development. Paper submissions will be considered until March 15, 2005.

Canadian Association of Business Incubation 14th Annual Conference **NEW!**

Edmonton, 18 September, 2005

This conference provides those responsible for managing business incubation programs, providing business advisory services or economic developers valuable information on key issues facing business incubation, as well as networking opportunities and strategic linkages. Sessions discuss a variety of key issues ranging from starting, monitoring and managing successful business incubation programs; creative ideas and valuable resources for assisting clients; to discussing federal privacy legislation and best practices for incubators and our clients.

Creative Places + Spaces 2: Risk Revolution

Toronto, 30 September - 1 October, 2005

This conference is dedicated to unlocking the creative potential of people and places through innovative social, educational, cultural, environmental and economic initiatives. In addition to onstage presentations, the conference will offer a Creativity Marketplace, which will provide organizations an opportunity to display materials and meet with delegates to exchange ideas and share information about their work in a less formal setting. We also invite the submission of feature articles and story ideas for the Creative Places + Spaces News Journal. The conference welcomes submissions of dynamic presentations, demonstration projects and case studies from practitioners in the fields of arts, science, business, government, education and social services suitable for the conference.

Big Lessons from Small Places: A Forum on Governance in Rural North America and the North Atlantic Rim

Twillingate, Newfoundland, 13-15 October, 2005

This conference includes field trips dealing with a number of important themes in rural governance including: economic diversification, fisheries, tourism, heritage and culture and health. Parallel sessions cover governance tools in small jurisdictions, managing urban-rural interaction, fiscal management, devolving power-building capacity, services and infrastructure, natural resource management and regional diversification.

Cities in Multilevel Government Systems: Lessons from Abroad

Toronto, 14 October, 2005

Around the world, new forces are re-shaping the functions of cities and their relations with central and provincial governments. The aim of this one-day conference is to assess international experience, and bring it to bear on Canada. This is particularly relevant in Toronto, for the new status of the City is being negotiated, and it's important across the country as the federal government proceeds with its New Deal for cities and communities. As part of a large research project funded by the Social Sciences and Humanities Research Council, prominent experts have studied nine other systems, all federations except for France. They have examined the new pressures on cities and patterns of change in municipal-federal-provincial relations and institutions. These will be the topics of the first two panels of the conference. Then there is the question of the resources needed by cities and how to secure them. Comparative experience is interesting here, and this is the third session. Finally, the conference will address the issue of what kind of multilevel government system is most conducive to having good public policy in cities.

Building a Brighter Future: Building Tech Based Economies

Atlanta, 19-21 October, 2005

The urgent need to focus public investment on the more distant horizon has been the recurring and underlying theme for all of the national discussion on unbalanced federal R&D budget priorities, the need for a national innovation strategy, and the challenge and opportunity presented by a "flat world" (to borrow a phrase from Thomas Friedman). SSTI's 2005 conference in Atlanta provides a unique and timely forum to advance understanding of the states' and regions' evolving roles as leaders in fostering the continued competitiveness of the U.S. economy.

Creative Clusters

Belfast, UK, 24-26 October, 2005

This is the only annual international conference on policy for the creative industries. The growth of creative industries has been explosive - communities, cities, regions and nations are embracing this shift, leveraging their culture to build valuable assets that can transform their economies. In the UK creative industries are growing twice as fast as any other - at a rate of 8% per year. Creative Clusters are accepting presentation proposals on the following four conference themes: Investing in Creativity, Delivering Skills for Creativity, Inclusion through Creativity, and an open session.

Clusters 2005

Toulouse, France, 27-29 October, 2005

This conference will bring together academic 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.

Globelics Africa 2005

Pretoria, South Africa, 31 October - 4 November, 2005

Globelics (the Global Network for the Economics of Learning, Innovation and Competence Building Systems) is a framework for scholars who use the concepts of learning, innovation and competence building systems as part of their analytical framework. The network is especially focused on the strengthening of research on learning and innovation systems in developing countries. In the region most in need of human and economic development, Globelics Africa 2005 aims to further examine the links between innovation, development and growth. The conference also aims to build research capacity in Africa by establishing contact between researchers from Africa and from other regions of the world, both from leading academic centres, and from other developing contexts. In addition, the conference aims to rethink and reframe the challenges of the African continent in the light of insights from innovation systems research. Scholars from innovation studies will contribute a range of approaches and perspectives to guide research, policy formulation and action to bring about societal transformation through enhanced learning, innovation and knowledge competencies.

The Future of Industrial Research in Canada **NEW!**

Ottawa, 8 November, 2005

Canada's ability to compete as a nation in the global knowledge economy depends to a large extent on the vitality of its private sector. There is evidence that during the economic boom in the latter half of the 1990s, Canada experienced a drop in the number of firms conducting R&D here. Business leaders from the major high tech sectors will describe their global business strategies and how R&D fits into the overall picture. The conference includes presentations from multinational corporations active in Canada, entrepreneurs running Canadian firms large and small, investors and other experts. They will assess the overall environment for knowledge-based business in Canada and recommend approaches for successful commerce in a global context.

The 8th Annual Conference of the Competitiveness Institute

Hong Kong, China, 8-11 November, 2005

China's emergence onto the world stage has created unprecedented opportunities and challenges to business people and policy makers from all over the world. China has become a market, an investment location, a production platform, and a competitor. But what is China's true underlying competitiveness? In which industries will China lead and in which will it lag? What and where are China's major clusters and how strong will they be? What is China's influence on other economies in the region and the world? How will other economies compete with China? How can companies understand China's different regions and benefit from China's regional development? What programs and policies will be necessary to develop competitive clusters in the new environment? How do my nation or regions' own clusters stack up against the world's best? Several of the world's leading experts on clustering and regional development will address these questions and others at this conference, organized by the Hong Kong Institute of Economics and Business Strategy of The University of Hong Kong.

Innowest 2005

Calgary, 16-17 November, 2005

This conference provides a forum where the innovation community of Western Canada can gather annually to network, review the latest developments, solve problems and take specific industry recommendations forward for action. Among the topics to be discussed are applied research, the culture of innovation, innovation policy and innovation support.

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 at onris.progris@utoronto.ca.

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