
THE ROLE OF ASSOCIATIONS IN REGIONAL INNOVATION SYSTEMS

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Starting point and research questions

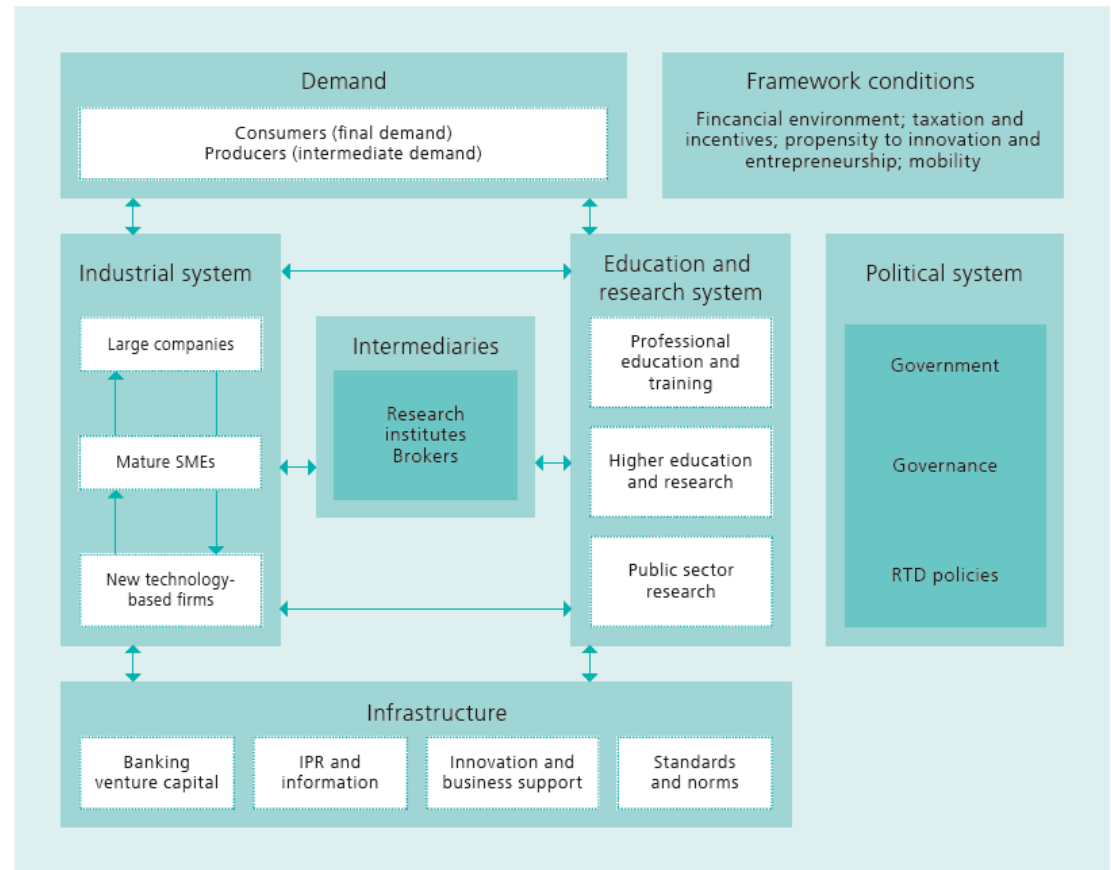
- The **innovation system heuristic** is a basic concept in **national and regional innovation policy** worldwide.
- **Evidence and mission orientation** and **civic participation and engagement** in innovation and technology policy.
- **New actor groups and constellations** (networks, local/regional fora, clusters, research PPPs etc.).
- **New forms of innovation:** open innovation, interactive innovation, user-based innovation etc.
- **New approaches to (efficient) policy-making** are necessary.

Questions:

- Is the innovation system heuristic still appropriate to be used as a policy concept both at the national and regional level?
- Can efficient policy tools and instruments derived from this theoretical perspective?

A too simplistic view on actor groups in regional innovation systems?

- **Micro perspective:** Who are the relevant organizations and people? Who has specific bargaining powers? How can individual interests be brought together ("related variety") and merged towards the formulation of common interests?



Source: Koschatzky (2012a) according to Kuhlmann and Arnold (2001, p. 2)

Role of "Intermediaries"

- **Link and influence** the other components of the system.
- **Much broader** than chambers of industry and commerce, technology transfer organisations or scientific foundations.
- An intermediate organisation ("**association**") **functions in the midst of the users and producers of knowledge** (Smedlund 2006).
- **Intermediary functions** between the state (governments at different levels), markets and private households (Knieling 1994).
- **Outcome to the need of collective action** (Bennett 1998).
- Their **role** in contributing to innovation is **fairly unknown**.

Questions:

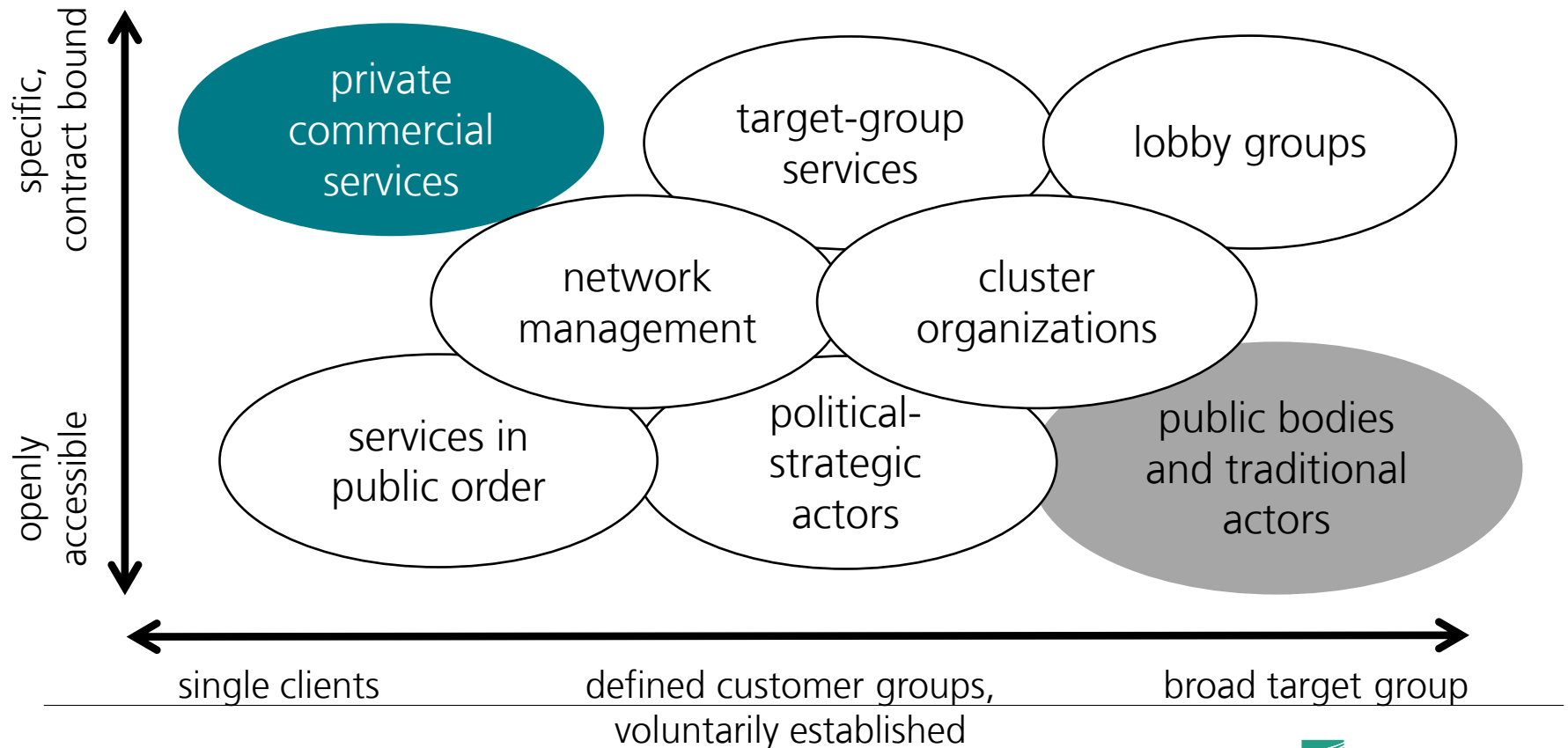
- Which kinds of groups and organizations exist with relevance to innovation activities?
- Which objectives do they follow?
- Which roles do they play, what are their impacts?
- What is their policy relevance?
- Do they act in parallel or complementarily to formal public organizations?

Some clues from the theoretical literature about the role of associations?

- General frameworks: **Modes of coordination in market economies** (varieties of capitalism: Hall and Soskice 2001), **institutional set-up** (institutional economics: North 1990), **forms of transaction** (transaction cost economics: Williamson 1985), **collective action framework** (Olson 1965).
- More pronounced influential factors: **Social capital** (Putnam 1993, 1995; Coleman 1988; Cohen and Prusak 2001), **network economics** (diverse), **relational capital** (Camagni 2004; Capello and Faggian 2005), **concepts of embeddedness and proximity** (Granovetter 1973, 1985; Boschma 2005), **communities of practice** (Wenger and Snyder 2000), and more...
- Organization by its own or a role/mission of an already existing organization (according to Smedlund 2006).
- **General starting point:** When new tasks or a particularly urgent need for action encounters a lack of capacity (or interests to act) of existing players (organizations, governments), some of the conditions for the emergence of new (usually: intermediate) organizations are being created (Selle 1991).

Analytical structure of intermediary associations

- New initiatives and associations take on tasks in the **spectrum between private service provision and public governance**



Missions, activities and impacts

- **Missions:** support of regional success factors, services to regional firms and organizations, the creation, development and modification of intangible assets, etc. (Smedlund 2006).
- **Activities:** collective bargaining, coordination, mediation, representation and lobbying, social exchange, advocating, community support and social responsibility, group marketing, self-regulation (Bennett 1998, Knieling 1994, Tomlinson 2011).
- Act at the **national level** (norms, networks, trust), at the **micro level** (relationships between individual persons or small groups of persons), and on the **meso level** (vertical and horizontal relationships and networks between organizations and groups) (Smedlund 2006).
- **Supply innovative ideas** to regional development (implementation of key policy measures), **expand existing networks** between government and the business sector (Knieling 1994).
- **Contribute to new forms of innovation** (e.g. user-based innovation).

Implications for the active shaping of regional innovation systems

Influence on the governance of innovation systems depends on:

- **Different governance logics** (private versus public / non for profit).
- **Different roles and tasks** according to the "varieties of capitalism" approach: more privately organized public functions in liberal market economies (USA, UK), more additional public functions in coordinated market economies (e.g. Germany, Austria).

Consequences

- Role and responsibilities of private, public and voluntary associations are different (freedom, expectations, transfer of government functions).
- Characteristics of associations depend on the overall context in which they arise and act.
- A variety of ways and approaches to participation exists, which can only be explained and understood in the context of the specific innovation system.

What does this tell us?

- Intermediary associations in any form fulfill **critical (important) functions in regional innovation systems.**
- Depending on institutional frameworks and modes of coordination, they are **either glue or corrective** between the different sub-systems in an innovation system.
- Depending on their mission, they might be **supporting or impeding regional development strategies.**
- Governments/policy makers should either **include** associations in strategy building processes, or to be **aware** that opposition might arise from them.
- These **conclusions are still vague**, because from an empirical viewpoint the role of these actor groups is so far insufficiently analyzed.
- **Need for detailed analyses.**

Our approach

- A specific, **multidimensional conceptual approach** is required (different levels in innovation systems).
- An empirical concept integrating both **qualitative** (case studies) and **quantitative** elements (macro data).
- **Comparison** between regional innovation systems in different national settings.

Literature and more information:

Working Papers Firms and Region
No. R4/2014



The Role of Associations in Regional
Innovation Systems

**Thank you for your
attention!**

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www.isi.fraunhofer.de/isi-wAssets/docs/p/de/arbapap_unternehmen_region/2014/ap_r4_2014.pdf

Our approach

Hypotheses regarding role and development of associations	Analytical layer	Methodological approach
H1: When demand for joint activities is perceived, associations are established to satisfy the requirements.	Macro and meso levels (systems and organisations)	Qualitative methods to analyse both regional systems and involved associations: desk research, interviews with stakeholders, workshops, ethnographic investigations. Additional quantitative surveys.
H2: In the course of the life cycle of these newly established associations, their processes and actions become more and more formalized, resulting in routines similar to established/mature associations.	Meso level (organisations)	Qualitative methods to analyse both new and established associations: desk research, interviews with stakeholders, ethnographic investigations.

Our approach

Hypotheses regarding role and development of associations	Analytical layer	Methodological approach
H3: If there is a strong driver, new associations are established.	Micro level (individuals)	Qualitative methods to analyse the character traits of these individuals.
H4: As soon as the political influence of mature associations in innovation systems decreases, their scope of action changes in terms of developing and implementing new activities.	Meso level (organisations)	Qualitative methods to analyse the shift in mission and instruments. Additional quantitative surveys.