

Tarmo Lemola
**Development and Evaluation of Regional Innovation
Strategies**

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Success factors of innovative regions

- Versatile, varied industrial structure
- Proximity of universities and research institutes
- Mobility of labour
- Latest technology
- Risk capital
- Knowledge-intensive business services
- Entrepreneurship
- Public procurement

Are the factors still relevant, or more relevant than ever? How to start up a virtuous circle?

Actors behind success

”Specialisation and diversification of any urban region is not based on local political decision making, but on investment and production decisions made by companies, through which they exploit location, scale and agglomeration advantages of regions.”

Seppo Laakso, Managing Director, The Urban Research TA Ltd.

Is this true or not? If it is true what are its implications?

Risks of regional innovation policy

”There is a risk, that (Finnish) regions do not become dynamic local nodal points of global networks, but ”mechanism regions” of frustrated people saturated by programmes, forums and seminars.”

Markku Sotarauta, Professor of Regional Studies, University of Tampere

Is this true? What are lessons to be learnt?

Major challenges of innovation policy

- Globalisation
 - Competition for investment
 - Competition for talent
- From price competition to innovation driven competition
- Creating lead markets for innovation
- Age structures and workforce for the future industry
- Climate change

Latest developments in innovation and innovation policy ("A Paradigm Shift")

- **From products – to services**
- **From technological innovation – to social innovation**
- **From supply lead – to demand lead**
- **From closed innovation – to open innovation**
- **From innovation system – to innovation environment (ecology)**
- **From sectoral governance – to cross-sectoral governance**

Legitimation of public intervention in innovation

- **Failure**
 - **Market failure**
 - **System failure**
 - **Government failure**
- **Other justification**
 - **Social demand, need, problem**
 - **Climate change**
 - **Traffic problems**
 - **Poverty**

Most relevant level of action

- **Local**
- **Regional**
- **National**
- **Supranational**

Potential directions regional innovation policy

- Innovation in the service sector
- Innovation in creative industries
- Innovation and public procurement
- Support for the creation of knowledge intensive business services (KIBS)
- Building up instruments for providing external expertise and specialists for SMEs (business, mentoring, internationalisation etc.)
- Financial schemes, capital funds and support instruments for growth companies
- Tools and services for existing companies
- Attractive environment for (knowledge) workers