

Regional Innovation

Key Facts

- **Regional innovation policy needs to respond to globalisation.** Production systems have become broader and less hierarchical. This strengthens the dependence of firms on the regional environment. Policy frameworks, governance arrangements and funding streams need to adapt. Based on a broad framework set at national level, regions can use local knowledge to target policy action.
- **Research-intensive and technology-driven innovation is highly concentrated** in certain regions in OECD countries. Many innovations that shape our daily lives were produced in a small number of leading regions.
- **But other regions are catching up.** While existing high-tech hubs still dominate, other regions are now investing heavily in R&D-intensive sectors. The municipality of Shanghai, for instance, is aiming for an R&D intensity of 3.5% by 2020 and is already investing more than many OECD regions.
- **Not all regions can be leading knowledge creation hubs, but all should seek to improve capacity to adopt innovation.** Some regions perform poorly because of a lack of critical mass or culture of networking that supports innovation. Building capacity to adopt and absorb innovation is a way to improve economic performance.

R&D intensity by region
(expenditure as a % of GDP)



Notes: Data is for 2005 except for Austria and France which is for 2004. Data for Denmark, Iceland, Japan, Mexico, New Zealand, Switzerland and Turkey are not available at the TL2 regional level.

Source: OECD (2009) Regions at a Glance 2009.

Why Regional Innovation Policy Matters?

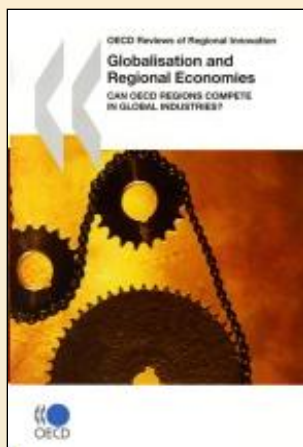
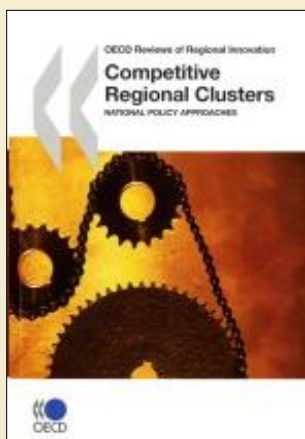
- The adaptation of production to new knowledge and ideas is a key factor for maintaining and improving competitiveness and generating wealth.
- Governments are increasingly realising that the regional dimension of innovation is crucial.
- OECD work on regional innovation is designed to help national and regional policy makers to:
 - improve the evidence base for targeting policy;
 - make better use of resources in different regional contexts; and
 - ensure coherence between innovation and other policy objectives.

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Activities

Cluster policies are popular, again

This report analyses the objectives, targeting, instruments and inter-governmental role sharing used by 26 programmes in 14 OECD countries.



Can OECD regions compete in global industries?

This report presents evidence that region-specific advantages – embedded in specialised firms, skilled labour and innovation capacity – remain a significant source of productivity gain for firms.

The OECD's first database for measuring innovation performance at regional level

A new dataset that includes key innovation indicators (such as R&D expenditure, patenting activity and innovation-related human resources) was created to help policymakers compare performance across regions. This data is accessible through the OECD's Regional Database so that innovation indicators can be linked to GDP growth, employment performance, etc.

OECD Reviews of Regional Innovation

The OECD has launched a new review series to analyse how regions can develop pro-active innovation strategies and how national and regional policies can be co-ordinated. Forthcoming reviews include Piedmont, Italy, 15 Mexican States, and Catalonia, Spain. Forthcoming reviews will include expanded analysis of new modes of innovation.

