North Jutland, Denmark

(by Andy Pike, United Kingdom)

Description of the approach (aims, delivery, budget etc)

Broader and more innovative than the traditional ‘site and service’ technology park model, the NOVI Science Park – Nordjyllands Videnpark A/S – acts as a science park, innovation environment and venture capital provider. North Jutland County Council has played a lead role through its close links to Aalborg University in technology-based regional development programmes (e.g. Nortek, Digital North Denmark), particularly in electronic engineering. Both institutions co-operated to establish the NOVI Science Park as a beacon for industrial development and connection between research and production in the late 1980s. NOVI’s vision is to create competitive Nordic businesses. It has evolved from its initial ‘Knowledge Centre’ function, pioneering the use of its own share capital for financing early stage product development. Appointment as a venture capital company by the Danish Commerce and Companies Agency, with a credit facility of DKK 60 million (EUR 8 million), broadened its focus from site and service toward business development. NOVI Innovation, established in 1998, now works independently within NOVI as an innovation environment for new knowledge-based businesses, evaluating project proposals, undertaking pre-projects and supporting the launch of new companies. NOVI Innovation is now a national player with a DKK 500 million (EUR 67 million) capital base and investment portfolio in new and expanding IT, biotechnology, medical/health care and energy/process optimisation businesses.

Why the approach is relevant to the two districts/to East Germany?

North Jutland is an old industrial region that has nurtured a successful high technology-led development strategy. Ongoing rationalisation of its traditional industrial sectors in cement, engineering, food processing, shipbuilding and textiles, unemployment persistently above national levels and weak population growth, underpinned a regional crisis in the late 1980s and prompted the actions of local institutions. A clear regional strategy was developed tailored to distinctive regional strengths and built upon its trajectory of regional structural change during the 1990s, driven by specialisation in electronics, especially wireless communications technology, as well as IT service and software development, printed circuit boards, and biomedical technologies. North Jutland’s experience is instructive for entrepreneurship policy delivery in Eastern Germany because of the common context of structural change in its traditional employment base, and it reinforces the importance of a long-term and sustained strategic framework, local institutional co-operation and the focus upon growing and mobilising indigenous high-technology potential through a lead technology-based institution – the NOVI Science Park.

Reasons for the success of the approach

NOVI is co-located and works in close co-operation with Aalborg University, emphasising commercialisation and the establishment and incubation of knowledge-based companies. Innovation consultants are used to bridge institutional boundaries and underpin the process of knowledge transfer. From its inception, the total budget for NOVI has been DKK 244 million (EUR 33 million), including DKK 89 million (EUR 12 million) of EU Structural Funds. NOVI has 50 tenant companies, including SMEs, R&D activities of existing businesses, commercial service businesses and public trade and industry agencies. Key local linkages for NOVI include the umbrella organisation for the wireless technology cluster NorCom and the Centre for Teleinfrastructure (CTIF), established in 2004 with private and public funding, focusing research on alternative future wireless infrastructure models.

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1 Source: Discussion Paper "Entrepreneurship in the Districts Mittweida and Altenburger Land", OECD LEED Programme, October 2006.
The obstacles that were faced and the quality of the response taken

NOVI and North Jutland’s economic regeneration has achieved some success, supporting and nurturing the structural change in the region through institutional co-operation. North Jutland’s wireless technology competencies were recently ranked with Helsinki (Finland), Sophia Antipolis (France) and Stockholm (Sweden) while offering a relatively more cost effective location. Further restructuring in traditional and new electronics sectors and job loss has continued but, while acknowledging the local impacts of ‘globalisation’, North Jutland’s institutions are consciously sticking to developing and evolving their long-term technology-based strategy to develop next generation technologies, for example biomedical and ‘4th Generation’ communications technology, and identify growing niches for new and existing local businesses. Regional industrial policy has been reorganised around a regional growth council, reducing the number of policy making bodies from 8 to 6, and is seeking to establish a regional coalition around the new growth agenda.

Considerations for adoption of this type of approach in the two districts and in East Germany

The North Jutland case raises a number of issues for Altenburger Land and Mittweida that resonate with the main recommendations, including:

- establishing a locally and regionally appropriate development strategy and vision that is open to ongoing innovation through the development and evolution of a long-term strategy, including the identification of specific regional priorities based upon indigenous strengths with growth potential;
- enhancing institutional integration and co-ordination by institutionalised local co-operation and the integration of the local policy delivery framework through partnerships, establishing joint public and private responsibilities involving public authorities, business and trade unions; and,
- encouraging ongoing policy and institutional innovation in evolving technology park activities to support incubation, commercialisation and early stage venture capital.

Contact details and website for further information

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