



Regional Intellectual Capital Reporting
Development and Application of a Methodology
for European Regions

From Pilot-Application to Regional Policy Learning

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MAGYAR TUDOMÁNYOS AKADÉMIA
REGIONÁLIS KUTATÁSOK KÖZPONTJA
KUTATÁSI ÉS SZAKKÖZMŰVELŐDÉSI TUDOMÁNYOS INTÉZET

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Wirtschaftsförderung
Region Stuttgart GmbH

Agenda



1. Introduction and Background
2. Process - Which steps did we take?
3. Examples / Lessons learnt
4. Use of ICRs for Policy Learning





Introduction: Function of ICRs

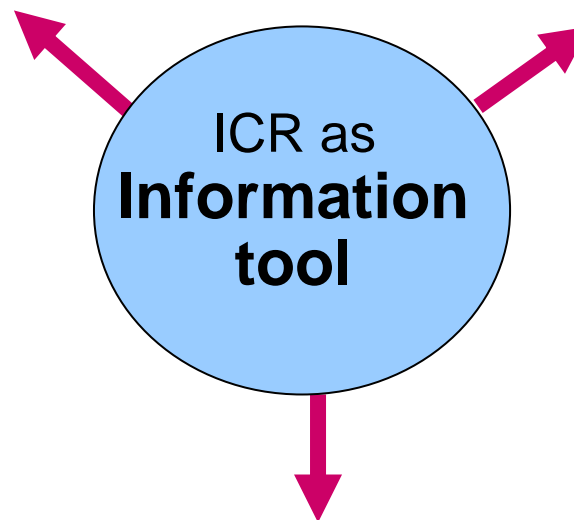
Strategy development

Show the contribution of IC to network objectives and indicate measures for improvement.



Policy learning

Intellectual capital reports offer valuable insights into the structures of networks and cluster-initiatives



ICR as Information tool

Public relations

ICRs can illustrate and communicate the benefits of regional cluster- and network-initiatives.



Introduction - Background



- Results of pilot ICRs indicate that they can contribute to improving cluster and networking schemes and to a more strategic priorities and knowledge goals in regional RTD policy.
- However, the governance of regional innovations systems in Europe differs widely.
- Depending on the type of governance system and the type of network in question there are different routes for learning.
- A common typology distinguishes between the locally driven grassroots system, the dirigiste system – with strong central government involvement – and the network system that integrates local, regional and national activities.



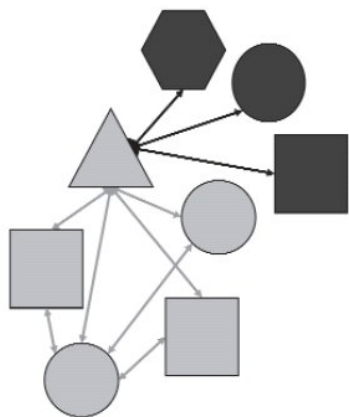
Classification and Differences of the Pilot Networks



	RTD-network	Innovation network	Managed industry cluster	Industrial district
Grassroot system				Kista Science City ICT Cluster, Stockholm, S
Networked system	Polymer Competence Centre Leoben (PCCL), Styria, A	Virtual Dimension Centre (VDC), Stuttgart Region, D		
Dirigiste system			Pannon Automotive Cluster (PANAC), HU	



ICR-based Policy Learning is about...

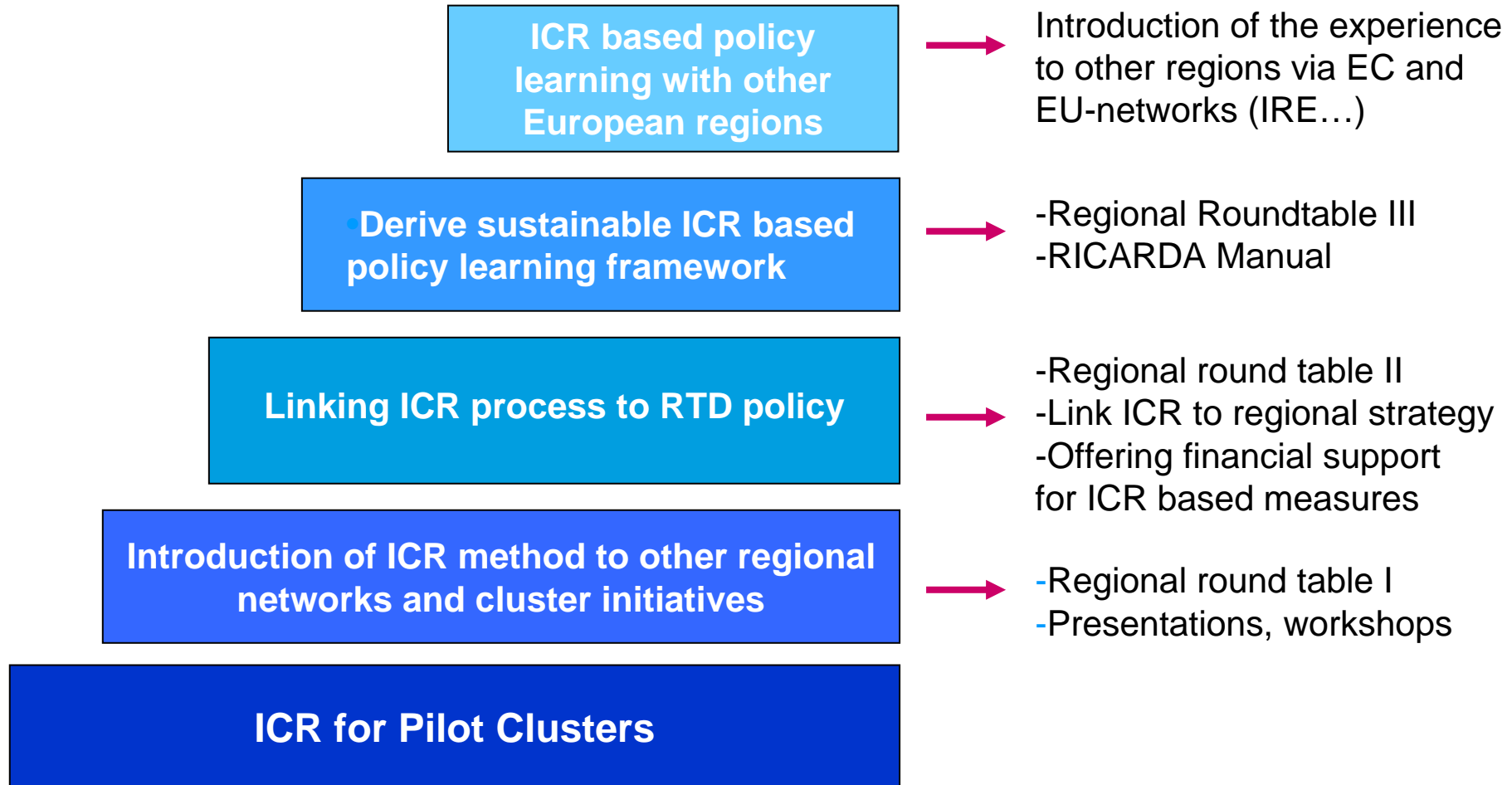


- Linking the ICR-process in the examined pilot-clusters to the level of strategies and programmes in RTD policy within the participating regions.
- Reflect the results of pilot ICRs upon their general relevance.
- Discuss and outline the possibilities to disseminate the ICR approach to other clustering and networking activities on the regional level.
- Develop an ICR based policy learning framework
→Expansion of ICR methodology on other regional RTD initiatives



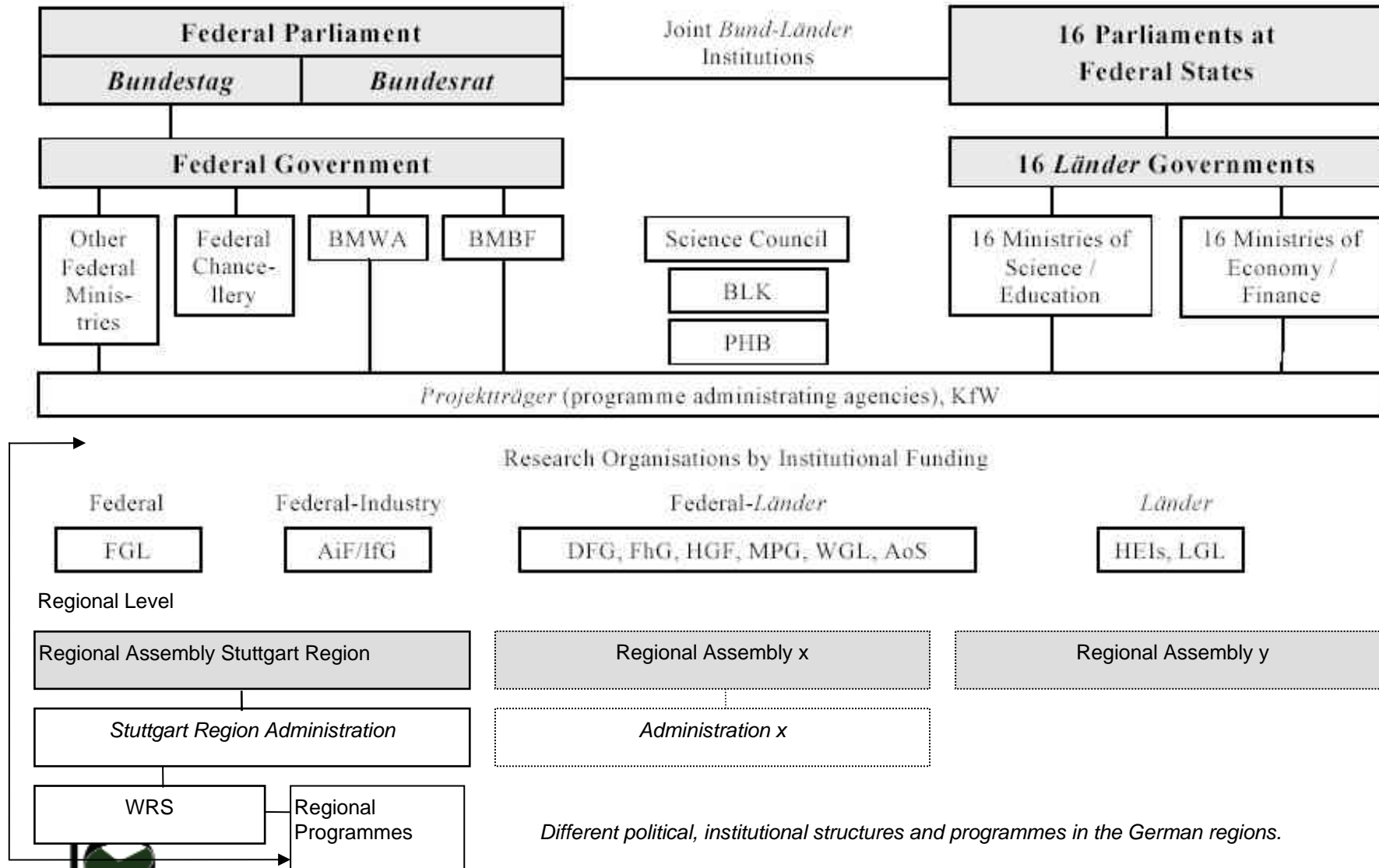
From Pilot Application to Policy Learning

Which steps did we take?





Example: National Integration of the Governance System



Example: Governance and Innovation Policy in the Stuttgart Region



- Directly elected regional assembly, responsible for traffic, regional planning, tourism and ED.
- Stuttgart Region Model is exceptional -> constraints regarding the vertical integration in the governance system on national and state level.
- “Bottom Up” triple helix approach in Innovation Governance. “Broad” cluster-initiatives and rather “narrow” Competence and Innovation Centres
- Stuttgart Region supports its Competence Centers on a project basis, after a phase of institutional support.
- The selection of the respective projects from the Competence Centers has been delegated by the Regional Assembly to the WRS.
- Strategy process 2020-> new initiatives derived.



Roundtable with Network Managers

Lessons learnt:



- ICR method is considered as a transferable, useful tool for strategy development, monitoring and reporting by the attending network managers.
- Most of the networks and cluster-initiatives do not see the required resources available for conducting a fullscale ICR report.
- ICRs are seen as potentially helpful for steering and communication purposes.
- ICR is welcome for benchmarking for both network level and regional policy level.



Round Tables with Policymakers

Lessons learnt:



- There is a need for tools that support the development of cluster organisations and network and cluster metrics. Intellectual capital reporting is seen as a valuable contribution.
- Wish to aggregate and compare data from the individual network level to an overview of all/many initiatives in the state.
- Policy makers information needs are at a relatively general level, they ask for a high level of aggregation of resulting data.
- Different report formats for the management politicians and the public may be helpful to address their specific information demands.



Conclusions for Regional RTD Policy and the Stuttgart Region Competence Centre Programme



- Continuation of project based financing:
Regional project funding is suitable framework to implement smaller ad hoc projects without bureaucratic application procedure.
- Framework of Regional Centers of Competence:
Important label for marketing and concrete partners for joint activities.
- Balance the triple helix member mix:
Involve „non established“ partners in the innovation system, e.g. Banks, Educational Institutions etc.



Differences between Governance Types according to ICR Based Policy Learning



- Grass-root system:
 - interactive learning between stakeholders
 - cluster marketing
 - better understanding of the firm-level benefits
- Networked system:
 - effects on the overall level of regional RTD policy
 - assessment of innovation networks
 - improving program management
- Dirigiste system:
 - communication, information and evaluation tool
 - cluster classification or standardisation
 - increase the efficiency of cluster management activities





Opportunities for Monitoring

- Ex-ante evaluation:
 - link between historic development and setting of specific cluster policies
 - understanding of successful innovation networks in the region
 - limited possibilities for policy learning
- Monitoring:
 - internal learning and external marketing/benchmarking
 - structure of the membership, competencies and potential synergies
- Ex-post evaluation:
 - grass-root system: subject to business cycles
 - network and dirigiste (managed) system: impact assessments



Conclusions of RICARDA



- The ICR fields “structural capital” and “relational capital” are particularly interesting for regional RTD policy.
- The development of an ICR based policy learning framework will allow cross-cluster needs and priorities to be identified and will help to improve the Regional Innovation System.
- ICR provides good opportunities for benchmarking for both network or cluster level and regional policy level.
- The methodology of ICR could be adopted and useful for several kinds of clusters and networks.



Limitations of RICARDA



- limited use for non-institutionalised networks
- limited usefulness for less knowledge oriented networks in service sector or in low tech industries
- ICRs require human, financial and time resources
- one single ICR occasion is not enough
- ICR is not possible without the commitment of members of the network





Thank you for your kind attention!

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