

The Evolution of Regional Knowledge Spaces Policy Insights for Smart Specialization Strategies

DIETER F. KOGLER

dieter.kogler@ucd.ie







Technology Evolution in Regional Economies ERC StG #715631 – TechEvo

EWRC Session – Global Linkages and Territorial Imbalances in Europe and Beyond – Brussels, Belgium, October 9th, 2018.



"Smart specialisation and societal innovation can only work if choices are based on <u>real</u> <u>knowledge of local potential</u> and if the <u>right actors</u> are involved."

Markku Markkula (Parliament Magazine, October 2015, p.50)



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Local knowledge is the foundation for regional competitive advantage, but little attention has been given to the actual <u>type of knowledge</u> produced by the <u>variety of actors</u> within <u>specific places</u>...



Current Approach | Top Down



...universal best-practice prescribed to unique regional settings...













Advanced Approach | Bottom Up









- cumulative,
- path-dependent, and
- interactive process.

Knowledge [in] space

- Knowledge accumulates
- Knowledge relatedness

Knowledge in the past

- Provides opportunities, and sets limits
- Entry, exit, selection



Evolutionary Economic Geography



The Knowledge Space

Domain & Connectedness



Kogler D. F., Rigby D. L. & Tucker I. (2013) Mapping Knowledge Space and Technological Relatedness in US Cities, *European Planning Studies* 21(9), 1374-1391.











FIG. 10

cavity for receiving an inner core; an inner core located at least partially within the cavity, the inner core having a magnetic flux guide and an inner winding, wherein the inner and outer core are arranged to be movable between

by a second distance, in which relative rotation of the inner and outer cores is possible in the second configuration, wherein in the first configuration the magnetic flux guides of the inner and outer cores abut one another.













Ν

1,000

500 Kilometers

	NUTS	01-05	
1	FR10	lle de France	15,312
2	DE11	Stuttgart	13,050
3	DE21	Oberbayern	12,198
4	NL41	Noord-Brabant	9,749
5	DE71	Darmstadt	7,361
6	DEA2	Koln	7,315
7	ITC4	Lombardia	7,032
8	DEA1	Dusseldorf	6,961
9	DE12	Karlsruhe	6,768
10	FR71	Rhone-Alpes	6,510
11	DE13	Freiburg	4,908
12	DE14	Tubingen	4,387
13	DEB3	Rheinhessen-Pfalz	4,211
14	FI18	Etela-Suomi	4,021
15	DE25	Mittelfranken	3,956
16	ITD5	Emilia-Romagna	3,607
17	DEA5	Arnsberg	3,483
18	SE11	Stockholm	3,055
19	DE30	Berlin	2,982
20	DK01	Hovedstaden	2,860

...the **correlation** coefficient between patent counts by region for the two periods is **0.93**

...the **median** number of patents produced across EU15 regions **increased from 161 to 521**

...the coefficient of **variation** has **declined from 2.07 to 1.73** between the two time periods

250 500 1 Kilometers ...the regions that $\ensuremath{\text{dropped}}$ the most are all located within the UK

...regions that **moved up** in rankings most sharply, incl. West Finland, Catalonia, Thüringen, Dresden and Brandenburg

International Collaborations

Local = Patents developed by inventors residing in one country

Non-local = Patents developed by inventors residing in two or more countries

			% of
			Intern.
Period	Local	Non-local	Patents
1980-1984	33,671	2,728	7.5%
1985-1989	55,707	5,883	9.6%
1990-1994	70,435	9,836	12.3%
1995-1999	112,678	21,786	16.2%
2000-2004	168,037	38,505	18.6%
2005-2009	213,413	52,039	19.6%
2010-2014	218,198	50,551	18.8%

Inter-Regional Collaborations

Local = Patents developed by inventors residing in one single NUTS2 region

Non-local = Patents developed by inventors residing in two or more NUTS2 regions

		Non-	% of Inter-
Period	Local	local	NUTS2 Patents
1980-1984	21,149	15,250	41.9%
1985-1989	33,859	27,731	45.0%
1990-1994	44,541	35,730	44.5%
1995-1999	78,782	55,682	41.4%
2000-2004	121,555	84,987	41.1%
2005-2009	159,577	105,875	39.9%
2010-2014	171,043	97,706	36.4%

Large Metropolitan Areas (MSA/CMA)

Source: USPTO, Authors' own calculation.

Note: Sample is restricted to the patents having two or more collaborators and at least one inventor who resided in a Metropolitan Statistical Area (MSA) in the US or a Census Metropolitan Area (CMA) in Canada at the time of invention.

Inter-regional collaborations in the development of novel products and processes

Average number NUTS2 regions in the portfolio of regions' patents in two time periods

Is it possible to "predict" the regional technological future (fortune)?

Policy Insights for Smart Specialization Strategies

"The proposed [**knowledge space**] methodology that allows mapping and analyzing regional knowledge spaces provides the opportunity to identify the science and technology domains that are present in a place or even in firms, and then to analyze their properties in terms of size and connectedness as suggested in the smart specialization literature." (Kogler *et al.*, 2017: 369)

Kogler D. F., Rigby D. L. & Essletzbichler J. (2017) The Evolution of Specialization in the EU15 Knowledge Space, Journal of Economic Geography 17, 345-373.

Policy Insights for Smart Specialization Strategies

"This in turn opens up the opportunity to engage in direct planning initiatives where domains that display a high connectivity level can be attributed special support, or investments are made aiming at the addition of new domains. In this regard, the present study provides unique insights into the evolutionary patterns of regional knowledge production and provides a new window into the 'black box' of innovation and technological change." (Kogler *et al.*, 2017: 369)

Kogler D. F., Rigby D. L. & Essletzbichler J. (2017) The Evolution of Specialization in the EU15 Knowledge Space, Journal of Economic Geography 17, 345-373.

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