



HAL
open science

The changing role of learning regions in the globalising knowledge economy: A theoretical re-examination

Bjorn Asheim

► **To cite this version:**

Bjorn Asheim. The changing role of learning regions in the globalising knowledge economy: A theoretical re-examination. *Regional Studies*, 2011, pp.1. 10.1080/00343404.2011.607805 . hal-00746199

HAL Id: hal-00746199

<https://hal.science/hal-00746199>

Submitted on 28 Oct 2012

HAL is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L'archive ouverte pluridisciplinaire **HAL**, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d'enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.



The changing role of learning regions in the globalising knowledge economy: A theoretical re-examination

Journal:	<i>Regional Studies</i>
Manuscript ID:	CRES-2009-0349.R2
Manuscript Type:	Main Section
JEL codes:	O18 - Regional, Urban, and Rural Analyses < O1 - Economic Development < O - Economic Development, Technological Change, and Growth, O2 - Development Planning and Policy < O - Economic Development, Technological Change, and Growth, O30 - General < O3 - Technological Change Research and Development < O - Economic Development, Technological Change, and Growth, R1 - General Regional Economics < R - Urban, Rural, and Regional Economics
Keywords:	the learning region, learning, knowledge, innovation, innovation policy

SCHOLARONE™
Manuscripts

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

**The Changing Role of Learning Regions in the Globalising
Knowledge Economy: A Theoretical Re-examination**

BJØRN ASHEIM

Centre for Innovation, Research and Competence in the
Learning Economy (CIRCLE)/Department of Human Geography,
Lund University, Sweden; and University of Agder, Norway.

P .O. Box 117, SE-22100 Lund, Sweden. Email: Bjorn.Asheim@circle.lu.se

(Received November 2009; in revised form June 2011)

Abstract

Highlighting four theoretical developments, this paper theoretically re-examines the Learning Region in view of the changing roles of regions in the globalising knowledge economy. 1) From specific contexts to general regional development strategies, 2) Introducing the Doing Using Interacting-mode of innovation, 3) Broadening the Science Technology and Innovation-mode, and 4) Accessing knowledge in distributed knowledge networks. The paper advocates a more nuanced understanding of knowledge, learning and innovation and identifies ‘bridging mechanisms’ to reduce cognitive distance and increase connectivity in regional innovation systems.

Keywords: Learning regions, Knowledge bases, Modes of innovation, Knowledge economy, Developmental learning, Globalisation

JEL: O 18, O 31, O 34, R 11

INTRODUCTION: WHAT IS A “LEARNING REGION”?

In a recent book (RUTTEN and BOEKEMA, 2007) four articles are reprinted as representing the foundations of the concept of learning regions: STORPER, 1993; FLORIDA, 1995; ASHEIM, 1996; and, finally, MORGAN, 1997. This demonstrates that the concept of ‘learning regions’ is a product of the 1990s and reflects empirically the rapid economic development in places such as the “Third Italy”, which drew the attention towards the importance of co-operation between SMEs in industrial districts and between firms and local authorities at the regional level in achieving international competitiveness

1
2
3 (ASHEIM, 2000). Theoretically, it reflects the definition of post-Fordist societies as
4
5 learning economies, where innovation is seen as basically a socially and territorially
6
7 embedded, interactive learning process, which cannot be understood independent of its
8
9 institutional and cultural contexts (LUNDVALL and JOHNSON, 1994).
10
11

12
13
14
15 Even if these contributions in many ways have a common view on how to understand
16
17 'learning regions', underlining the important role of innovation, understood as
18
19 contextualised social processes of interactive learning, they also disclose interesting
20
21 differences. One such difference can be identified between the American and European
22
23 approaches (RUTTEN and BOEKEMA, 2007). While learning regions in a North
24
25 American context are associated with the importance of the quality of the knowledge
26
27 infrastructure of leading universities and research institutions in a knowledge-based,
28
29 high-tech economy, producing, attracting and retaining highly skilled workers (e.g.
30
31 Silicon Valley) (FLORIDA, 1995), in a European context of learning economies the
32
33 focus is much more on the role social capital and trust plays in promoting formal and
34
35 informal inter-firm networks and the process of interactive learning (e.g. industrial
36
37 districts in the Third Italy) (ASHEIM, 1996; MORGAN, 1997). The broadness in the
38
39 different interpretations of learning regions clearly also demonstrates that the concept can
40
41 be fuzzy and the use of the concept both theoretically and practically rather flexible.
42
43
44
45
46
47
48
49

50
51 At least one could say that the concept of "learning regions" has been used in three
52
53 different ways (ASHEIM, 2001). The concept was originally introduced by economic
54
55 geographers in the mid 1990s, when they used it to emphasise the role played by co-
56
57
58
59
60

1
2
3 operation and collective learning in regional clusters and networks in order to promote
4 the innovativeness and competitiveness of firms and regions (ASHEIM, 1996;
5 MORGAN, 1997). The second approach expressing the idea of learning regions
6 originates from the writings of evolutionary and institutional economics on the learning
7 economy, where innovation is seen as basically a socially and territorially embedded,
8 interactive learning process, making knowledge the most fundamental resource and
9 learning the most important process (LUNDVALL and JOHNSON, 1994). The third
10 approach, which conceptualises learning regions as regionally based development
11 coalitions, has been developed by action oriented organisational researchers taking their
12 knowledge of how to form intra- and inter-firm learning organisations based on broad
13 participation out of the firm context and applying it at the regional level as a bottom-up,
14 horizontally based co-operation between different actors in a local or regional setting
15 (ENNALS and GUSTAVSEN, 1999).

16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37 According to this third perspective learning regions should be looked upon as a strategy
38 for formulation of long term partnership-based development strategies initiating learning-
39 based processes of innovation and change. In the promotion of such learning regions the
40 inter-linking of learning organisations ranging from work organisations inside firms via
41 inter-firm networks to different actors of the community, understood as “regional
42 development coalitions” (ENNALS and GUSTAVSEN, 1999), is highlighted. Of
43 strategic importance in this context is the capacity of people, organizations, networks and
44 regions to learn (LUNDVALL, 2008). The concept of a learning region can, thus, be used
45 to describe a region characterised by innovative activity based on localised, interactive
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 learning, and co-operation promoted by organisational innovations in order to exploit
4
5 learning based competitiveness (AMIN and THRIFT, 1995).
6
7
8
9

10 Planners and politicians find the concept of learning regions attractive as it at one and the
11 same time promises economic growth and job generation as well as social cohesion. As
12 such, learning regions may be analysed as an answer and challenge at the regional level
13 especially for regions with weak territorial competence bases to contemporary changes in
14 the global economy, underlining the strategic role played by *social capital's* emphasis on
15 the social and cultural aspects of regions facilitating collective action for mutual benefit
16 (WOOLCOCK, 1998). Thus, it is not accidental that this approach to learning regions
17 was used by the Regional Innovation Strategies pilot actions of the EU Commission as
18 part of new policy developments in Europe since the 1990s to promote less developed
19 regional economies within EU through innovation (BELLINI and LANDABASO, 2007).
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

36 **THEORETICAL DEVELOPMENTS I: LEARNING ECONOMY AND** 37 38 **DEVELOPMENT COALITIONS** 39

40 The second and the third approaches referred to above implied new theoretical
41 perspectives in relation to the first approach as represented by economic geographers and
42 building on the work mainly of Italian heterodox economists' studies of industrial
43 districts of the Third Italy. The learning economy input gave a theoretical substantiation
44 of the importance of socio-cultural and institutional structures in regional development,
45 highlighting the significance of building social capital in order to foster co-operation.
46
47 This meant that such structures should no longer be viewed as vestigial remnants of pre-
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 capitalist civil societies as often was the case in studies of traditional industrial districts,
4
5 but rather be looked upon as necessary prerequisites for firms and regions to be
6
7 innovative and competitive in a post-Fordist learning economy. The theoretical
8
9 underpinnings of this are the understanding of interactive learning as a fundamental
10
11 aspect of the process of innovation, which points to the strategic role played by
12
13 cooperation in a learning region. This represented a new perspective of the sustainability
14
15 of the Third Italy type of learning regions as being able to compete and survive even in a
16
17 globalising economy.
18
19
20
21

22
23
24 When learning regions are defined as regional development coalitions they resemble a
25
26 regional innovation system broadly defined, which includes the wider setting of
27
28 organisations and institutions affecting and supporting learning and innovation in a
29
30 region with an explicit focus on competence building and organisational innovations
31
32 (ASHEIM and GERTLER, 2005; LUNDVALL, 1992, 2008). This type of system is less
33
34 systemic with respect to university-industry relations than the narrowly defined types of
35
36 innovation systems. Firms mainly base their innovation activity on interactive, localised
37
38 learning processes stimulated by geographical, social and cultural/institutional proximity,
39
40 without much direct contact with knowledge creating organisations (i.e. R&D institutes
41
42 and universities) (ASHEIM and GERTLER, 2005). Due to its broadness it can, however,
43
44 play a very important role in establishing a 'culture of innovation' in a region, and, thus,
45
46 reach out to more 'normal' people than the other type of innovation systems. Key aspects
47
48 of this perspective are that it emphasizes the importance of partly embedding the
49
50 innovation process at the work place (micro) level, and partly the dynamic interplay
51
52
53
54
55
56
57
58
59
60

1
2
3 between the micro, meso and macro levels, where “macro-structures condition micro-
4 dynamics and vice versa new macro-structures are shaped by micro-processes”
5
6 (LUNDVALL, 2008, 101). A narrow definition of innovation systems on the other hand
7
8 primarily incorporates the R&D functions of universities, public and private research
9
10 institutes and corporations.
11
12
13

14
15
16
17 The importance of defining learning regions as regional development coalitions
18 resembling a broadly defined regional innovation system lies in the linking up with the
19 innovation system approach. This expands the political usefulness of the learning regions
20 approach, which is underlined by the use of it in the Regional Innovation Strategies pilot
21 actions of the EU Commission mentioned above.
22
23
24
25
26
27
28
29

30
31 Knowledge and innovation should, thus, not simply be equated with R&D. Innovative
32 activities have much broader knowledge bases than just science based R&D, and there
33 are many examples of nations and regions demonstrating a rapid economic growth and a
34 high level of living standard with an industry competing on the bases of non-R&D based,
35 incremental innovations (e.g. Denmark and regions in The Third Italy). Thus, a region’s
36 knowledge base is larger than its science base, implying that arguing for an increasingly
37 more knowledge intensive globalising economy does not necessarily mean that
38 innovation and competitiveness becomes more dependent on R&D.
39
40
41
42
43
44
45
46
47
48
49
50

51 52 53 **THEORETICAL DEVELOPMENTS II: DUI MODE OF INNOVATION AND** 54 55 **DEVELOPMENTAL LEARNING** 56 57 58 59 60

1
2
3 The distinction between non-R&D and R&D based (regional) economies implies the use
4 of different modes of innovation (LORENZ and LUNDVALL, 2006). On the one hand
5 we can talk about a broad definition of the mode of innovation as D(oining), U(sing) and
6 I(nteracting) relying on informal processes of learning and experience-based know-how.
7
8 The DUI (Doing, Using, Interacting) mode is a user or market driven model based more
9 on competence building and organizational innovations and producing mostly
10 incremental innovations. Such a mode of innovation is typically found in non-R&D
11 based economies (e.g. Denmark). On the other hand one finds a more narrow definition
12 of the mode of innovation as S(cience), T(echnology) and I(nnovation) based on the use
13 of codified scientific knowledge, which is a science push/supply driven high tech
14 strategy able to produce radical innovations. These two modes of innovation will also be
15 differently manifested with regard to regional specialisation and clustering. The
16 narrowly defined innovation system correspond to the STI mode of innovation
17 mentioned above, while the more broadly defined system is more easily accommodated
18 by the DUI mode of innovation.
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40

41 The distinction between these two modes of innovation helps on the one hand to avoid a
42 too one-sided focus on promoting science-based innovation of high-technology firms at
43 the expense of the role of learning and experience-based, user-driven innovation. On the
44 other hand it also indicates limits of such innovation strategies and, thus, emphasizes the
45 need for firms in traditional manufacturing sectors and services more generally to link up
46 with sources of codified knowledge in distributed knowledge networks (BERG JENSEN
47 *et al.*, 2007). SMEs, for example, may have to supplement their informal knowledge,
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 characterized by a high tacit component (i.e. the DUI mode of innovation), with
4
5 competence arising from more systematic research and development (i.e. the STI mode
6
7 of innovation) in order to carry out more radical innovations. In the long run, most firms
8
9 cannot rely exclusively on informal localised learning, but must also gain access to
10
11 wider pools of both scientific (analytical) and engineering (synthetic) knowledge (see
12
13 next section) on a national and global scale (ASHEIM *et al.*, 2003).
14
15
16
17
18
19

20 Empirically this is clearly demonstrated by the changes that traditional IDs of the Third
21
22 Italy have undergone as a consequence of globalization. From being nearly almost
23
24 regionally endogenous contained (e.g. the whole value chain used to be within the
25
26 district), increased outsourcing/offshoring, dependence on international knowledge flows
27
28 through FDIs and TNCs acquiring local industry, inflow of foreign workers (both legal
29
30 and illegal), and more formal networks between local firms through group formation
31
32 have 'modified' industrial districts into becoming 'ordinary' clusters. These changes have
33
34 had obvious impacts on the traditional, more informal forms of interactive learning
35
36 within the local value chain of client firms, suppliers and subcontractors that dominated
37
38 the picture before, which was based on 'the fusion of economy and society' (PIORE and
39
40 SABEL, 1984) or the 'socio-economic notion' of the districts (BECATTINI, 1990), with
41
42 implications also for the sustainability of the learning regions' idea in its original version.
43
44
45
46
47 Thus, integration into more globally distributed knowledge networks and value chains
48
49 could represent one solution to the problems of 'lock-in' due to lack of innovative
50
51 capacity, which eventually would place such districts in a low road, cost squeezing form
52
53 of competition. Another solution would be the already mentioned option of combining
54
55
56
57
58
59
60

1
2
3 the dominating DUI mode of innovation of the traditional districts firms with the STI
4 mode. New research confirms that combining the two modes of innovation seems to be
5 most efficient, i.e. firms that have used the STI-mode intensively may benefit from
6 paying more attention to the DUI-mode and vice versa (BERG JENSEN *et al.*, 2007;
7 LORENZ and LUNDEVALL, 2006). In this way, on the firm levels these two modes of
8 innovation can (and should) co-exist, but they will be applied in different combinations
9 depending on the dominating knowledge base(s).
10
11
12
13
14
15
16
17
18
19

20
21
22 However, even staying within a DUI mode of innovation gives more innovative
23 possibilities than previously recognised. This position is linked to research challenging
24 the traditional view of learning as only incremental (or reproductive/adaptive) (COOKE,
25 2007). ELLSTRÖM, 1997 emphasizes that learning is not only reproductive or adaptive
26 (resulting in imitation) but that it also can be developmental and creative. Ellström uses
27 these categories to make a distinction between developmental learning which he sees as
28 the ‘logic’ of knowledge exploration on the one hand, and reproductive or adaptive
29 learning which represents the ‘logic’ of knowledge exploitation in his view. New
30 research on the relationship between forms of work organisation in EU and the impact
31 on job stress, worker satisfaction, labour market flexibility, learning, innovation and
32 patenting confirms that learning also can be developmental and creative due to the high
33 degree of work autonomy and learning dynamics found in *learning* forms of work
34 organisation. This study distinguishes between four main forms of work organisation:
35 ‘learning’, ‘lean’, ‘Taylorist’ and ‘simple structure’. It shows that not only does the
36 learning work organization result in less job stress and greater worker satisfaction, it also
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 implies more labour market flexibility, superior conditions for learning and innovation,
4
5 and even a larger propensity for patenting (ARUNDEL *et al.*, 2007; LORENZ and
6
7 VALEYRE, 2006). The study shows a clear north-south divide with regard to the
8
9 dominating forms of work organization with Northern Europe dominated by learning
10
11 forms of work organization, while Southern Europe has work organizations
12
13 characterized by either Taylorist or simple forms. The positive impact of the learning
14
15 form of work organization on innovation is confirmed by another study reporting that
16
17 'low road' practices using short-term and temporary contracts, having a lack of employer
18
19 commitment to job security, low levels of training, and so on are negatively correlated
20
21 with innovation. In contrast, it is found that 'high road' work practices characterized by
22
23 'high commitment' organisations or 'transformed' workplaces are positively correlated
24
25 with innovation (MICHIE and SHEEHAN, 2003). This implies that a DUI mode of
26
27 innovation which has learning work organizations as its micro foundation in addition to
28
29 the interactive form of innovation on the meso level not only should be expected to
30
31 produce incremental innovation but also has the potential of creating radical innovations
32
33 due to the presence of developmental learning. Thus, such an 'upgraded' DUI mode of
34
35 innovation could well establish itself as a 'high road' strategy in the globalizing
36
37 knowledge economy. However, this possibility would clearly be strengthened through
38
39 combining the DUI mode of innovation with the STI mode.
40
41
42
43
44
45
46
47
48
49

50 **THEORETICAL DEVELOPMENTS III: STI MODE OF INNOVATION AND** 51 52 **DIFFERENTIATED KNOWLEDGE BASES** 53 54

55 When one considers the actual knowledge bases and competences of various industries
56
57
58
59
60

1
2
3 and sectors of the economy, it is clear that knowledge creation and innovation processes
4
5 have become increasingly complex, diverse and interdependent in recent years. There is a
6
7 larger variety of knowledge sources and inputs to be used by organisations and firms, and
8
9 there is more collaboration and division of labour among actors (individuals, companies,
10
11 and other organisations). However, the binary argument of whether knowledge is
12
13 codified or tacit can be criticized for a restrictively narrow understanding of knowledge,
14
15 learning and innovation (JOHNSON *et al.*, 2002). Thus, a need to go beyond this simple
16
17 dichotomy can be identified. One way of doing this is to study the basic types of
18
19 knowledge used as input in knowledge creation and innovation processes. By way of
20
21 suggesting an alternative conceptualization, a distinction can be made between
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
‘synthetic’, ‘analytical’, and ‘symbolic’ types of knowledge bases.

Following received wisdom from the philosophy of science, an epistemological
distinction can be identified between two more or less independent and parallel forms of
knowledge creation, ‘natural science’ and ‘engineering science’ (LAESTADIUS, 2000).
JOHNSON *et al.*, 2002, p. 250 refer to the Aristotelian distinction between on the one
hand ‘*epistèmè*: knowledge that is universal and theoretical’, and ‘*technè*: knowledge that
is instrumental, context specific and practice related’. The former corresponds with the
rationale for ‘*analysis*’ referring to understanding and explaining features of the (natural)
world (natural science/know-why), and the latter with ‘*synthesis*’ (or integrative
knowledge creation) referring to designing or constructing something to attain functional
goals (engineering science/know-how) (SIMON, 1969). A main rationale of activities
drawing on *symbolic* knowledge is creation of alternative realities and expression of

1
2
3 cultural meaning by provoking reactions in the minds of consumers through transmission
4
5
6 in an affecting, sensuous medium (table 1):
7
8
9
10
11
12
13
14
15
16
17
18
19

--- Please insert table 1 here ---
20
21
22
23
24
25
26
27
28

29 The distinction between the knowledge bases takes specific account of the rationale of
30 knowledge creation, the way knowledge is developed and used, the criteria for successful
31 outcomes, and the strategies of turning knowledge into innovation to promote
32 competitiveness, as well as the interplay between actors in the processes of creating,
33 transmitting and absorbing knowledge. The knowledge bases contain different mixes of
34 tacit and codified knowledge, codification possibilities and limits, qualifications and
35 skills required by organisations and institutions involved as well as specific innovation
36 challenges and pressures, which in turn help explaining their different sensitivity to
37 geographical distance and, accordingly, the importance of spatial proximity for
38 knowledge creation. Thus, the dominance of one mode arguably has different spatial
39 implications for the knowledge interplay between actors than another mode of knowledge
40 creation. Analytical knowledge creation tends to be less sensitive to distance-decay
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 facilitating global knowledge networks as well as dense local collaboration. Synthetic and
4
5 symbolic knowledge creation, on the other hand, has a tendency to be relatively more
6
7 sensitive to proximity effects between the actors involved, thus favouring local
8
9 collaboration (MOODYSSON *et al.*, 2008).
10
11

12
13
14
15 The underlying idea behind the differentiated knowledge base approach is not to explain
16
17 the level of competence (e.g. human capital)ⁱ or the R&D intensity (e.g. high tech or low
18
19 tech) of firms but to characterise the nature of the basic (or critical) knowledge input
20
21 which knowledge creation and innovation processes cannot do without. Thus, knowledge
22
23 bases should be understood as ontological, generic categories, and, consequently, most
24
25 concrete activities are in practice comprised of more than one knowledge base. The
26
27 degree to which certain knowledge bases dominate, however, varies and is contingent on
28
29 the characteristics of the firms and industries as well as between different type of
30
31 activities (e.g. research and production). According to LAESTADIUS (2007) this
32
33 approach also implies that no type of knowledge should a priori be classified as more
34
35 advanced, complex, and sophisticated than other knowledge, or to consider science based
36
37 (analytical) knowledge as more important for innovation and competitiveness of firms,
38
39 industries and regions than engineering based (synthetic) knowledge or artistic based
40
41 (symbolic) knowledge. This is once more a question of contingency with respect to the
42
43 firm, industries, and regions in focus, which among other factors is determined by the
44
45 path dependency of the traditional technological trajectories and their capacity of creating
46
47 positive lock-in, upgrading existing industries (i.e. changing technological trajectories)
48
49 and/or promoting new emerging industries.
50
51
52
53
54
55
56
57
58
59
60

1
2
3
4
5 Referring to BERG JENSEN *et al.*, 2007 and LORENZ and LUNDVALL, 2006 the
6
7
8 'Science, Technology and Innovation' (STI) mode of innovation, based on the use of
9
10 codified scientific knowledge, could broadly be associated with the analytical knowledge
11
12 base, while the 'Doing, Using and Interacting' (DUI) mode, relying on informal
13
14 processes of learning and competence building and experience-based know-how, would
15
16 mostly resemble the synthetic and symbolic knowledge bases. However, once again we
17
18 shall argue that such a dichotomy becomes too crude especially when discussing the
19
20 possible combination of the two modes of innovation.
21
22
23

24
25
26
27 The DUI mode of innovation is characterized by its focus on experience-based
28
29 knowledge and the recombination of knowledge from various internal and external
30
31 sources. Thus, it involves numerous actor groups in flexible forms of organisations and
32
33 networks, and generates knowledge which may be highly tacit and specialized with
34
35 respect to its context of development and application due to path dependency. The STI
36
37 mode of innovation, on the other hand, is characterized by its emphasis on structured
38
39 search, selection and application, in which external-to-firms interpretative frameworks
40
41 and processes dominate. In combining these to modes, the issues of cognitive distance,
42
43 organisational forms and absorptive capacity becomes crucial (NOOTEBOOM, 2000;
44
45 van den BOSCH *et al.*, 1999; KOGUT and ZANDER, 1996; COHEN and
46
47 LEVENTHAL, 1990).ⁱⁱ
48
49
50
51
52
53
54

55 The process of absorbing ideas and knowledge can be conceptualised as involving several
56
57
58
59
60

1
2
3 stages of interfacing and social processing, which are tightly interwoven with
4
5 organisational forms. External knowledge must be identified within the search spaces of
6
7 organisations and acquired through interface mechanisms suited for the purpose. This can
8
9 be referred to as the system dimension of absorptive capacity and knowledge
10
11 recombination; i.e. how external networks in various forms create linkages, focuses
12
13 attention and, thus, expose organisations to external knowledge in various forms.
14
15
16
17
18
19

20 External knowledge must also be evaluated based on pre-existing cognitive frameworks,
21
22 transformed through recombinations with existing internal knowledge and exploited
23
24 through processes of innovation and production (ZAHRA and GEORGE, 2002). This
25
26 cognitive, intra-organizational dimension of absorptive capacity is equally relevant at
27
28 both the firm and research system parts of a RIS. The dynamic capabilities of an evolving
29
30 absorptive capacity are highly influenced by the history of practice at the organisational
31
32 and regional levels respectively, which differs across the DUI and STI dimensions. From
33
34 this follows that if the cognitive distances and the differences in processes of knowledge
35
36 acquisition, assimilation and transformation between the two modes of innovation are
37
38 perceived by key actors to be too wide, it will not be possible to combine them and to
39
40 view them as complementary instead of incompatible alternatives as well as to appreciate
41
42 the potential gains of the other mode of innovation.
43
44
45
46
47
48
49

50 There are, however, two 'bridging mechanism' which could assist in achieving
51
52 complementarity between the two modes. The first of these is to understand that the STI
53
54 mode is not only limited to an analytical knowledge base, but must also include synthetic
55
56
57
58
59
60

1
2
3 and symbolic knowledge bases, and that the DUI mode is not limited to industries based
4
5 on synthetic or symbolic knowledge as also dominantly analytical based industries (e.g.
6
7 pharmaceutical and biotech industries) make use of synthetic knowledge in specific
8
9 phases of their innovation processes (EBENSBERGER and HERSTAD, forthcoming;
10
11 HERSTAD et al., 2008; LAURSEN and SALTER, 2004; MOODYSSON, COENEN and
12
13 ASHEIM, 2008). In the case of synthetic knowledge and STI this can be illustrated by
14
15 reference to applied research undertaken at (technical) universities, which clearly must be
16
17 part of the STI mode, but mainly operates on the basis of synthetic (engineering)
18
19 knowledge, while the case of symbolic knowledge can partly be substantiated by the new
20
21 tendency of changing design education from being artisan based to be placed at
22
23 universities with research based teaching, and partly by the steadily increasing research in
24
25 game soft ware and new media, which in some countries, e.g. in Denmark, is located at
26
27 new, specialized universities (e.g. the IT university in Copenhagen). This broadening of
28
29 what constitute the STI mode of innovation shows that also activities based on synthetic
30
31 and symbolic knowledge bases need to undertake new knowledge creation and
32
33 innovation in accordance with a STI mode, and, thus, needs systemic relations with
34
35 universities or other types of R&D institutes (e.g. in a regional innovation system
36
37 context).

38
39
40
41
42
43
44
45
46
47
48 The second 'bridging mechanism' relates to the role of internal organisational processes
49
50 defining the absorptive capacity of individual firm or research organisations, and, thus,
51
52 their individual contribution to the absorptive and recombinative capacity of the region as
53
54 a whole. Keeping in mind the differences between non-structured processes of innovation
55
56
57
58
59
60

1
2
3 search (sensing, gathering information and ideas), planned processes of innovation
4
5 sourcing (outsourcing of R&D), and collaboration (committed two-way exchanges of
6
7 knowledge) (FEY and BIRKENSHAW, 2005), one may argue that different parts of an
8
9 organisation support interfacing along different dimensions (search, sourcing,
10
11 collaboration), towards different actor groups (e.g. customers or universities) or different
12
13 disciplines (i.e. biotechnology or chemistry). Different employees represent different
14
15 competencies and cognitive interpretative frameworks, and come with their own
16
17 individual personal networks. They work in different parts of the organisation, and are
18
19 consequently exposed to signals from different parts of the external environment
20
21 (ROTHERMAEL et al., 2006; JACOBIDES and BILLINGER, 2006). However, as
22
23 COHEN and LEVINTHAL (1990) pointed out, the initial point of entry of knowledge
24
25 and ideas (e.g. acquisition by a research division) is not necessarily the right point of
26
27 assimilation, recombination, transformation and exploitation. This means that while the
28
29 absorptive capacity of subunits or individuals may be high, the absorptive and
30
31 recombinative capacity at the level of the organisation may still be low if it does not
32
33 manage to make ideas and knowledge available to relevant users internally. This points
34
35 towards the importance of a deep and broad internal diffusion of ideas and knowledge,
36
37 which means that internal cross-functional and hierarchical integration of work processes
38
39 becomes a critical prerequisite for absorptive capacity.
40
41
42
43
44
45
46
47
48
49

50 The innovative potential that a learning work organisation can display in being the
51
52 operative context for developmental learning is of key importance in this connection
53
54 (ELLSTRÖM, 1997; LORENZ and LUNDVALL, 2006, KOGUT and ZANDER, 1996).
55
56
57
58
59
60

1
2
3 Even the most analytical, science based company will obviously benefit from having a
4 work organisation where learning dynamics is created by giving their employees
5 autonomy in their work. This has to build on the principles of broad participation of
6 functional, flexible workers in accordance with the Nordic model of a learning work
7 organization (ENNALS and GUSTAVSEN, 1999).
8
9
10
11
12
13

14
15
16
17 These lines of reasoning point to critical issues of both the firm and public research
18 organisation subsectors of a RIS, and consequently to the system as a whole. A broad
19 based innovation policy needs both narrow and broad defined innovation systems to be
20 implemented in order to promote the ability of its knowledge diffusion infrastructure to
21 link actor groups which individually are placed at different points on the DUI – STI
22 continuum into processes of innovative recombination and co-evolution. These actors
23 represent different but potentially related internal knowledge development processes, and
24 different but potentially complementary extra-regional networks.
25
26
27
28
29
30
31
32
33
34
35
36
37

38 In order to illustrate the importance of these ‘bridging’ mechanisms we shall give a
39 concrete example taken from a large, international company that is world leading within
40 its area. This is an engineering company whose products are based on a synthetic
41 knowledge base with all the typical characteristics of this knowledge base: problem-
42 solving and custom production based on interactive learning with customers and
43 suppliers. Knowledge is partly codified with a strong tacit component, and is clearly
44 context-specific. Core competence of the company is to comprehend the complex
45 construction process of the equipment in a holistic way. The point is not to understand the
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 individual 'machines' being needed, but to understand the individual machines as part of
4 a system. This is a very complicated process with more than 1.000 different steps, which
5
6 clearly underlines the problem-solving and custom oriented manufacturing process of a
7
8 typical synthetic, engineering based company.
9
10
11

12
13
14
15 When asked about how they organized their innovation activity the R&D director of the
16 company made an important distinction between application development ('machine'
17 development) and technological development. Application development means solving
18 concrete problems in connection with building the specific equipment for customers. This
19 is carried out drawing on internal engineering competence as well as in interaction with
20 suppliers and customers, and is, thus, an example of the DUI mode of (incremental)
21 innovation. In addition professional R&D firms (consultancy firms) domestically and
22 abroad are used. Technology development means development of more general platform
23 technologies, which represents the technological basic competence for carrying out
24 application development. While the application development is only made in-house or in
25 user-producer relationships, technological development takes place in cooperation with
26 (technical) universities as applied research projects, and represents, thus, the STI mode of
27 innovation but still based on synthetic knowledge.
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47

48 Concerning cooperation with university this can take place on normal open conditions
49 when it is a question of general technological platform development, but not with respect
50 to how to apply this general technology in application development. Then results from
51
52
53
54
55
56
57
58
59
60

1
2
3 research on technological development are applied in concrete, individual projects, which
4
5 underpin the competitive advantage of the company.
6
7

8
9
10 In cooperation with universities on applied research projects geographical proximity
11 matters most, and instead of always accessing the best competence globally found at
12 places such as MIT, the company chooses to focus on the geographically closest available
13 competence. Thus, they prioritize building up research cooperation with the regional
14 university by among other things employing some professors in 20% positions in the
15 company as a way of strengthening the competence at the university to be applied in
16 collaborative research projects. In addition they take a central part in funding and using a
17 regional, applied research organisation. The company called this form of carrying out
18 applied research ‘cooperation at the operational level’, which, according to the company,
19 is the right level of research collaboration for technological development. To achieve this,
20 geographical proximity is of great importance. In addition the company cooperates with
21 national and international top universities in research projects on technological
22 development, which always involve company funded PhD’s to secure a more long-term
23 ‘payback’ for the company. In order to strengthen the relationship to the company they
24 also make sure that one of the supervisors is coming from the company, which provides
25 organizational as well as institutional proximity (BOSCHMA, 2005).ⁱⁱⁱ
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49

50 This example illustrates how such a ‘bridging device’ can work to solve the problem of a
51 too wide cognitive distance, and, thus, achieve a combination of the two modes of
52 innovation. In a learning region perspective this is important as it demonstrates that the
53
54
55
56
57
58
59
60

1
2
3 picture of very limited upgrading potentials of firms and clusters in learning regions is
4
5 not the whole story to be told. Furthermore, the example illustrates how ‘second best’
6
7 regional universities can be used and upgraded by large companies to become active
8
9 partners in collaborative R&D projects in addition to the companies also using non-local,
10
11 more internationally leading universities. This vitalizes and strengthens the viability of
12
13 the learning region approach even in a globalizing knowledge economy.
14
15
16
17
18
19

20 **THEORETICAL DEVELOPMENTS IV: DISTRIBUTED KNOWLEDGE** 21 22 **NETWORKS AND NON-LOCAL RELATIONS** 23

24
25 As a result of the growing complexity and diversity of contemporary knowledge creation
26
27 and innovation processes, firms increasingly become parts of network organised
28
29 innovation projects. This implies a growing need to acquire new knowledge to
30
31 supplement their internal, core knowledge base(s) – either by attracting human capital
32
33 possessing competences based on a different knowledge base or by acquiring new
34
35 external knowledge base(s) by collaborating with external firms through R&D
36
37 cooperation, outsourcing or offshoring of R&D, and/or with research institutes or
38
39 universities, which underline the importance of firms’ absorptive capacity. The strategy
40
41 of acquiring and integrating external knowledge base(s), therefore, implies that more and
42
43 more a shift is taking place from firms’ internal knowledge base to increasingly globally
44
45 ‘distributed knowledge network’^{iv} and ‘open innovation’ (CHESBROUGH, 2003). This
46
47 is manifested by the increased importance of and attention to clusters, innovation systems
48
49 (regional, national and sectoral), global production networks and value chains for firms’
50
51 knowledge creation and innovation processes, demonstrating that ‘the relevant
52
53
54
55
56
57
58
59
60

1
2
3 knowledge base for many industries is not internal to the industry, but is distributed
4
5 across a range of technologies, actors and industries' (SMITH, 2000, 19). The creation of
6
7 regional innovation systems through increased cooperation with local universities and
8
9 R&D institutes, or through the establishment of technology transfer agencies, may
10
11 provide access to knowledge and competence that supplements firms' locally derived
12
13 competence (as was shown in the example above). This not only increases their collective
14
15 innovative capacity, but may also serve to counteract technological 'lock-in' (the inability
16
17 to deviate from an established but outdated technological trajectory) within regional
18
19 clusters of firms.
20
21
22
23

24
25
26
27 Thus, there seems to be a generic and global trend towards integration and collaboration
28
29 in firms' knowledge creation and innovation processes. The development towards more
30
31 and more distributed knowledge networks can, for example, be traced in several
32
33 biotechnology clusters over the last 10-15 years. In fact, due to the strong growth of
34
35 potential biotechnology applications, particularly in life science, it has been increasingly
36
37 hard for firms as well as regions to host all necessary competences within its boundaries.
38
39 This has resulted in a local node, global network geography of the life-science industry
40
41 (COENEN, 2006; COENEN *et al.*, 2006; GERTLER and LEVITTE, 2005).
42
43
44
45

46
47
48 Such local node-global network geography of knowledge creation, innovation and
49
50 production is, however, not only found in typically analytical based industries applying a
51
52 STI mode of innovation (such as biotech) but can also be identified in industries
53
54 combining analytical and synthetic knowledge bases and STI and DUI modes of
55
56
57
58
59
60

1
2
3 innovation. The wine industry could provide such an example (GUILIANI, 2005;
4
5
6 GUILIANI and BELL, 2005).
7
8
9

10 These development tendencies, thus, challenge both the traditional endogenous approach
11 and the 'local buzz-global pipeline' view on the importance of local vs. non-local
12 knowledge resources (BATHELT *et al.*, 2004). So far, all the way from Marshall's
13 writing on industrial districts, it has been assumed that business interactions (from
14 exploiting localization economies) and knowledge flows were co-occurring (and co-
15 located) phenomena. Furthermore, it has been maintained that local interactions and
16 collective learning processes, or what is sometimes called 'local buzz', largely take care
17 of themselves by just 'being there', while building 'global pipelines' to knowledge
18 providers located outside the local milieu requires institutional and infrastructure support,
19 as one cannot expect that it occur spontaneously.
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

36 It is this idea of an almost automatic shaping of endogenous learning and innovation
37 capacity by just being co-located in a cluster, which also lies behind Porter's
38 understanding of how competitive advantage is *created*, conditioned by the four
39 determinants of the diamond being in place (PORTER, 1990; 1998). Recently, observers
40 have questioned if cluster learning is a pervasive and 'collective' process only
41 conditioned by territorial agglomeration as such (ASHEIM, 1996; 2000). New research
42 has shown empirically that there exists an uneven distribution of knowledge and selective
43 inter-firm learning due to the heterogeneity of firms' competence bases, which cannot be
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 fully compensated by regional universities or other parts of a region's 'collective
4 absorptive capacity' (GUILIANI and BELL, 2005).
5
6
7

8
9
10 Thus, it is an important question if more planned and systemic approaches are needed in a
11 globalising knowledge economy in order for regional advantages to be deliberately
12 constructed (ASHEIM *et al.*, 2006; ASHEIM *et al.*, 2011). This argument is grounded in
13 the fact that the contemporary globalising knowledge economy - characterised by
14 outsourcing/offshoring of both production and R&D, open innovation, dominating TNCs,
15 and intensified competition from developing economies of which China and India are the
16 'star' examples, - is becoming relatively more knowledge intensive, and explicit, codified
17 knowledge consequently increasing in importance. Constructing regional advantage
18 means turning comparative advantage into competitive advantage through an explicit
19 policy push promoting a Chamberlinian monopolistic competition based on product
20 differentiation creating unique products, an assumption which was fundamental also for
21 Porter's cluster approach. While building on the lessons from the dynamic principle of
22 the theory of competitive advantage (PORTER, 1990, 1998) as well as of the innovation
23 systems approach (LUNDVALL, 2008) emphasizing that competitiveness can be
24 influenced by innovation policies and supporting regulatory and institutional frameworks,
25 the constructed advantage approach recognises the important interplay between industrial
26 and institutional dynamics as well as calls for greater attention to multi-level governance.
27
28 What is especially highlighted is the role of a proactive public-private partnership and
29 impact of the public sector and public policy support by acknowledging to a greater
30 extent the importance of institutional complementarities in knowledge economies. This
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 approach represents an improved understanding of key regional development challenges
4
5 as well as a better anticipation and response to the problems by addressing system
6
7 failures or lack of connectivity in regional innovation systems (ASHEIM *et al.*, 2011).
8
9

10
11
12 This is, however, as argued in the article, not limited to activities based on an analytical
13
14 knowledge base but also include activities based on synthetic and symbolic knowledge
15
16 bases combining the STI and DUI modes of innovation. Simply leaving the question of
17
18 how constructed advantage is attained just to the ‘territory’ in the Marshallian way, when
19
20 tacit knowledge was most important, or to the Porterian primacy of (market) rivalry, is
21
22 probably not enough, even if tacit knowledge and incremental innovations – especially in
23
24 synthetic and symbolic knowledge bases – still remains of strategic importance for firms’
25
26 and regions’ competitiveness. New theoretical developments providing a much more
27
28 nuanced view of how to understand knowledge, learning and innovation (ASHEIM *et al.*,
29
30 2011; LORENZ and LUNDVALL, 2006), as well as ongoing research showing that
31
32 development of innovation systems and quality of governance matters most with regard
33
34 to economic performance both for developed and developing economies (FAGERBERG
35
36 and SHROLEC, 2008) imply a changing role of learning regions. This can represent a
37
38 useful context for implementing a pro-active, public-private partnership based, broad
39
40 innovation policy aiming at constructing advantage at the regional level, making the
41
42 learning region approach a more realistic policy alternative for regions globally.
43
44
45
46
47
48
49
50

51
52
53 **CONCLUSION: THE FUTURE ROLE OF LEARNING REGIONS IN A**
54
55 **GLOBALISING KNOWLEDGE ECONOMY**
56
57
58
59
60

1
2
3 After years of influential research on the importance of territorial agglomerations for
4 economic growth there is a need for an ‘unpacking’ strategy to disclose and reveal the
5 contingencies, particularities and specificities of the various contexts and environments
6 where knowledge creation and innovation take place in order to obtain a better
7 understanding of factors enabling or impeding these processes. The need for such a
8 theoretical re-examination is not the least when analysing the changing and future roles
9 of learning regions in the globalising knowledge economy. In this article we have
10 highlighted four different theoretical developments, which we think are of importance to
11 understand the changing and future role of learning regions. First, we pointed at how the
12 perspectives of the learning economy as well as development coalitions moved the
13 concept of learning regions from the often specific context of Third Italian industrial
14 districts to become a more general, applicable regional development strategy, as is
15 illustrated by the use of this way of understanding learning regions in the Regional
16 Innovation Strategy pilot actions of the EU commission. Secondly, the introduction of the
17 DUI mode of innovation showed that the typical interactive, incremental way of learning
18 and innovating in a learning region represented a distinct mode of innovation, which
19 linked with the potentials represented by developmental learning mean that upgrading
20 possibilities exist to embark on a high road development strategy. Thirdly, the inclusion
21 in the STI mode of innovation of knowledge creation based on synthetic and symbolic
22 knowledge bases (and not only on the analytical knowledge base), as well as the
23 emphasis of the role developmental learning can play in a DUI mode of innovation,
24 represent ‘bridging mechanism’. This will reduce the cognitive distance between the two
25 modes of innovation, and can, thus, provide the basis for combining the two modes of
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 innovation. And fourthly, the need for accessing additional knowledge outside the firm
4 and cluster in distributed knowledge networks makes the building of RIS even more
5 important, where a learning region approach can represent a realistic alternative for
6 implementing a public-private partnership based, broad innovation policy.
7
8
9
10
11

12
13
14 In such a process learning regions can play an important role in the formation of RIS
15 broadly defined which constitute a necessary condition for achieving development in as
16 well as of regions. To link a DUI operating RIS with a STI operating, narrowly defined
17 RIS, either in the same region or on an inter-regional basis, can in many ways be seen as
18 representing the sufficient condition for securing a sustainable economic and social
19 development in a globalising knowledge economy. To achieve this, the cognitive
20 distance of key actors in the broadly and narrowly defined innovation systems should not
21 be too wide, and the connectivity within and between the systems high. At the regional
22 level the learning region approach can play a specifically important role providing the
23 context for the formation of a RIS broadly defined securing the organizational
24 framework for a DUI mode of innovation where developmental learning is taking place.
25
26 An example of a regional innovation policy initiative reflecting these ideas is the
27 Norwegian VRI program (Policies for regional R&D and Innovation) funded by the
28 Norwegian Research Council. The program builds on constellations of Triple-Helix
29 actors which are referred to as 'regional development coalitions' and aims of combining
30 DUI and STI modes of innovation on the regional level. This program represents with
31 the exception of the Regional Innovation Strategy pilot actions of the EU commission
32 (BELLINI and LANDABASO, 2007) one of the very few attempts of promoting and
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 implemented a broad based innovation policy at the regional level, and is, thus, a rather
4
5 unique innovation policy program in an international context.
6
7
8
9

10 The new theoretical developments, presented in the article, transcending the
11 dichotomised view of knowledge, learning and innovation into a more nuanced
12 understanding of types of knowledge, forms of learning and modes of innovation
13 represent important 'bridging mechanism' to reduce the cognitive distance and increase
14 the connectivity in the comprehensive regional innovation system. In this process the new
15 way of understanding the changing role of learning regions points to a potential important
16 future role of the approach in promoting development in developed as well as developing
17 regions in the globalising knowledge economy.
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

REFERENCES

- 1
2
3
4
5
6 AMIN, A. and THRIFT, N. (1995) Territoriality in the global political economy, *Nordisk*
7
8 *Samhällsgeografisk Tidskrift* **20**, 3-16.
9
- 10 ARUNDEL, A., LORENZ, E., LUNDVALL, B. Å., and VALEYRE, A. (2007) Europe's
11
12 economies learn: a comparison of work organization and innovation modes for the
13
14 EU-15, *Industrial and Corporate Change* **16(6)**, 1175-1210.
15
16
- 17 ASHEIM, B. T. (1996) Industrial districts as "learning regions": A condition for
18
19 prosperity? *European Planning Studies* **4(4)**, 379-400.
20
21
- 22 ASHEIM, B. T. (2000) Industrial districts: The contributions of Marshall and beyond, In
23
24 Clark, G., Feldman, M. and Gertler, M. (Eds), *The Oxford Handbook of Economic*
25
26 *Geography*, pp. 413-431. Oxford University Press, Oxford.
27
28
- 29 ASHEIM, B. T. (2001) Learning regions as development coalitions: Partnership as
30
31 governance in European workfare states? *Concepts and Transformation. International*
32
33 *Journal of Action Research and Organizational Renewal* **6(1)**, 73-101.
34
35
- 36 ASHEIM, B. T. and COENEN, L. (2005) Knowledge Bases and Regional Innovation
37
38 Systems: Comparing Nordic Clusters, *Research Policy* **34(8)**, 1173-1190.
39
40
- 41 ASEHIM, B. T. and GERTLER, M. S. (2005) The Geography of Innovation: Regional
42
43 Innovation Systems, In FAGERBERG, J., MOWERY, D. and NELSON, R. (Eds)
44
45 *The Oxford Handbook of Innovation*, pp. 291-317. Oxford University Press, Oxford.
46
47
- 48 ASHEIM, B. T. and HANSEN, H. K. (2009) Knowledge bases, talents and contexts. On
49
50 the usefulness of the creative class approach in Sweden, *Economic Geography* **85(4)**,
51
52 425-442.
53
54
55
56
57
58
59
60

- 1
2
3 ASHEIM, B. T., BOSCHMA, R. and COOKE, P. (2011) Constructing Regional
4
5 Advantage, *Regional Studies* 44 (forthcoming).
6
7
8 ASHEIM, B. T., ISAKSEN, A., NAUWELAERS, C., AND TÖDTLING, F.(Eds) (2003)
9
10 *Regional Innovation Policy for Small-Medium Enterprises*. Edward Elgar,
11
12 Cheltenham.
13
14 ASHEIM, B. T., COOKE, P., ANNERSTEDT, J., BLAZEK, J., BOSCHMA, R.,
15
16 BRZICA, D., DAHLSTRAND LINDHOLM, A., DEL CASTILLO HERMOSA, J.,
17
18 LAREDO, P., MOULA, M. and PICCALUGA, A. (2006) *Constructing regional*
19
20 *advantage. Principles, perspectives, policies*, Final report, EUROPEAN
21
22 COMMISSION, DG Research, Brussels.
23
24
25 ASHEIM, B. T., COENEN, L., MOODYSSON, J., AND VANG, J. (2007) Constructing
26
27 knowledge-based regional advantage: Implications for regional innovation policy,
28
29 *International Journal of Entrepreneurship and Innovation Management* 7 (2/3/4/5),
30
31 140-155.
32
33
34
35
36
37 BATHELT, H., MALMBERG, A., MASKELL, P. (2004) Clusters and Knowledge:
38
39 Local Buzz, Global Pipelines and the Process of Knowledge Creation, *Progress in*
40
41 *Human Geography* 28 (1), 31-56.
42
43
44
45 BECATTINI, G. (1990) The Marshallian industrial district as a socio-economic notion, in
46
47 PYKE, F., BECATTINI, G. and SENGENBERGER, W. (Eds) *Industrial districts*
48
49 *and inter-firm cooperation in Italy*, pp. 37-51 International Institute for Labour
50
51 Studies (ILO), Geneva.
52
53
54
55
56
57
58
59
60

- 1
2
3 BELLINI, N. and LANDABASO, M. (2007) Learning about innovation in Europe's
4 regional policy, in RUTTEN, R. and BOEKEMA, F. (Eds) *The Learning Region.*
5
6 regional policy, in RUTTEN, R. and BOEKEMA, F. (Eds) *The Learning Region.*
7
8 *Foundations, State of the Art, Future*, pp. 231-251 Edward Elgar, Cheltenham.
9
- 10 BERG JENSEN, M., JOHNSON, B., LORENZ, E. AND LUNDVALL, B. Å. (2007)
11
12 Forms of knowledge and modes of innovation. *Research Policy* **36**, 680-693.
13
- 14 BOSCHMA, R. (2005) Proximity and innovation: A critical assessment. *Regional Studies*
15
16 **39**, 61-74.
17
- 18 CHESBROUGH, H. (2003) *Open Innovation*, Boston, Harvard Business School Press,
19
20 HARVARD, Boston, MA.
21
- 22 COENEN L. (2006) *Faraway, so close! The changing geographies of regional*
23
24 *innovation*, Meddelanden från Lunds universitets geografiska institution,
25
26 Avhandlingar CLXVIII, Lund.
27
- 28 COENEN, L., MOODYSSON, J., RYAN, C., ASHEIM, B.T. and PHILLIPS, P. (2006)
29
30 Comparing a pharmaceutical and an agro-food bioregion: on the importance of
31
32 knowledge bases for socio-spatial patterns of innovation *Industry and Innovation*
33
34 **13,4**, 393-414.
35
- 36 COHEN, W. M. and LEVENTHAL, D. A. (1990) Absorptive Capacity: A New
37
38 Perspective on Learning and Innovation, *Administrative Science Quarterly*, **35(1)**,
39
40 128-152.
41
- 42 COOKE, P. (2007) Regional innovation systems, asymmetric knowledge and the legacies
43
44 of learning, in RUTTEN, R. and BOEKEMA, R. (Eds) *The Learning Region.*
45
46 *Foundations, State of the Art, Future*, pp. 184-205. Edward Elgar, Cheltenham.
47
48
49
50
51
52
53
54
55
56
57
58
59
60

- 1
2
3 EBENSBERGER, B. AND HERSTAD, S. (forthcoming) Product innovation and the
4
5 complementarities of external interfaces, *European Management Review*.
6
7
8 ELLSTRÖM, P. E. (1997) The many meanings of occupational competence and
9
10 qualification, *Training*, 266-273.
11
12
13 ENNALS, R. and GUSTAVSEN, B. (1999) *Work organisation and Europe as a*
14
15 *development coalition*. John Benjamin's Publishing Company, Amsterdam-
16
17 Philadelphia.
18
19
20 FAGERBERG, J. and M. SRHOLEC (2008) National innovation systems, capabilities
21
22 and economic development. *Research Policy* **37(9)**, 1417-1435.
23
24
25 FAY, C. and BIRKENSHAW, J. (2005) External sources of knowledge, governance
26
27 mode and R&D performance, *Journal of Management* **31(4)**, 597-621
28
29
30 FLORIDA, R. (1995) Towards the learning region. *Futures* **27(5)**, 527-536.
31
32
33 GERTLER, M. (2008) Buzz without being there? Communities of practice in context, in
34
35 AMIN, A. and ROBERTS, J. (Eds) *Community, Economic Creativity and*
36
37 *Organization*, pp. 203-226. Oxford University Press, Oxford.
38
39
40 GERTLER, M. and LEVITTE, Y. (2005) Local Nodes in Global Networks: The
41
42 Geography of Knowledge Flows in Biotechnology Innovation, *Industry and*
43
44 *Innovation* **13**, 487-507.
45
46
47 GIULIANI, E. (2005) The structure of cluster knowledge networks: Uneven and
48
49 selective, not pervasive and collective, *DRUID Working Paper* 2005-11.
50
51
52 GIULIANI, E. and BELL, M. (2005) The Micro-determinants of Meso-level Learning
53
54 and Innovation: Evidence from a Chilean Wine Cluster, *Research Policy* **34 (1)**, 47-
55
56 68.
57
58
59
60

- 1
2
3 HERSTAD, S. J, BLOCH, C., EBERSBERGER, B. and van den VELDE, E (2008) Open
4
5 innovation and globalisaton: Theory, evidence and implications. Report, Vision
6
7 Eranet.
8
9
- 10 JACOBIDES, M. and BILLINGER, S. (2006) Designing the boundaries of the firm:
11
12 From “make, buy or ally” to the Dynamic Benefits of Vertical Architecture,
13
14 *Organization Science* **17(2)**, 249-261.
15
16
- 17 JOHNSON, B., LORENZ, E. AND LUNDVALL, B. Å. (2002) Why All This Fuss
18
19 About Codified and Tacit Knowledge? *Industrial and Corporate Change* **11**, 245-62.
20
21
- 22 KOGUT, B. and ZANDER, U. (1996) What firms do? Coordination, identity and
23
24 learning, *Organization Science* **7(5)**, 502-518.
25
26
- 27 LAESTADIUS, S. (1998) Technology Level, Knowledge Formation and Industrial
28
29 Competence in Paper Manufacturing, In G. ELIASSON and GREEN, C. (Eds) *The*
30
31 *Micro Foundations of Economic Growth*, pp. 212-226. The University of Michigan
32
33 Press, Ann Arbour.
34
35
- 36 LAESTADIUS, S. (2000) Biotechnology and the potential for a radical shift of
37
38 technology in forest industry, *Technology Analysis & Strategic Management* **12**, 193-
39
40 212.
41
42
- 43 LAESTADIUS, S. (2007) Vinnväxtprogrammets teoretiska fundament, In
44
45 LAESTADIUS, S. *et al.* (Eds), *Regional växtkraft i en global ekonomi. Det svenska*
46
47 *Vinnväxtprogrammet*. Stockholm, pp. 27-56. Santerus Academic Press, Stockholm.
48
49
- 50 LAURSEN, K. and SALTER, A. (2004) Searching high and low: What types of firms use
51
52 universities as sources of knowledge? *Research Policy* **33**,1201-1215
53
54
55
56
57
58
59
60

- 1
2
3 LORENZ, E. and LUNDVALL, B. Å. (Eds) (2006) *How Europe's Economies Learn:*
4
5 *Coordinating Competing Models*. Oxford University Press, Oxford.
6
7
8 LORENZ, E. and VALEYRE, A. (2006) Organisational forms and innovative
9
10 performance, In LORENZ, E. and Lundvall, B. Å. (Eds) *How Europe's Economies*
11
12 *Learn: Coordinating Competing Models*, pp. 140-161. Oxford University Press,
13
14 Oxford.
15
16
17 LUNDVALL, \ B.Å. (Ed) (1992) *National Systems of Innovation: Towards a Theory of*
18
19 *Innovation and Interactive Learning*. Pinter, London.
20
21
22
23 LUNDVALL, B.Å. (2008) National Innovation Systems – Analytical Concept and
24
25 Development Tool, *Industry & Innovation* **14(1)**, 95-119.
26
27
28 LUNDVALL, B.-Å. and JOHNSON, B. (1994) The learning economy, *Journal of*
29
30 *Industry Studies* **1**, 23-42.
31
32
33 LUNVALL, B.Å. and BORRAS, S. (2005) Science, technology, innovation and
34
35 knowledge policy, in FAGERBERG, J., MOWEREY, D. and NELSON, R. (Eds) *The*
36
37 *Oxford Handbook of Innovation*, pp. 599-631 . Oxford University Press, Oxford.
38
39
40 MINISTRY of EMPLOYMENT and the ECONOMY (2008) Proposal for Finland's
41
42 National Innovation Strategy. Helsinki.
43
44
45 MITCHIE, J. and SHEEHAN, M. (2003) Labour market deregulation, 'flexibility' and
46
47 innovation, *Cambridge Journal of Economics* **27**, 123-43.
48
49
50 MOODYSSON, J. (2007) *Sites and modes of knowledge creation: On the spatial*
51
52 *organisation of biotechnology innovation*, PhD-dissertation, Department of Social and
53
54 Economic Geography. Lund University, Lund.
55
56
57
58
59
60

- 1
2
3 MOODYSSON, J., COENEN, L. and ASHEIM, B. (2008) Explaining Spatial Patterns of
4
5 Innovation: Analytical and Synthetic Modes of Knowledge Creation in the Medicon
6
7 Valley Life Science Cluster, *Environment and Planning A*, **40**, 1040-1056.
8
9
10
11 MORGAN, K. (1997) The learning region: institutions, innovation and regional renewal,
12
13 *Regional Studies* **31**, 491–504.
14
15
16 NOOTEBOOM, B. (2000) *Learning and Innovation in Organizations and Economies*,
17
18 Oxford University Press, Oxford.
19
20
21 PIORE, M. and SABEL, C. (1984) *The Second Industrial Divide: Possibilities for*
22
23 *Prosperity*. Basic Books, New York.
24
25
26 PORTER, M. (1990) *The Competitive Advantage of Nations*, Macmillan, London.
27
28
29 PORTER, M. (1998) Clusters and the new economics of competition, *Harvard Business*
30
31 *Review* November-December, 77-90.
32
33
34 ROTHAERMEL, F., HITT, M. and JOBE, L. (2006) Balancing vertical integration and
35
36 strategic outsourcing: Effects on product portfolio, product success and firm
37
38 performance, *Strategic Management Journal* **27**, 1033-1056.
39
40
41 RUTTEN, R. and BOEKEMA, F. (Eds) (2007) *The Learning Region. Foundations, State*
42
43 *of the Art, Future*. Edward Elgar, Cheltenham.
44
45
46 SIMON, H. (1969) *The Sciences of the Artificial*, MIT Press, Cambridge.
47
48
49 SMITH, K. (2000) What is 'The Knowledge Economy'? Knowledge-intensive Industries
50
51 and Distributed Knowledge Bases, Paper presented at the DRUID Summer
52
53 Conference on 'The Learning Economy – Firms, Regions and Nation Specific
54
55 Institutions', Aalborg, June 2000.
56
57
58
59
60

1
2
3 STORPER, M. (1993) Regional 'worlds' of production, *Regional Studies*, **27**, 433-455.
4

5
6 VAN DER BOSCH, F., VOLBERDA, H. and DE BOER, M. (1999) Coevolution of firm
7
8 absorptive capacity and knowledge environment: Organisational forms and
9
10 combinative capabilities, *Organization Science* **10(5)**, 551-568.
11

12
13 WOOLCOCK, M. (1998) Social capital and economic development: Toward a
14
15 theoretical synthesis and policy framework, *Theory and Society*, 151-208.
16

17
18 ZAHRA, S. and GEORGE, G (2002) Absorptive capacity: A review, reconceptualisation
19
20 and extention, *Academy of Management Review* **27(2)**, 1985-203.
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

TABLES:

Analytical (science based)	Synthetic (engineering based)	Symbolic (arts based)
Developing new knowledge about natural systems by applying scientific laws; <i>know why</i>	Applying or combining existing knowledge in new ways; <i>know how</i>	Creating meaning, desire, aesthetic qualities, affect, intangibles, symbols, images; <i>know who</i>
Scientific knowledge, models, deductive	Problem-solving, custom production, inductive	Creative process
Collaboration within and between research units	Interactive learning with customers and suppliers	Experimentation in studios and project teams
Strong codified knowledge content, highly abstract, universal	Partially codified knowledge, strong tacit component, more context-specific	Importance of interpretation, creativity, cultural knowledge, sign values; implies strong context specificity
Meaning relatively constant between places	Meaning varies substantially between places	Meaning highly variable between place, class and gender
Drug development	Mechanical engineering	Cultural production, design, brands

Table 1: Differentiated knowledge bases. A typology. (Source: ASHEIM and GERTLER, 2005; ASHEIM *et al.*, 2007; GERTLER, 2008; ASHEIM and HANSEN, 2009).

ENDNOTES:

ⁱ GUILIANI (2005) and GUILIANI and BELL (2005) confusingly refer to 'level of competence' as 'knowledge base' instead of using the term 'competence base' to avoid misunderstandings.

ⁱⁱ I am indebted to Sverre J. Herstad, NIFU for very valuable input concerning the role of organisational forms when combining the DUI and STI mode of innovations.

ⁱⁱⁱ In contrast to R&D work geographical proximity is not important for the manufacturing of the many parts used in the final assembly of the equipment as there, at least in principle, should be no iteration in carrying out such operations.

^{iv} A globally distributed knowledge network is 'a systemically coherent set of knowledges, maintained across an economically and/or socially integrated set of agents and institutions' (SMITH, 2000, p. 19).