



Institutional and Policy aspects of Global Innovation Networks - A European perspective

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Six TRENDS about Global Innovation Networks

1. Advanced countries' Multinational Companies (MNCs) are deepening the trend to innovate through increasingly global and increasingly networked processes
2. Firms and organizations from emerging markets are developing capabilities in the creation and management of global networks to compensate for institutional limitations, e.g. skills shortages





Six TRENDS about Global Innovation Networks

- 3. Outward R&D FDI from Europe has grown substantially from early 2000s
- 4. Most R&D offshore goes to Triad countries (Europe, US & Japan) but increasingly to BRICS (Brazil, Russia, India, China and South Africa)
- 5. Inward R&D FDI into Europe has also grown





Six TRENDS about Global Innovation Networks

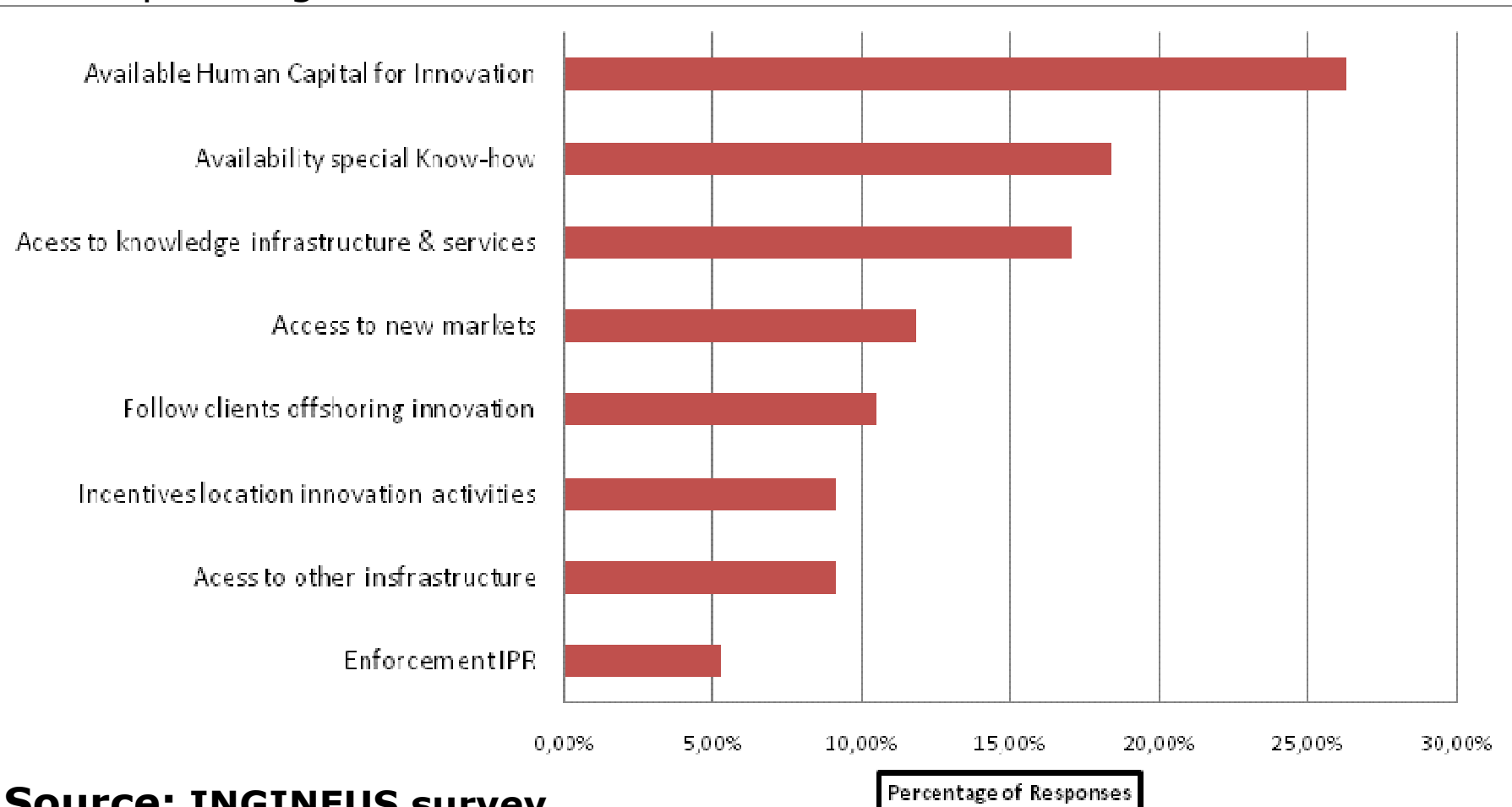
6. Some differences across the three industrial sectors analysed (ICT, Automotive, Agro-food): All three industries are represented in strongly globalized networks, but ICT and agro-food (not automotive) are most prominent in highly globalized, highly networked and highly innovative cases.





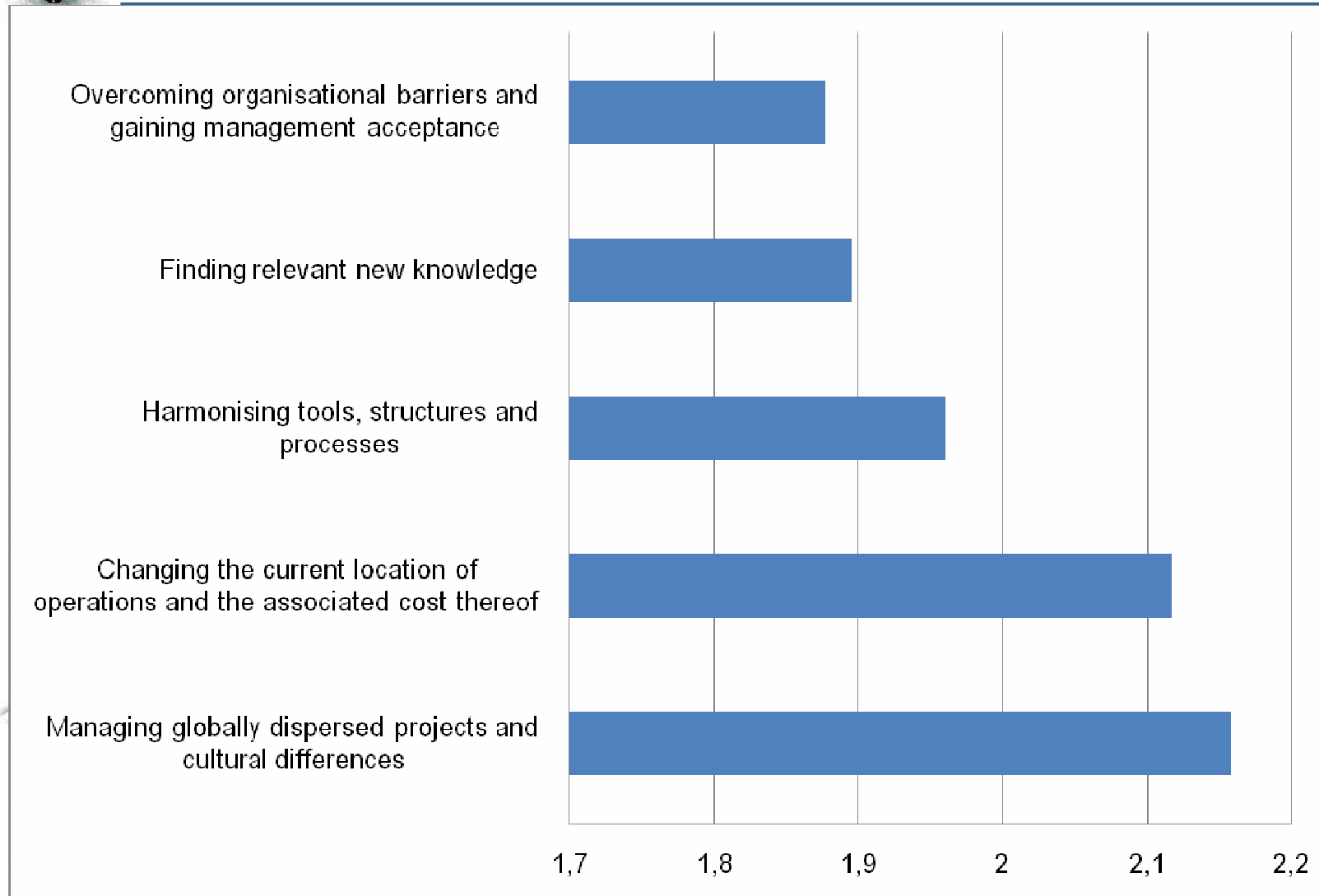
European Firms' Reasons for Taking Part in Global Innovation Networks

Percentage of responses about European firms' reasons for taking part in global innovation networks.





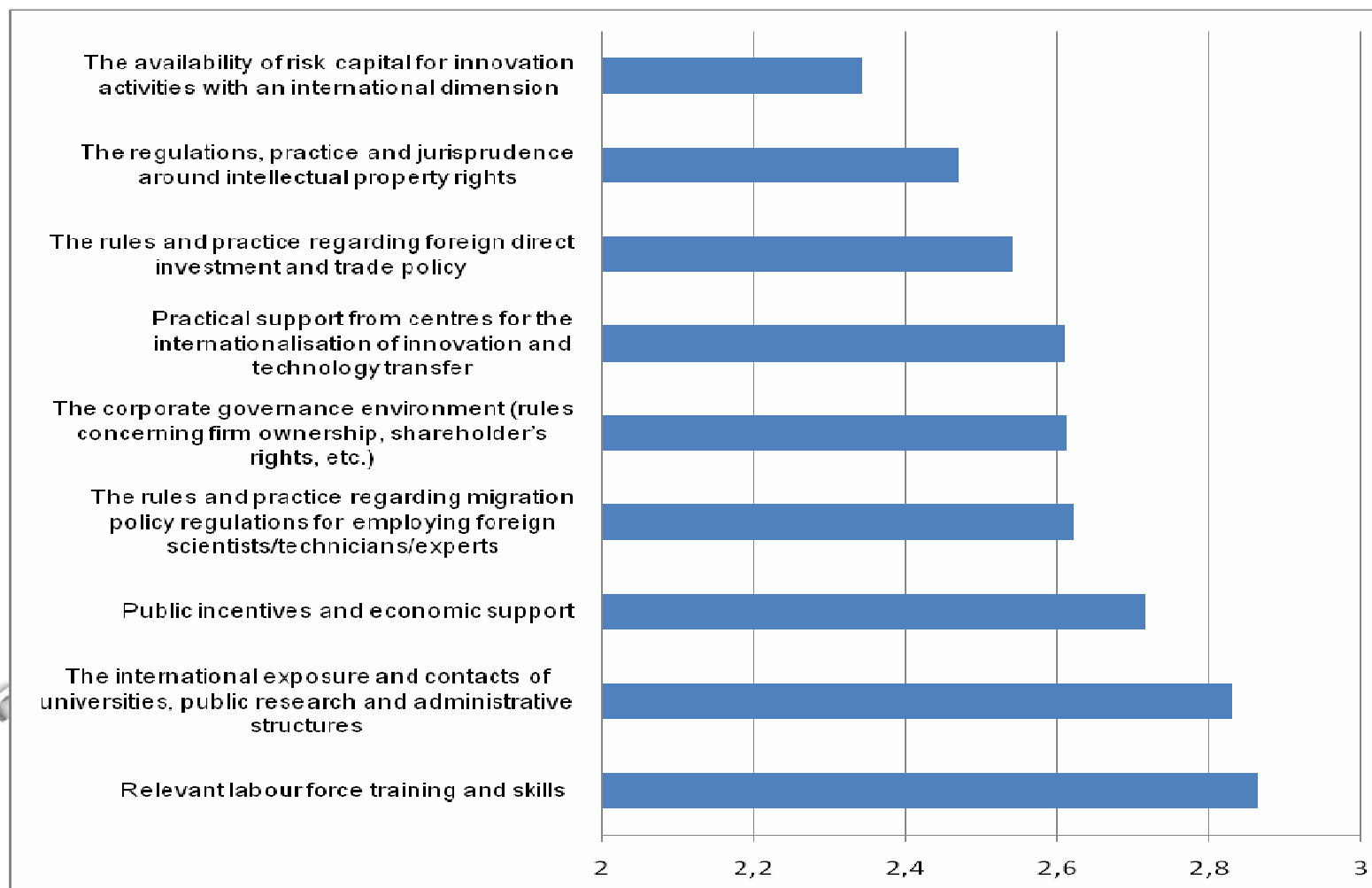
Barriers and challenges that European firms encounter when collaborating with other firms or organizations abroad



Legend: 1=small barrier - 4= extreme barrier



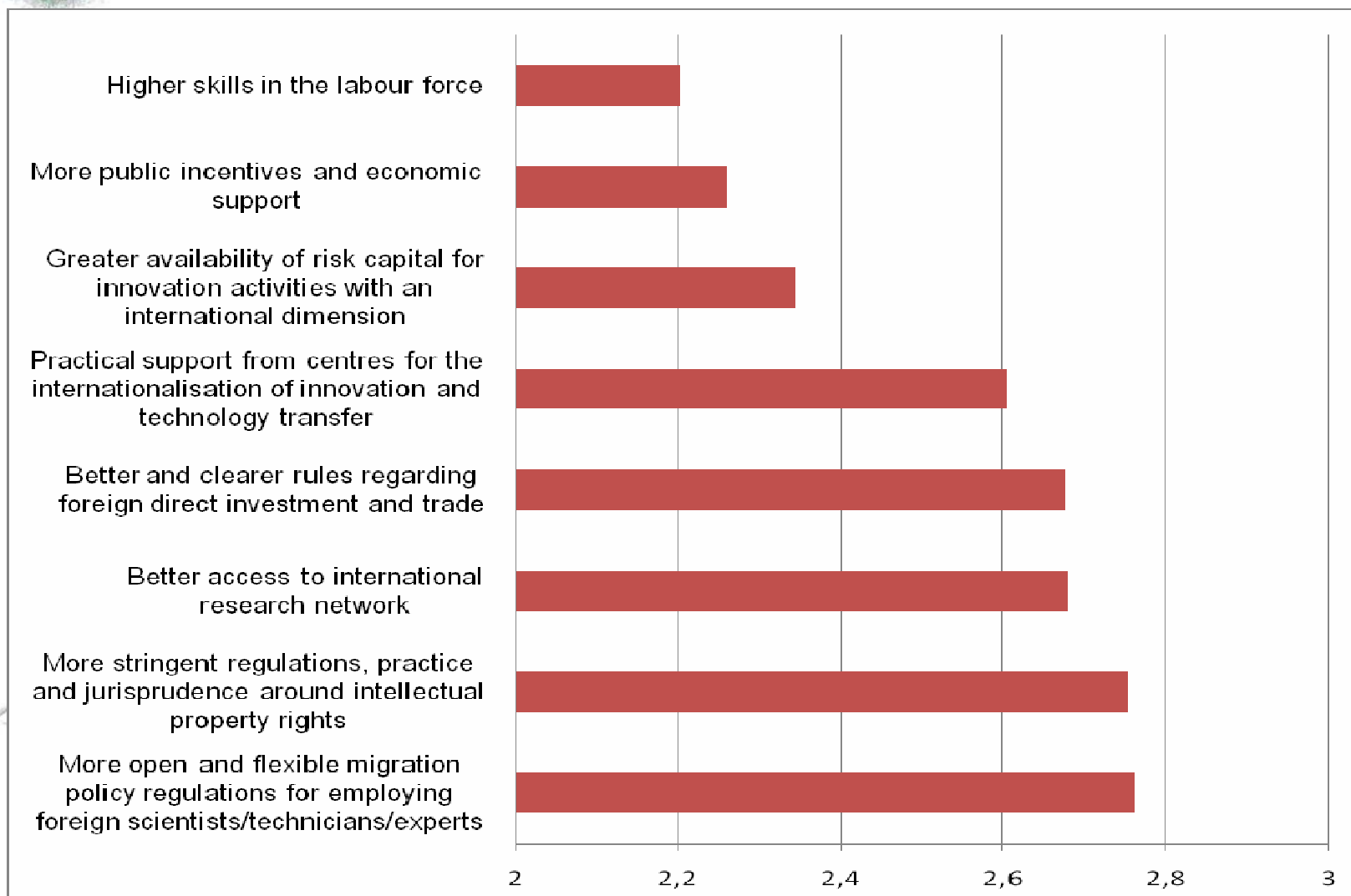
Policy-related factors in the internationalization of European firms' innovation activities during the past 3 years



Legend: :1= highly negative factor; 4= highly positive factor



European firms' needs for policy-related factors in relation to their future innovation activities.



Legend: 1= highly negative 4= highly positive



Discussion

General remarks

- **The role of public authorities:**
 - Public administration capacity
 - How far into 'public action'? (innovation management tools?)
- **Institutional frameworks for GINs:**
 - **Institutional barriers:** identifying them is not the same as doing something to lower them.
 - **Institutional anchorage:** finding flexible institutional solutions and policy mixes





Discussion: **What Policy Implications for Europe?**

Main issue: How far is Europe (national & EU levels) innovation & research policy geared towards stimulating GINs?

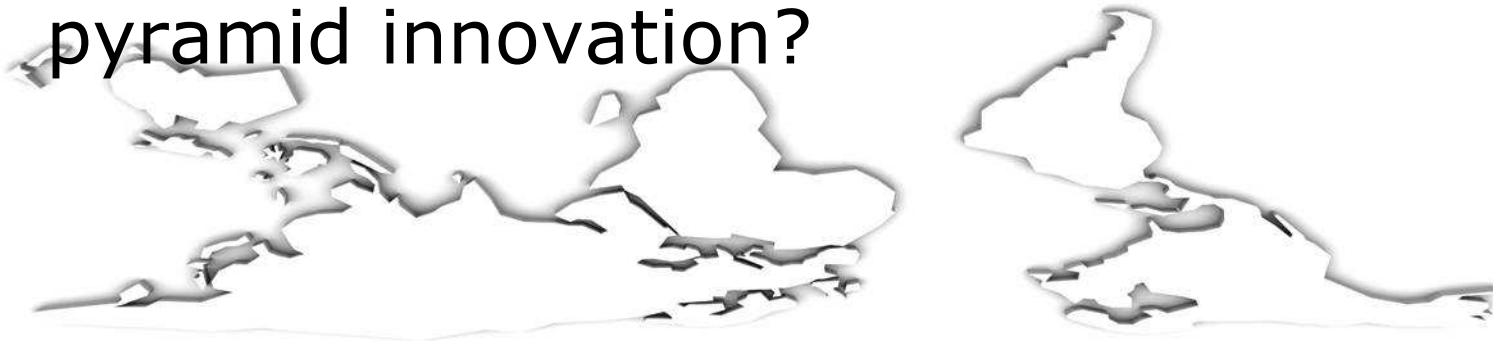
- Are policy instruments focusing on international R&D collaboration sufficient for GINs?
- Are the institutional bottlenecks for knowledge flows within GINs being addressed?
- Is there a rationale for policy actions allowing firms to tap into external knowledge resources and integrating them globally?



Discussion

What Policy implications for latecomer economies?

- How to operate in highly diversified economies & their international context
- How to upgrade innovation capabilities?
- Technology diversification vs. Specialization: A real dilemma?
- Learning processes within firms and within system => Are organizational aspects Important?
- How to stimulate SMEs and bottom-of-pyramid innovation?





Thank you for your attention

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