High-tech ICT and agro-processing: Regional innovation systems?

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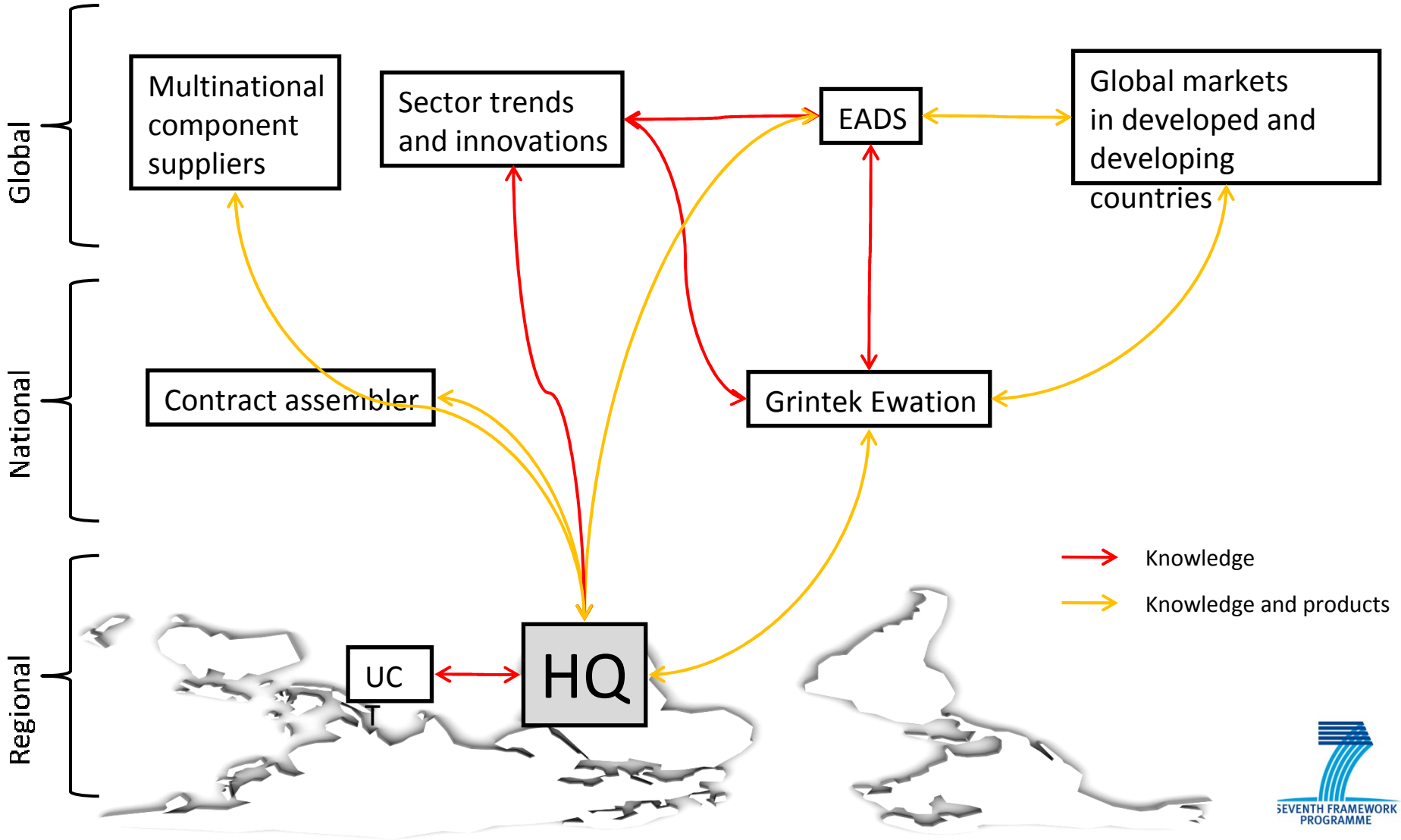
Introduction

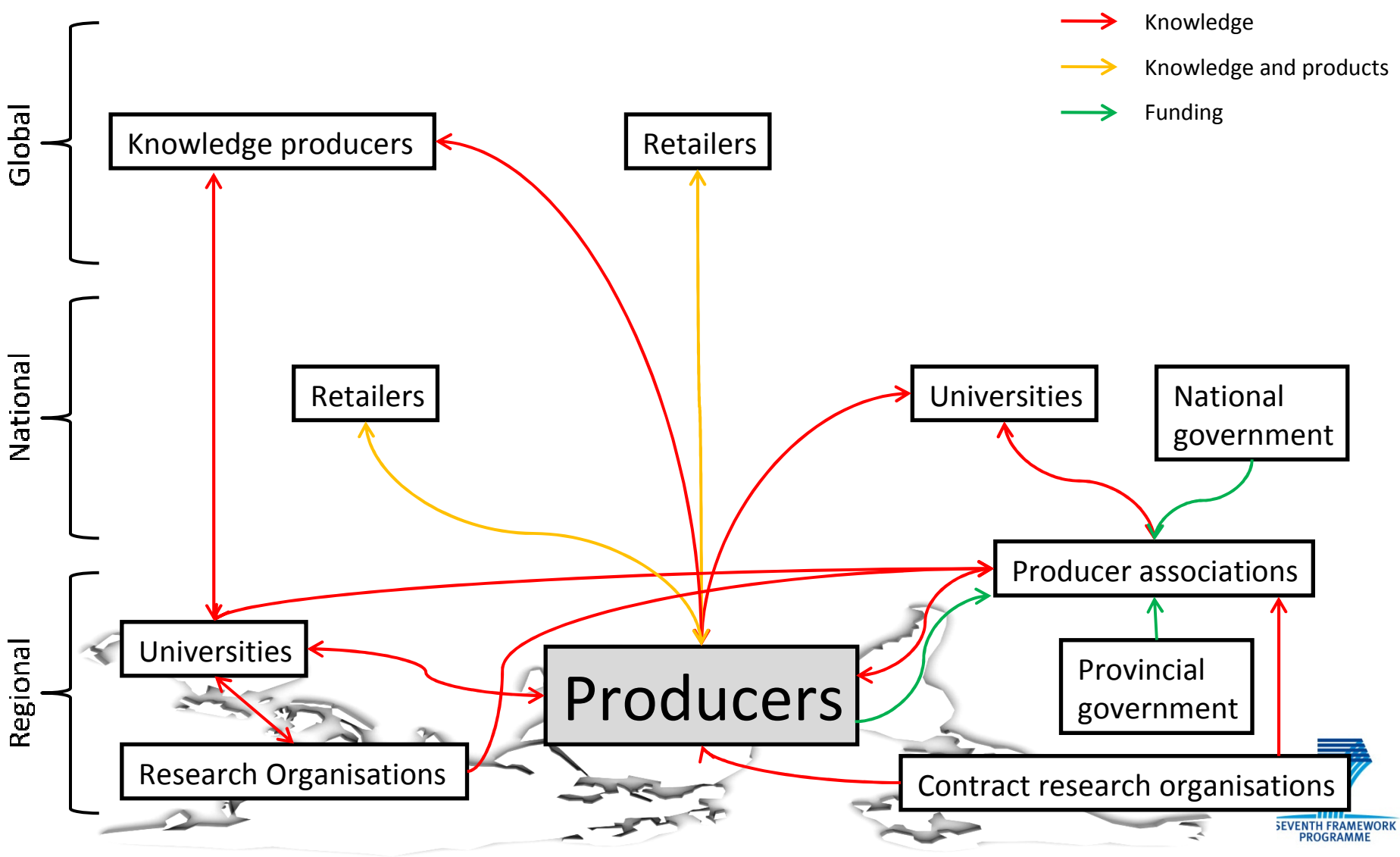
- Case of an electronic engineering company based in Cape Town.
- Specialises in Digital Signal Processing technologies, particularly for radio fields. The technologies are used primarily by government defence forces and regulatory bodies. The technologies can also be adapted for sonar and radar applications.
- Founded in 1987 and employ 50 staff.

- The Western Cape agro-processing sector.
- The major sub-sectors are wine, deciduous fruits, citrus fruit and grains.
- There are thousands of companies in the sector, both large and small.

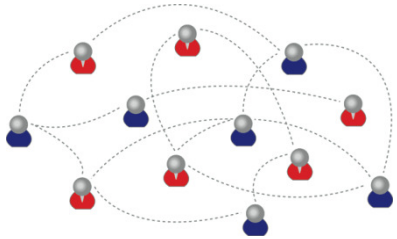
Overview of knowledge and product flows: electronic firm



Overview of Western Cape agro-processing linkages



Why are there differences in regional innovation systems?



- **Path dependency:** In the past agro-processing was highly organised and co-ordinated, with government support. This created a demand for sector organisation.
- **Absorptive capacity:** Absorptive capacity is lower in agro-processing than in high-tech ICT.
- **Tacit knowledge vs. codified knowledge:** Much of the knowledge employed in the agro-processing sector is tacit.
- **Industrial organisation:** The agro-processing sector has a larger number of firms than the high-tech ICT sector in the Western Cape. Agro-processing is therefore likely to receive greater returns from sector organisation.

Thank You

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