Social Foundations of Innovation: Applying the Lessons for Policy and Practice in Rural NL

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Theme 1 hypotheses – economic development in knowledge-based economy depends on:

- Strength of local knowledge circulation processes within clusters;
- Strength of knowledge circulation across sectors;
- Strength of knowledge based linkages between local and non-local economic actors.
Project Background: Innovation

- Shift to knowledge economy
  - Knowledge flows critical
  - Tacit versus codified knowledge
  - Importance of proximity
- Nested Scales of Innovation
  - Regional, national, global
- Communities of learning, networks across scales
- External connections vital
- Diversity versus specialization
  - Porter vs Jacobs
Preliminary Results: Regional Labour Markets and Retail Centres
Source: A Simms, Dept. of Geography, Memorial University

Legend

Labour Centre Rank
- 1 - 5
- 6 - 10
- 11 - 20
- 21 - 50
- 51 - 143
- LabourSupply
- No significant external flows

Retail Centres Rank
- 1 - 5
- 6 - 10
- 11 - 20
- 21 - 50
- 51 - 257

Journey-To-Work Regions
- CORNER BROOK
- PORT AU CHOI
- ROCKY HARBOUR
- SPRINGDALE
- STEPHENVILLE
Preliminary Results: Regional Labour Markets and Retail Centres
Source: A Simms, Dept. of Geography, Memorial University

Legend
Labour Centre Rank
- 1 - 5
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Clareville Regional Labour Markets
- Clareville
- Come By Chance
- Port Union

Retail Centres Rank
- 1 - 5
- 6 - 10
- 11 - 20
- 21 - 50
# Breakdown

<table>
<thead>
<tr>
<th>Key Indicators</th>
<th>Corner Brook</th>
<th>Clarenville</th>
<th>Province</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population, 2006</td>
<td>20,083 / 45,730</td>
<td>5,274 / 31,236</td>
<td>505,469</td>
</tr>
<tr>
<td>Median age of the population</td>
<td>43.6</td>
<td>38.6</td>
<td>41.7</td>
</tr>
<tr>
<td>% of the population aged 15 and over</td>
<td>85.6</td>
<td>80.8</td>
<td>84.5</td>
</tr>
<tr>
<td>Immigrants (%)</td>
<td>2.3</td>
<td>1.9</td>
<td>1.7</td>
</tr>
<tr>
<td>BA Degree or higher (aged 15 and over) (%)</td>
<td>11.8</td>
<td>11.3</td>
<td>9.4</td>
</tr>
<tr>
<td>College or other non-university certificate or diploma (%)</td>
<td>16.3</td>
<td>16.5</td>
<td>14.7</td>
</tr>
<tr>
<td>2005 income for every man, woman, and child (personal income per capita)</td>
<td>$21,057</td>
<td>$23,229</td>
<td>$19,573</td>
</tr>
<tr>
<td>% Employment Rate (2005)</td>
<td>49</td>
<td>55.1</td>
<td>47.9</td>
</tr>
<tr>
<td>% Unemployment Rate (May 2006)</td>
<td>13.7</td>
<td>14</td>
<td>18.6</td>
</tr>
</tbody>
</table>

Source: www.statcan.ca
## Findings - Theme 1

<table>
<thead>
<tr>
<th>Clarenville</th>
<th>Corner Brook</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Significant opportunities</td>
<td>✓ Disconnect between university and community</td>
</tr>
<tr>
<td>✓ Limited investment in R&amp;D</td>
<td>✓ Institutional strength</td>
</tr>
<tr>
<td>✓ Difficulty attracting new firms</td>
<td>✓ Need for ‘big’ ideas</td>
</tr>
<tr>
<td>✓ Relative position of Clarenville to St. John’s</td>
<td>✓ Closed network; limited sharing</td>
</tr>
<tr>
<td>✓ Educated community, with vibrant young entrepreneurs</td>
<td>✓ Lack of social cohesion ‘cliquishness’</td>
</tr>
<tr>
<td>✓ Hidden diversity</td>
<td>✓ No diversity</td>
</tr>
<tr>
<td>✓ Weak external connection</td>
<td>✓ Strong labour market</td>
</tr>
<tr>
<td>✓ Eastern Supplier Network</td>
<td>✓ Little employee turn-over in creative positions</td>
</tr>
<tr>
<td>✓ Western Metal Working Network</td>
<td></td>
</tr>
</tbody>
</table>
Lessons for Policy and Practice

Strengthen knowledge flows locally and globally through local buzz and global pipelines

- **Build networks – tacit knowledge spillover**
  - Social Network Analysis and Network weaving – building links between key entrepreneurs, public institutions and three levels of government
  - Break down the barriers to entry in networks
  - Develop thick network of trust and norms of reciprocity, shared basic understanding and mutually compatible interpretative schemes

- **Strengthen the regional innovation system**
  - Increase research and development related to economic opportunities
  - Strengthen collaboration between companies, university, college, research institutions, specialized suppliers, service providers and firms in related industries
Lessons for Policy and Practice

➢ Create more external connections
  • Create strong knowledge flows through national and global pipelines
  • Knowledge flows across local/regional, national and global scales
  • New ideas critical to regional/local development
  • Diversity

➢ Critical role of the college and firms in developing local labour market
  • How do people from the region participate in growth opportunities?
  • Combat lack of turnover
Rural Lessons

- Not building Schumpeterian hubs of innovation
  - Low population density
  - Lack nationally defined clusters
- Yet cluster-based actions are appropriate in less advantaged regions (Rosenfeld)
  - Need broader definitions of clusters to allow for creative possibilities in rural regions
- Need for new narratives of place (Morgan)
  - Floridian template: ‘small white’ or ‘ordinary cities’
  - Recognize affordability, well-being, livability, sustainability and resilience
Thank you

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