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Do Business Incubators and Technoparks affect regional development? A comparative study in the EU27 and the NC16 counties

Panagiotis Liargovas
ICBSS

1. OBJECTIVES

The objective of this paper is twofold; on the theoretical level, a conceptualization of the incubators – regional growth relationship that builds upon the notion of territorial capital is offered. On the empirical basis a comparative analysis of business incubators and technoparks in EU27 and NC16 is undertaken.

2. SCIENTIFIC METHOD

Our methodology is based on the three dimensional approach. In particular, the type of incubators supported is assumed to approximate macro-level interactions, the spatial context, i.e. country specific parameters are assumed to approximate the meso-level of interactions and finally the intensity of the incubation activity is assumed to approximate the micro-level of interactions.

The type of incubators, i.e. first versus third generation incubators can provide us with information on the type of start-ups supported, the involvement of the public authorities in the establishment and operation of incubators as well as on the organizational forms assumed by the incubators. In general terms, business incubators fall into the first generation of incubators while technological parks represent the third generation of incubators.

3. MAIN RESULTS

This paper reveals the leading position of the EU, especially the Northern Europe countries (e.g. Germany, UK etc) as regards the development of business incubators and technoparks and the associated indicators of tenant firms and employees. As regards the NC countries and Russia, these countries seem to place emphasis on the development of business incubators, in contrast to technoparks. Finally, the last result relates to the differential ability of countries to generate multiplier effects.

The exploratory analysis undertaken here reveals that the intensity of incubation activity might be further accelerated within more favorable environments whereas in less favorable environments more effort might be needed. The proposed analytical framework suggests that less developed regions might benefit the most and have an opportunity to converge towards the more developed areas of the world as a result of their ability to accelerate growth through knowledge intensive growth processes. Therefore, to the extent that the outcome of business incubators and technological parks refers primarily to the diffusion and commercialization of knowledge and innovations, a chance is offered to less developed regions to benefit the most towards converging to more developed countries, states and regions subject to that they accelerate knowledge and innovation production and diffusion patterns.

4. POLICY VALUE-ADDED

The main policy implication of this comparative research in the EU27 and NC16 member countries is that different countries place emphasis at different instruments, depending on their endowments. Therefore, the successful performance of technoparks, which are the focus of Northern European countries, requires a richer background as regards knowledge creation and the institutional environment to support the generation, diffusion and commercialization of knowledge. On the other hand, Eastern and Southern European countries seem to reasonably place increased emphasis on the development of business incubators. Obviously, the latter require fewer endowments compared to technoparks.

A second policy implication relates to the types of entrepreneurship fostered by the different types of incubators. Entrepreneurship itself seems to be different in these two groups of countries. Northern European countries in contrast to Eastern and Southern European neighboring countries require Intensive knowledge, and probably more innovative entrepreneurship. Therefore, EU and national entrepreneurial measures should be implemented in relation to a country's development level and the need for less developed countries to pursue more competitive development paths.