

Title of the Session 1:

Innovation Economics and Policy Perspectives

Session Chair: **Prof. Manfred M. Fischer**

Challenge: Innovation Economics and Policy Perspectives

In essence, innovation is the ability to generate and manage knowledge creatively in response to market-articulated demands and other social needs. Enterprises are the main source of innovation. Their performance depends on incentives provided by the economic and regulatory environment, their access to critical inputs (via factor markets or through interactions in networks and clusters of knowledge-based organizations) and their internal capacity to seize market and technological opportunities.

Several trends combine to change the conditions for successful innovation: innovation increasingly relies on effective interaction between the science base and the business sector; more competitive markets and the accelerating pace of scientific and technological change force firms to innovate more rapidly; networking and collaboration among firms are now more important than in the past and increasingly involve knowledge-intensive services; small and medium-sized enterprises, especially new technology-based firms, have a more important role in the development and diffusions of new technologies; the globalization of economies is making countries' innovation systems more important. In sum, innovation performance depends not only on how specific actors (e. g. enterprises, research institutions, universities) perform, but on how they interact with one another as elements of an innovation system, at local, regional, national and international levels.

In recent years, the systemic dimension of the generation and distribution of technological knowledge and innovation at large is placed at the centre of the economics of innovation. Conceptual and empirical research underlines that interactions and learning efforts are needed in order to strengthen the generation and accumulation of knowledge, the emergence of innovation systems, and also the growth performances of firms and economies. In particular, the conditions of knowledge interactions emerge as a central feature characterizing the systemic dynamics of innovation and knowledge.

Knowledge interactions emerged as a central part in the research agenda of the economics of innovation and as a most important governance mechanism for the coordination of the division of knowledge and innovative labour in recent years. Innovation systems originate and develop upon the complex network of knowledge interactions, complemented by knowledge transactions between complementary actors.

This session attempts to emphasize the idea that a systemic approach to knowledge and innovation valorises much more the quality of the interactions among economic actors than their mere geographical proximity. Contributions on different dimensions of knowledge and innovation generation and distribution activities, and knowledge interactions are particularly welcome.

Subtopics:

- Sustainability and Innovation
- Employment and Poverty Reduction
- Governmental Innovation Policy
- Ethics and Accountability
- Management in the Public sector and the role of the nation state
- Social justice in economy- perception of inequality and poverty
- Cultural values in economic life
- Game and decision theory of international political economy
- The new Theories of Political Economy

Topics and Issues of the Session 1:

1.1. Innovation Systems and Innovation Policy

Authors: Manfred Fischer

Nature of paper: Conceptual/Theoretical

1.2. Living Labs and Open Innovation in European Context

Authors: Albertina Dias and Bror Salmelin

Nature of paper: Conceptual/Theoretical

1.3. Research on the innovation culture in companies that affect managers' decision making (Not validated)

Authors: Visnja Istrat and Lilijana Djukic Petromanjanc

Nature of paper: Conceptual/Theoretical

1.4. Management of Local Innovation through Creative Entrepreneurship: Case Study of Sunrise Pashmina (Not validated)

Author: Sundar Kumar Sharma

Nature of paper: Case Study Research