
MULTINATIONAL ENTERPRISES, KNOWLEDGE AND REGIONAL DEVELOPMENT

Elisabeth Baier, Fraunhofer ISI

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Introductory remarks

- Relationships between regions and MNEs can be very ambivalent and are often not free of tensions.
- The attraction of higher value activities of MNEs, like R&D functions, can contribute to strengthening the relationships between MNEs and their host region.
- The integration of MNEs into regional innovation networks can prevent MNEs behaving in a nomadic way.
- The integration of higher value activities of MNEs into regional innovation network can spur mutual benefits.
 - Regional innovation networks can profit through the integration of MNEs' corporate R&D functions (knowledge spill-overs; knowledge generated internationally, international circulation of highly skilled labour), and
 - MNEs depend on the quality of the regional innovation networks in which their subsidiaries are located and benefit from proximity to regional actors.

Key questions

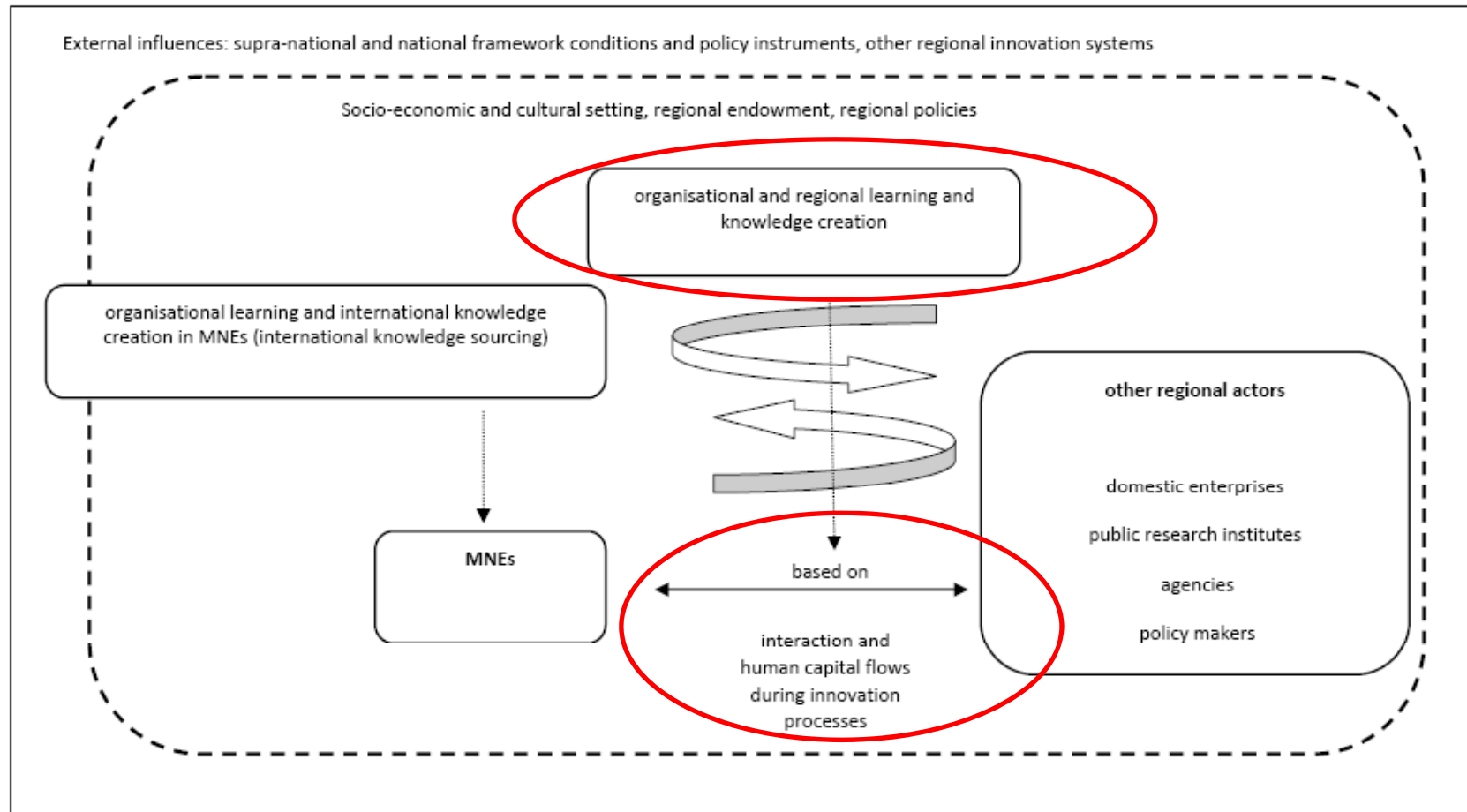
- What is the role and behaviour of MNEs in regional innovation networks?
- What factors contribute to the integration of corporate R&D functions of MNEs into regional innovation networks?
 - concerning organisational structures in MNEs and
 - regional structures.
- How can the management of MNEs, regional policy makers and other regional actors support such relationships?

- Presumption: Regions can enhance their capabilities through the integration of MNEs' corporate R&D functions into their regional innovation networks.
 - Proximity supports the generation of trust and thus enables the integration into (informal) networks.
 - Embeddedness helps to discourage malfeasance and fosters the exchange of information and knowledge.

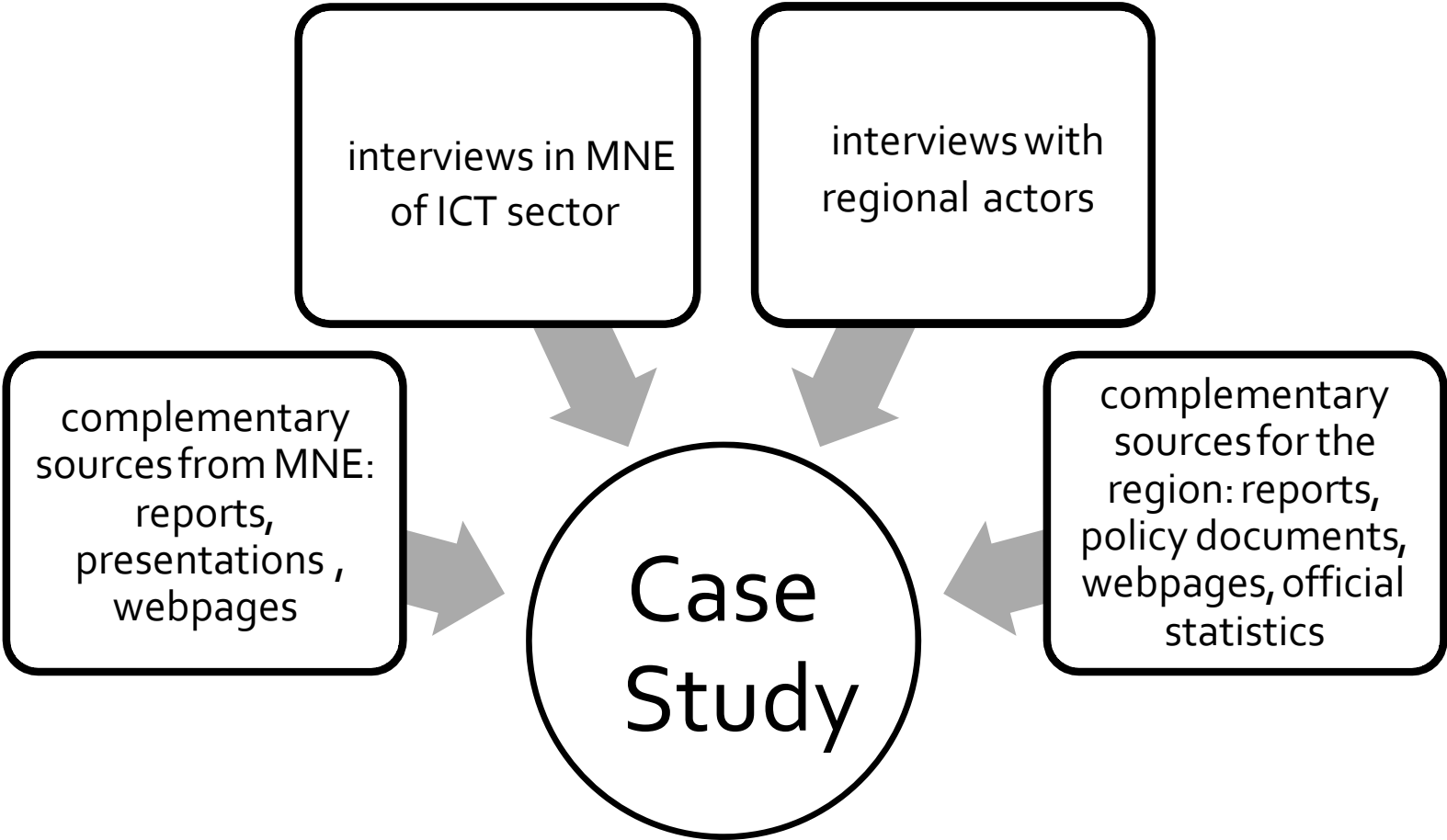
Role of MNEs in regional innovation networks

- The organisation of R&D in MNEs is increasingly international and can take different forms.
- From the perspective of MNEs, integration opportunities are decisive to benefit from regional surroundings, depending on intra-organisational structures that allow developing regional and global linkages.
- MNEs can take a mediating role between globalisation processes and the development of regional innovation potentials:
 - contribution to creativity and increase in diversity,
 - improvement of regional innovation and endowment conditions,
 - establishing global communication channels, and
 - avoiding regional and/or technological lock-in situations.

Analytical framework



Case study data collection and treatment



Empirical findings from the case study: MNEs, knowledge and regional development

- Integration opportunities from the enterprise perspective:
 - pursuit of an open innovation paradigm,
 - institutionalisation of formerly informal R&D co-operations,
 - joint use of R&D facilities and laboratories,
 - awareness of the role of implicit knowledge and creativity by the management, and
 - networking with creative and cultural industries as well as creative individuals.

- Integration interfaces from the regional perspective:
 - commitment to integrate R&D functions of MNEs (policy makers, regional actors),
 - proximity: a driver for integration and a hampering factor,
 - offer complementary competences (esp. cultural and creative industries), and
 - assign MNEs a mediating role between regional networks and inter-regional networks since MNEs have certain co-ordination potentials.

Conclusions

- Integration of R&D functions of MNEs in regional networks is promising, especially in those cases where MNEs actively seek a deeper integration.
- Certain organisational structures (open innovation paradigm, regional responsiveness of MNEs, absorptive capacities) seem to foster the integration potential of MNEs.
- Integration of corporate R&D functions in regional innovation networks could initiate further benefits for regional actors.
- Interaction opportunities with creative and cultural industries and individuals seem to be a driving factor for integrating corporate R&D functions.

Contact details

Thank you for your attention!

Contact:

Elisabeth Baier

Fraunhofer ISI

Elisabeth.baier@isi.fhg.de