

# Managing Innovation in Europe's Cross-border Micro Regions

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## Track Description

Cross-border micro regions<sup>1</sup> are emerging in Europe with diffusing of new ideas, technologies, products, services and lifestyles among neighbouring markets. These regions are interesting for research because they achieve above average economic growth thanks to positive location-specific externalities (Porter 1998, Sölvell, Lindquist and Ketels 2003). Globally-oriented, competitive and innovative micro regions can contribute to the development of a strong and dynamic Europe.

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<sup>1</sup> A micro region could be defined as a territorial area that is smaller than the state to which it belongs but larger than a municipality. This simple definition allows for the inclusion of different types of regions, provinces, districts, mega-cities and metropolitan areas within states as well as cross-border regions.

*Innovations* are new value-generating activities, a means of seeking higher profits as opposed to appropriating higher rents from an existing income stream (Schumpeter 1934, 1943, Penrose 1959). They may have the desired impact on the development of micro regions in terms of achieving and sustaining high economic growth in the longer term. This is because they rely on the creation of technological and social capabilities through problem-solving and learning activities (Cantwell 2002) through knowledge exchange (learning-by-interacting) and cooperative learning (cf. Gertler 2001) and, thereby, utilising networks for the establishment of new value-generating activities.

Competing visions between firms is a necessary feature of an evolutionary economy, but within firms, unless carefully managed, they cause trouble (Cantwell 2002). Structural diversity is increasing in firms, and formal means of control and coordination are giving way to more informal management methods. This context demands more consensual and culture-based management skills which empower relationship-dependent initiatives like cooperative strategies and strategic partnerships (Tidd et al, 1997).

So far, the empirical works have too little focus on the creation of social capabilities. They are biased towards the creation of technological capabilities. Furthermore, not all high-growth regions are innovative. In respect of this, the emergence of specific institutions may have a bigger impact on the innovativeness of firms in a region than institutions of a more general kind. Specific institutions may be those that secure the successful international integration of corporate innovation, concurrently with engendering a shift towards the creation of innovative profits (Maskell 2001).

In this track we aim to attract both theoretical and empirical papers which tackle issues on managing challenges in creating and sustaining the innovation potential of micro-regions. The track is inclusive for inter-disciplinary approaches emerging from domains of international strategic management, industry dynamics and economic geography.

Research questions and topics include, but are not limited to:

- How can the innovative capacity of a micro region be increased?
- How should the transition from export-led short-term growth be managed into innovation-led, long-term growth?
- What are the co-evolving determinants of regional and corporate strategy that provide a suitable context for higher-than-average growth?
- How are knowledge creation and innovation related to the processes of integration, adaptation and strategy-making in terms of facilitating growth in a region?
- How can an economic region promote increased innovative activity in firms?
- Comparisons of organic and mechanistic development of spatial structures
- Challenges of managing the life-cycle of micro-regions

## **About the organizers:**

**Dr. Rupert J. Baumgartner** is a Research Fellow at the department of Economics and Business Management, University of Leoben in Austria. His research interests are strategic management and corporate sustainability management including organizational culture as well as the assessment of sustainability, knowledge and innovation aspects.

He is responsible for the modules Sustainable Business Management and Environmental Technology Management in the MBA programme Generic Management (University of Leoben) and member of the International Sustainable Development Research Society (ISDRS, board member), European Society for Ecological Economics (ESEE) and International Association for Management of Technology (IAMOT) and was member of the scientific advisory board for several conferences in the field of Sustainable Development and Environmental Economics.

**Dr. Djuro Kutlaca** is the Head of Science and Technology Policy Research Centre – Mihajlo Pupin Institute, Belgrade and Professor at the Faculty of Security Studies at the University of Belgrade/Serbia. The key areas of his expertise are Science, Technology and Innovation Policy, Transformation of R&D system, Innovation Management and Development Management. He has been visiting research fellow in Karlsruhe/Germany (FhG Institute für Systemtechnik und Innovationsforschung) and at the University of Sussex, Brighton/UK (Science Policy Research Unit). Dr. Kutlaca is a former member of NESTI (National Experts for Science and Technology Indicators) group at OECD, Paris, from September 1988 until May 1992. He has also specific country experiences in various Eastern European countries. As member he was involved in EU projects (e.g., Restructuring and Reintegration of S&T Systems in Economies in Transition, Fifth Framework Programme 2001-2002, ERAWATCH Network, 2005-2008) as well as in projects financed by the Ministry of Science of the Government of the Republic of Serbia.

**Dr. Zsuzsanna Vincze** is a Research Fellow at the Turku School of Economics (TSE) in Finland. She is engaged in a project financed by the Academy of Finland. She is currently analyzing Europe's high-growth cross border micro-regions and their innovation potential in order to further understanding of the factors and mechanisms that facilitate and/or impede sustainable long-term development. Her prior research has focused on the process of foreign-market expansion in medium-sized manufacturing companies.

**Murat Akpinar** is a PhD candidate at the International Business Department of Turku School of Economics in Finland. He has ten years of work experience at different levels of management in oil & gas, automotive supply, and fast moving consumer goods industries. His current research addresses the car industry in the European Union, its development since 1960, and the roles of various stakeholders in times when car manufacturers are under threat.