The Changing Knowledge Divide in the Global Economy

The starting point for this project is what we call:

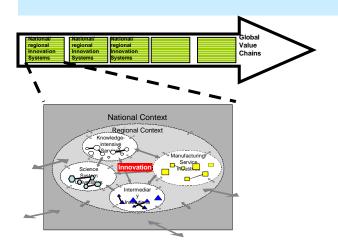
'The organisational decomposition of innovation'.

A fundamental change currently occurring in the way innovation is organised in the developed countries: many innovation activities that used to be carried out inhouse by innovating firms themselves are carried out by independent suppliers of knowledge intensive business services (KIBS), or are transferred to key suppliers. The central aim of the project is to analyse how this affects the location of innovation activities in the world.

The question that drives the investigation is:

How does the organisational decomposition of innovation in developed countries change the global distribution of innovation activities?





Analytical Approach

The research will bring together three distinct analytical approaches:

- national, regional innovation systems
- · knowledge intensive business services
- global value chains

Research Design

The research design includes a sectoral and regional focus and an mix of secondary research and primary research. In order to examine these changes in depth we carry out two pilot studies – one in the manufacturing sector and the other in the service sector. A cross-sector comparative perspective is critical for providing insights into whether the organisational decomposition of innovation shows similar or different patterns in industries producing tangible goods compared with those producing intangibles. The regional approach includes case studies in regions of developed and developing countries. It will concentrate on:

- The automotive industry: Brazil, Germany
- The Software industry: India, Germany But changes in other countries will be taken into consideration

Research Questions

- > To what extent has the organisational decomposition of innovation in developed countries taken place, and in what forms in the selected sectors?
- > What are the implications for the development of innovation capabilities in developing countries?
- What are the implications for developed countries?

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