

Mission-Oriented Innovation Districts: The Australian Context

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Introduction

The Brookings Institute has been instrumental in popularising the notion of Innovation Districts (Katz and Wagner, 2014). Being essentially a policy and practice concept, Innovation Districts — or Innovation Precincts — acknowledge a new, urban geography of innovation, i.e. place-based forms of innovation that occur not within the confines of the big industrial labs of the 1950s or the innovation campuses in suburban areas of the 1980s, but within the heart of cities.

An Innovation District is a place-based urban development strategy that aims to regenerate an under-performing downtown neighbourhood into a desirable location for innovative and creative companies and workers (Morisson, 2020). It aligns with the basic premise that innovation emerges from dynamic and collaborative environments facilitated by various forms of proximity in precincts like this — where people share knowledge, skills and ideas as they work, meet and socialise together (Boschma, 2005).

Background

Cities are seen as natural sites for this type of knowledge-based entrepreneurship and creativity, as emphasised by the recent rise of Innovation Precincts around the world. Here, Innovation Precincts provide a compelling and persuasive logic to help create thriving cities. Modern-day knowledge workers are attracted to liveable and accessible places (Florida, 2002). They look for high quality urban services, with ample opportunity for interaction across organisational boundaries. As a result, Innovation Precincts have quickly emerged as global best practice or policy mobility for cities wanting to become leaders in the knowledge economy (Oinas et al., 2018). Districts are evolving in cities like Barcelona, Berlin, London, Eindhoven, Medellin, Montreal, Seoul, Stockholm and Toronto.

However, innovation precinct theory so far has yet to link up with a major trend in innovation policy, i.e. innovation policy that has moved beyond primarily economically framed rationales and is concerned with addressing societal challenges. Governments across the world are re-thinking and re-orientating their rationale for innovation policy and 'new industrial policy'. In order to help realise the UN's Sustainable Development Goals and international climate change targets, governments are redesigning their innovation portfolios to resolve pressing social problems while also creating opportunities for jobs and economic growth.

Directionality in Place-based Innovation

Governments increasingly understand that it's not just the rate of economic growth and innovation that matters, but also its directions. While in the 1970s–2000s innovation policy was mainly geared towards economic growth, national competitiveness and jobs — today climate change and reduction of inequality, poverty and pollution are seen as key challenges and opportunities for innovation policy.

Conceptualisations such as 'mission-oriented innovation' (Mazzucato, 2018), 'transformative innovation policy' (Steward, 2012; Schot and Steinmuller, 2018) and 'mission-oriented innovation systems' (Hekkert et al., 2020) subscribe to this trend. However, so far this challenge-led innovation policy thinking has yet to get to terms with its geographies, spatial context and embeddedness (Coenen et al., 2015).

Research Aim

The aim of this review is to explore what the analytical contours of Mission-Oriented Innovation Districts (MOID) might look like. We ask the question: How can Mission-Oriented Innovation Districts be conceptualised, measured and governed? We address this question by reviewing the academic literature on both Innovation Districts and on mission-oriented innovation through a systematic approach.

Methodology

Scopus is used as the primary source. We have also used grey literature on innovation policy in Europe, where these innovation policy practices are most advanced. Iterative and interpretative coding is used to explore five themes. First, what are the reoccurring definitions, arguments and concepts? Second, what theories and frameworks are used in the discussions? Thirdly, what kinds of empirical measures and resources are to explore innovation examples? Fourth, how are innovation initiatives evaluated, what is considered to matter? Finally, how is governance understood and conceptualised, i.e. which actors, relations and roles are emphasised in enacting mission-oriented innovation policy at the precinct scale. This paper will also document empirical examples from innovation precincts and districts in Australia and assess the ways in which they engage with a challenge-led innovation policy framing and explore this thinking not only for city-based but also regional districts.

Findings

Our findings indicate that both mission-oriented policy and Innovation Districts are young and emergent research fields, but developing at the forefront of innovation policy theory and practice. Nevertheless, they have so far remained entirely disconnected debates with zero crossovers. While each of them has strengths and limitations, if combined, they could provide a more comprehensive approach to innovation policy. This finding highlights a number of issues and research

suggestions regarding how a Mission-Oriented Innovation District approach might look like.

First, conceptually speaking an MOID approach must integrate elements of directionality with elements of a place-based approach, for instance, by integrating the SDGs or net zero ambitions or similar goal-orientations into the design and operation of Innovation Districts.

Second, analytical and methodologically speaking, both literatures have so far not developed a strong evidence base yet, and have mostly relied on descriptive case study approaches. There is nothing wrong with a good case study, but in order to advance the literature, there is a need to develop more comprehensive, interdisciplinary and multi-method approaches to MOIDs, including comparative case designs, quantitative assessments and transdisciplinary research methodologies.

Third, in terms of outcome evaluation, there is a need to develop evaluation frameworks that enable contrasting and comparing results across geographies, and help identify what works in MOID. These frameworks should move beyond narrow economic or innovation focussed evaluation frameworks by including metrics useful from the perspective of societal challenges/goals. Also, MOID evaluation frameworks should be considered beyond accountability to funders. They should be helpful in monitoring from a learning-based perspective to be able to do it better next time.

Fourth, from a governance perspective, both literatures emphasise the importance of multi-actor models such as quadruple helix approaches. However, who decides about what, how, with whom, why, when and with which resources is a question far from answered. Hence there is a need for governance design-oriented research in the context of MOID.

Finally, in our view MOID policy is a very promising avenue for resolving some of the major societal challenges of our times in a way that is not alienating to local and regional communities (of citizens, councils, SMEs, etc). However, we consider a multi-scalar governance approach to be crucial to allow MOID policy to be successful. Hence, MOID policy should be considered not as a silver bullet, but as complementary to existing regional, national and international innovation policy arrangements and responsibilities.

Conclusion

So far, the place-based nature of mission-oriented innovation appears to have been underdeveloped in literature, policy and practice. In this paper we hone in connecting the academic literature on mission-oriented innovation policy, with recent discourse on innovation at district or precinct scales. Based on our literature review, we are now able to propose the following definition of a Mission-Oriented Innovation District: an urban area where government, industry, knowledge institutes and civil society are

deliberately situated and collaborating in place-based, socio-technical innovation to explore, experiment with and scale solutions for addressing societal challenges, all the while working to improve local area revitalisation.

With major cities globally moving forward in reorienting their innovation policies to this particular scale, we believe there is a major opportunity to bring insights from across these literatures together to outline an agenda for developing more comprehensive approaches to conceptualising, measuring and governing Mission-Oriented Innovation Districts.

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