Preface

In the current globalized economy a number of new challenges arise for local/regional economies as well as for broader national and community areas. In this context, territorial resilience is necessary and innovation represents the mechanism that may help to successfully sustain it. Indeed, innovation has become the critical driver for territorial development and competitiveness. The most advanced countries are those that invest the most significant percentage of their gross domestic product (GDP) in research and development (R&D) and other innovation activities. The globalization of markets has emphasized the need to respond quickly to such challenges, as large national economies have joined the international market on the basis of traditional cost advantages, but also on the basis of new advances made in technological and non-technological innovation. Many countries find themselves squeezed out of their former marketplaces.

However, this situation not only creates threats and challenges, but also opens up opportunities that have to be exploited to create room for more balanced development between traditionally advanced economies, and transition, emerging and developing countries. It is a case of opening of new markets, but also potential for creating competent collaboration in research and development as well as in production and commercialization. As a result, the former market of 1–2 billion people in the advanced economies is getting too small; the new marketplace stretches well beyond that to incorporate a few more billion people who were previously left outside the production and consumption dynamics. In such a scenario nothing can be taken for granted, and significant work is needed in order to spread these wider options across a larger number of countries and territories, and to help them reap the related benefits.

In this context, in September 2010, the Basque Institute of Competitiveness – Orkestra – organized the San Sebastian Meeting on ‘Competitive and Innovative Territories’ and invited a number of leading academics, international organization officials and international consultants who presented ideas and cases that were discussed and thoroughly analysed, with the most careful attention given to any useful policy implications and recommendations. In particular, the participants presented insights, models and hypotheses on innovation dynamics and activities in
present-day economics; other experts focused their work on methodologi-
cal components, frameworks and tools that help to capture a more appro-
priate image of innovation dynamics, inputs and outputs. Another group
of specialists focused on innovation processes along global value chains
and global knowledge pipelines, including the social features of such
exchanges that may contribute key insights into how local production
systems can upgrade their competitive position within global production
networks and markets. Complementing this, a group of experts focused
on the policy implications of the whole discussion on innovation promo-
ing in regional and national territories. Suggestions based on successful
international experiences as well as on reflections that take into account
the context specificity of policy are mirrored in this part that recognize
the importance to add a practical discussion to the more academic part of
this debate. Later, we included some chapters that addressed important
aspects of contemporary globalization that had not been available for the
meeting.

Overall, the main message that flowed from the meeting and related
debate is that in the current context of global change, local and national
territories have to upgrade their resilience in terms of improving their
capability to innovate and their competitiveness. Localized creativity,
small high-technology entrepreneurship, related variety innovation plat-
forms, social capital embedded in dynamically open territorial communi-
ties, and context-specific though continuously upgrading policy platforms
are all means to face the new challenges and to promote increasing absorp-
tive capabilities within local and national territories. These are much
needed in the current globalized economy as a means to be sustainable and
to offer continuously new opportunities to their inhabitants and agents.

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