

Innovation Clusters and Economic Development: i-GATE as a Regional Innovation Magnet

Executive Summary

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Summer 2011

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i-GATE iHub

The i-GATE innovation hub represents connectivity and synergy across nine cities, two national laboratories, and a number of other partners.

Dedicated to advancing innovation in the areas of green energy, clean technology and high performance computing, the i-GATE initiative leverages the core assets of the region – such as a highly skilled workforce and a high patent output – to create an ecosystem that is advantageous for new business start-ups.



BACKGROUND

In February 2011, a White House report identified innovation hubs and entrepreneurial ecosystems as integral to promoting “Market Based Innovation” and stimulating economic growth. In March 2010, California designated i-GATE as an inaugural innovation hub. The hub is a municipality-led public-private partnership anchored by two national laboratories.

CLUSTERS DRIVE ECONOMIC DEVELOPMENT

Innovation hubs have their roots in Michael Porter’s cluster theory, which has pointedly impacted regional economic development policy over the last decade. However, the term has experienced a myriad of disparate interpretations and applications to economic development practice. Porter emphasizes that a true cluster provides firms with competitive advantages they would not have outside of the cluster. These advantages prompt agglomeration of complementary industries and businesses, which benefits the local region.

NATIONAL LABS ARE EFFECTIVE ANCHORS

New Mexico has Sandia National Laboratories and Los Alamos National Laboratories—a very similar set of labs to Livermore. As a part of regional economic development, their efforts have been well focused but have achieved mixed results. This provides i-GATE with some interesting insights into effectively interacting with national laboratories. The New Mexico example affirms that national laboratories can function as anchor research facilities.

i-GATE AS A REGIONAL INNOVATION MAGNET

Much like other clusters, i-GATE creates value by forming partnerships with relevant businesses, industries and other entities. However, having municipalities lead the initiative to promote regional economic development creates a magnetizing effect. As a magnet, the innovation hub differs from traditional clusters in that there is an active impetus on the local government level to create the cost and productivity advantages of clusters. The i-GATE municipalities directly coordinate with industries within the cluster in order to effectively align the economic development strategy with the cluster’s evolving needs and to promulgate enabling policy incentives that help strengthen the linkages between cluster entities and perpetuate the regional innovation cluster. This creates the magnetism that not only attracts industries and complementarities, but keeps them in the region – all while promoting innovation and reinforcing cluster strengths.

STRUCTURAL CONCERNS FOR THE FUTURE OF i-GATE

An analysis of i-GATE strategy points to a lack of systematization in networking efforts that needs reconciling with overall initiative strategy moving forward. Another key issue – perhaps related to the cluster development issue – is defining a key pipeline for viable client firms for the NEST incubator. A final point of concern worth noting is the lack of a broadly defined strategic vision among all members of the economic development ecosystem. Multiple studies point to the lack of a broad strategic understanding among the region as a large factor in cluster underperformance. A solidified (though broad) regional message will need to be determined and adopted by relevant private and public entities, if the i-GATE region is to thrive.