Regional Barriers and Opportunities for Developing Innovation Networks in the New Media Industry: A Comparison between Beijing and Bangalore Regional Innovation Systems

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Abstract : The characteristics of a regional innovation system (RIS) and the specificity of the knowledge base of an industry may contribute to create peculiar paths for innovation and development of firms' geographic extended innovation networks. However, the relative empirical evidence in emerging economies remains underexplored. The paper aims to fill the research gap by means of some recent qualitative research conducted in 2016 in Beijing (China) and Bangalore (India). It analyzes cases studies of firms in the new media industry, a sector that merges different IT competences with competences from other knowledge domains and that is emerging in those RIS. The results show that while in Beijing the new media sector results to be more in line with the existing institutional setting and governmental goals aimed at targeting specific social aspects and social problems of the population, in Bangalore it remains a more spontaneous firms-led process. In Beijing what matters for the development of innovation networks is the governmental setting and the national and regional strategies to promote science and technology in this sector, internet and mass innovation. The peculiarities of recent governmental policies aligned to the domestic goals may provide good possibilities for start-ups to develop innovation networks. However, due to the specificities of those policies targeting the Chinese market, networking outside the domestic market are not so promoted. Moreover, while some institutional peculiarities, such as a culture of collaboration in the region, may be favorable for local networking, regulations related to Internet censorship may limit the use of global networks particularly when based on virtual spaces. Mainly firms with already some foreign experiences and contact take advantage of global networks. In Bangalore, the role of government in pushing networking for the new media industry at the present stage is guite absent at all geographical levels. Indeed there is no particular strategic planning or prioritizing in the region toward the new media industry, albeit one industrial organization has emerged to represent the animation industry interests. This results in a lack of initiatives for sustaining the integration of complementary knowledge into the local portfolio of IT specialization. Firms actually involved in the new media industry face institutional constrains related to a poor level of local trust and cooperation, something that does not allow for full exploitation of local linkages. Moreover, knowledge-provider organizations in Bangalore remain still a solid base for the IT domain, but not for other domains. Initiatives to link to international networks seem therefore more the result of individual entrepreneurial actions aimed at acquiring complementary knowledge and competencies from different domains and exploiting potentiality in different markets. From those cases, it emerges that role of government, soft institutions and organizations in the two RIS differ substantially in the creation of barriers and opportunities for the development of innovation networks and their specific aim.

Keywords : regional innovation system, emerging economies, innovation network, institutions, organizations, Bangalore, Beijing

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