Connectivity policy instruments for innovation in firms

Connectivity policy instruments refer to policy instrument that foster collaboration between firms, higher education and research institutions, and other public and private entities. Connectivity policy instruments include grants for collaborative R&D and cluster policies. The main rational for connectivity policy instruments is to overcome network failures, that is, problems in the interaction among actors in the innovation system, which weaken opportunities for innovation.

What are connectivity policy instruments for innovation in firms?

Connectivity policy instruments refer to policy instrument that foster collaboration between firms, higher education and research institutions, and other public and private entities.

Connectivity policy instruments include:

- Grants for collaborative R&D (see [Grants for collaborative R&D](https://www.innovationpolicyplatform.org)). The objectives of these grants are to reduce the costs of collaboration and create, thereby, incentives to create or maintain linkages for innovation.

- Cluster policies (see [Cluster policies](https://www.innovationpolicyplatform.org)). These policies support clusters, defined as geographic concentrations of firms, higher education and research institutions, and other public and private entities that facilitates collaboration on complementary economic activities.

What are connectivity policy instruments for innovation in firms?

The main rational for connectivity policy instruments in support to innovation in firms is to overcome network failures. Network failures deal with problems in the interaction among actors in the innovation system. They relate to phenomena such as weak links between system actors and lock-in/path dependency failures (i.e. the inability to adapt to new superior technological paradigms).

Examples of connectivity policy instruments for innovation in firms.

The table below provides a set of examples of connectivity policy instruments in support of innovation in firms:

<table>
<thead>
<tr>
<th>Policy instrument</th>
<th>Objective of the policy</th>
<th>Condition/Node</th>
<th>Rationale</th>
<th>Mechanism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support of regional knowledge-based clusters around universities</td>
<td>Encourage collaboration and knowledge transfer between innovative businesses, universities, and</td>
<td>· Cluster policies (see <a href="https://www.innovationpolicyplatform.org">Cluster policies</a>)</td>
<td>Network failure</td>
<td>Economic</td>
</tr>
<tr>
<td>PRIS</td>
<td>public research institutes (see Interface with universities and public research institutes [3]) · Technological co-operation between firms (see Technological co-operation between firms [4])</td>
<td></td>
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<tr>
<td>Grants for collaborative R&amp;D</td>
<td>Reduce the costs of collaboration · Grants for collaborative R&amp;D (see Grants for collaborative R&amp;D [1]) · Technological co-operation between firms (see Technological co-operation between firms [4])</td>
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<tr>
<td>Legal services for innovative businesses in support of international technological collaboration</td>
<td>Encourage international collaboration</td>
<td>Technological co-operation between firms (see Technological co-operation between firms [4])</td>
<td></td>
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<tr>
<td>Loans and guarantee schemes for innovative firms in support of international technological collaboration</td>
<td>Encourage international collaboration</td>
<td>Technological co-operation between firms (see Technological co-operation between firms [4])</td>
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</tbody>
</table>

**Related Link**: Interface with universities and public research institutes
Innovation networks and clusters
Technological co-operation between firms
Source URL: https://www.innovationpolicyplatform.org/content/connectivity-policy-instruments-innovation-firms

Links