

Innovation policy and strategic value for building a cross-border cluster in Denmark and Sweden

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Abstract In a knowledge-based economy, the role of regions is regarded as very significant for creating and dispersing knowledge. Particularly, geographical clusters of firms in a single sub-national region and cross-border regions may contribute to transmitting certain kinds of knowledge between and among firms. In addition, markets prefer to favor specialized firms with a coherent body of knowledge when knowledge creation and the use of new knowledge become increasingly important for maintaining and improving a firm's competitiveness. This means that regional policy makers may not interfere directly with markets and firms when the process of globalization pushes national economies into a world of learning and innovation because the institutional framework for market exchange favors knowledge exchange in a globalizing economic system. This paper argues how a cross-border cluster in the Öresund region between Denmark and Sweden has been created, and which strategies it focuses on in order to strengthen its competitiveness and to generate a further development that aims to become a global innovative cluster. Moreover, it discusses whether the Nordic cross-border cluster, the Medicon Valley is a unique approach in the EU context or not. Finally, it argues how it has created technology innovation as well as contributed to the regional economic growth.

Keywords Cross-border cooperation · Innovative cluster · Knowledge economy · Technology innovation · Globalized economy

1 Introduction

Moulaert et al. (2000) explain that the term “globalization” has been at the heart of economic and political discourse for the last 20 years. It is regarded as a major driving force of contemporary economic transformation. Additionally, both conservative and progressive political parties use it as an argument to support changes in socioeconomic policy.

Since the 1990s, the debate has focused on the relationship between the globalization of the world economy and its impact on the different spheres of society, such as production, trade, culture, politics and governance, which develop more and more at a global scale. With globalizing economic process, the production of social and economic structures at different spatial levels generates a threat to the creativity of local and regional territories. Shachar (1997) urges that the emerging global economy is characterized by the simultaneous operation of a number of processes that produce the transition from an international to a global economy.

Such a change, which has served to increase competition between nations, has lead many countries to launch strategic initiatives with a view to increasing their standing and market shares in increasingly global markets. Indeed, this is often considered to be the essence of the process of economic globalization. Particularly, as WTO has succeeded GATT, the global economy has become ever more integrated, and global trade relations have become still more important, and still more multinational, than at any point in the past (Dicken 2011).

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