

Mega Growth outside the Megapolises: Review



Advancing Innovation in ECA 2008: Role of Business Incubators in Innovation Development in Small and Medium Sized Towns

International Conference and Workshop (Tambov, Russia: 09 – 11 October 2008)



Economic growth and social wealth in the Eastern European and Central Asian region increasingly depends on the ability to foster economic and social development and innovation in small and medium sized towns and rural areas. Small and medium sized towns become increasingly interesting for investors and innovative entrepreneurs. Business incubators and other business development instruments together with the government play a key role in this process. ICT is a key enabler and innovation driver in the ECA region. Sharing international experiences about innovation development in small and medium sized towns was the objective of ECABit's 'Advancing Innovation in ECA 2008' international conference.

The more than 200 conference participants included business incubation experts, policy-makers, education and science, and entrepreneurs representing about 20 countries of the Eastern European and Central Asian region but also the European Union and international organisations including the World Bank's infoDev program and UNECE. During two conference days, participants discussed the potentials and challenges for innovation and SME development outside the megapolises in the ECA region. Focus areas included education and youth, social innovation, industrial and technology innovation, tourism and agriculture. Special focus was given to the area of investment policies of small and medium sized towns and rural areas and the specifics of financing innovation in these regions. The conference included furthermore a training session on local economic development and stakeholder management

moderated by ProSME/GTZ Armenia. ICT was discussed as an integrated innovation enabler in these areas. The participants also had a chance to visit the Agricultural Science City (Naukograd) of Michurinsk.

The third day of the conference hosted ECAbit's annual network meeting. The ECAbit network agreed to its 2009 activity plan ([ecabit-activity-plan-2009_summary-22102008.pdf](#)) and discussed collaboration potentials with SENSI Southeast European Network of Start-up Centers and Incubators. During an incubation management training on investment-readiness supported by ProSME/GTZ, the two networks jointly developed an activity plan ([ecabit-investment-readiness-training_kick-off-october-2008_short-protocol-22102008.pdf](#)) aiming to increase the capabilities of incubator managers and clients in the field of investment and financing innovative SMEs and effective application of ICT in this area.

Students of the Tambov region presented the results of a student innovation contest jointly organized by ECAbit and the Ministry of Education of the Tambov region. Further outcomes of the conference and network meeting include initiatives for collaborative projects with networks and organizations from Russia and from the European Union in the areas of youth, tourism, and agriculture.

ECAbit is honoured to announce the inauguration of the new ECAbit coordinator, Mr. Todor Yalamov from ARC Fund Sofia in Bulgaria. ECAbit would like to thank Mr. Andriy Tarelin for his excellent coordination of the ECAbit network from 2005 on.

Main conclusions of the conference include:

- Promoting innovation development and diversification of SMEs in small and medium sized towns and rural areas in the ECA region is crucial to address both the economic and social challenges the transition along with strong urban and economic polarization has caused. Regions outside the 'megapolises' will have to position themselves while at the same time seeking strategic partnerships with the main economic centres and megacities. The Agriculture Science City of Michurinsk in the Tambov region provides a good practice example.
- Local economic development networks linking key stakeholders including government and administration, science and education, business development organizations including business incubators and technology parks, and the business and finance community and others are the main premise for effective economic development policies in small and medium sized towns and rural areas. Business incubators and technology parks can become key players and hubs in local development networks. Good practice like the ProSME/GTZ local economic development LED approach should be exchanged among incubator and technology park managers.
- Investments in small and medium sized towns and rural areas from both the local and the international business community will receive increasing attention in the future. Business incubators and technology parks have the potentials to become contact points for local but also international investors. International incubator and technology park networks can contribute to this role by providing skills and contacts. ECAbit in collaboration with SENSI initiated a program on the investment-readiness of business incubator managers.

For 2009, ECAbit plans to strengthen the interactive elements of the conference including round tables and discussions, and to continue the successful integration of entrepreneurs in its events and training activities. Time, location and theme of ECAbit's Advancing Innovation in ECA 2009 are under discussion by ECAbit. ECAbit looks forward to infoDev's Global Forum on Innovation and Business Incubation to take place in Brazil in May 2009.



Advancing Innovation in ECA 2008 was hosted by the Tambov Innovation Incubator and organized by the ECAbit Eastern European and Central Asian business incubators network supported by the infoDev program hosted by the World Bank, the Ministry of Economic Development of the Russian Federation, VTB24 Bank, and the Tambov regional government. Further partners included ProSME/GTZ Armenia and Georgia, NP Institute for the Development of Small and Medium Businesses in the Russian Federation, NP National Partnership for Development of Subcontracting of the Russian Federation, Applied Research and Communications Fund (ARC Fund), and Alliance Media.

ECAbit thanks Ms. Olga Lapteva and her team of the Tambov Innovation Incubator as well as the government and people of Tambov and Michurinsk for the excellent organization and outstanding hospitality the conference participants enjoyed. ECAbit thanks all partners and participants for their support and participation.

For photos of the event, please visit: <http://www.flickr.com/ecabit>

For videos of the event, please visit: <http://hk.youtube.com/user/innovacione2008>

For further information and presentations (available November 15, 2008 in both English and Russian), please visit: <http://www.innovacione2008.org>.

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