Analyzing the Role of University Industry-Collaboration to Regional Development: The Case Study of Bursa Region in Turkey

Assoc. Prof. Dr. Çağatan TAŞKIN
Department of Business Administration
Uludağ University, Bursa, Turkey
Tel: +90 224 294 10 12 ; Fax: +90 224 294 10 11
ctaskin@uludag.edu.tr

Assist. Prof. Dr. Cem Okan TUNCEL
Department of Economics
Uludağ University, Bursa, Turkey
Tel: +90 224 294 11 77; Fax: +90 224 294 10 11
cotuncel@uludag.edu.tr

Abstract

This study examines the contributions of university-industry collaboration to regional development. Regional development that becomes possible through allocation of the regional resources to technology development efforts provides competitiveness. In addition, university-industry collaboration is a vital centre of competence to help tackle social challenges and drive regional development. When companies and universities work in tandem to push the frontiers of knowledge, they become a powerful engine for innovation and economic growth. Due to having limited R&D capability and human capital university-industry collaboration is the main source of the innovative skills trigger the regional development and provides competitive power in the developing countries. This study aims to address the challenge of bridging the industry-university in regional development process and analyzing university-industry connection problems from local firms’ perspectives in Bursa region, Turkey. University-industry collaboration is the main important driving force for Bursa economy, a bridge between Istanbul and South Marmara region and an old city that has strong industrial infrastructure in Turkey. It has a great potential to become a competitive region because of the fact that it has many innovative firms clustered under different sectors. Some technological spillovers, provided by breakthroughs in Bursa economy, will enable to the creation of an innovative region from South Marmara. To reach the success in this process, an interfaced institution which construct and coordinate university-industry collaboration have to be developed. In this study, university-industry collaboration is evaluated from the viewpoint of firms. A structured questionnaire was formed through a literature survey. The main population of this research consists of manufacturing industry in Bursa region, Turkey. The data was collected from selected manufacturing firms in order to evaluate the challenges and the expectations of these firms. Based on the obtained results, policy alternatives that aim to develop university-industry collaboration more effectively in the region were also discussed.

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Key words: Regional Development, University-Industry Collaboration, Bursa Economy

Introduction

This paper deals with a conceptual framework of regional development and industry-university relationship. University-industry collaboration has been considered an important mechanism for building up innovation capacity. In regional innovation systems, interaction between firm, universities, and research institutes has a critical impact on innovation processes and performances. The strong linkage between them has become a determinant factor leading to the success of industrial innovation and been vital for regional competitiveness. According to innovation system approach, new technological opportunities are created via synergies by bringing together different technological, social and institutional competencies. High education institutions play major role in this synergetic process. Due to insufficient R&D facilities of developing economies, technology transfers from university are the main source of technological development to latecomer firms. Effective knowledge sharing between public science and industry is recognized as one of the cause sustainable economic performance. Project cooperation between research institutions, industry and long-term partnerships in networks of excellence where industry and research institutions pool their resources, and improved knowledge transfer between public research and industry contribute effectively to the effective knowledge sharing between public science and industry (Leydesdorff & Etzkowitz, 2001). Extensive university-industry relationship can contribute to improve technological capabilities of industry. These successful relationships are the most important factor for industrial upgrading in less developed economies.

Given the context, this paper explores the dynamic nature and reality of university-industry collaboration in Bursa region of Turkey. This region is defined as an old industrial area which is based on low and middle technological intensive sectors such as clothing, food, furniture, automotive supplier etc. and weak university-industry collaboration. The case could analysis explains whether region have transformed to globally competitive regions over time, through the investigation of how interactive learning for innovation between university and industry has been developed and pursued successfully. This study consists of three subsections. First section deals with the role of university in regional development process. Second section is dedicated to explain data gathering process and results of empirical analysis. in conclusion, an assessment has been made on university-industry relationship and main propositions for policy framework are discussed.

Role of University-Industry Relationship in Innovation Systems and Regional Development

System of innovation has emerged as a new topic on the research agenda of innovation studies in the last decade. Concept on innovation system has changed the analytical perspective about innovation from linear model to systematic view of interaction among different actors. Second generation innovation studies, called system approach, emphasize on the importance of not only understanding the creation of technology, but also its diffusion and utilization (Geels 2004:898). In addition, system approach analyzes economic and technical changes which primarily focus on the flow of knowledge, institutional environment and interacting actors. According to this approach, the accumulation of knowledge within firms or by individual entrepreneurs is not independent from external sources. It is pointed out that innovation does not only emanate from firm activities, but also from supplier of materials, interaction of firms and institutions such as universities and research centers. Lundaval (1988) developed the concept of learning by interactions to reflect these complex interactions in his leading study on systematic approach. In addition, learning by interactions has become a crucial notion that can be used to understand novelty creation in networks. System approach, in which the innovation network is the main factor, can be handled in different levels such as national innovation system (e.g. Freeman, 1987; Lundval 1992; Nelson, 1993) regional innovation system (e.g. Cooke, 2001; Cooke, 2008) and sectoral system of innovation (e.g. Malerba, 2002, Malerba, 2003, Breschi and Malerba 1997). In system, economic success of particular innovations is dependent on the actions of other firms and organizations (Beije 1998:270). Innovation networks have three components which are actors, activities and resources.

In evolutionary perspective, co-evolution is a crucial concept for understanding system dynamics. In opposition to the evolutionary theory of economic change of Nelson–Winter stemming from Darwinian natural selection mechanism in co-evolutionary approach argued that not firms but coordination mechanisms are evolving systems. In biology, co-evolution is the mutual evolution influence between two species. Each part in a co-evolutionary relationship exerts selective pressures on the other, thereby affecting each others’ evolution. In a co-evolutionary model of innovation system, two sub dynamics are assumed to operate upon each other and thus the variation in interaction is prestructured (Leydesdorff and Meyer
data which was collected from 150 firms in which operate Bursa region, Turkey by using random sampling method. Within the sample, the major business activities are the automotive supplier industry (35 percent of firms) followed by machine manufacturing industry (23 percent of firms) and metal industry (17 percent of firms) and cloth manufacturing and textile industry (15 percent). 3.3 percent of sample firms operate in construction sector. Service firms (security service, health etc) has a minor part of sample (only 5 percent)

During the data collection process, employees of a professional research firm have interviewed with top managers (e.g., manager, production managers) of these firms on telephone. The scale, employed in this study, was prepared from literature review. Then, the scale was presented to two managers who have worked in the academic industry joint research
Results:
The main aim of this study was to evaluate the university-industry relationship activities of firm operating in Bursa region and analyze potential benefits and expectations of firms from university-industry collaboration. For this purpose, quantitative research method was preferred and data was gathered from firms by using questionnaire and this data was analyzed via using SPSS packet program.

Sample firms consist of micro-sized enterprises (% 26.7), small medium-sized enterprises (% 38.7) medium-sized enterprises (% 21.3) and big-sized enterprises (% 13.3). Results exhibit that 34.7 percent sample firms carry out in-house R&D activities and 34.7 percent firms. Firms were asked to evaluate their innovative activities in last three years. Results show that 59 percent firms in sample are innovative. It is clear that external source such as public R&D supports, staff training supports is vital factor for innovation process. As it is commonly accepted innovation activities require large amount of funds and it is impossible to fund these activities by the firm’s internal source only. 30.7 percent firms which answered the questionnaire benefit from external support namely TUBİTAK (The Scientific and Technological Research Council of Turkey), KOSGEB (Small and Medium Enterprises Development Organization) etc. When 57 percent firms use KOSGEB support, 42 percent firms benefit from TUBİTAK supports. Regional Development Agency provides external support for 8 percent firms.

Results of Types of university-industry relationship were exhibited in Table 1. These results show that the most common University-Industry Relationship activities are university student internship facilities. These facilities not only provide to student learning opportunities, but also firms benefit from students’ workforce. The second most widespread facilities are Joint R&D Research. This linkage plays a critical role for firm which is aim to technological upgrading and firms that want to benefit from public funds for their R&D project prefer to join research project with university. These joint projects simplify to fund firm’s R&D research. These opportunities encourage to firm for building linkages to university. After establishment of Technology Transfer Office (TTO) in Uludag University, the oldest and the biggest university of the region, these joint research activities have increased. But neither firm use of university patent and benefit from science park facilities. This result reflects weak linkages between industry and university for advanced technology development activities. 33 percent firms in sample benefit from consulting. Firms found consultant scholar via using face to face relationships owing to lack of the interface organization. The results in Table 2 show the potential benefits of university-industry collaboration to industry and university from firms’ aspect. These results explain how firms perceive the potential benefits of university-industry collaboration in regional context. Most of firms recognized potential benefits of university-industry collaboration. According to sample firms, when the highest benefits of university-industry collaboration to industry are early access to current research the highest benefits of university-industry collaboration to university are Internships for students.

Discussion & Conclusion:
University-industry collaboration has been considered an important mechanism for building up innovation capacity. In regional innovation systems, interaction between firm, universities, and research institutes has a critical impact on innovation processes and performances. The strong linkage between them has become a determinant factor leading to the success of industrial innovation and been vital for regional competitiveness. In Turkey, since implementation technological promoting strategy in 2000, collaborative innovation between public and private sectors has been promoted vigorously by a series of government’s science and technology (S&T) programs to optimize the diffusion and utilization of new knowledge.

As a result, there has been a growing recognition that many Turkish enterprises have participated in collaboration with science sector—research institutions and universities—through joint R&D projects, technology licensing, consulting, internship, and so on. But university and industry collaboration is not reach sufficient intensive level which provides high technology transfer to firms. This supply side technology polices aiming reducing cost and uncertainty of R&D facilities for firms have became the main motivation of firms to begin joint research with university and other research institutions such as TUBİTAK (The Scientific and Technological Research Council of Turkey), TTGV (Technology Development Foundation of Turkey).

Study results show that many firms expect great benefits from industry university linkages for both industry and university. Due to weak linkages and network facilities between regional actors (firms, local government, university scholars), this potential benefits have not became reality. On the other hand university-industry relationship facilities intensified traditional
types such as consultancy, university student internship. Companies of region industry have different technological
capabilities but they do not have sufficient relations with the universities in technology developing. Especially, long term
partnership researches and activities of technology development regions are low. Establishing more intensive relationship
to academia makes firms more competitive. for this reason all late comer firms should focus on university based technology
project.

Bursa region is the most important industrial center of Turkey. Because of historical background and technological capability
it is the main export center of Turkey as well. So it has a great potential for transformation from old industrial area to high
technology center. Joint R&D projects, university spin-offs and new technology transfer from university to firms are the
critical factor for regional development process in knowledge based economy. Stakeholders of regional innovation system
namely local government, university, industry, citizens are in charge of development of region. The more network facilities
among stakeholder for allocation for regional resource to development technological capabilities are made, the more
competitive regional economy is created. It is clear that university industry relationship plays the key role in this process.
The results of this study find that Bursa has somewhat weak university research systems join as well as poor networks of
local actors. The findings also suggest that it is important for regional government to establish supporting routines as well
as to provide efficient managements which facilitate the interface process between university and industry collaboration.
Firms in Bursa should built stronger university-industry linkages with better innovation environments which could help build
and develop its innovation capabilities over time. Extensive university-industry relationship can contribute to improve
technological capabilities of region.

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Table 1: Types of University-Industry Relationship

<table>
<thead>
<tr>
<th>Types of University-Industry Relationship</th>
<th>Firms (%)</th>
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<tbody>
<tr>
<td>University Student Internship</td>
<td>66,6</td>
</tr>
<tr>
<td>Interaction With The Academia in Terms Of Course Content</td>
<td>3,7</td>
</tr>
<tr>
<td>Interaction By Attending A Conference and Seminar</td>
<td>25,9</td>
</tr>
<tr>
<td>Interaction With The Academia in Terms Of Staff Training</td>
<td>6,7</td>
</tr>
<tr>
<td>Interaction With The Academia for Determining Dissertations' Topics</td>
<td>11</td>
</tr>
<tr>
<td>Consultancy</td>
<td>33,3</td>
</tr>
<tr>
<td>Joint R&amp;D Research</td>
<td>37</td>
</tr>
<tr>
<td>Use and Licensing Of University Held Patents</td>
<td>0</td>
</tr>
<tr>
<td>Exchange Of Information and Knowledge for academic research</td>
<td>18,5</td>
</tr>
<tr>
<td>Science Parks Facilities Of University</td>
<td>0</td>
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