

# The Dynamic Creation of Knowledge. Analysing Public-Private Collaborations

Ina Drejer

Research Fellow, MA (Economics) & Ph.D. (Industrial Economics)

Centre for Economic and Business Research

Ministry of Trade and Industry

Denmark

Email: [id@efs.dk](mailto:inad@efs.dk)

&

Birte Holst Jørgensen

Scientist, M.Sc. (Business Economics) & Ph.D. (Political Science)

Systems Analysis Department

Risoe National Laboratory

Denmark

Email: [birte.holst.joergensen@risoe.dk](mailto:birte.holst.joergensen@risoe.dk)

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## **Abstract**

The present paper analyses the creation of knowledge in a dynamic collaboration between private firms and public research institutions in Denmark. It is argued that the creation of new knowledge seldom happens in a vacuum, and that innovative firms often rely on external knowledge sources in the development process. The particular focus is on collaborations on innovation between private firms and public research institutions in projects that to some degree involve “new” science. The paper gives an overview of the extent of direct interactions between public research institutes and industry at the national level and analyses the dynamics of such interactions at the micro level. In particular, the role of government is discussed in facilitating public-private interactions. Other themes touched upon are the general uncertainty related to a research based innovation project; the problem of managing public-private collaboration projects; the dilemma between building long-term competencies versus creating marketable products in the short run; as well as institutional transformations. The analysis distinguishes between market-pull and technology-push cases, and proposes that there is a greater need for formal programmes for supporting public-private research collaboration projects in cases of a high degree of market uncertainty than in more narrow market-pull projects.

## **Key Words**

Public-private interaction, innovation, industrial policy.