

Fact sheet

The innovation ecosystem in the multi-city region

Overview

Multi-city regions are usually home to four to seven innovation districts. Sometimes these districts are identified and developed from the ‘top down’. More commonly, they emerge from locations with mature specialisations, gateway advantages, strong technology or production capabilities, and the ability to convene clusters.

Innovation districts in multi-city regions create pathways for shared learning. They accelerate the ability of cities of all sizes to attract investment and connect institutions and companies in a more coordinated approach to creating a culture of innovation.

This factsheet explains how the multi-city region offers the ideal scale for developing innovation ecosystems and provides some examples of the strategic approach being taken to create the ideal environment for innovation.

Developing an innovation ecosystem

- Multi-city regions can develop ecosystems led by business and innovation players, enabled by government. In several regions, **business-led councils** bring together boards of trade, chambers of commerce, innovation-oriented universities, investment agencies and community to **progress innovation from an ecosystem-led perspective**.
- Multi-city regions can align innovation districts within an **organised platform, providing a single access point to the region’s ecosystem and innovation investment opportunities**. Campus Amsterdam is one example that brings together multiple locations for shared learning, while in the Greater Bay Area, the Hong Kong Science Park is a key partner in a new innovation district in nearby Shenzhen.
- **Developing distinct specialisations that purposefully complement each other to form a diversified innovation platform**. Deciding which specialisations are world-class and unique has been a priority for the North of England mega-region, where Greater Manchester’s expertise in health innovation, graphene, and industrial biotech is complemented by Liverpool City Region’s role in infectious diseases and cognitive computing.
- **Building inter-city linkages in priority industries**. The STRING mega-region in Scandinavia fosters the specialisations of several cities in industries such as sustainable transport, freight, circular economy and hydrogen. Cities in STRING are now developing a shared innovation proposition to grow green industries.
- Some cities are expanding the networks underpinning business growth by **developing innovation corridors**, such as the Cascadia Innovation Corridor. The network connects the innovation ecosystems of its three largest cities to facilitate cross-border knowledge exchange, integrate infrastructure and align economic strategies. The development of the Corridor is aimed at positioning Cascadia as a global innovation hub in life sciences, transformative technologies (VR/AR, Blockchain, Quantum computing) and sustainable agriculture.

Case study: Toronto-Waterloo

Toronto-Waterloo is an infrastructure and innovation corridor running between Ontario's capital and Waterloo, a small regional city two hours west of Toronto. Innovation economies have emerged at both ends of the corridor over the past 20 years.

Toronto has become the region's centre for downstream technology in health, cleantech and fintech, enabled by a globally connected airport and rapid population growth driven by immigration. Meanwhile, the corridor's smaller precincts have specialised in advanced engineering and edtech.

As a small city, Waterloo has leveraged its well-regarded university and talent base to cultivate entrepreneurship. Pre-incubation support coordinated through the university acts as a pipeline of talent and ideas to the Kitchener Innovation District's Velocity Garage incubator, dedicated to high-potential startups.

The area also benefits from high quality convenor organisations such as Communitech, and has attracted tech giants such as Google.

The development of the corridor has improved the connection and promotion of innovation strengths in the region and collaborative planning and infrastructure has led to more knowledge-led growth.

Innovation strategy approaches

Co-ordination between diverse precincts

Examples: Randstad, Netherlands

- 20+ smaller locations organised by type
- Different specialisations in each city

Selective district approach

Examples: NYC/North East Megaregion; Northern Powerhouse UK; STRING/Western Scandinavia; Singapore

- Around one innovation district per two million people
- Mostly in centres with strong market drivers and/or universities
- Anchor investors play a critical shaping role

Innovation corridor-focused

Examples: Toronto Cascadia

- Linking two to three innovation hubs through connecting infrastructure and shared branding
- Encourages investment in market-ready locations, encouraging spillover to emerging districts

City as innovation hub

Examples: Tokyo-Nagoya-Osaka

- Entire city functions as an innovation district