



Xiang Fang, Kut C. So, Yunzeng Wang

Component Procurement Strategies in Decentralized Assemble-to-Order Systems with Time-Dependent Pricing.

This paper investigates the diffusion of regional innovation capabilities within the manufacturing sector. The competence-based theory of the region allows for combining Schumpeter's view upon innovation and business cycles and the notion of round of growth elaborated by Perroux. Innovation capabilities spread within the region long after the expansion of the propulsive sector, due to contagion dynamics and learning by interacting. Adopting a methodology for the analysis of diffusion processes, the paper presents empirical evidence on Italian regions. The results support show that in late-industrialized regions the diffusion of innovation capabilities is faster than in the early-industrialized ones. The role of R&D and complementary changes in the economic structure is also investigated.