A supply-side story for a threshold model: Endogenous growth of open innovation communities

Francesco Rullani and Lorenzo Zirulia

Published Online: 23 Feb 2018 |
https://doi.org/10.5465/ambpp.2013.16674abstract

Abstract

This paper takes an institutional look (as Dasgupta and David do for Science and Technology) at open collaborative innovation communities (Community). Drawing from the community of practice literature to describe communitarian social processes, we develop a model in which Community is confronted with Technology with respect to its ability to attract researchers. We find that the number of individuals that initially chooses each institution is crucial, as it determines a threshold size that divides the realm of communities doomed to remain small from the set of communities that are able to grow endogenously fast and large. We examine how communities can reach that threshold and discuss this result in light of the strategies firms that invest in communities can apply to exploit this effect. We also discuss how changing the level of openness protection and the importance of the social environment in Community affect innovativeness and find that what really solves any ambiguity in this sense is the way Technology, not Community, is structured. We finally discuss the policy implications of this effect.
A supply-side story for a threshold model: Endogenous growth of open i...