

Innovation as an Interactive Process: User-Producer Interaction to the National System of Innovation

Bengt-Åke Lundvall

Abstract

Innovation is seen as an outcome of a collision between technological opportunities and user needs. The focus is upon the interaction between producers and users of innovation. One outcome of the analysis is a more realistic understanding of markets and vertical integration than the ones offered by neoclassical economics and transaction economics. Another outcome is the conceptualization of national innovation systems as an aggregate framework for processes of interactive learning at the micro-level. Together these concepts go beyond the neo-classical actors of firms and consumers and point to the need to take into account economic structure, institutions and policies for learning.

Keywords: User producer interaction, Innovation process, National system of innovation, Transaction costs, Vertical integration, Technology policy.

JEL Classification: D8; D23; L52; O30; O31; O38.