

Opening address by Jürgen Büssow, Dusseldorf's retired District President,
30 June 2017, 4 p.m.
University of Wuppertal, Schumpeter School Award Ceremony

Professor Eric von Hippel, Ph.D.
MIT Sloan School of Management

Professor von Hippel,
Ladies and Gentlemen,

It is a pleasure for me as Dusseldorf's retired District President to give an opening address at the Schumpeter School Award Ceremony in honor of Professor Eric von Hippel.

I have always been interested in learning how science, commerce and political administration can enter into public discourse in order to encourage socially desirable innovations. What is "desirable" is something that has to be clarified in public debate.

Professor von Hippel has focused his work in particular on the topic of "user innovation". And the "Max Planck Institute for Innovation and Competition" in Munich also talked in March 2016 about a "Revolution in Innovation". Professor von Hippel's research clearly shows that important technological and organization issues can with user information lead to new specialized solutions. This observation, if not a rejection of previously dominant innovation models which focused on the manufacturers, at least opens up a whole new way of looking at the possibilities. His book "Democratizing Innovation" (2006) became the directive of the "open source community".

And we need such an innovation revolution (again) here in Germany. For the economic success of our country we need not only "poets and thinkers" but in particular our political structures and scientists, engineers and technicians. In the last 20 years it looks as though there have been no new products from Germany which are really important for the world. But we are proud to be the "Hidden Champion" of a number of sub-technologies, in particular of the automotive industry. So that's a comfort. But when you consider that electric cars need at most just one third of the current 10,000 component parts needed, then it's only a matter of time before the crisis hits our car industry.

I've been collaborating for years on the establishment and implementation of the initiative "Zukunft durch Industrie" which translates as "Industry for the Future". This initiative is a platform for a social dialogue on industrial policies between a modern socio-ecologically driven industry and industry skeptics. As a result of the developments in "Silicon Valley" we have in the last 5 years been giving a lot of thought to how we can encourage ways of thinking and acting, which can be described with the concept of "disruptive innovation". In Germany there is presently a lively discussion about how to successfully implement these ideas. However, in a country which is one of the largest exporters of industrial goods in the world it is not easy to get these ideas accepted or to run two production models at the same time: one production model optimizing what has already been achieved and the other pursuing completely new approaches.

It is hard to think outside the box in a production culture, where "top down" still predominates. Therefore, at least both production models have to co-exist on an even par. There is critical debate that private third-party funding, that is the funding of university research by private enterprises, will be contract research. However, that is not "disruptive" in the Schumpeter sense of the word but serves to optimize the existing product portfolio of the funding company.

There has to be an aliud. That is why we are looking for allies to help us set up modern industrial parks where engineering start-ups meet, integrate and develop with engineering universities (spin-offs). Domestic industrial enterprises, their research departments should back such technology parks in order to support this approach. We have no shortage of technical universities/colleges or successful industrial enterprises. However, that is more of a description of the present rather than the future. And also the humanities, social sciences and economics have to cooperate in such an incubator for the future manufacturing and service sectors in order to understand and shape the results of the new technologies because the changes brought about by the digitalization of manufacturing and services already cause uncertainty and anxiety. If these feelings of uncertainty in the society don't find a public forum where alternative scenarios can be discussed and deliberated upon, social anxiety will find its own solutions for the problems. That can be easily observed these days in Europe and also in the USA. A promising way of avoiding this development are the modern industrial parks as centers of "free, open, democratizing innovation", and with that I allude to Professor von Hippel's terminology.

Today's award to a new thinker such as Eric von Hippel gives new impetus to our approach. We need lots of such thinkers and players. Professor von Hippel, I congratulate you on receiving the Schumpeter School Award and thank you for your scientific work and the impetus it has on policies and practices.