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Governing Entrepreneurial Ecosystems via Government Innovation Centers: An Entrepreneurial Innovation Governance Model (EIGM)

حوكمة المنظومات الريادية من خلال مراكز الابتكار الحكومي: نموذج حوكمة الابتكار الريادي(EIGM)

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Abstract:

Innovation and entrepreneurship have become central policy priorities in transitional economies seeking to diversify their economic structures and strengthen development resilience. However, entrepreneurship policies in such contexts often remain fragmented, program-based, and weakly embedded within public governance systems, limiting their systemic impact. This article argues that the core challenge is not a lack of entrepreneurial potential, but the absence of a governance architecture capable of coordinating actors, enabling experimentation, and fostering institutional learning within innovation ecosystems.

To address this gap, the paper proposes the Entrepreneurial Innovation Governance Model (EIGM), a conceptual and applied framework that repositions Government Innovation Centers as ecosystem orchestrators rather than isolated administrative or experimental units. Drawing on innovation governance theory, public sector innovation literature, and entrepreneurship studies, the model integrates strategic coordination, experimental governance, entrepreneurial capability building, co-creation, and regulatory learning into a unified governance architecture. The article operationalizes the EIGM in the context of Algeria as an illustrative transitional environment, demonstrating how government innovation centers can translate abstract governance principles into concrete mechanisms that enhance policy coherence, adaptive regulation, and ecosystem resilience. Through analytical tables and a conceptual diagram, the study shows how governance-based innovation centers can move entrepreneurship policy beyond

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fragmented interventions toward systemic ecosystem reconstruction. The paper also contributes to the literature by bridging public sector innovation and entrepreneurial ecosystem research, offering policy-relevant insights for transitional economies seeking to rebuild innovation ecosystems through governance-oriented institutional design

Keywords: Entrepreneurial Innovation Governance Model (EIGM), Government innovation centers; Innovation governance; Entrepreneurial ecosystems; Public sector innovation .

الملخص:

أصبح الابتكار وريادة الأعمال من الأولويات الأساسية للسياسات العمومية في البيئات الانتقالية الساعية إلى تنويع هياكلها الاقتصادية وتحفيز مرونتها التنموية. غير أن سياسات دعم ريادة الأعمال في هذه السياقات في كثير من الحالات تظل مجزأة، قائمة على برامج معزولة، وضعيفة الاندماج داخل منظومات الحوكمة العمومية، الأمر الذي يحدّ من أثرها المنظومي. على هذا الأساس؛ تنطلق هذه الدراسة من فرضية مفادها أن الإشكال الجوهري لا يكمن في نقص الإمكانات الريادية، بل في غياب بنية حوكمة قادرة على تنسيق الفاعلين، وتمكين التجريب، ودعم التعلم المؤسسي داخل منظومات الابتكار. ولمعالجة هذه الفجوة، تقترح الورقة نموذج حوكمة الابتكار الريادي (EIGM) بوصفه إطاراً مفاهيمياً وتطبيقياً يعيد تموقع مراكز الابتكار الحكومية كفاعلين حوكميين منسقين للمنظومة، بدل اعتبارها وحدات إدارية أو تجريبية معزولة. يستند النموذج إلى أدبيات حوكمة الابتكار، والابتكار في القطاع العام، ودراسات ريادة الأعمال، ويُدمج بين التنسيق الاستراتيجي، والحوكمة التجريبية، وبناء القدرات الريادية، والتشاركية، والتعلم التنظيمي في بنية حوكمة موحدة.

تُشغّل الدراسة النموذج في السياق الجزائري بوصفه بيئة انتقالية دالة، مبيّنة كيف يمكن لمراكز الابتكار الحكومية ترجمة المبادئ الحوكمية المجردة إلى آليات عملية تدعم اتساق السياسات، والتنظيم التكيفي، ومرونة منظومة الابتكار. وتُظهر النتائج، من خلال جداول تحليلية وديناغرام مفاهيمي، أن اعتماد مقاربة حوكمية للابتكار يسمح بالانتقال من سياسات ريادية مجزأة إلى إعادة بناء منظومة مستدامة لبيئة الابتكار. كما تُسهم هذه الورقة في سد الفجوة بين أدبيات الابتكار في القطاع العام وأبحاث المنظومات الريادية، إضافة إلى كونها تقدم دلالات سياساتية عملية

للبيئات الانتقالية الساعية إلى إعادة بناء منظومات الابتكار عبر تصميم مؤسسي قائم على الحوكمة.

الكلمات المفتاحية: نموذج حوكمة الابتكار الريادي (EIGM)، مراكز الابتكار الحكومية؛ حوكمة الابتكار؛ المنظومات الريادية؛ الابتكار في القطاع العام.

1. Introduction

In recent years, innovation and entrepreneurship have emerged as central pillars of public sector reform and economic transformation, particularly in transitional and developing environments. Governments are increasingly expected not only to regulate markets but also to actively shape innovation ecosystems, stimulate entrepreneurial activity, and coordinate diverse actors across public, private, and civic spheres. In this context, innovation has become a governance challenge as much as an economic or technological one, requiring new institutional arrangements, policy instruments, and organizational capacities within the state.

Despite growing policy attention; many transitional economies continue to experience fragmented and underperforming innovation ecosystems. Entrepreneurship policies are often implemented through isolated programs, short-term initiatives, or sector-specific interventions that lack strategic coordination and systemic impact. Business support mechanisms such as incubators, accelerators, and funding schemes frequently operate in parallel rather than as part of an integrated innovation architecture. As a result; entrepreneurial potential remains underutilized, innovation capacities remain unevenly distributed, and public policy struggles to translate ambition into sustainable ecosystem-level outcomes.

In this context; Algeria exemplifies these challenges. While recent reforms have signaled a strong political commitment to entrepreneurship and innovation, the national innovation ecosystem remains constrained by institutional fragmentation, regulatory rigidity, limited experimentation capacity, and weak coordination between public administration, universities, startups, and the private sector. Innovation policies tend to emphasize programmatic support for startups without sufficiently addressing the governance structures required to orchestrate ecosystem actors, manage uncertainty, and enable policy learning. This has generated a gap between policy intent and effective ecosystem transformation.

Theoretically; Existing academic literature offers valuable insights into innovation ecosystems, entrepreneurial policy, and public sector

innovation. However, three limitations remain salient. First, much of the entrepreneurship literature is market-centric, focusing on startups, finance, and firm-level capabilities, while under-theorizing the role of government as an ecosystem orchestrator. Second, studies on public sector innovation often emphasize internal administrative reform and service innovation, paying less attention to how public innovation structures interact with entrepreneurial environments. Third, the growing body of work on innovation labs and government innovation centers has largely treated them as experimental units or managerial tools, rather than as strategic governance instruments capable of rebuilding innovation ecosystems in transitional contexts.

This article addresses these gaps by proposing an innovative and entrepreneurial governance model for Government Innovation Centers, conceptualized as central actors in the reconstruction of innovation ecosystems in transitional environments. Rather than viewing innovation labs as peripheral or technical units, the paper reframes them as institutional platforms for coordination, experimentation, capability-building, and co-creation across the entrepreneurial ecosystem. The model integrates governance theory, innovation studies, and entrepreneurship research to explain how government-led innovation centers can align policy design, regulatory learning, and entrepreneurial support within a coherent ecosystem logic.

Focusing on the Algerian context as an illustrative case, the study develops a conceptual and operational framework that clarifies the functions, mechanisms, and governance roles of innovation labs in strengthening entrepreneurial capacity and systemic innovation. The article contributes to the literature by advancing a governance-centered perspective on innovation centers, offering policy-relevant insights for transitional economies seeking to move beyond fragmented entrepreneurship policies toward integrated, resilient, and learning-oriented innovation ecosystems.

2. Conceptual Framework: The Entrepreneurial Innovation Governance Model (EIGM)

2.1. Rationale for an Entrepreneurial Innovation Governance Model

Innovation and entrepreneurship policies in transitional contexts are frequently marked by institutional fragmentation, weak inter-agency coordination, and insufficient state capacity for cumulative learning and policy adaptation. Empirical research on national and regional innovation systems consistently demonstrates that stand-alone policy instruments such as business incubators, startup subsidies, and

fiscal incentives tend to generate limited and unsustainable effects when implemented in isolation from an integrated, strategically coordinated, and state driven governance framework (Mazzucato, 2011, p. 17).This limitation reflects a governance deficit rather than a lack of entrepreneurial potential (OECD, 2018).

While existing studies have primarily focused on market-oriented entrepreneurship models that assume innovation ecosystems will self-organize once basic incentives are in place, this article argues that such assumptions do not hold in transitional and developing economies characterized by institutional voids, regulatory rigidity, and persistent coordination failures. In these contexts, innovation cannot rely on spontaneous ecosystem dynamics alone but instead requires active public governance capable of strategic orchestration, policy experimentation, and collective learning. Accordingly, this article advances the Entrepreneurial Innovation Governance Model (EIGM), which reconceptualizes government innovation centers as core governance instruments rather than peripheral support mechanisms (Table1). Grounded in the literature on public value creation (Moore, 2021, p. 219) and innovation governance (Mazzucato, p. 65), the model positions these centers as institutional platforms that integrate entrepreneurial initiatives, policy design, and ecosystem-level learning within a unified governance architecture.

Table 1. Mapping EIGM Dimensions to Algerian Governance Mechanisms

EIGM Dimension	Core Governance Function	Illustrative Algerian Governance Mechanisms	Expected Ecosystem-Level Effects
Strategic Coordination	Orchestrating interactions among public institutions, startups, universities, and private actors to reduce policy fragmentation	Inter-ministerial coordination platforms; centralized government innovation centers acting as neutral conveners; formal partnerships between ministries, universities, and startup support agencies	Improved policy coherence; reduced duplication of entrepreneurship programs; stronger horizontal and vertical linkages within the innovation ecosystem
	Enabling controlled experimentation and	Regulatory sandboxes for startups; pilot innovation	Enhanced regulatory adaptability; reduced

Experimental Governance	policy learning under uncertainty	projects coordinated by government innovation centers; iterative policy testing mechanisms	uncertainty for entrepreneurs; evidence-based policy adjustment
Entrepreneurial Capability Building	Strengthening human, organizational, and institutional capabilities across the ecosystem	Public-sector-led innovation labs offering mentorship, applied training, and access to public data; collaboration programs between research institutions and startups	Increased entrepreneurial skills; better translation of research into innovation; long-term ecosystem sustainability
Co-creation and Participation	Institutionalizing collaborative policy design involving multiple stakeholders	Co-design workshops hosted by innovation centers; public–private–academic innovation forums; structured consultation mechanisms for entrepreneurship policy	Increased legitimacy of innovation policies; stronger trust between state and ecosystem actors; greater alignment between policy and entrepreneurial needs
Regulatory Learning and Adaptation	Feeding insights from experimentation back into formal regulatory and policy frameworks	Monitoring units within innovation centers; feedback loops between pilots and legislative or regulatory bodies; adaptive regulation mechanisms	More responsive governance; reduced regulatory barriers to innovation; continuous policy improvement

Source: Author's own elaboration

This table operationalizes the Entrepreneurial Innovation Governance Model by mapping its core dimensions onto concrete governance functions and illustrative mechanisms within the Algerian context. Rather than prescribing fixed institutional arrangements, the table highlights how government innovation centers can translate abstract governance principles into

actionable ecosystem interventions. Each dimension addresses a specific governance failure such as fragmentation, regulatory rigidity, or capability gaps and links it to expected ecosystem-level effects. In doing so, the table demonstrates that the EIGM is not merely a conceptual framework, but a practical governance architecture capable of guiding incremental and context-sensitive innovation ecosystem reconstruction in transitional environments.

2.2. Theoretical Foundations of the EIGM

The EIGM is grounded in three interrelated strands of academic literature : First; innovation ecosystem theory emphasizes that innovation emerges from coordinated interactions among heterogeneous actors rather than isolated entrepreneurial efforts (Adner, 2016, p. 40). Scholars highlight the importance of orchestration, shared vision, and institutional support in enabling ecosystem coherence, particularly where market coordination alone is insufficient (Autio, 2018, p. 76). Second; public sector innovation and governance research documents the transformation of the state from a hierarchical regulator into an enabler, facilitator, and co-creator of innovation (Mazzucato, p. 69). Collaborative governance, policy learning, and adaptive regulation are increasingly recognized as essential tools for addressing complexity and uncertainty in innovation-driven economies (Ansell C. , 2008, pp. 544-545). Third; entrepreneurship and development studies underline the structural challenges faced by transitional environments (North, 1990, pp. 3-10), including weak absorptive capacity, fragmented institutions, and limited trust among actors. In such contexts, governance arrangements that reduce uncertainty, build capabilities, and coordinate stakeholders play a decisive role in ecosystem formation (Acs, 2014, p. 66) Translating these theoretical insights into practice and By integrating these perspectives, the EIGM offers a governance-centered explanation of how government innovation centers can function as intermediaries between policy intent and entrepreneurial action.

2.3. Core Dimensions of the Entrepreneurial Innovation Governance Model

The EIGM is structured around five interdependent governance dimensions:

a) Strategic Ecosystem Coordination: Innovation centers act as coordination hubs that align policies, programs, and actors, addressing the fragmentation commonly observed in transitional innovation systems (OECD, 2020, p. 5).

b) Experimental Policy Design and Learning: Drawing on experimental governance theory, innovation centers provide safe spaces for piloting policies, regulatory sandboxes, and iterative feedback mechanisms that institutionalize learning and reduce policy risk (Ansell C. B., 2016, pp. 66-68).

c) Entrepreneurial Capability Building: The literature shows that the vitality of regional entrepreneurial ecosystems does not depend solely on financial resources or the number of actors, but rather on their capacity to build and accumulate entrepreneurial capabilities. In this context, the role of dealmakers extends beyond financial intermediation to encompass knowledge mediation and purposeful network shaping, as they facilitate the transfer of tacit knowledge, enhance organizational learning, and support innovation management within new ventures. Through their intentional linking of entrepreneurs, investors, and sources of expertise, dealmakers transform social capital into effective entrepreneurial capabilities that strengthen ecosystem resilience and adaptive capacity. (Feldman, 2012, pp. 25-26)

d) Co-creation and Multi-Actor Engagement.: Consistent with collaborative governance theory, innovation centers enable sustained interaction between public institutions, startups, universities, and civil society, enhancing legitimacy and shared ownership of innovation outcomes (Ansell C. , 2008, pp. 547-550).

a) Regulatory Adaptation and Risk Management.: The model incorporates adaptive regulation mechanisms that balance innovation promotion with social and institutional safeguards, particularly relevant in environments characterized by regulatory uncertainty (Blind, 2012, pp. 392-393).

2.4. Government Innovation Centers as Ecosystem Orchestrators

Within the EIGM, government innovation centers assume the role of ecosystem orchestrators rather than administrative units. Orchestration theory suggests that in complex systems, value creation depends on actors capable of facilitating interaction, managing dependencies, and aligning incentives without direct hierarchical control (Dhanaraj, 2006, p. 660). This role is especially critical in transitional environments, where no single actor possesses sufficient capacity or legitimacy to drive innovation independently. By embedding governance, learning, and coordination functions within innovation centers, the EIGM provides an institutional solution for rebuilding innovation ecosystems under conditions of structural transformation.

2.5. Conceptual Contribution

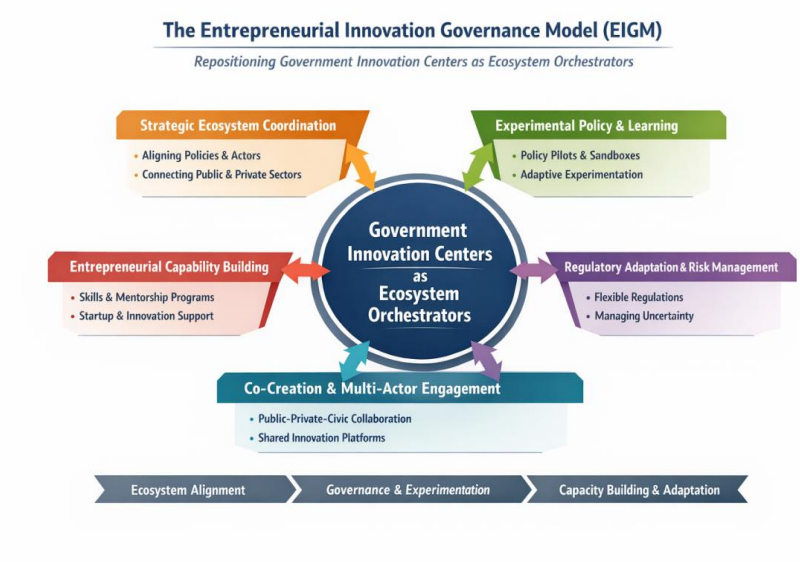
The EIGM contributes to innovation and governance scholarship by(Figue N° 1):

a) repositioning government innovation centers as governance infrastructures;

b) integrating entrepreneurship policy into an ecosystem governance framework; and

c) offering a model tailored to transitional contexts, bridging theory and operational relevance.

Figue N° 1: The entrepreneurial Innovation Governance Model (EIGM)



Source: Source: Author's own elaboration

Figure 1 conceptualizes the Entrepreneurial Innovation Governance Model (EIGM) as an integrated governance architecture for innovation ecosystems in transitional environments. Rather than depicting innovation as a linear process, the model highlights the dynamic interaction between strategic coordination, experimental governance, entrepreneurial capability building, co-creation, and regulatory learning. Government innovation centers occupy a central mediating position within the model, functioning as ecosystem orchestrators that align public policy objectives with entrepreneurial dynamics. The circular and feedback-oriented structure of the model emphasizes learning, adaptation, and institutional reflexivity as core conditions for sustainable innovation governance. Within this analytical framework and By embedding experimentation and coordination within formal governance arrangements, the EIGM moves beyond programmatic entrepreneurship

policies toward a systemic and governance-based approach to ecosystem reconstruction.

3. Government Innovation Centers and Labs: From Administrative Units to Governance Instruments

3.1. The Emergence of Government Innovation Centers

Over the past decade, government innovation centers and public sector innovation labs have proliferated across OECD and non-OECD (OECD, 2017, pp. 93-101) countries as responses to increasing policy complexity, digital transformation, and declining trust in public institutions. Initially conceived as experimental spaces within public administrations, these entities were designed to introduce design thinking, agile methods, and user-centered approaches into traditionally hierarchical bureaucracies (McGann, 2018, pp. 53-55). Early innovation labs focused primarily on internal administrative reform, service redesign, and efficiency gains. Their mandate was often limited to piloting new tools or methodologies, with modest influence over strategic policymaking or broader innovation ecosystems. While these initiatives contributed to cultural change within public organizations, their systemic impact remained constrained by narrow institutional positioning and weak integration into governance structures (Tõnurist, 2017, pp. 9-12).

3.2. Innovation Labs in the Literature: Achievements and Limitations

Academic literature on public sector innovation labs indicates that these structures have become an effective institutional mechanism for enhancing governments' capacity to address complex problems through non-traditional approaches. According to (Lewis, 2020, p. 117), innovation labs have contributed to strengthening problem-solving capabilities by adopting flexible analytical and experimental methods, while also improving public service design in ways that make it more responsive to citizens' needs. They have further helped to embed a more open organizational culture toward experimentation and calculated risk-taking within government institutions, marking a relative departure from conventional bureaucratic practices. In the same vein, (McGann, 2018, pp. 251-253) emphasizes that innovation labs play a pivotal role in fostering cross-disciplinary collaboration by bringing together actors from diverse professional and knowledge backgrounds, thereby enabling the exchange of expertise and the integration of perspectives. Moreover, these labs have supported the incorporation of iterative learning processes into public policy design through continuous testing,

phased evaluation, and ongoing adaptation, ultimately enhancing the quality, flexibility, and adaptive capacity of public policies.

However, a growing body of critical scholarship underscores several structural limitations that constrain the effectiveness of public sector innovation labs. One major challenge lies in their institutional positioning, as many labs operate at the periphery of government structures without formal decision-making authority, consistent political support, or stable and long-term funding, which significantly weakens their capacity to influence core policy processes (Tõnurist, 2017, pp. 16-17). In addition, The literature shows that the effectiveness of public sector innovation labs depends primarily on their institutional positioning and the level of political and organizational support they receive, rather than on their creative capacity alone. Supportive institutional structures generate collaborative processes that enable the production of implementable innovative solutions, whereas weak institutional embeddedness or unstable backing keeps initiatives confined to experimentation without real transformative impact. Accordingly, the sustainability of innovation is tied to the host institutions' ability to adapt, learn, and respond to feedback, ensuring that innovation evolves from symbolic initiatives into genuine institutional change. (Eva Sørensen, 2022, pp. 44-45). Furthermore ; innovation labs are rarely embedded within wider entrepreneurship or innovation ecosystems, limiting their ability to engage and coordinate with external actors such as startups, universities, and private firms. As a result, their potential to act as catalysts for systemic innovation and cross-sectoral change remains largely underexploited. These limitations suggest that the challenge is not the absence of innovation labs, but rather the absence of a governance framework that enables them to function as systemic actors.

3.3. Reframing Innovation Centers as Governance Instruments

Recent advances in innovation governance theory call for a reconceptualization of public innovation structures. Rather than viewing innovation labs as isolated experimental units, scholars increasingly emphasize their potential role as governance instruments capable of coordinating actors, managing uncertainty, and facilitating collective learning (Mazzucato, p. 69). From this perspective; government innovation centers can serve as intermediaries between policy formulation and ecosystem dynamics. They are uniquely positioned to translate strategic priorities into experimental interventions, while simultaneously feeding lessons from practice back into policy design. This intermediary role aligns with orchestration theory, which highlights the importance of actors that enable interaction

and alignment in complex systems without relying on hierarchical control (Dhanaraj, 2006, pp. 661-662).

In transitional environments, this governance function becomes particularly salient. Weak institutional coordination, regulatory rigidity, and fragmented entrepreneurial support systems create conditions where neither markets nor traditional bureaucracies can effectively drive innovation. Government innovation centers, if properly empowered, can mitigate these failures by acting as coordination nodes and learning platforms within the innovation ecosystem (OECD, 2020, pp. 17-19).

Table 2:Typology of Government Innovation Centers and Their Governance Roles

Type of Government Innovation Center	Primary Organizational Focus	Dominant Activities	Governance Role within the Innovation Ecosystem	Limitations if Isolated from Governance Frameworks
Administrative Innovation Units	Internal public sector processes	Process optimization; service redesign; managerial innovation	Incremental administrative improvement	Limited ecosystem impact; weak linkage to entrepreneurship and external actors
Policy Innovation Labs	Public policy design and experimentation	Design thinking; policy prototyping; pilot programs	Policy learning and adaptive governance	Risk of "innovation theatre" if pilots are not scaled or institutionalized
Digital and Data Innovation Centers	Digital transformation and data use	GovTech solutions; data analytics; digital platforms	Enabling digital infrastructure for innovation	Technocratic bias; insufficient attention to governance and participation
Entrepreneurship-Oriented Innovation Centers	Startup and SME support	Incubation; acceleration; mentoring; networking	Entrepreneurial capability building	Fragmentation if disconnected from policy coordination and regulation
Governance-Oriented	Innovation	Coordination;	Ecosystem stewardship	Requires strong

Innovation Centers (EIGM Model)	ecosystem orchestration	experimentation; co-creation; regulatory learning	and systemic governance	political support and institutional legitimacy

Source: Prepared by the author based on innovation governance and public sector innovation literature.

This typology illustrates the evolution of government innovation centers from narrowly defined organizational units toward broader governance instruments. While early forms of innovation centers focused on internal administrative efficiency or isolated experimentation, their impact on entrepreneurial ecosystems remained limited. The governance-oriented innovation center, as conceptualized within the EIGM, represents a qualitative shift: it integrates coordination, experimentation, and regulatory learning within a single institutional architecture. The table highlights that without an explicit governance framework, innovation centers risk remaining fragmented or symbolic, whereas embedding them within an ecosystem-oriented governance logic enables them to act as strategic stewards of innovation and entrepreneurship.

3.4. Government Innovation Centers and Entrepreneurial Ecosystems

The relationship between government innovation centers and entrepreneurial ecosystems remains underexplored in the literature. Entrepreneurship studies have traditionally focused on firm-level dynamics, finance, and market conditions (Acs, p. 66), while public administration research has concentrated on internal governmental innovation. This separation has obscured the potential of innovation centers to bridge public governance and entrepreneurial action. Emerging research suggests that public institutions can play a constructive role in shaping entrepreneurial ecosystems by reducing uncertainty, enabling experimentation, and providing platforms for interaction among ecosystem actors (Mazzucato, p. 69). Government innovation centers can operationalize this role by supporting regulatory sandboxes, co-creation initiatives, and policy experiments that directly engage startups, researchers, and civil society.

By embedding entrepreneurial support within a governance logic, innovation centers move beyond programmatic intervention toward ecosystem stewardship. This shift aligns closely with the Entrepreneurial Innovation Governance Model (EIGM) developed in

this article, which positions these centers as orchestrators rather than service providers.

3.5. Implications for Transitional Environments

In transitional environments such as Algeria, the governance role of innovation centers is both necessary and challenging. Institutional legacies, administrative inertia, and limited coordination capacities constrain their effectiveness, while political expectations for rapid results create pressure for short-term outputs. Without a clear governance mandate, innovation centers risk becoming symbolic rather than transformative. This section argues that only by repositioning government innovation centers within a coherent governance framework one that integrates experimentation, coordination, and entrepreneurial capability-building can they contribute meaningfully to ecosystem reconstruction. The following section operationalizes this argument by applying the EIGM to the Algerian context.

5. Discussion and Policy Implications

5.1. Discussion: Reframing Government Innovation Centers through a Governance Lens

This study advances the argument that the limited impact of entrepreneurship and innovation policies in transitional environments is not primarily a resource or talent problem, but a governance problem. By introducing the Entrepreneurial Innovation Governance Model (EIGM), the article reframes government innovation centers as institutional solutions to coordination failures, learning deficits, and regulatory rigidity that constrain ecosystem development. The discussion highlights three key insights. First, innovation ecosystems cannot be effectively cultivated through fragmented, program-based interventions alone. Consistent with innovation system and governance literature, the findings suggest that coordination, orchestration, and institutional learning are decisive determinants of ecosystem performance ((Adner, p. 40), (Mazzucato, pp. 71-72)). Government innovation centers, when embedded within a governance framework such as the EIGM, can address these systemic deficiencies by aligning actors and policies around shared innovation objectives.

Second, the analysis confirms that innovation labs and centers should not be assessed solely on their capacity to generate pilot projects or novel tools. Rather, their value lies in their ability to mediate between experimentation and policy adaptation. This aligns with recent critiques of "innovation theatre" in the public sector, which caution against symbolic experimentation disconnected from structural change (Tõnurist, p. 18). The EIGM responds to this critique by explicitly

integrating innovation centers into policy learning and regulatory feedback loops.

Third, the operationalization of the model in the Algerian context illustrates how governance-based innovation centers can function under conditions of institutional transition. Rather than assuming idealized governance capacities, the EIGM accommodates uncertainty, incrementalism, and path dependency features widely recognized in development and institutional economics. In this sense, the model offers a realistic alternative to imported "best practices" that often fail to account for contextual constraints.

Table 4: Policy Implications of the Entrepreneurial Innovation Governance Model (EIGM) for Transitional Economies

Governance Challenge in Transitional Economies	EIGM-Based Governance Response	Policy Implication	Expected Medium-Term Outcome
Fragmented entrepreneurship and innovation policies	Institutionalization of government innovation centers as coordination hubs	Shift from program-based interventions to integrated governance architectures	Greater policy coherence and reduced duplication across innovation initiatives
Limited experimentation capacity within public administration	Embedding experimental governance tools (pilots, sandboxes, policy labs)	Formal integration of experimentation into policy design and evaluation cycles	Increased adaptive capacity and evidence-informed policymaking
Regulatory rigidity and uncertainty for entrepreneurs	Regulatory learning and adaptive oversight through innovation centers	Transition from static regulation to iterative and learning-oriented regulation	Lower entry barriers for startups and increased entrepreneurial confidence
Weak entrepreneurial capabilities and knowledge diffusion	Ecosystem-wide capability-building facilitated by innovation centers	Reorientation of support policies toward skills, learning, and collaboration	Stronger human capital and long-term ecosystem resilience
Low stakeholder trust and limited participation	Institutionalized co-creation and deliberative engagement mechanisms	Strengthening participatory governance in entrepreneurship policy	Enhanced legitimacy, trust, and alignment between policy and ecosystem needs

Dependence on short-term performance indicators	Outcome-oriented and learning-based evaluation frameworks	Redefinition of success metrics beyond startup counts and funding volumes	More sustainable and development-oriented innovation policies

Source: Author's own elaboration

This table synthesizes the core policy implications of the EIGM for transitional economies, highlighting how governance-based innovation centers can address persistent structural challenges. Rather than advocating isolated policy instruments, the model emphasizes institutional reconfiguration, adaptive regulation, and capability development as foundations for sustainable entrepreneurial ecosystems. The table demonstrates that effective innovation policy in transitional contexts depends on governance arrangements that prioritize learning, coordination, and inclusion over short-term outputs, thereby aligning innovation strategies with broader development objectives.

5.2. Policy Implications for Transitional Economies

The EIGM generates several policy-relevant implications that extend beyond the Algerian case.

a) repositioning innovation centers as governance infrastructures: Policymakers should move away from treating innovation centers as temporary projects or auxiliary units. Instead, they should be institutionalized as cross-cutting governance infrastructures with mandates for coordination, experimentation, and ecosystem stewardship. This requires political backing, stable funding, and proximity to strategic decision-making arenas (OECD, 2020, p. 34),

b) integrating experimentation into formal policy cycles: Innovation centers should be formally linked to policy design and evaluation processes. Experimental tools such as regulatory sandboxes and pilot programs must feed directly into regulatory adaptation and policy reform, rather than remaining isolated initiatives. Such integration enhances adaptive governance and reduces the risks associated with innovation-driven reforms (Ansell C. B., p. 549).

c) shifting from startup support to capability-oriented ecosystem development: Rather than focusing narrowly on the number of startups created or funded, entrepreneurship policy should prioritize capability-building across the ecosystem. Innovation centers can play a central role in connecting education, research,

and entrepreneurial practice, thereby strengthening long-term innovation capacity (Feldman, 2012, pp. 29-30).

d) institutionalizing co-creation and participatory governance: In transitional environments, legitimacy and trust are critical governance resources. By embedding co-creation mechanisms within innovation centers, governments can foster meaningful engagement with entrepreneurs, researchers, and civil society, enhancing both policy effectiveness and democratic accountability (Ansell C. , pp. 547-550).

5.3. Implications for Innovation Governance Scholarship

Beyond policy practice, the EIGM contributes to ongoing debates in innovation governance and public administration scholarship. It bridges the gap between entrepreneurship studies and public sector innovation research by offering a unified governance framework that accounts for ecosystem dynamics. Moreover, it challenges linear and technocratic conceptions of innovation policy, emphasizing instead the role of institutions, learning, and mediation. By conceptualizing government innovation centers as ecosystem orchestrators, this study aligns with and extends recent calls for mission-oriented and governance-driven approaches to innovation (Mazzucato, p. 69). It also provides a conceptual foundation for comparative research on innovation governance across transitional contexts.

5.4. Limitations and Future Research Directions

While the EIGM offers a robust conceptual and operational framework, several limitations should be acknowledged. First, the article relies on a conceptual application to the Algerian context rather than primary empirical data. Future research should empirically test the model through comparative case studies, surveys, or process-tracing approaches. Second, variations in political commitment and administrative capacity may affect the transferability of the model across contexts. Future studies could also explore the interaction between government innovation centers and digital transformation agendas, as well as the role of data governance and artificial intelligence in shaping entrepreneurial ecosystems.

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