

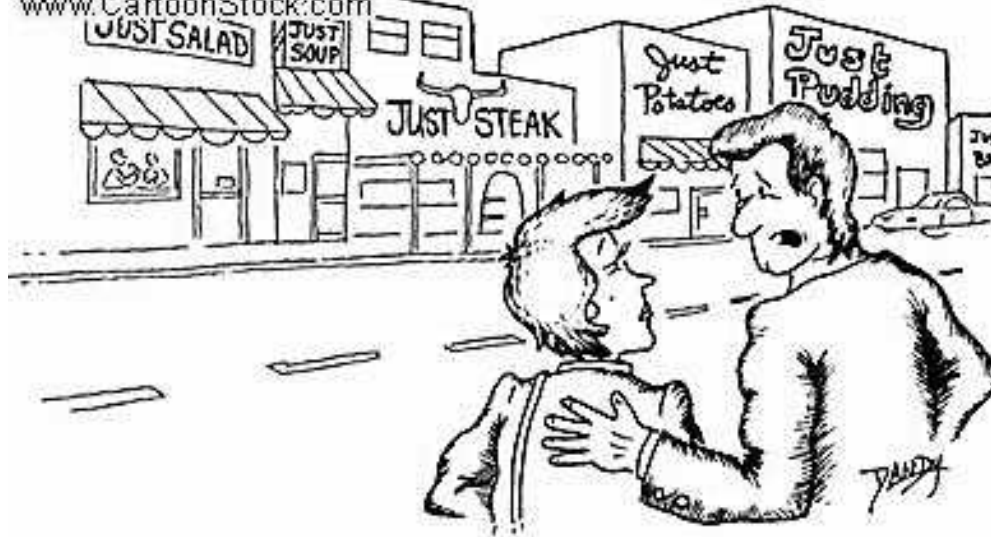
Smart Specialisation

Challenges to and Prospects for Implementation

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"Everybody is specializing these days."

Concentrating resources in a few domains and focusing efforts will generate size and critical mass effects that would not occur if you do a little of everything
(Foray 2015:4).

Tracing the origin of a policy idea

- 2008-09 elaborated by a group of innovation scholars
- Key element of the EU 2020 Innovation Union initiative
- S3 is set as a conditionality for two thematic objectives of the future Cohesion Policy
- OECD and World Bank promoting S3 in other parts of the world

YET

'[...] policy makers would probably have been better off proceeding first to clinical trials and pilot experimentation before applying the treatment to the whole population of regions' (Foray 2015:7).

Territorial dimension of innovation strategies

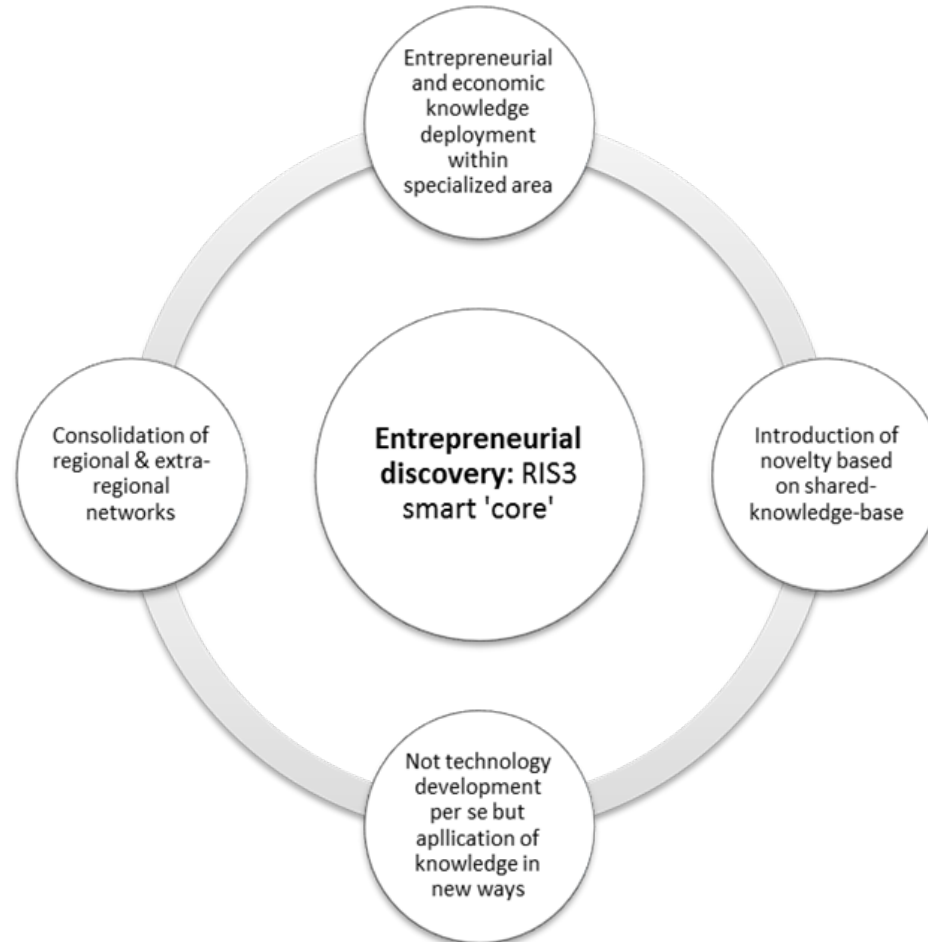
- **Territorial dimension introduced**
 - **territorial cohesion:** stronger mobilisation of regional and local actors in policy elaboration/implementation
 - **territorial diversity:** new sets of interaction between human capital, natural resources and governance structures
 - **place-based approach:** interplay between local actors and external agencies

Territorial dimension of innovation strategies

- **RIS3 articulates place-based local development policies**
 - **European level:** closer integration between research and innovation policies with territorial policies
 - **Regional level:** closer collaboration between different actors: public, industrial, research etc. in both strategy's design and implementation processes.

What is smart specialisation?

New '*policy-prioritization logic*' grounded in the entrepreneurial discovery process (McCann and Ortega-Argilés 2013).



How to fail (Foray 2015)

- “You just present grand themes (e.g. biotechnology and environment; health, information technology and dependency...)”
- “You just present the strong points of public research”
- “You simply recycle cluster programmes”

A fundamental cause of failure lies in presenting what already exists – structures, strong points - without taking into account the importance of entrepreneurial discovery.

Novelty introduced by Entrepreneurial Discovery

Regional innovation as (Dubois, Kristensen, Teräs (*forthcoming*) 2017):

- Multi-local process
- Democratic process
- Open process
- Learning process

Prospects for S3 implementation ... and a reality check?

- Conceptual and academic narratives in the official RIS3 guidance material vs. the practical realities faced by the policy-makers
- How to translate RIS3 conceptual ideas into policy frameworks?

Better Policy Instruments for High Innovation Projects in the European Regions



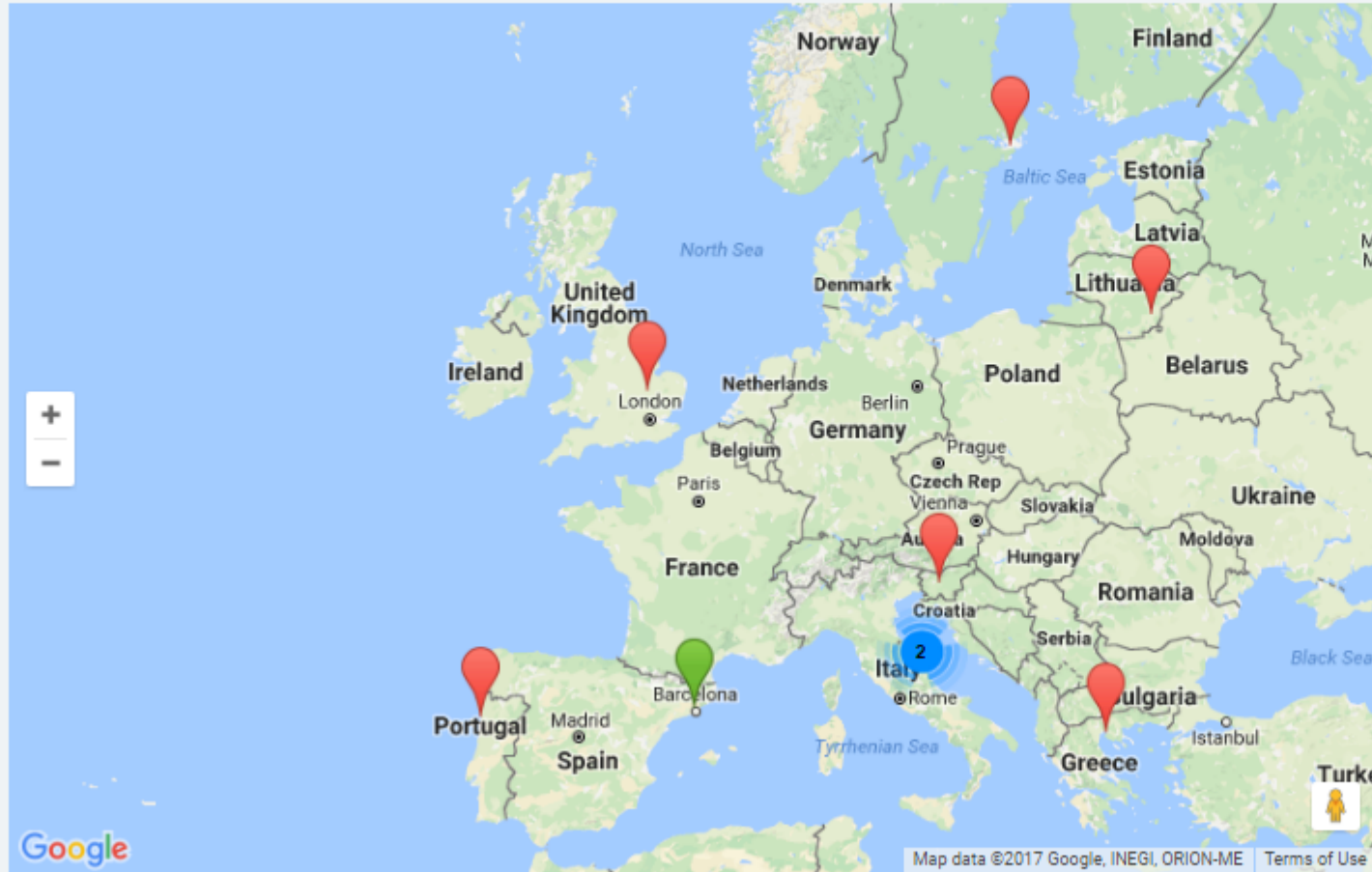
€1,871,000.00



from 1 Apr 2016
to 30 Sep 2020

TOPIC
Research and innovation

Partnership



Lead Partner Partner

Bottlenecks for S3 implementation: limits of the real economy (Capello & Kroll, 2016)

1. The lack of local preconditions for innovation
2. The lack of capacity to upgrade the quality of existing specialisation through a creative and appropriate diversification process
3. Difficulties in policy prioritisation: a tendency exists to replicate at the local level what is thought to be strategic at the national and worldwide levels
4. Repositioning of peripheral regions in international value chains can often not be controlled by policymakers from within these regions alone (e.g. major multinational actors, global corporate strategies)
5. 'SMEs cannot be bothered' due to lack of resources for absorptiveness and creativity > entrepreneurial discovery process becomes publically driven for the lack of better options

Joint learning and exchange of experiences for S3 implementation: Challenges and opportunities

- “Compile an S3 good practice catalogue and benchmark HIGHER regions’ S3 against European best practices”
- Identification of good practice for S3 design and implementation
 - what is a good practice, to whom is it a good practice and where to focus (certain theme, governance, types of public private partnerships, measurements and evaluation methods...)?



JRC Implementation Handbook

Five key milestones of the implementation process:

- 1) The Entrepreneurial Discovery Process (EDP) cycle: from priority selection to strategy implementation
- 2) Good governance: principles and challenges
- 3) From priorities to projects: selection criteria and selection process
- 4) Transnational cooperation and value chains
- 5) Monitoring

GOOD PRACTICE CATEGORY	The Entrepreneurial Discovery Process cycle: from priority selection to strategy implementation	Good Governance: principles and challenges	From Priorities to Projects: selection criteria and selection process	Transnational cooperation and value chains	Monitoring
PRESSING ISSUES	<p>What are the conditions for an effective and efficient discovery process?</p> <p>How can we make the process sustainable in time?</p>	<p>What type of governance arrangements are needed to ensure that a wide variety of stakeholders participates in the strategies, in particular the business community?</p> <p>How to mediate between interest groups?</p>	<p>How to prioritise?</p> <p>How to define projects and calls within priorities areas in a way that allows to best realise the innovation potential of those areas?</p>	<p>In which manner to include transnational aspects into S3 strategies ?</p> <p>Access into / repositioning in the international value chains?</p>	<p>Which type of monitoring activities and indicators to use in relation to S3?</p>
(SUB-THEMES)	...	....	....	....	....
POTENTIAL CASES	...	...	....	....	....


S3 Benchmarking – experiences and challenges

- “Benchmark HIGHER regions’ S3 against European best practices” – how to make the exercise meaningful?

European innovation benchmarking tools

- Eye@RIS3
<http://s3platform.jrc.ec.europa.eu/eye-ris3>
- Benchmarking regional structure (Orkestra)
<http://s3platform.jrc.ec.europa.eu/regional-benchmarking>
- S3 Inter-regional Trade and Competition Tool
<http://s3platform.jrc.ec.europa.eu/s3-trade-tool>
- RIM Plus:
<http://ec.europa.eu/enterprise/policies/innovation/policy/regional-innovation/monitor/>
- European Innovation Scoreboards
http://ec.europa.eu/growth/industry/innovation/facts/figures/scoreboards/index_en.htm
- Regional Competitiveness Index 2013:
http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/6th_report/rci_2013_report_final.pdf
- KETs Observatory:
<https://webgate.ec.europa.eu/ketsobservatory/policy>
- KETs Technology Infrastructure:
<https://ec.europa.eu/growth/tools-databases/ketsobservatory/kets-ti-inventory/map>
- Digital Entrepreneurship Monitor:
<http://ec.europa.eu/enterprise/dem/>
- Eurostat «Regional Statistics Illustrated» per NUTS2 region 2003–2011:
<http://epp.eurostat.ec.europa.eu/cache/RSI/#?vis=economy>
- Regional Development and Entrepreneurship Index
<http://blogs.lse.ac.uk/redj/>
- RIO
<https://rio.jrc.ec.europa.eu/en>
- The Horizon 2020 Policy Support Facility
- European Service Innovation Scoreboard ESIS
http://ec.europa.eu/growth/tools-databases/esic/scoreboard/esis-database/index_en.htm
- Sectoral analyses
http://ec.europa.eu/growth/sectors/index_en.htm
- International Benchmarking Database
- BAKBasel
http://www.bakbasel.com/fileadmin/documents/bakbasel_ibp_factsheet_2011_english.pdf
- The Online Education and Training Monitor
http://ec.europa.eu/education/news/2014/20140409-visualisation-tool_en.htm
- CityBench—ESPON CityBench for benchmarking European Urban Zones
http://www.espon.eu/main/Menu_Projects/Menu_ScientificPlatform/citybench.html
- European Localized Innovation Observatory
- EUROLIO
<http://eurolio.univ-st-etienne.fr/?language=en>
- DG Growth—Internal Market, Industry, Entrepreneurship and SMEs
<http://ec.europa.eu/growth/tools-databases/sme-best-practices/euomed/index.cfm?fuseaction=welcome.detail>
- Small Business Act—Database on Good Practices:
<http://ec.europa.eu/growth/tools-databases/sme-best-practices/SBA/index.cfm?fuseaction=welcome.detail>
- Example of information provided by industry: Aeronautics and Space:
<http://www.acare4europe.com/sria>
- European Cluster Observatory
<http://www.clusterobservatory.eu/index.html>

Structural similarity as basis for benchmarking



European Commission


JRC TECHNICAL REPORTS

Regional benchmarking in the smart specialisation process: Identification of reference regions based on structural similarity

*S3 Working Paper Series
No. 03/2014*

Mikel Navarro, Juan José Gibaja, Susana Franco, Asier Murciego, Carlo Gianelle, Fatime Barbara Hegyi and Alexander Kleibrink

2014



Joost Research Centre

☰ Benchmarking Regional Structure

Finding reference regions based on structural similarities

A key to build sound innovation strategies for smart specialisation at the regional level is to identify opportunities for learning policy lessons and transferring practices from other regions. But what are the regions one should consider as a reference for these purposes? Our proposal is to start by identifying regions that share similar structural conditions which are relevant for innovation-driven development (social, economic, technological, institutional and geographical characteristics). That is, characteristics that cannot be easily changed in the short term and that are demonstrated to affect the way innovation and economic evolution take place in a region. Below you will find an [interactive tool](#) that allows you to identify reference regions across Europe based on a methodology jointly developed by Orkestra - Basque Institute of Competitiveness and the S3 Platform.

Documents

- Methodological paper
- Structural variables & data
- Regional NUTS codes

Interactive tool

region

Norte (pt11) -

number of peers

20 -

refresh

The 20 nearest regions to Norte (pt11)

Distance index

Centro (P) - Portugal (pt16)	0.0177
Veneto - Italy (ith3)	0.0236
Puglia - Italy (itf4)	0.0254
Toscana - Italy (iti1)	0.0258
Champagne-Ardenne - France (fr21)	0.0301
Abruzzo - Italy (itf1)	0.0302
Comunidad Valenciana - Spain (es52)	0.0306
Emilia-Romagna - Italy (ith5)	0.0309
Campania - Italy (itf3)	0.0310

How it works

1. Select a region in the top window
2. Choose the number of reference regions you want to be displayed
3. Press "refresh" to get the results
4. A list of regions will appear on the right

Some conclusions:

- **More experience, narratives and evidence regarding S3 implementation is still needed**
 - Use of indicators for ex ante policy design, policy experimentation and better ex post evaluation
 - More coherent and detailed information sources (e.g. for benchmarking)
 - More structurally analysed good practice cases
- **Multiple mechanisms for benchmarking and joint learning between regions:**
 - A mixture of tools and material available for difference phases and puzzling moments – try and choose wisely!
 - Just collaborate: Explain, listen, ask, digest, find buddies (it's like S3 blind dating...)

Some conclusions:

- The dilemma of 'specialisation' across Europe
 - The interplays between:
 - **diversifying and prioritising**
 - **regional resilience, diversification** and an **agile innovation system** (e.g. Stockholm model, case Lithuania)
 - Distorted prioritisation due to e.g. national funding priorities and homogenous approach to priorities at the EU level
 - Multi-dimensionality of S₃ and innovation: also institutional and governance dimensions, targeting social challenges, social innovation...

To conclude:

“Effective RIS3 policies have to become increasingly locally-owned rather than externally imposed by conditionalities, if they are to be genuinely long-lasting. This is also essential in order to ensure that difficult and often controversial policy prioritisation decisions can be legitimately made.” (Kroll, 2015)

“Policy-makers have a crucial role here to arbitrate such debates and to make decisions accordingly” (Stiglitz, Sen, & Fitoussi, 2009)

Questions?

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