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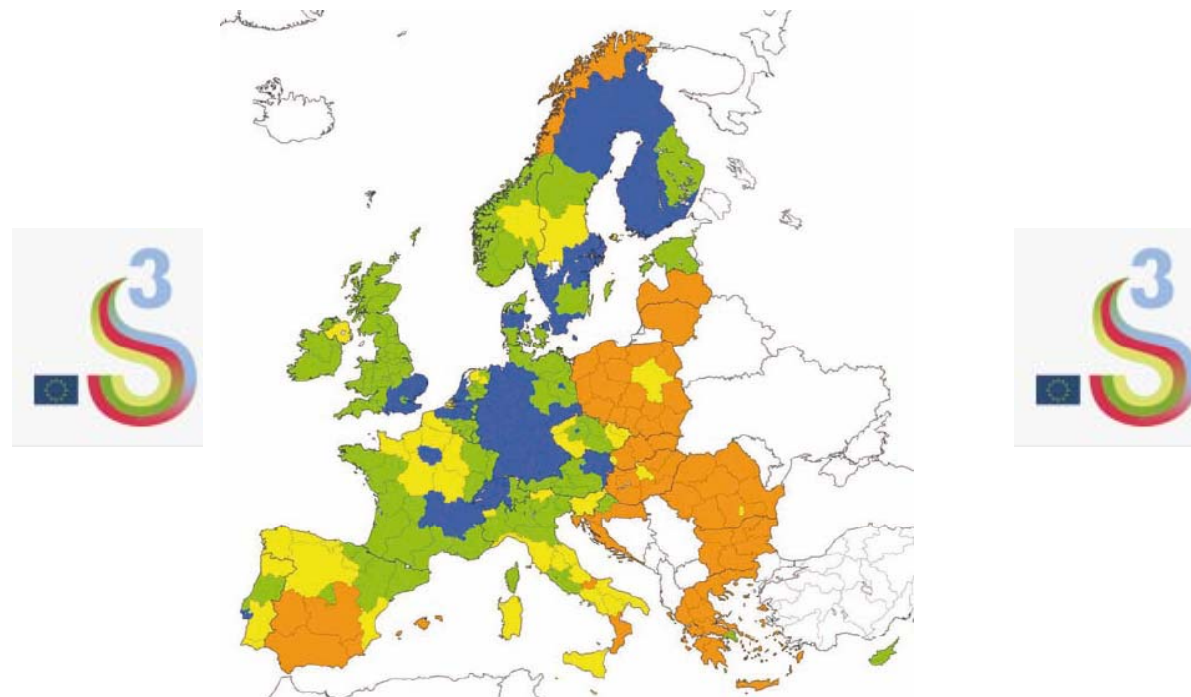
# SMART SPECIALISATION IN PRACTICE

“one year onwards”

**Henning Kroll, Fraunhofer ISI**

with support of Andrea Zenker, Emmanuel Müller, Esther Schnabl

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Source: Regional Innovation Scoreboard

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# RIS3: We hear the message well...

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- Think about and leverage innovation in a broader sense ('competitiveness')
- Help regional players to cross thresholds ('critical-mass')
- Exploit advantages science-industry co-operation ('clustering')
- Think about regions in their international context ('common sense')
- Focus on the needs of the local market (make choices accordingly)
- ➔ Support in weaker regions what the market economy triggers by itself in stronger (,processes of entrepreneurial discovery')
- ➔ Come up with sensible allocations and avoid waste in Cohesion Policy, one of the more important sections of the EU's budget

*(Foray, 2012 et al. and many more)*

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# ...but do we all?...and out there?...

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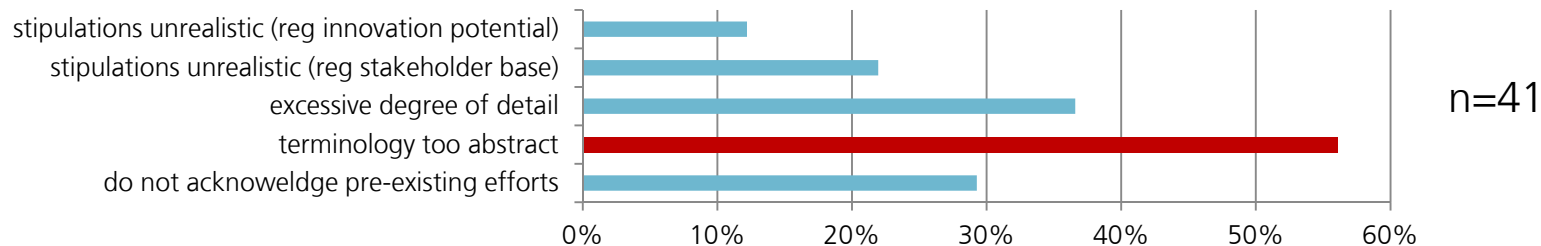
Carrying an advanced academic concept into regions where:

- ... extremely low technological innovation potential...
- ... largely closed and inward looking innovation systems ...
- ... little in the way of a coherent strategy ... failure of past policies ...
- ... fragmentation of funds, actions and programmes...
- ... a weak understanding of the concept of smart specialisation...

*(Reid et al., 2012; Kroll, et al., 2014)*



Delivering a very abstract lesson to very practically minded policy makers operating under substantial factual and administrative restraints...



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# Research Questions

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*Discouraging analysis of documents presented to the European Commission  
(Iacobucci, 2014)*

## **1. Are there Focus and Critical Mass?**

- The issue of critical mass does not appear often in presentations
- The number of specialisations appears unduly high in many weaker regions

## **2. Is there an Understanding of Specialisation as Variety?**

- 'Related variety' 'Cross-innovation' and 'New domains' are hardly addressed
- Most stated technology domains are standard and 'broadly defined' (ICT, biotech)
- Actual and potential connections with other regions are not addressed

## **3. Are there Fruitful Bottom-up Processes?**

- Experience suggests friction between 'tough choices' and bottom-up processes
- Consultations bear the risk of widening the focus of policy

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# Our Evidence

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- Online survey of **relevant regional innovation policy makers and selected others** across all 28 Member States
- **Who is a relevant policy maker?**
  - those listed on the S3 Platform
  - managing authorities
  - those we know
  - those we found on websites

} manually built list
- Data collected during the period from early **May 2014** to late **August 2014**
- **Over 1,000 potential respondents contacted**  
**> 160 started to answer** and **more than 80 completed the questionnaire in full**
- Reference: around 200 managing authorities
- About 50 had already submitted strategies, about 40 had yet to do so

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# Coverage (Regional Distribution of Responses)

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dark blue: partially completed questionnaire (region)

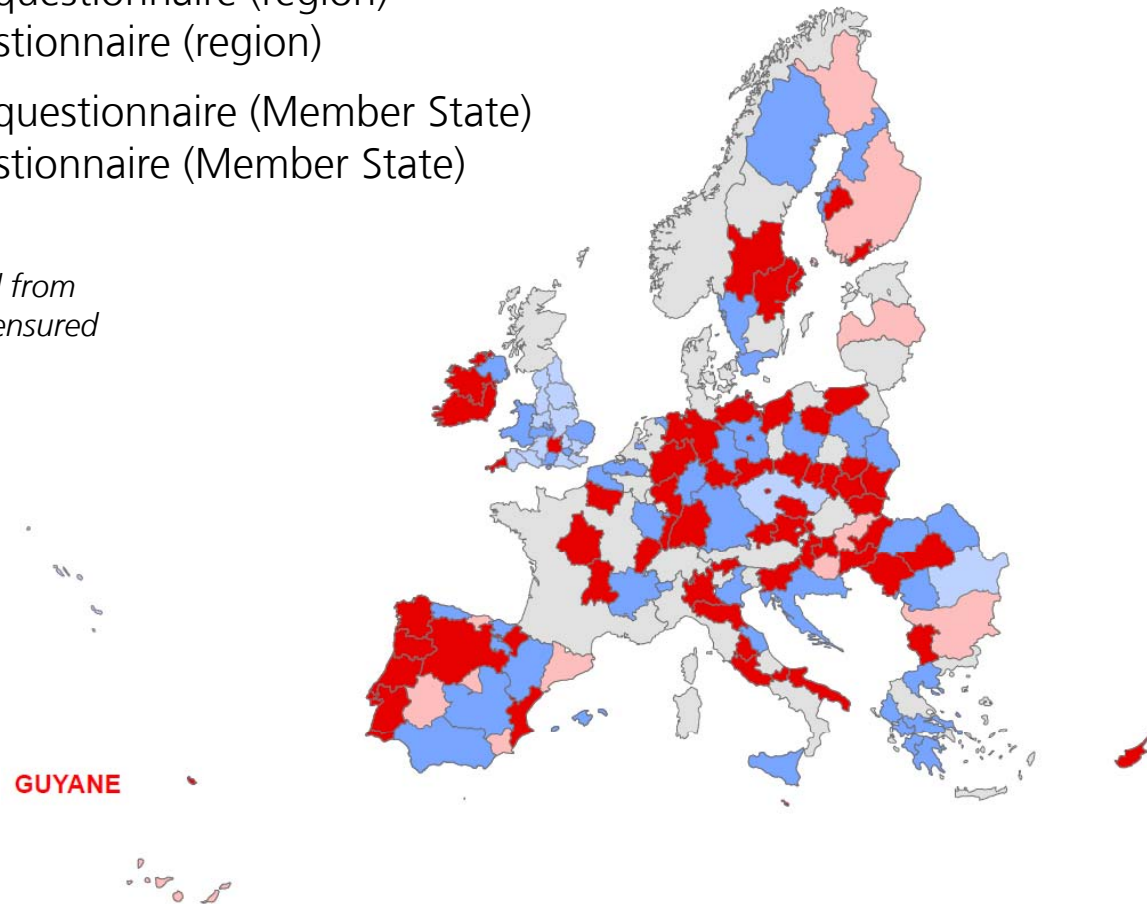
dark red: fully completed questionnaire (region)

light blue: partially completed questionnaire (Member State)

light red: fully completed questionnaire (Member State)

grey: not taken part

*the information on coverage is separated from  
the actual survey data, full anonymity is ensured*



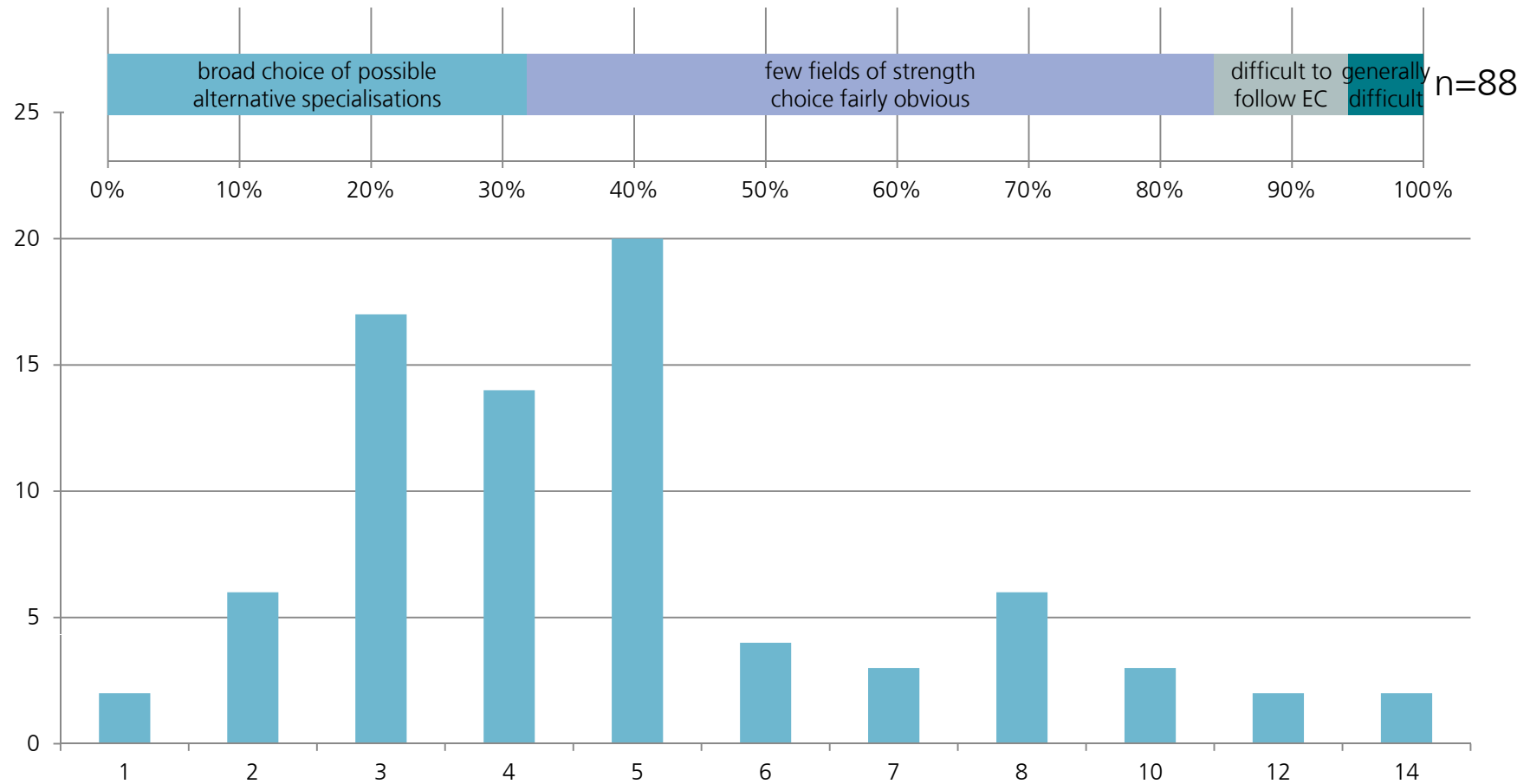
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# 1. Are there Focus and Critical Mass

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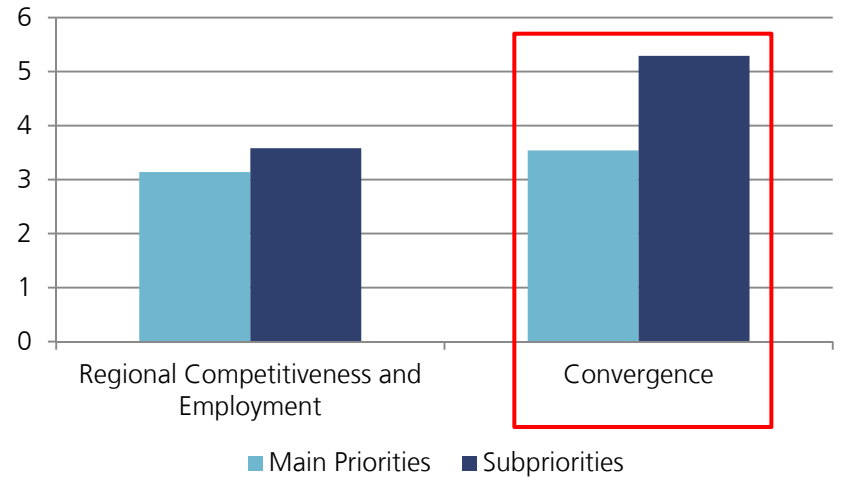
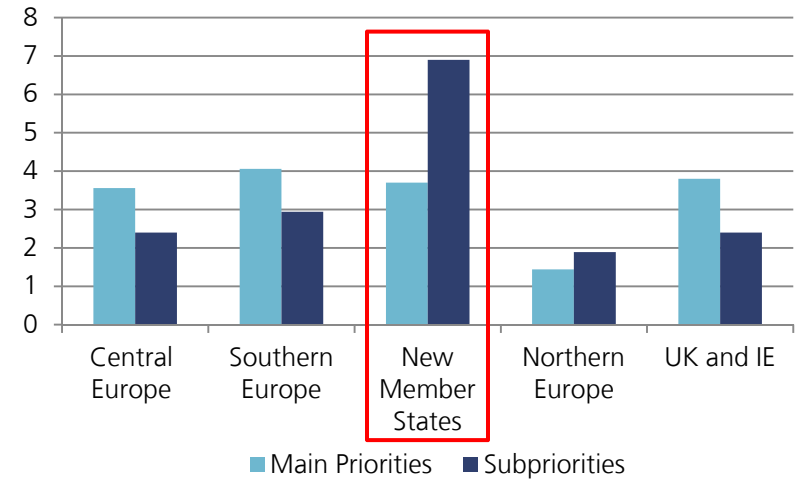
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# Number of Priorities: A Clear Focus Seems Attained

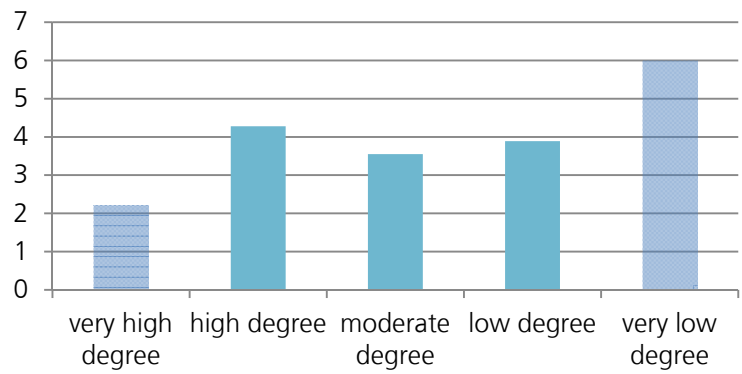




# But Indeed Not Responsive to Regional Circumstances

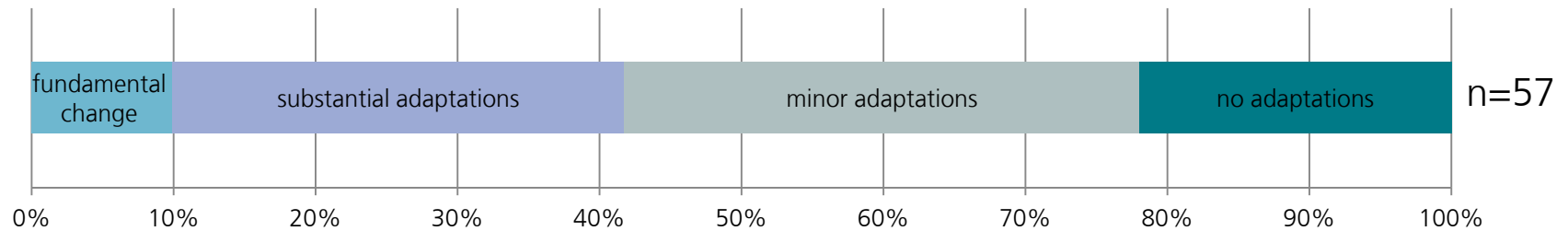


...general belief in RIS3 as a process...

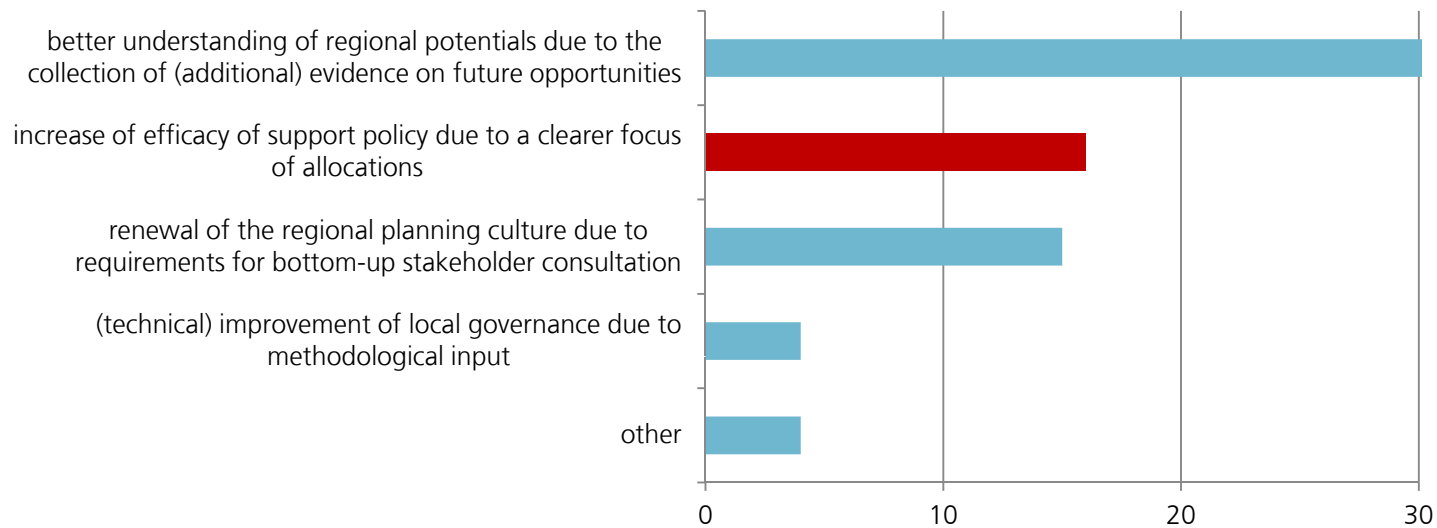


# An actual shift in policy & allocations?

## Last Year's Predictions



## This Year's Conclusions



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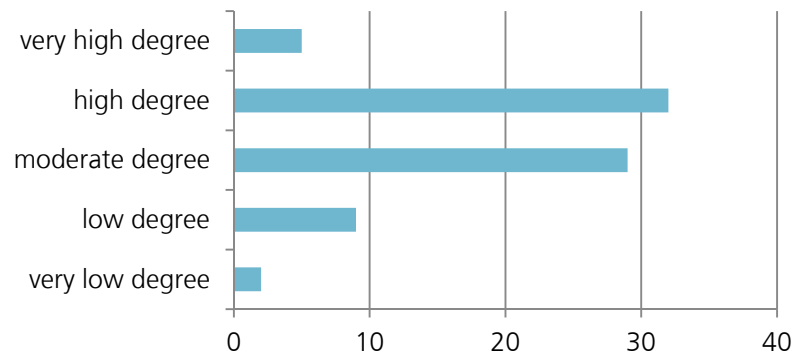
## 2. Understanding of Specialisation as Variety

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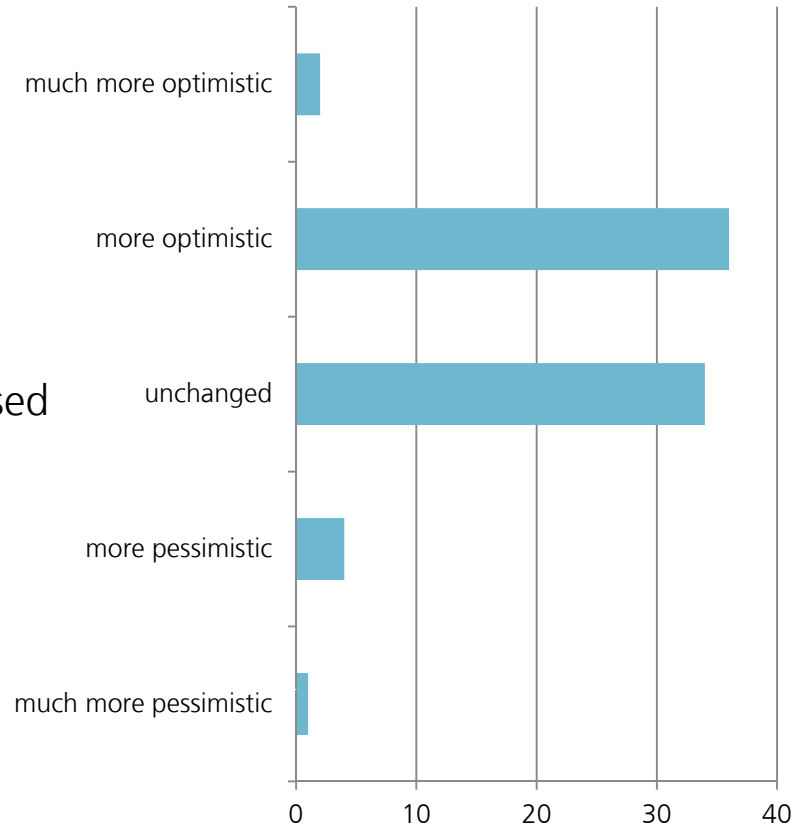
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# General Belief in Political Strategies: Reasonably High – for Policy and for Impact

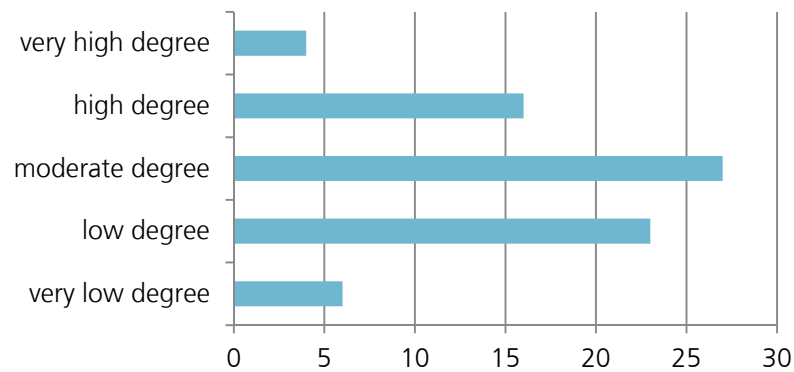
Potential of the RIS3 Process to Prompt Changes



Feeling about RIS3 compared to 1 Year Ago



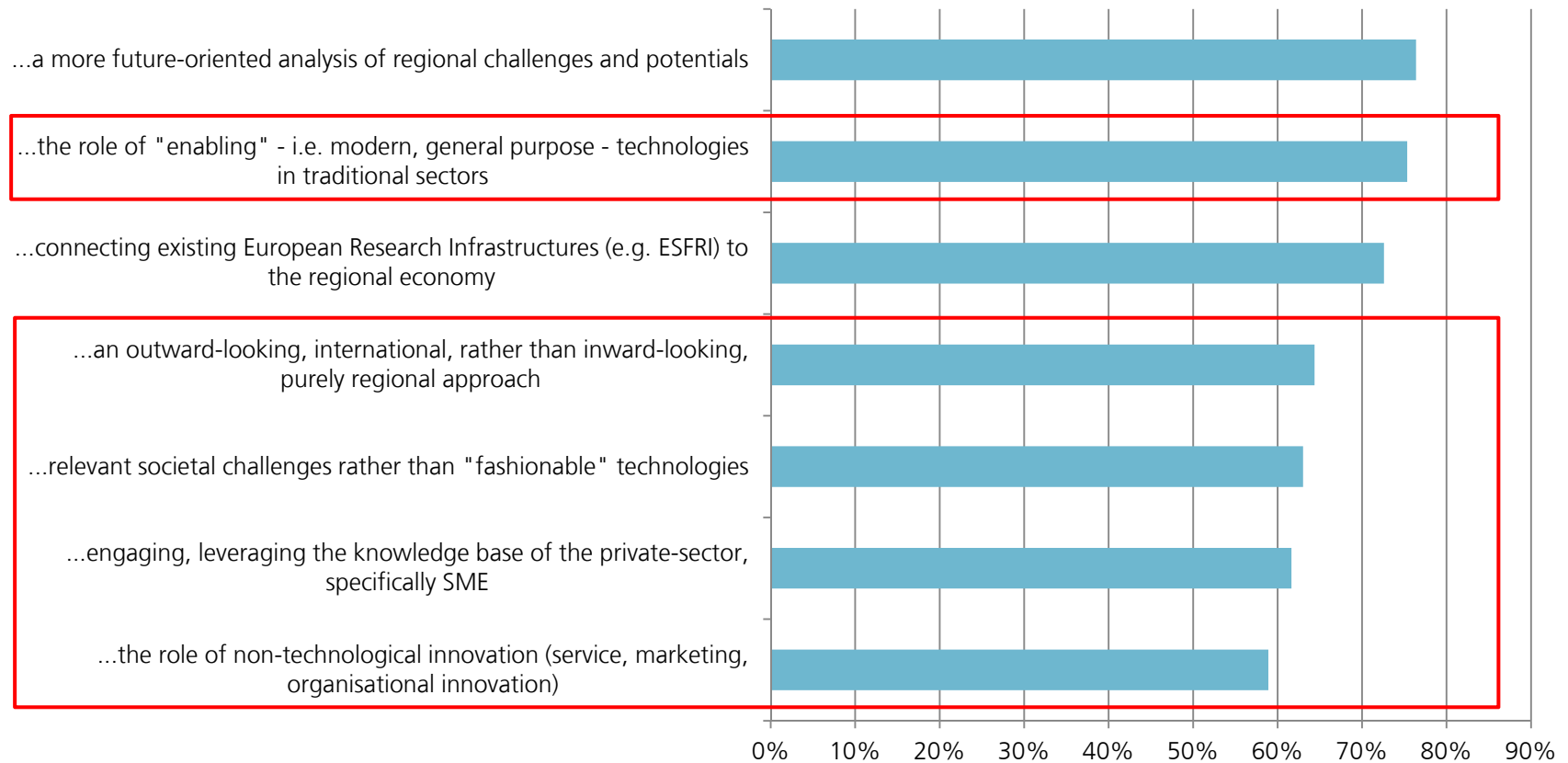
Feeling that RIS3 is Imposed / Not Really Place-Based



N = 92

N = 92

# Key Notions of the RIS3 Guidelines have been Considered in Strategy Development

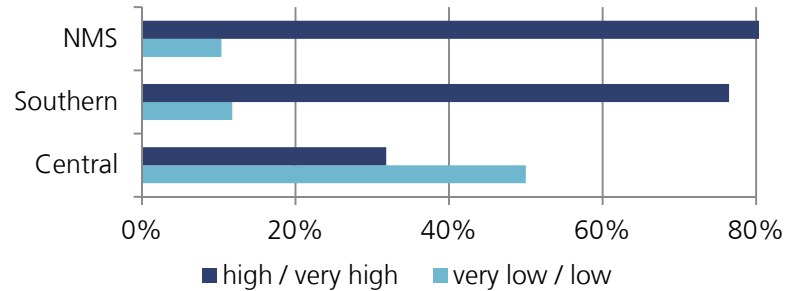


N = 88

# Regional Distribution by Member State

## notable impact mainly in Southern & Eastern regions

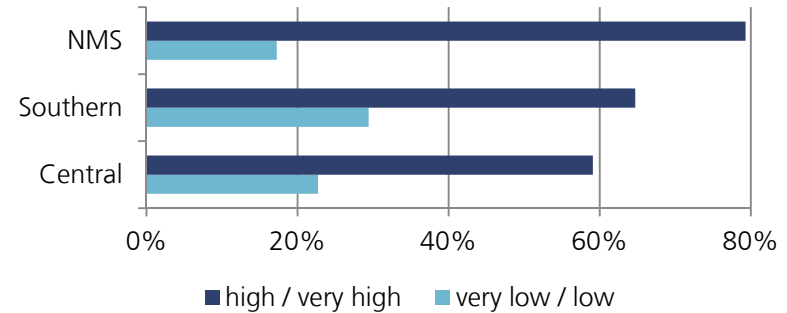
...a more future-oriented analysis...



...leveraging the knowledge base of the private sector...  
...an outward-looking, international approach...

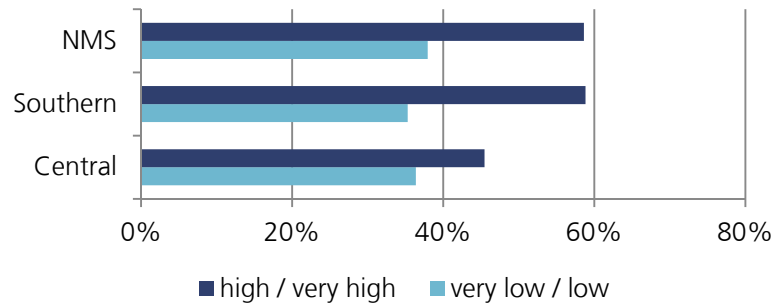
## notable impact in all

... supporting the use of KET in traditional sectors...



...connecting research infrastructures to the local economy...

...societal challenges rather than technologies...



...the role of non-technological innovation...

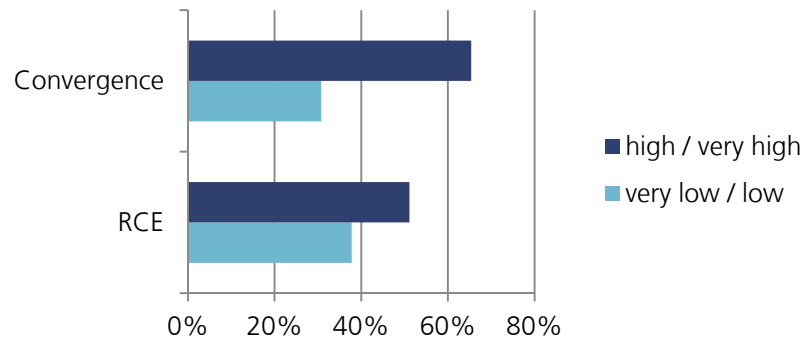
## limited impact in all



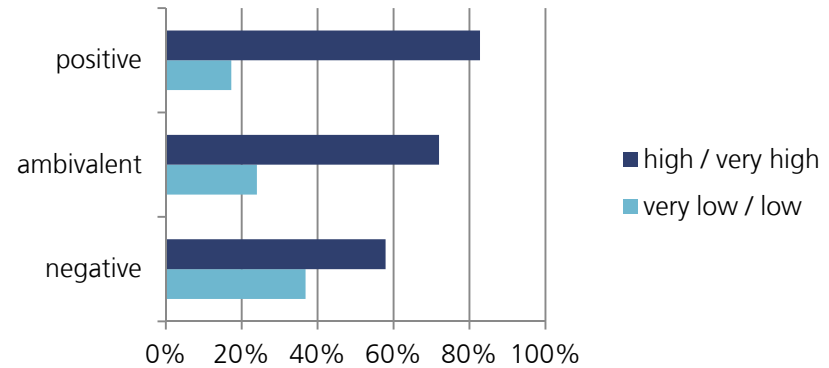
## notable impact mainly in Central regions

# No (visible) Role of Economic Basis, Attitude towards RIS3 Agenda matters little

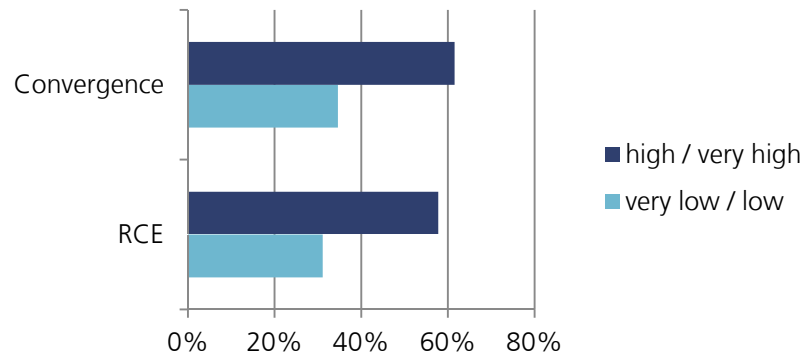
...leveraging the knowledge base of the private sector...



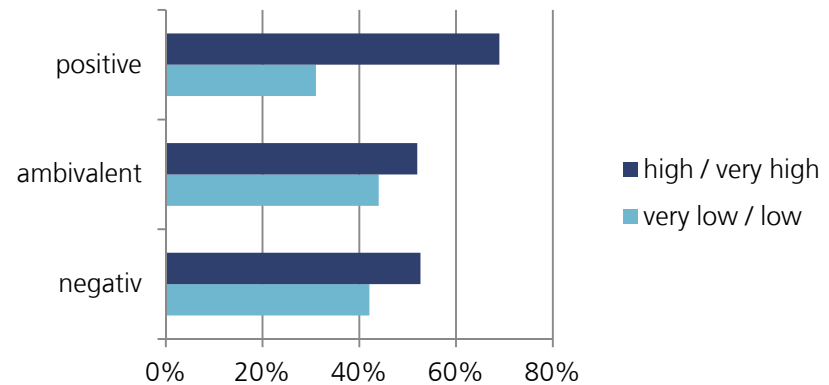
... supporting the use of KET in traditional sectors...



...an outward-looking, international approach...



...the role of non-technological innovation...



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# 3. Are there Fruitful Bottom-up Processes?

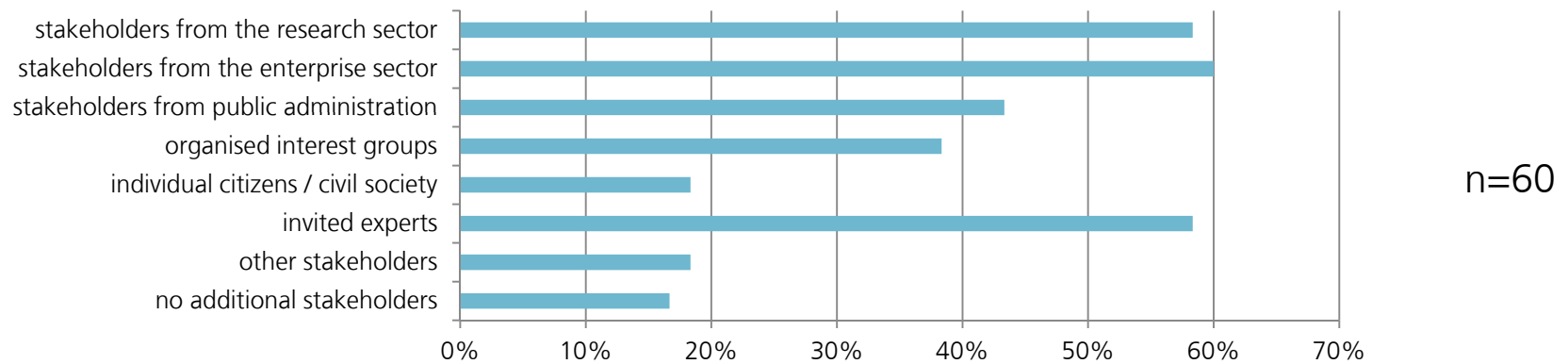
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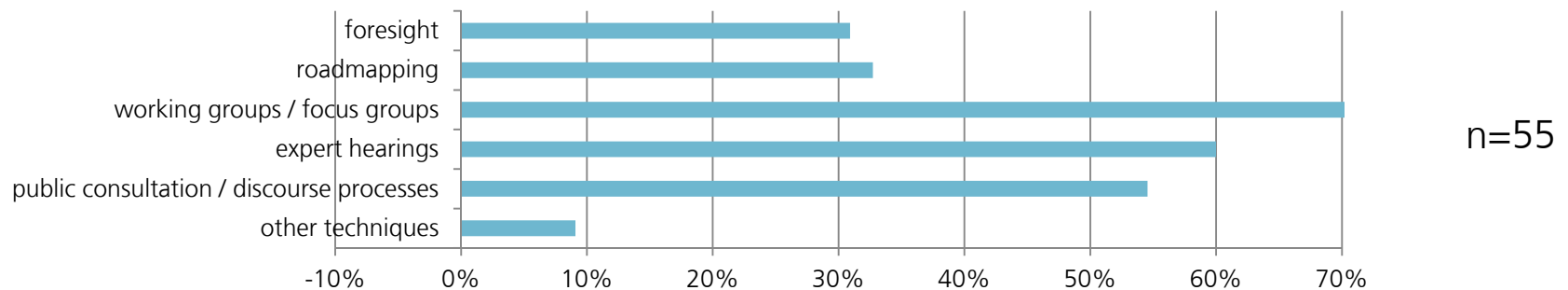


# According to public statements all is fine...

## Balanced involvement of different types of additional stakeholders

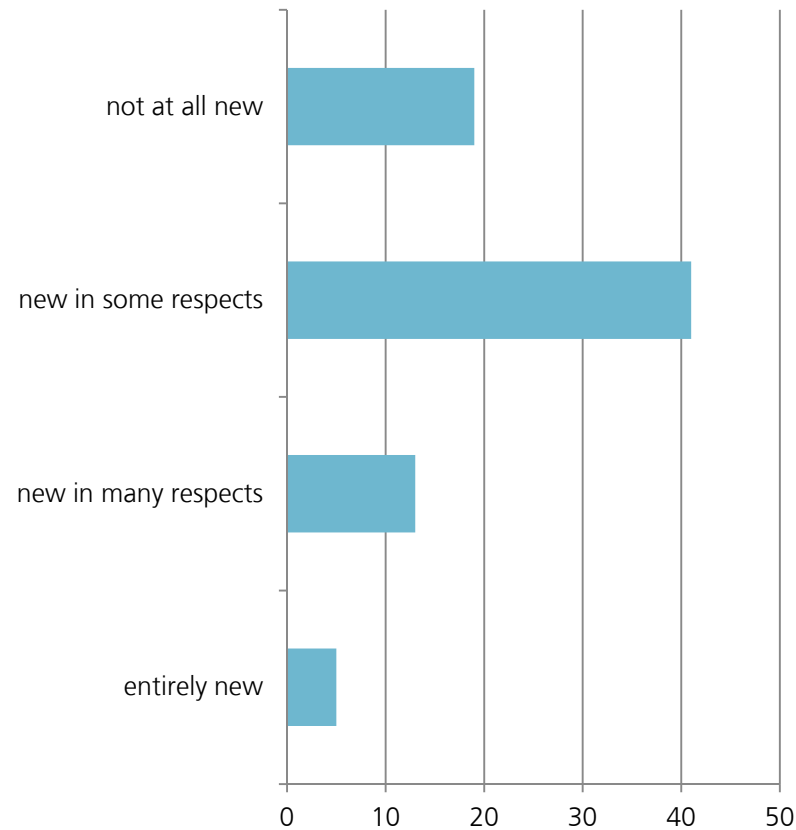


## Down-to-earth processes of consultation: working groups, hearings and public consultation



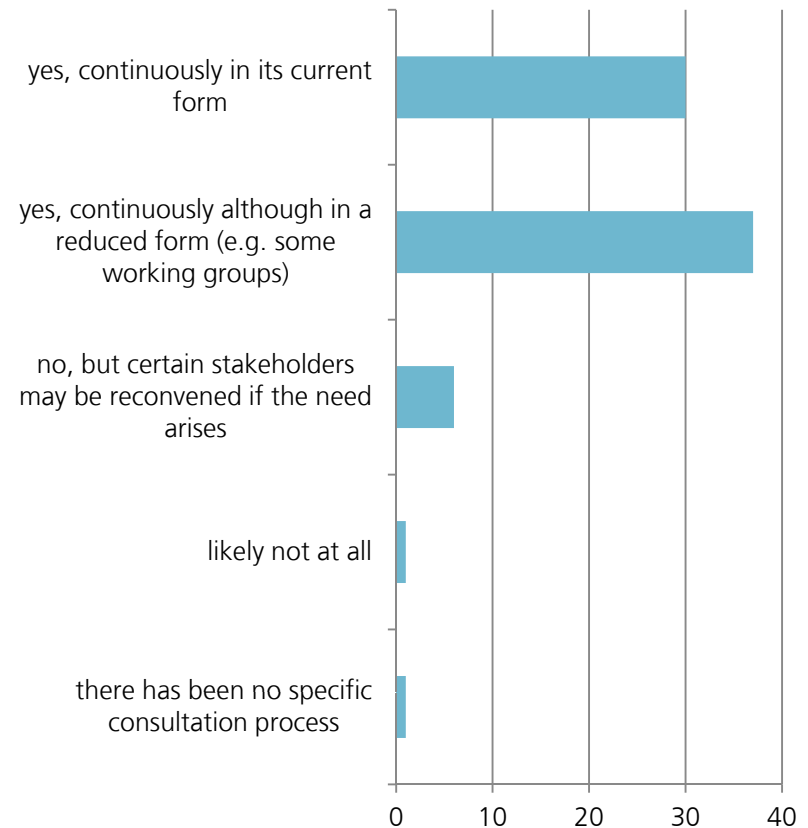
# Implementing a Novel – and Sustainable – Approach

Degree of Novelty of Approach



N = 91

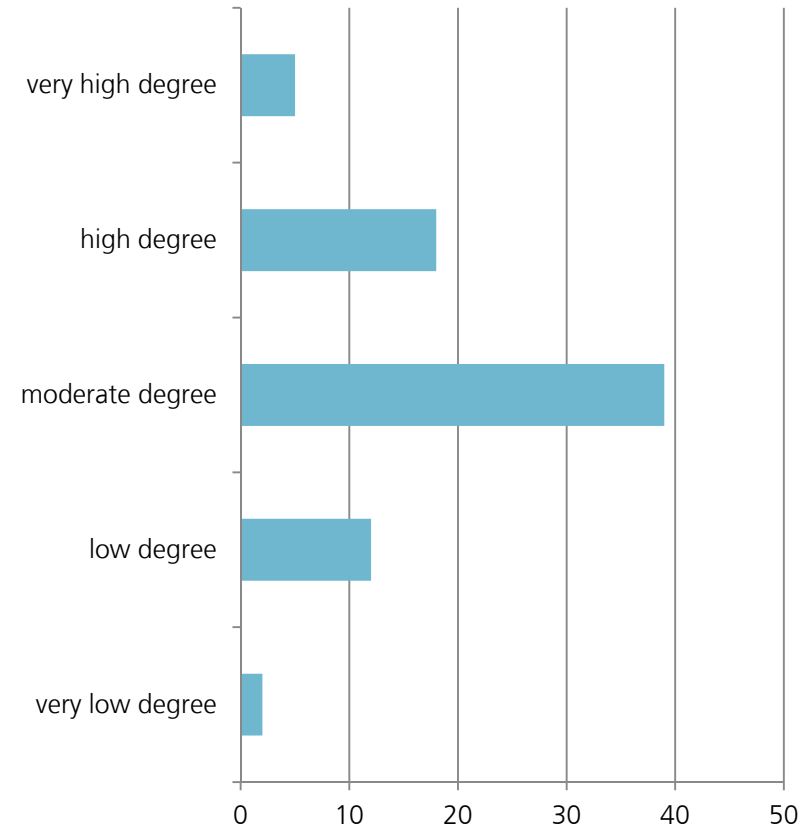
Planned Continuation of Process



N = 92

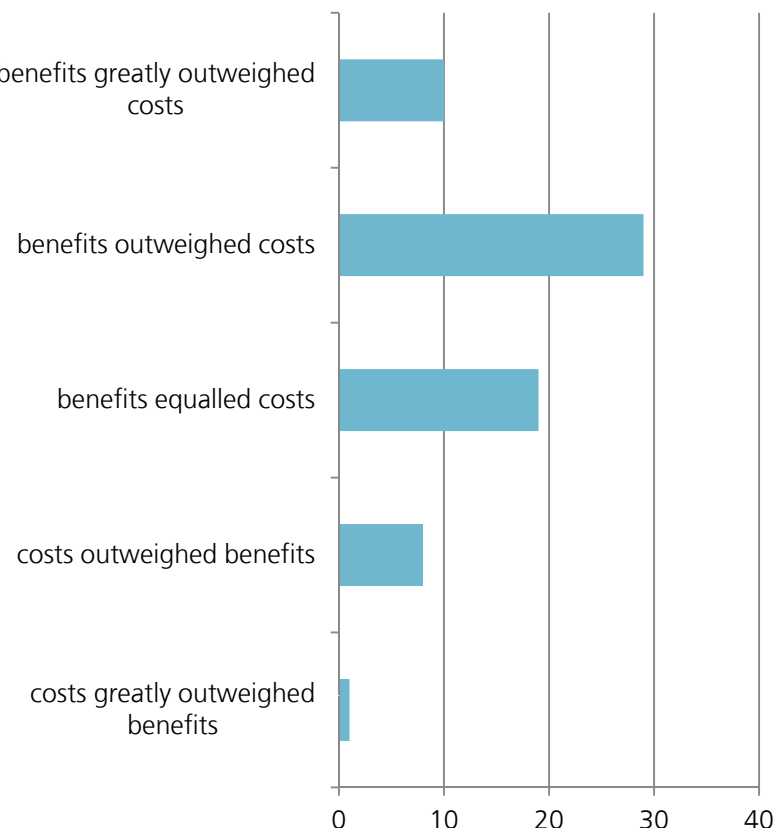
# Limited Results but Worthwhile

Degree of Novelty of Findings



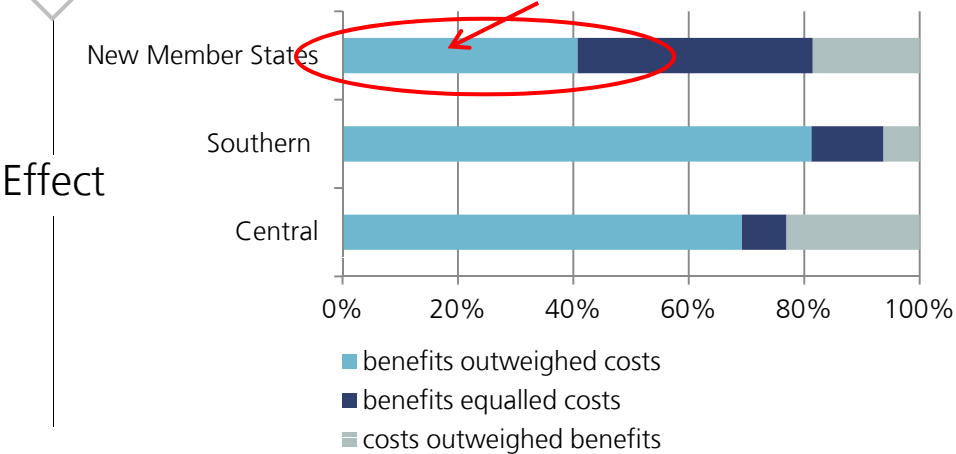
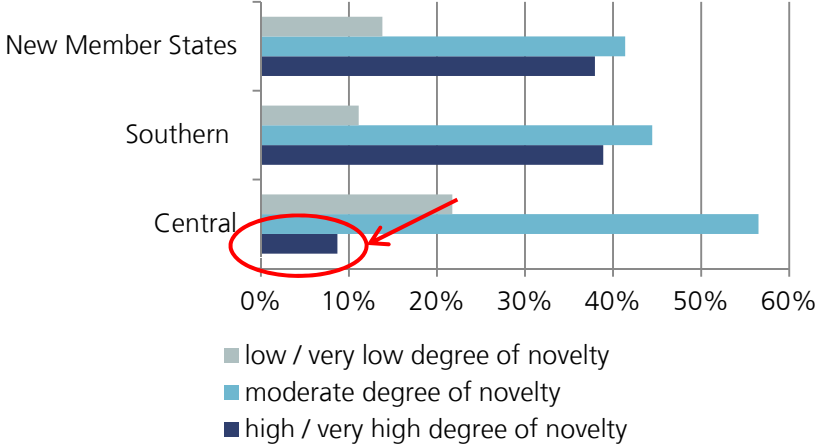
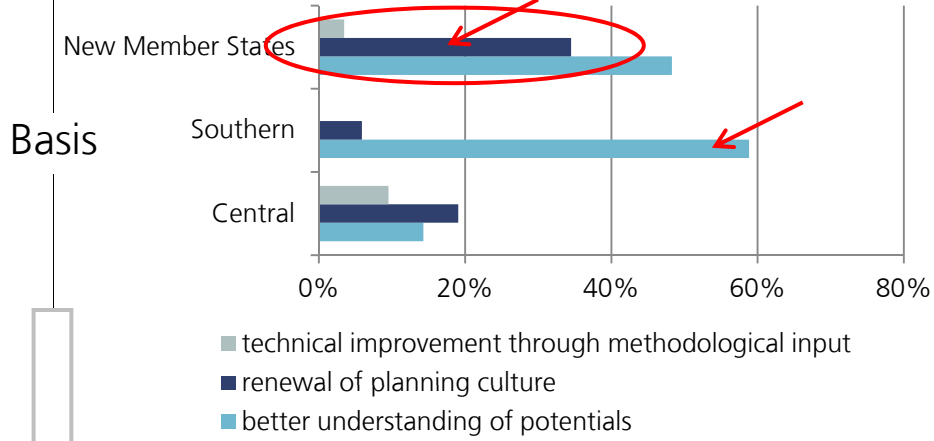
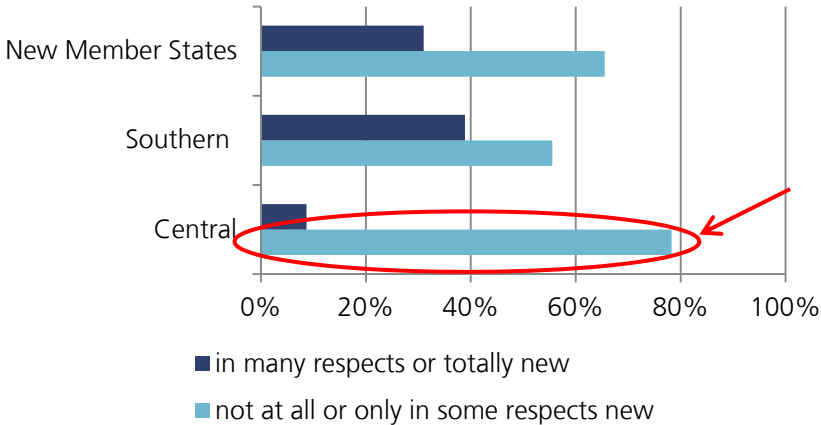
N = 86

Overall Assessment



N = 91

# Bottom-Up Processes: Widespread Learning / Admin. Context Matters



# Summary

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- **Drivers:** Regions with a long-standing tradition in regional innovation policy, substantial prior experience and notable regional innovation capacities.  
→ improve technique  
Germany, Austria, France, and Scandinavia
- **Winners:** Regions with some experience in regional innovation policy, stakeholder involvement yet limited regional innovation capacities.  
→ focus in times of decreasing funding  
Spain, Portugal, and Italy
- **Starters:** Regions or countries with a strong planning tradition and an often weak regional echelon of governance.  
→ renew regional governance process  
New Member States, Greece.

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# Summary

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- **The RIS3 Agenda has become accepted more broadly and viewed more positively in the course of the past year**

Q1: The number of priorities seems rather irresponsible to the region's economic potential

Q2: the agenda's conceptual focus seems understood in principle (yet implementation unclear), true improvements in evidence base and consultation most common in Southern Europe

Q3: evidence suggests hindrances to establishing fruitful processes of bottom-up consultation, and friction with 'traditional planning systems', most commonly in Eastern Europe

- **Central European Regions were already there;**  
here RIS3 is mostly an improvement of communication and an elaboration of coordination hardly any of these administrations learned something substantially new about their region
- **Most impact is focused on Southern European Regions;**  
they faced external pressure to focus diminishing funds, action was required anyway, RIS3 came as a welcome tool that they had sufficient administrative capacity to use
- **Eastern European Regions remain caught up in governance issues**  
renewal of administrative procedures and set-ups consumed a lot of energy, the process still yielded positive outcomes, but the cost was higher

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# Conclusions

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- ➔ **On several grounds, “first appearances” in RIS3 may and should be doubted**
- ➔ **Yet, there is no reason to discard an increasingly well-accepted process**
  
- ➔ **RIS3 may not result in a notable change in funding allocations in the short run**  
**‘specialisation’ in a traditional sense may well remain a secondary outcome**
- ➔ **But: In different ways, according to circumstances, it prompted a reconsideration of regional policy and established new frameworks of communication**
- ➔ **This reconsideration may well yield more lasting results than one-off, formal responses to the external pressure created by the ex-ante conditionality**

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# Thank you !

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