INNOVATION AND REGIONAL DEVELOPMENT - THE ROLE OF SMART SPECIALISATION

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Innovation dynamics have a very strong regional dimension.

Since the early 90’s the European Union is promoting the development of Regional Innovation Strategies in the regions of the member states.

**Building on the experience – Policy experimentation**

- RTP – Regional Technology Plans (1994)
- RITTS - Regional Innovation and Technology Transfer Strategies (1996)
- RIS – Regional Innovation Strategies (1996)
- Pilot actions (RIS+, RISI+)
- Innovative Actions (2001)
- ...
Some lessons learned

Lack of international perspective: the regional innovation/economic system was often considered in isolation;

Misalignment with the industrial and economic context of the region;

Too much public involvement in R&D (which was not sufficiently business driven);

‘Narrow’ vision of innovation;

The best performing regions were often copied without consideration of the local context.
The opportunity for change

The decision of **setting innovation as a priority for all regions (Europe 2020)**;

The need for a better use of **scarce public resources**, aiming at synergies between EU, national/regional and private funds;

The understanding of **economy as a driver for innovation**, focusing on regional profiles and in global value;

The set of **new academic concepts** in the fields of growth, competitiveness, clusters and related diversity;

The search for more efficient regional development policies, **avoiding overlaps and imitation**.
Selectivity

Center policy support and investments on a **limited number of sectors**;

Consider **key regional priorities, assets, dynamics and linkages**;

**Build on each region’s strengths, competitive advantages and potential for excellence**;

Can be combination of traditional areas with innovative activities;

*(critical mass, differentiation)*
Both cluster policies and Smart Specialisation Strategies are policy approaches with a **place-based dimension**, aiming at exploiting advantages of proximity to promote economic growth and competitiveness.

Clusters are an important mechanism in **engaging stakeholders and develop sectors of the economy** in which a region has a significant position;

Clusters provide lessons to RIS3 in aspects such as **integrated policy mixes**, multi-level governance and cross-border dimension.

“A cluster is a geographically proximate group of interconnected companies and associated institutions in a particular field, linked by commonalities and complementarities.”

Michael Porter
Smart Specialisation Strategies – Key issues

**Participation and ownership**

Setting priorities should not be a top-down, picking-the-winner process.

Stakeholders' shall be involved in "entrepreneurial discovery processes";

Collaborative leadership shall be fostered;

**Include the demand-side perspective** (Triple/Quadruple helix);

Need for a **dedicated Governance Structure**, including steering group, management team, working groups.
Smart Specialisation Strategies – Key issues

International connections

- Identify **potential for differentiation** of each region;
- Assess region’s position within the EU;
- Discover possibilities for **collaboration**;
- **Integrate** regional actors in **global value chains**;
- **Avoid duplication** and imitation.
Smart Specialisation Strategies – Key issues

**Economy as a driver**

There is an overall understanding of the **lack of commercial products/technologies that resulted from research projects** supported by structural funds.

S3 realizes the need of including the **demand-side** perspective;

S3 is a **strategic approach to economic development** through targeted support for research and innovation.
Innovation and Regional Development - The Role of Smart Specialisation

Smart Specialisation Strategies – Key issues

Monitoring

Reintroduction of experimentalism and innovation into the Structural Funds implementation;

The strategy should be implemented through a road map, with an effective action plan allowing for a degree of experimentation through pilot projects;

Need to be adaptive and be able to change plans;

Need to learn and update;

Need for good monitoring system in place to learn from experimentation and to be aware of the development and when to change.
Smart Specialisation Strategies – Key issues

Policy mix

Synergies between European and national funding, both at the strategic and programming level and at the project implementation level.

Examples: Operational Programmes financing capacity building for H2020 “Teaming” projects; Several National agencies provide alternative funding for high quality proposals evaluated but not funded under Horizon 2020, and aligned with RIS3.
Smart Specialisation Strategies – Azores

RIS3 Açores
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