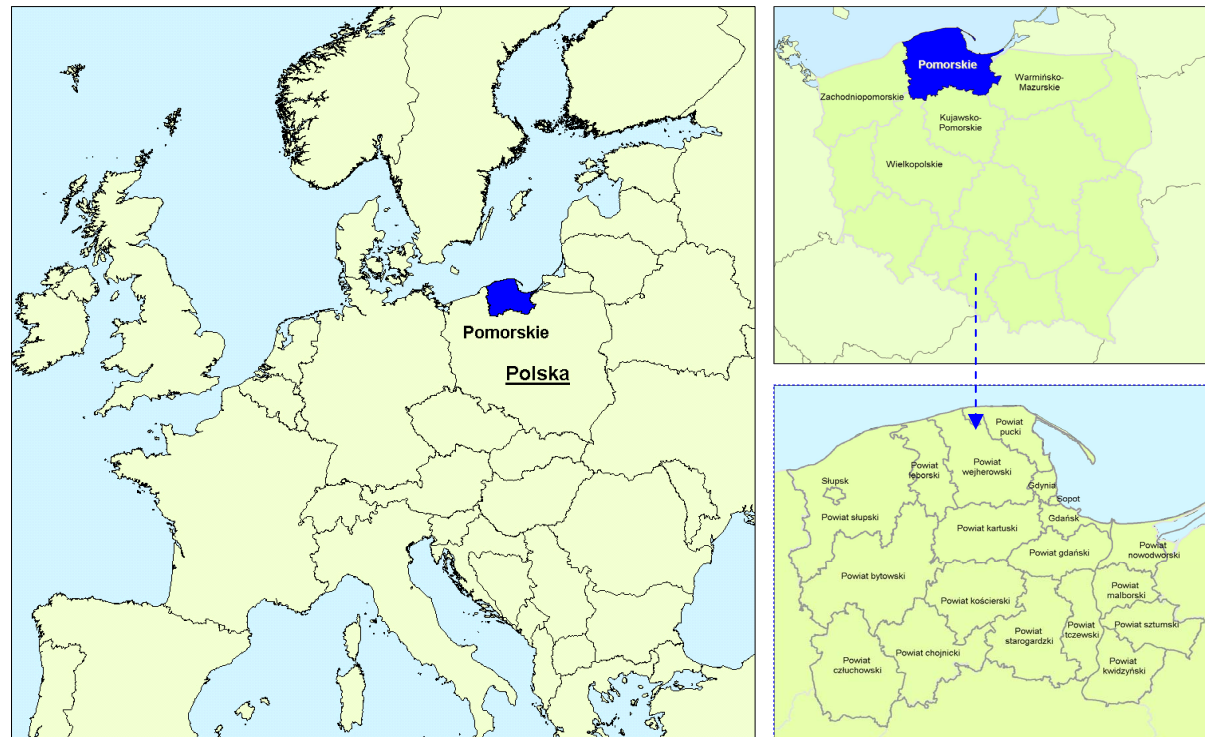




Pomorskie Region: Towards a smart specialisation?



Radomir Matczak & Joanna Oberbek

Palma de Mallorca, 7 February 2013



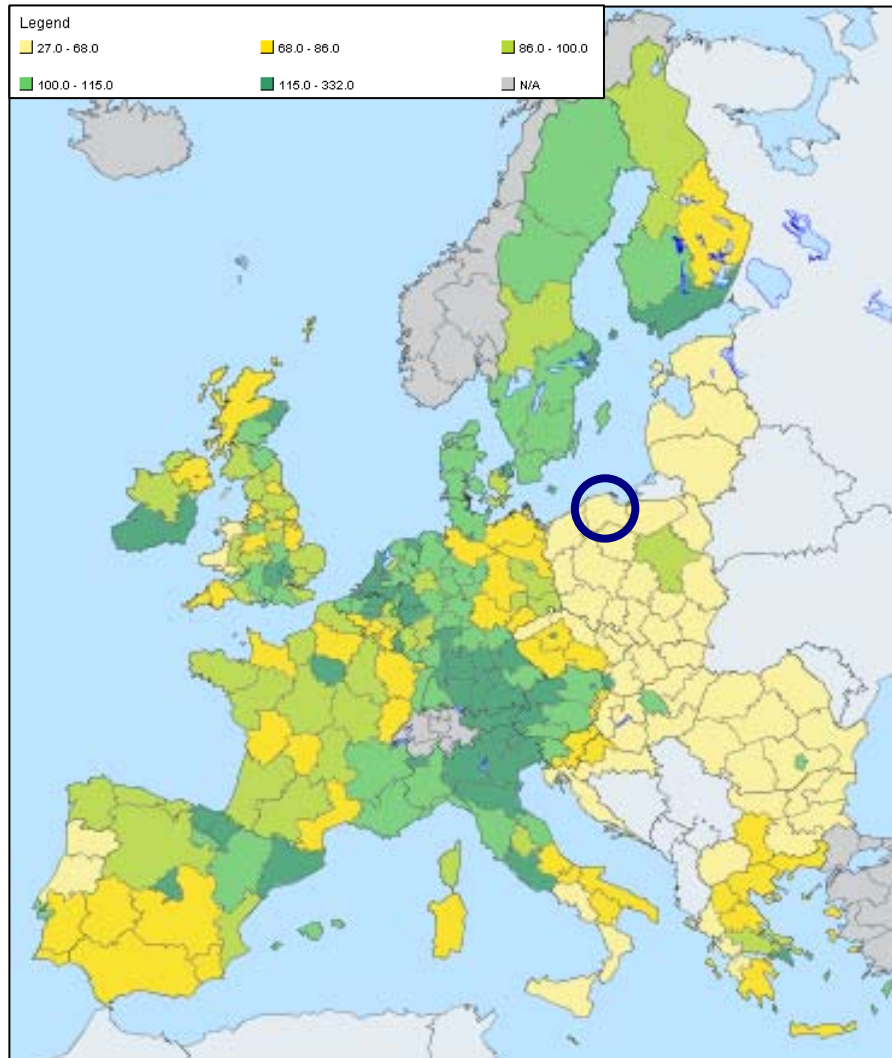
Peer-Review expectations

- To discuss the perspective of a **lagging-behind region** on **smart specialisation**
- To get useful hints on how to create regional **“devices”** for **long-term growth**
- To identify an optimal relation between **specialisation** and **diversification**
- To understand the role of **soft factors** as a foundation for **long-term growth**



Pomorskie compared to the EU (1)

GDP per capita in the EU regions (2009)



Indicators	Pomorskie (EU = 100)	
	Base year	Last available
GDP per capita (PPS) (2005, 2009)	50.2%	59.0%
Employment rate (2005, 2011)	84.1%	96.9%
GVA per employee (2007, 2009)	39.6%	41.0%

NSO, Eurostat



Pomorskie compared to the EU (2)

The region is catching up with the EU...

...but still lagging behind, especially in the
context of EUROPE 2020 targets

Selected EUROPE 2020 objectives	2020 TARGET		CURRENT STATUS		
	EU-27	PL	EU-27	Poland	Pomorskie
Employment rate (2011)	75%	71%	68.6%	64.8%	64.1%
R&D as % of GDP (2010)	3%	1.7%	2.0%	0.74%	0.61%
Share of renewable energy (2010 / 2011)	20%	15%	12.5%	8.9%	13.0%

NSO, Eurostat



Pomorskie compared to Poland

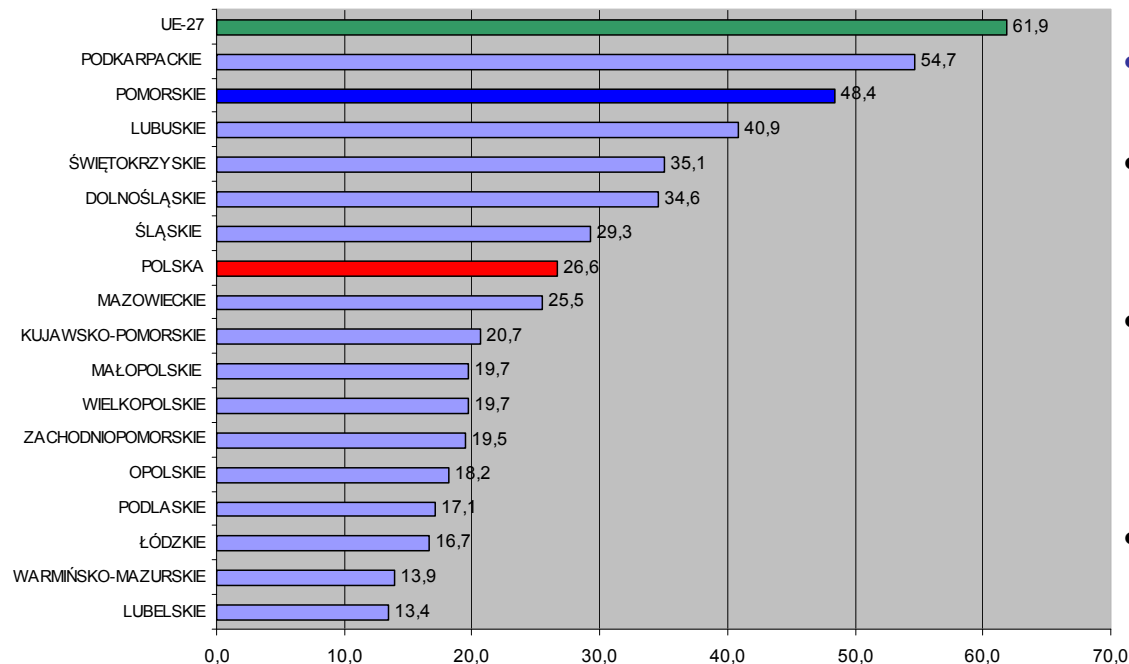


share of GDP	5.6%
share of population	5.9%
GDP per capita	5th place
GVA per employee:	4th place
exports per capita	5th place
unemployment rate	12.5%
no. of SMEs	258,000 (95.3% are micro-companies)
private investment	1.8 bin euro annually (excl. micro-companies)



Some untapped / not fully used potentials

Significant part of R&D spending funded by private sector (unlike the rest of Poland)



Business sector R&D expenditures in the total R&D expenditures in 2010 (NSO, Eurostat)

- ~7.700 employees in **R&D sector**
- growing number of students, including PhD students (unlike the rest of Poland)
- around **105,000 students** yearly, including nearly **7,000 students** of **IT and electronics**
- nearly **1,200 graduates** of **IT and electronics** yearly

However:

- low level of knowledge transfer to the economy
- poor understanding of R&D impacts on innovation and competitiveness
- underused infrastructure potential (technology parks, incubators)

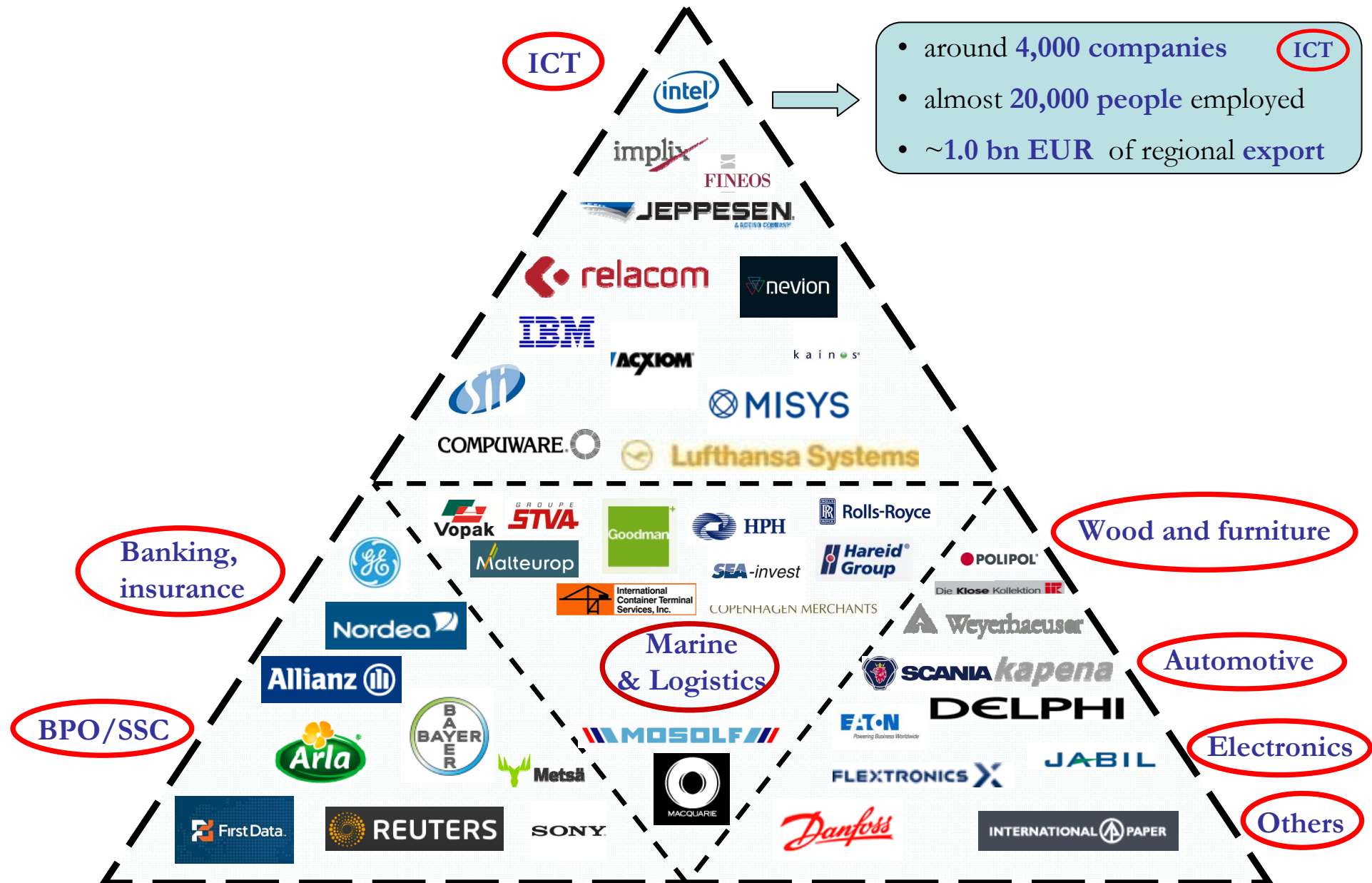


Business Support Organisations (BSOs)

Type of BSO	Total no. of BSOs	BSOs supported by EU funds	Value of BSOs' projects (MEUR)
Universities	28	15	191.0
R&D institutions	23	6	39.9
Science, Technology and Industrial Parks	4	4	91.6
Business Incubators	12	7	31.6
Cluster Initiatives	19	11	1.9
Regional Development Agencies	2	2	16.7
Special Economic Zones	2	1	1.6
TOTAL	90	46	374.3



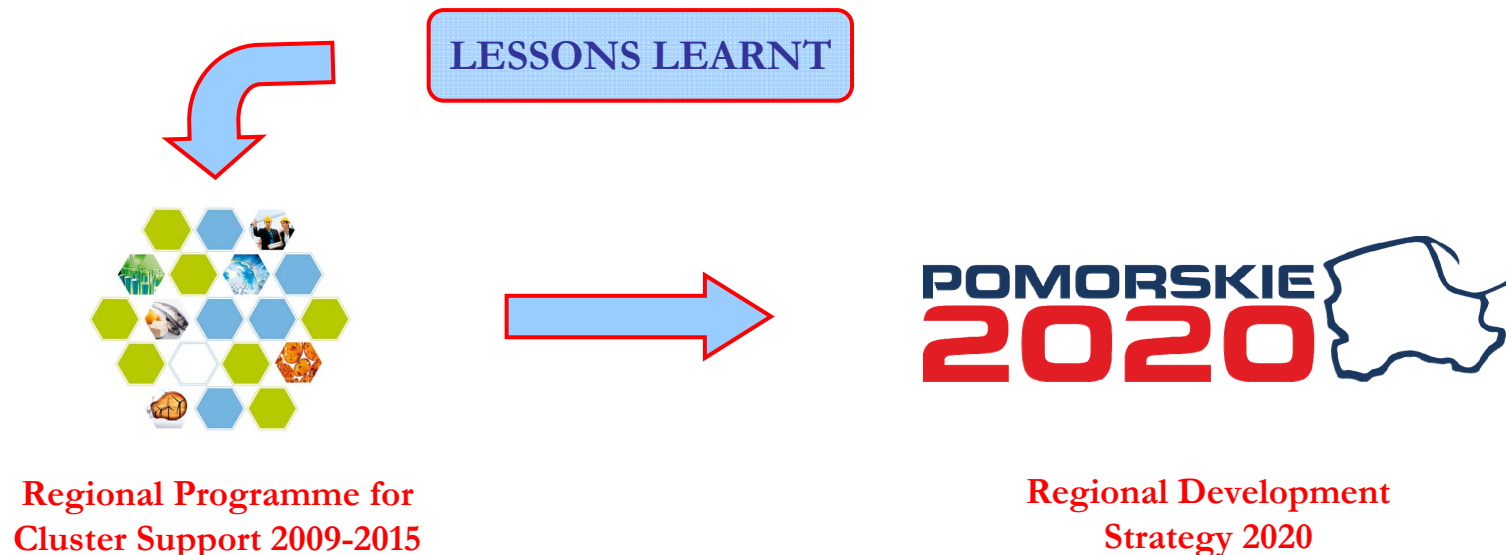
Pomorskie external economic relations





Weak points of RIS implementation so far

1. RIS **management structures** – not efficient and **dependent on EU grants**
2. RIS **goals** – hardly **specific, realistic, measurable** or **prioritised**
3. RIS **cooperation** – general lack of long-term **consensus**
4. RIS **pro-entrepreneurial actions** – lack of **tangible** and **durable results**
5. Science-business **links** – lack of critical mass in **knowledge transfer**





Cluster Initiatives in Pomorskie (1)



Pomorskie Regional Programme for Cluster Support 2009-2015

(test case for bottom-up approach on the road to smart specialisation)



Basic principle: selection of **key clusters** via a **competitive procedure**

Selection criteria:

1. **Capacity and competitiveness of cluster** (40%)
(e.g. contribution to regional exports)
2. **Development strategy** (40%)
(e.g. complexity of approach, feasibility studies for projects, financial resources)
3. **Quality and scope of partnership** (20%)
(e.g. min. 30 enterprises, R&D actors' involvement, openness to new entities)

Selection process: quality assessment **by experts from outside** the region



Cluster Initiatives in Pomorskie (2)



Pomorskie Regional Programme for Cluster Support 2009-2015



Main results:

- three **key clusters** selected (in two competitions)
- incentive-mechanism tested and spread in the region

Practical follow-up: prioritised **access** of the key clusters to **EU programmes**

Key clusters in brief

Name	No. of Enterprises	R&D actors	Others	TOTAL
Pomeranian ICT Cluster (software production and advanced IT services)	113	4	12	129
Baltic Eco-energy Cluster (biomass-, wind-, hydro-energy, poly-generation, smart grid)	72	10	25	107
Gdańsk Construction Cluster (industrial & low-energy construction, passive housing, RES)	52	5	4	61



Strategic challenges



HUMAN AND SOCIAL CAPITAL

Employment
and health
of the population

Educational services
and competitive
universities

Economic
linkages

Social capital
and regional identity

TERRITORIAL POTENTIAL

Transport
accessibility

Areas
of untapped potential

Access
to public services

Energy security
and eco-technologies

MANAGING DEVELOPMENT

Space
management

Institutional
capacity



Implementation principles (1)



SMART SPECIALISATION

supporting sectors with the greatest potential for development (not only technology-oriented)

FOCUS ON INNOVATION

- supporting innovative approaches to boost businesses
- diffusion of new technology (e.g. smart grid) and social solutions (e.g. in education)

DIGITAL DIMENSION

reinforcement of digital competence of residents, businesses and institutions



Implementation principles (2)



OUR (smart specialisation?) APPROACH

Support for those **economic activities**, which could be characterised by:

- outstanding **development level**, high **VA**, high-quality **jobs** and **export orientation** (existing & well established)
- favourable **conditions for dynamic growth** due to regional specificity (with the greatest growth potential)

OUR (challenge and) COMMITMENT TO

Create a **mechanism to identify and verify** sectors with **the greatest growth potential**, which determine the **future competitive position** of the region

EXPECTED EFFECT

Increased regional capacity for **flexible and tailor-made** public intervention **responding to changing** (mainly external / international) **conditions**



Economic activities of key importance



Existing & well established	With the greatest growth potential
petrochemical electrical engineering food industries wood and furniture tourism marine industries	ICT, logistics, pharmaceutical & cosmetic industry, <i>off-shore</i> industry (due to several comparative advantages specific for the region)
	energy (due to big investment gap and favourable environmental conditions)
	biotechnology, BPO/SSC, creative industries (due to relatively high supply of qualified and skilled labour force)
	automotive (due to attractive location factors)

This list is neither hierarchical nor unchangeable...



Governance



Different roles of regional authorities

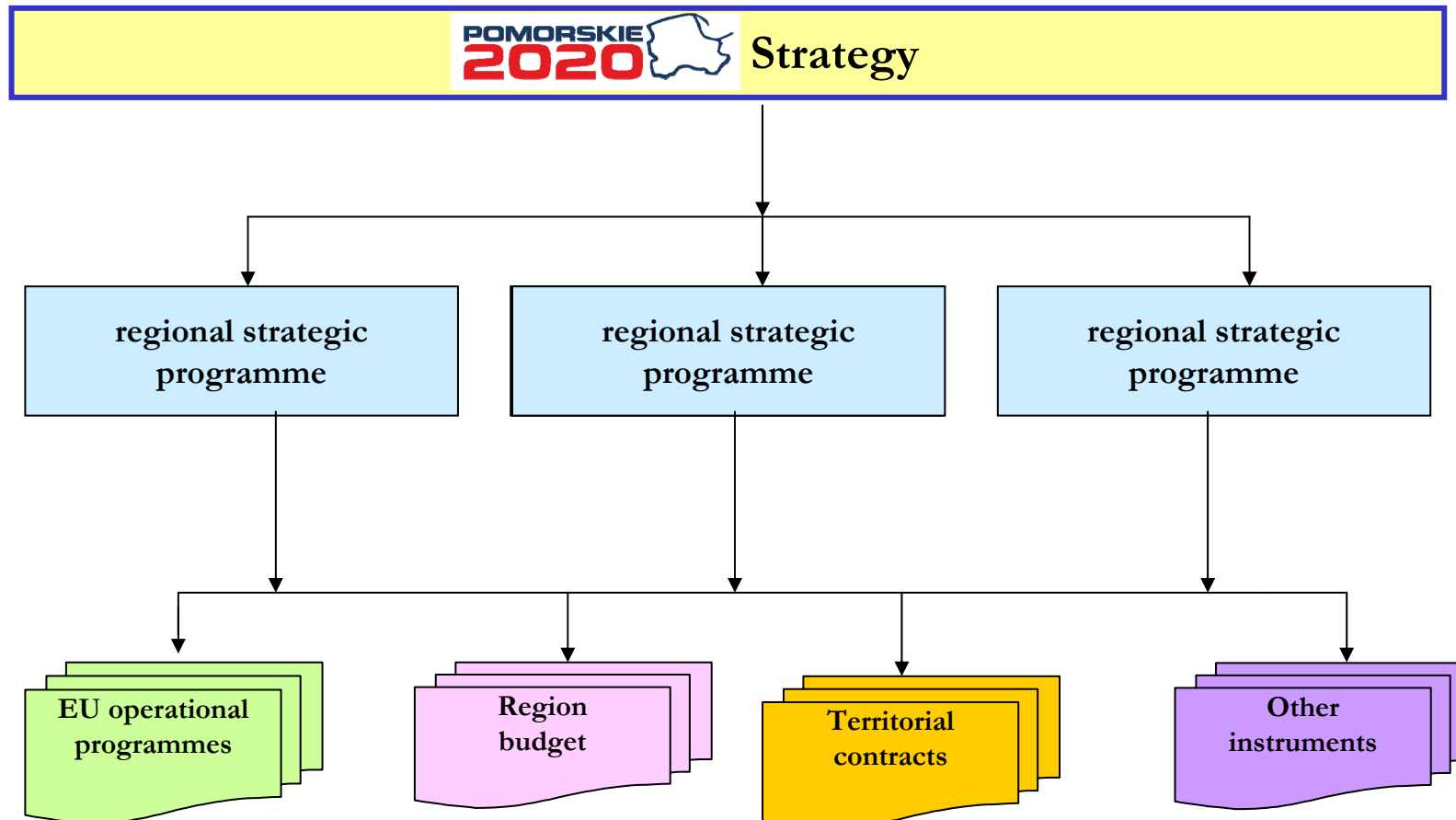
- Investor
- Coordinator and leader of development activities
- Inspirer

Key implementing partners

- Businesses, chambers of commerce
- R&D actors, universities
- Business support organisations
- Cluster initiatives
- Local governments
- Agencies for FDI support



Implementation and budget



Total development-oriented public spending in POMORSKIE
expected for 2014-2020 is **11-13 bn EUR**



Measuring the progress



Contextual indicators

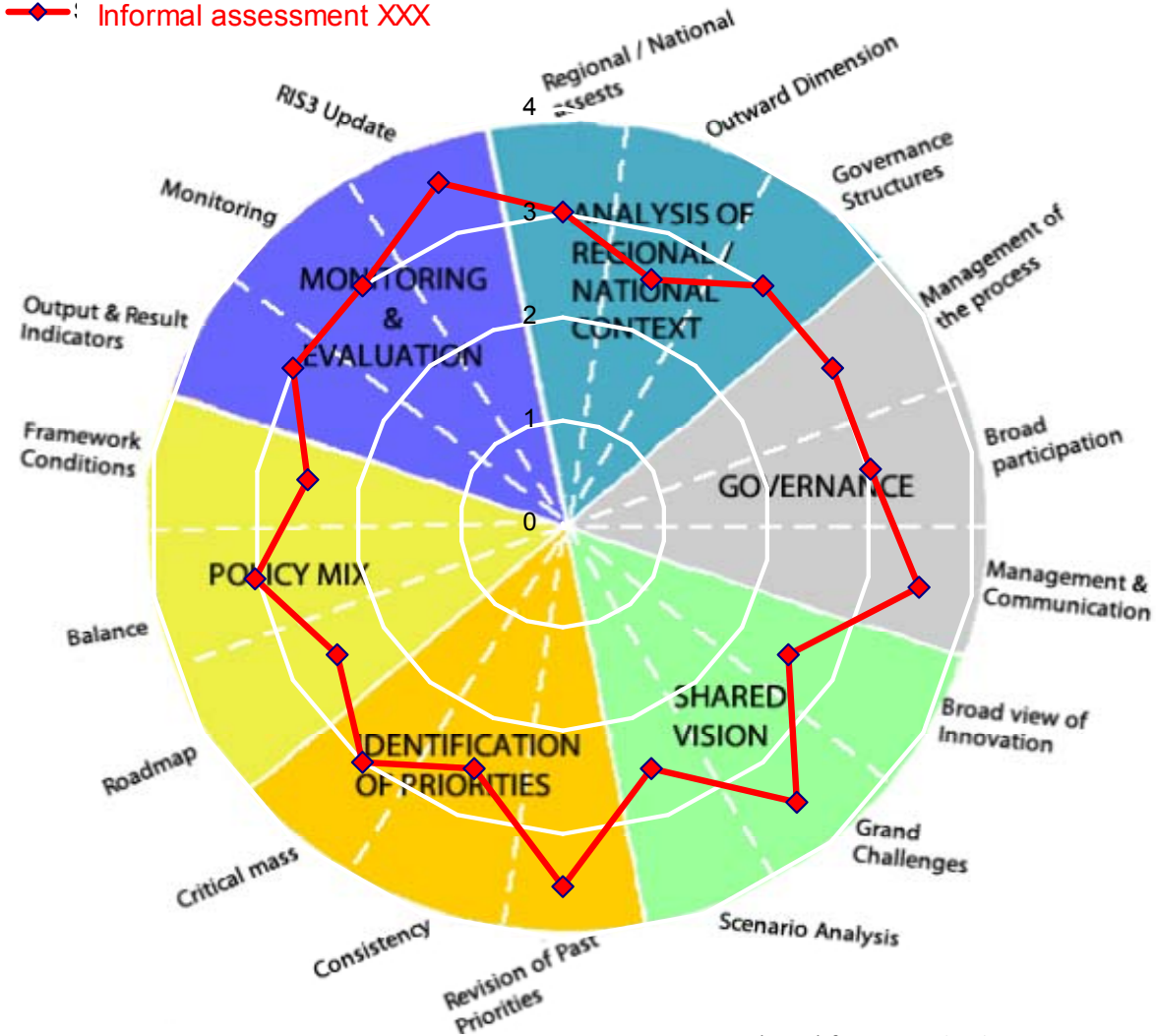
Definition	Base value	2020 target
R&D expenditures in GDP	0.61% (0.74% in PL)	reaching PL average
Industrial enterprises cooperating in the field of innovation	4.8% (6.1% in PL)	reaching PL average
Pomorskie exports in Polish exports	5.6% (5th place in PL)	among top 5 regions
Number of new outward businesses investments	-	min. 30
Number of jobs created by outward businesses investments	-	min. 5,000
Enterprises with high speed internet access (NGA)	4.0% (4.4% in PL)	exceeding PL average
Students in the fields of the greatest economic potential	55%	70%



(very subjective) self-assessment

Driving economic change through smart specialisation/RIS3

—◆— Informal assessment XXX



adapted from EURADA



Conclusions

To sum up:

- we are looking for **smart diversification** rather than smart specialisation
- we are aware that **some development factors are out of reach** directly for us
- we have something to offer when it comes to creating the **development path dependent on almost irreplaceable resources** (potentials, assets)

Next steps (till mid 2014)

- **Regional Strategic Programmes** – main tools for **Pomorskie 2020 Strategy**
- **State-region territorial contract** – cooperation platform with central government
- **Regional Operational Programme 2014+** – common denominator for EC&Region



Questions for discussion

- **Is RIS3 approach a “universal procedure” for all EU regions?**
(potential traps of “advanced” solutions in lagging-behind regions)
- **How to create and maintain an effective identification mechanism for regional specialisation? How to involve key actors in this mechanism?**
(competition mechanism vs. top-down data-steered mechanism)
- **Is functional specialisation better than just pure sectoral specialisation?**
(place-based approach vs. technology-blind approach)
- **What is the key role of public policy in transforming regional development potentials into regional specialisation?**
(the most efficient vs. the most “publicity-oriented” public intervention)



Thank you!



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