Smart Specialization Strategy in the Balearic Islands

RIS3 in the Balearic Islands
Illes Balears…

SMART SPECIALIZATION

15 years of regional development policies based on the R&D+I…
Regional development policies based on the R&D+I in the Balearic Islands have been directed towards smart specialization ...

- their search for national and international alliances in order to find the scientific and technological support needed for the competitiveness of knowledge-based activities.

- their definition based on governance and participatory processes of several stakeholders in the regional innovation system and the Balearic society.

- evaluation processes that have allowed continuous learning which has been applied in the following public policies, creating lifelong learning processes and adaptation to the needs of the territory.

- prioritization on tourism and related sectors, identifying own and unique technology domains.
Balearic Islands...

SMART SPECIALIZATION

The process of smart specialization concerning public policies ...
The Balearic regional innovation system began to have an institutional framework and specific public policy...

In the late 80s: first thoughts on how to deal with a crisis affecting the tourism sector supported by the R&D in the framework of the Regional Development Strategy, where the first idea of the Balearic Islands Innovation Technology (BIT) emerged.


1998 -> DG XIII of the European Commission approved the Balearic Islands, the Regional Innovation and Technology Transfer Strategies (RITTS). This project was a milestone that set out the basic policy of R&D+I in the Balearic Islands, directing it towards supporting innovation in tourism-related activities.

In 1999 the General Head Office for R&D+I was created in the Government of the Balearic Islands as responsible for defining and implementing the policies of R&D in the region.
R&D+I policies in the Balearic Islands

Why was it so important RITTS Balearic Islands?

The Balearic RITTS commitment, even before it had a name, on the prospects of a smart specialization in tourism innovation ...

• Opted for a public policy strategy to boost regional competitiveness based on knowledge and innovation.

• Initiated a participatory process and mobilization of social partners around the definition of an innovation strategy in the region. "Contacts were made with 350 companies and in debates involving 144 people from different entities (1)".

• Initiated a partnership between the European Commission and the Government of the Balearic Islands that served to guide subsequent actions.

The project was developed between summer 1999 and March 2000 in three phases: launch, analysis of demand and supply of technology and finally, development of the regional innovation strategy.

R&D+I policies in the Balearic Islands

Why was it so important RITTS Balearic Islands?

The basic lines of the Balearic RITTS have remained until today ...

Defined Objectives

• Promote innovation to improve business competitiveness, social welfare and sustainable development;
• Consolidate the Innovation System of the Balearic Islands, rationalizing infrastructure and technology research, fostering networking and promoting interaction with the business.
• Foment diversification.
• Promote the creation of innovative companies.
• Improve the ability of human resources for business and institutional management in the new knowledge society.
• Design a participatory instrument integrating management of innovation policy.
• Promote scientific and technological culture and innovative spirit in the citizens, businesses and institutions.
• Promote new ways of financing innovation.
• Ensure participation and involvement of different stakeholders in defining and implementing the strategy and measures.
• Consideration of the social impact of the innovation process.

R&D+I policies in the Balearic Islands

The RITTS has been the basis upon which successive regional strategies and plans have been defined...

1. Innovation Strategy of the Balearic Islands (RITTS)
   - I R&D Plan (2001-2004)
   - I Innovation Plan (2001-2004)
   - I Innovation actions

   - II Innovation Actions
     SAITUR (2005-2008)


The route...

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R&D+I policies in the Balearic Islands

Innovation in public policies...

Another important milestone that marked the Balearics smart specialization in regional Programmes of Innovative Actions (PIA).

What was the purpose of the PIA?

The European Commission launched the PIA, which main purpose was "to encourage disadvantaged regions to invest in innovation and technological development in order to reduce developmental delay and increase their competitiveness. Promote exchanges of experiences and good practices through inter-networking issues."

PIAs in 2000-2006 focused on 3 themes:

1) A regional economy based on knowledge and technological innovation,
2) eEuropeRegio: the information society at the service of regional development
3) Regional identity and sustainable development.

Balearic worked on the first axis being capable of innovating and experimenting in regional development policies related to innovation.

R&D+I policies in the Balearic Islands

I PIA: INNOBAL XXI...

• XXI INNOBAL’s objectives were ...

  • To increase the level of technology and innovation processes in enterprises and the whole of the society of the Balearic Islands.
  • To promote business competitiveness and create quality employment.
  • To enhance the appearance of new knowledge-based activities in order to contribute to economic diversification.
  • To overcome, with the help of technology and innovation, the issues related to sustainability and insularity.

That is, INNOBAL XXI was an innovative strategy that combined sustainable development (green growth) to R&D+I (smart growth).
XXI INNOBAL highlighted the need to reorientate the regional policy of R&D towards supporting tourism and related sectors, with the purpose of strengthening the competitive advantages of the Balearic Islands, on the basis of a regional innovation system based on effective partnership.
R&D+I policies in the Balearic Islands

The project "System of innovation support tourism in the Balearic Islands (SAITUR)" allowed deepening on the results obtained from INNOBAL XXI and consolidating a specialized regional innovation system ...

SAITUR objectives were:

• *Creation of an R&D as a reference for regional scientific and technological innovative activities related to tourism (CIDTUR)*

• *Starting a Tourism Cluster, which also includes agents involved in complementary sectors.*

• *Enhancing Innovation and Entrepreneurial Culture around the Tourism Cluster.*

• *Adaptation of the Innovation Strategy of the Balearic Islands to the needs of regional innovation system.*

• *Participation in networks and collaboration with other regions*

SAITUR consolidated Balearic smart specialization on tourism and related sectors. It was also the beginning of the policy to support the natural clusters in the region.
SAITUR helped define the current policy of R&D+I (the Science, Technology and Innovation 2009-2012) that focuses on **smart specialization and technological expertise on tourism and development of natural clusters in tourism-related sectors** (ICT, marine industry, audiovisual, etc.).
Balearic Islands...

15 years of regional development policies based on the R&D+I...
Successive generations of regional policies for R&D+I …

… have created in the Balearic Islands a specialized, connected and sophisticated regional innovation system.
... It has strengthened the regional innovation system and contributed to economic and social development.

Source: Own elaboration. Data compiled from INE and Eurostat.
Smart Specialization...

TODAY ... PLAN FOR SCIENCE, TECHNOLOGY AND INNOVATION OF THE BALEARIC ISLANDS 2009-2012

... with a wide vision for governance and prioritization.
The Science, Technology and Innovation Plan of the Balearic Islands 2009-2012…

Recognizes the importance of social capital …

Defines a governance mechanism …
“By an instrument of participation of key stakeholders in the generation and monitoring of public policy ”

And implements the actions needed…

Smart Specialization …

that prioritizes …

The Science, Technology and Innovation Plan of the Balearic Islands 2009-2012 prioritizes its actions …

... in areas of technology, markets and sectors where the existing clusters in the region work.

<table>
<thead>
<tr>
<th>Tabla 1. Mercados productivos de interés prioritario y mercados estratégicos</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mercado de actividades turísticas</td>
</tr>
<tr>
<td>Hostelería</td>
</tr>
<tr>
<td>Transporte aéreo y marítimo + logística</td>
</tr>
<tr>
<td>Industria náutica</td>
</tr>
<tr>
<td>Actividades complementarias (agencias de viajes, alquiler de vehículos...)</td>
</tr>
<tr>
<td>Industria del ocio</td>
</tr>
<tr>
<td>Industria de la cultura (patrimonio cultural y audiovisual)</td>
</tr>
<tr>
<td>Mercado de actividades afines al turismo</td>
</tr>
<tr>
<td>Medio ambiente y energía</td>
</tr>
<tr>
<td>Agroalimentario y acuícola</td>
</tr>
<tr>
<td>Biotecnología</td>
</tr>
<tr>
<td>Otros mercados de actividades estratégicas</td>
</tr>
<tr>
<td>Biomedicina y ciencias de la salud</td>
</tr>
<tr>
<td>Cultura y sociedad</td>
</tr>
</tbody>
</table>

Clusters as tools for knowledge generation according to market needs.

Balearic Islands…

A REAL SPECIALIZATION

Tourism and it’s technology domains
Smart Specialization in Balearic Islands

Tourism as an engine for the regional development of the Balearic Islands...

Regional development policies based on the R&D+I have contributed to enhance the impact of the tourism sector.

Impact of tourism in the Balearic economy and Spain. Data Balearic Islands (2009) and Data Spain (2007).

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Balearic Islands</th>
<th>Spain</th>
</tr>
</thead>
<tbody>
<tr>
<td>% GDP</td>
<td>43,2%</td>
<td>10,7%</td>
</tr>
<tr>
<td>Million of €</td>
<td>11.032</td>
<td>111.984,2</td>
</tr>
<tr>
<td>% Employment</td>
<td>30,3%</td>
<td>12,4%</td>
</tr>
<tr>
<td>persons</td>
<td>148.767</td>
<td>2.533.080</td>
</tr>
<tr>
<td>% Exportations</td>
<td>81,3%</td>
<td>19,5%</td>
</tr>
<tr>
<td>Million of €</td>
<td>9.703</td>
<td>45.587,8</td>
</tr>
<tr>
<td>% Public expenditure</td>
<td>11,2%</td>
<td>–</td>
</tr>
<tr>
<td>Million of €</td>
<td>644</td>
<td>–</td>
</tr>
<tr>
<td>% taxes</td>
<td>39,1%</td>
<td>10,4%</td>
</tr>
<tr>
<td>Million of €</td>
<td>2.052</td>
<td>9.911</td>
</tr>
</tbody>
</table>

Source: Compiled from information available EXCELTUR.
Smart Specialization in Balearic Islands

The Cluster of Technological Innovation in Tourism of the Balearic Islands...

... important also at a regional and European level.

<table>
<thead>
<tr>
<th>Clústeres de turismo y hostelería en la UE</th>
<th>Trabajadores</th>
<th>Tamaño</th>
<th>Especialización</th>
<th>Foco</th>
<th>Estrellas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canarias (Tenerife)</td>
<td>82.099</td>
<td>2,24%</td>
<td>5,11</td>
<td>10,19%</td>
<td>***</td>
</tr>
<tr>
<td>Akdeniz (Antalya)</td>
<td>57.924</td>
<td>1,58%</td>
<td>4,50</td>
<td>8,96%</td>
<td>***</td>
</tr>
<tr>
<td><strong>Illes Balears (Mallorca)</strong></td>
<td>47.180</td>
<td>1,29%</td>
<td>5,15</td>
<td>10,27%</td>
<td>***</td>
</tr>
<tr>
<td>Ege (Izmir)</td>
<td>46.571</td>
<td>1,24%</td>
<td>2,41</td>
<td>4,81%</td>
<td>***</td>
</tr>
<tr>
<td>Tirol (Innsbruck)</td>
<td>29.486</td>
<td>0,80%</td>
<td>5,36</td>
<td>10,68%</td>
<td>***</td>
</tr>
<tr>
<td>Andalucía (Sevilla)</td>
<td>86.366</td>
<td>2,44%</td>
<td>1,64</td>
<td>3,27%</td>
<td>**</td>
</tr>
</tbody>
</table>

Note: Compiled from information and analysis of the European Monitoring Clusters and included in the Science, Technology and Innovation of the Balearic Islands 2009-2012. Government of the Balearic Islands. Note that these data are from the cluster and sector, with sources other than impact studies.

1. Size: whether in terms of number of employees is 10% higher than all European clusters in the same category, they receive a star.
2. Specialization: a region with a strong specialization in a particular category of cluster can attract economic activity from other regions and encourage more exchanges. If the ratio of the category in the region is greater than 2 is assigned a star.
3. Focus: measures employed in the cluster relative to total employment in the region. If this ratio is more than 10% is assigned a star.

Unlike other European regions ...

... It’s a cluster that enhances tourism activities in different technology domains (related variety).

... Regional development policies based on the R&D+I have contributed to enhance technology domains on tourism ...
That have been materialized in **CLUSTERS** of companies that develop technologies related to tourism...

**TURISTEC**
ICT Tourism

- Created in 2007
- 71 member companies
- Sector: 160 ICT companies
- 21,000 workers
- 5.6% of GDP in the Balearic Islands (ICT and Telecommunications)
- Average investment in R&D 11% of turnover

**CLAB Media**

- Created in 2007
- 26 member companies
- 12 partners
- Sector: 1.06% of GDP
- 65 audiovisual production companies
- 980 skilled workers

**IBIZA Music Cluster**
Music

- Created in 2008 by 4 public companies dependent on the Island Council of Ibiza.
- 85 companies and professionals in the accession process.

**IDIMAR**
Sea technologies

- Created in 2009
- 10 entities within
- Investment in R&D 33% of turnover
- 6 projects developing innovative

**BIOIB**
Biohealth and biotechnology

- Created in 2007
- 17 member companies
- 3% of private expenditure on R&D + i
- 12% of private research staff
- 5% of GDP in the Balearic Islands (Including IB Salut)
- Average investment in R&D 60%

Source: Data extracted from "10 years of the Science, Technology and Innovation". Government of the Balearic Islands. 2009
Smart Specialization in Balearic Islands

Example of the development of ICT technology solutions linked to tourism...

Source: Map of technological solutions. TURISTEC.
Balearic Islands...
The tourism sector….

- it is the main driver of the Balearic economy,
- it is an integrationist activity of technologies,
- it allows the development of specialized activities based on knowledge,
- it requires a kind of innovation policy that supports the ability to generate knowledge in an industry that does not create technology, but use it.