

## BOOK REVIEW

***Smart Specialisation. Opportunities and Challenges for Regional Innovation Policy***, DOMINIQUE FORAY, Routledge, Abingdon (UK) and New York (NY), 2015. xviii + 104 pp. £70.00 (hbk). ISBN 978 1 138 77672 2 (hbk), 978 1 315 77306 3 (ebk). Find it on the editor's webpage: <http://www.routledge.com/books/details/9781138776722/>

How can the European economy move forward in these difficult times? What can policy makers at any level in Europe do to get us out of the economic recession and generate prosperity for people and places? These have been burning questions for citizens as well as many political authorities across the continent for some time. A powerful answer to these problems has been formulated by the European Commission through the notion of regional and national research and innovation strategies for Smart Specialisation, and last year it was finally embedded as ex-ante conditionality in the regulatory provisions of European Structural and Investment Funds for the period 2014-2020.

But what is Smart Specialisation exactly? How was the sketch of an academic concept translated into a precise set of policy guidelines? And how can policy makers design and implement such strategies in order to enhance economic competitiveness and community wellbeing through investment in research and innovation? This is what Dominique Foray masterfully explains and discusses with sharp knowledge of the economic matters involved and instructive empirical observations in the book *Smart Specialisation. Opportunities and Challenges for Regional Innovation Policy*.

This book timely comes about when the development of Smart Specialisation strategies across Europe is getting close to the crucial turning point between the strategic design and the policy implementation phases. Stakeholders and policy makers need to deepen their awareness of where they stand and find useful guidance and examples to inspire their own solutions. Scholars interested in regional economics, policy planning, innovation and research, or territorial governance need to identify and deeply understand the broad framework of reference where European public policy will unfold in the next years. The author provides in his book food for thought and for action to all these actors.

In essence, as Dominique Foray clearly explains, the notion of Smart Specialisation puts at the very core of policy decisions the knowledge that is produced - and it is only possessed - by the entrepreneurs in an inherently decentralized fashion. However, at the same time it retains the prerogative of the policy maker to choose the interventions to implement. One of the key merits of the book is to effectively balance the perspective of a non-neutral industrial policy that has the ultimate goal to preferentially support those economic activities with the greater potential impact on territorial development, and the necessarily bottom-up information flow that distills entrepreneurial discoveries into policies.

The reader will learn through the pages that the policy process of Smart Specialisation is really about finding a way to be special in a highly competitive global context, and in this way carving a recognizable market niche and seizing the corresponding slice of global value added. Dominique Foray suggests that the way to guarantee such a "specialty" to regional or national economies should be understood as a smart process of evolution that builds on the traditional economic

strengths of a region or country, while complementing these assets with new knowledge-based activities that enable the economy to progressively shift towards higher value-added productions. This movement should be activated and supported by policy interventions specifically designed according to principles that are spelled out with clarity in the book: harvesting entrepreneurial discoveries; building an inclusive strategy with specific attention to hidden potentials; revising priorities according to new information and discoveries; monitoring and evaluating progress; especially supporting early stage and growth of new activities. Each region, no matter the type and level of its socio-economic endowment, can in this way find its own way to sustainable and inclusive growth.

Far from providing a set of abstract normative propositions, the book is extremely rich in stories of successful Smart Specialisation cases in European regions. Although we are still at a very early stage of the Europe-wide process of implementation of Smart Specialisation strategies, the attentive reader of this book easily comes to realize how crucial Smart Specialisation policies will be in shaping the economic horizon of the present decade and the years to come after. Between the lines the author put on paper, we can recognise the areas where unanswered questions remain, and hence imagine what will be the next challenges. How can the policy experiment culture and failure tolerance in the public administration be extended and improved? How can we build an institutional locus where entrepreneurial discoveries can be gathered and analysed? How can we improve on the construction of inclusive communities of language that allow different socio-economic actors to find actual possibilities for collaboration? This is certainly an extremely stimulating research and policy agenda, made possible by the powerful notion of Smart Specialisation.

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