

11th December 2020

SMART SPECIALISATION STRATEGIES *IN PORTUGAL*

**Implementation of smart specialisation
strategies in Portugal**

Manuel Laranja



#smartspecialisation

Açores

Madeira



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- What are Smart Specialisation Strategies - S3 and Entrepreneurial Discovery Processes - EDP
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Objectives

Objectives

1. Assess the Portuguese situation concerning governance of S3, including:
 - Functioning of the different governance systems (coordination) at National and Regional level
 - Multi-level coordination between National and Regional levels
 - Practices of Entrepreneurial Discovery Processes
 - Functioning of Follow-up and monitoring systems
2. Evaluate how is Portugal and the regions positioned to fulfil the ex-ante **“Good Governance” condition COM (2018) 375**

Methodology

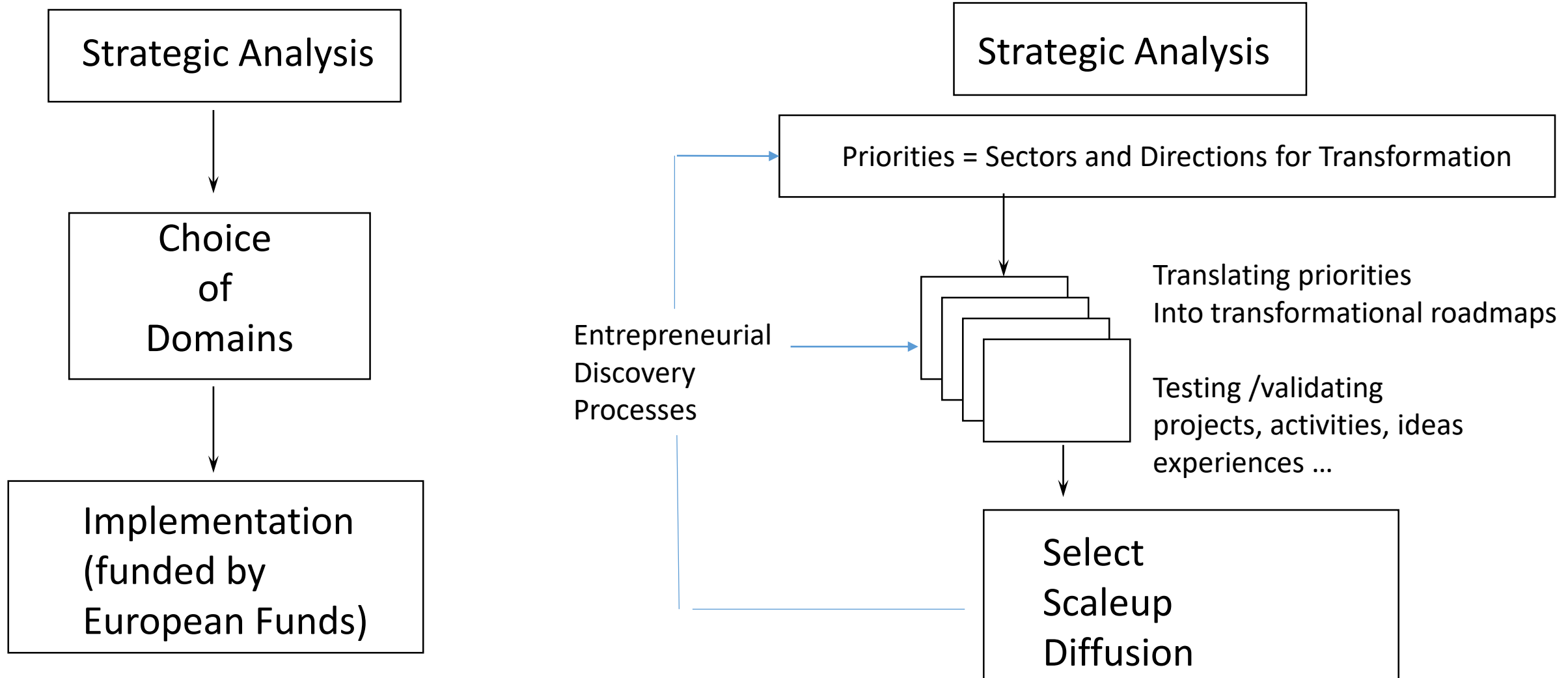
Methodology

- Desk research.
- Panel interviews in each region.
- Semi-structured individual interviews.



What are Smart Specialisation Strategies - S3 and Entrepreneurial Discovery Processes - EDP

What are S3 and Entrepreneurial Discovery Processes - EDP



How they were implemented:
main difficulties

Initial process 2013-2014

- A top-down participated process
- Marked a significant change in the design of Innovation Policies in Portugal
- Evidence-based approach and an attempt to break with previous R&D and Innovation Policies, based on Scientific Excellence and Technology Transfer
- Increased stakeholders participation in the policy design process, through multiple thematic sessions involving a large number of actors.

Large number of broad domains: National level

5 Thematic axes	15 smart specialization priority domains
Key Enabling Technologies	<ol style="list-style-type: none">1. Energy2. Information and Communication Technologies3. Raw Materials and Materials
Production technologies and Industries	<ol style="list-style-type: none">4. Production Technologies and Product Industries5. Production Technologies and Process Industries
Mobility, Space and Logistics	<ol style="list-style-type: none">6. Automotive, Aeronautics and Space7. Transports, Mobility and Logistics
Natural Resources and Environment	<ol style="list-style-type: none">8. Agri-food9. Forestry10. Economy of the Sea11. Water and environment
Health, Wellness and Territory	<ol style="list-style-type: none">12. Health13. Tourism14. Cultural and Creative Industries15. Habitat

Choice of a large number of domains does not favour a desired concentration of resources in projects and activities that would generate spill-overs, hence potential transformative

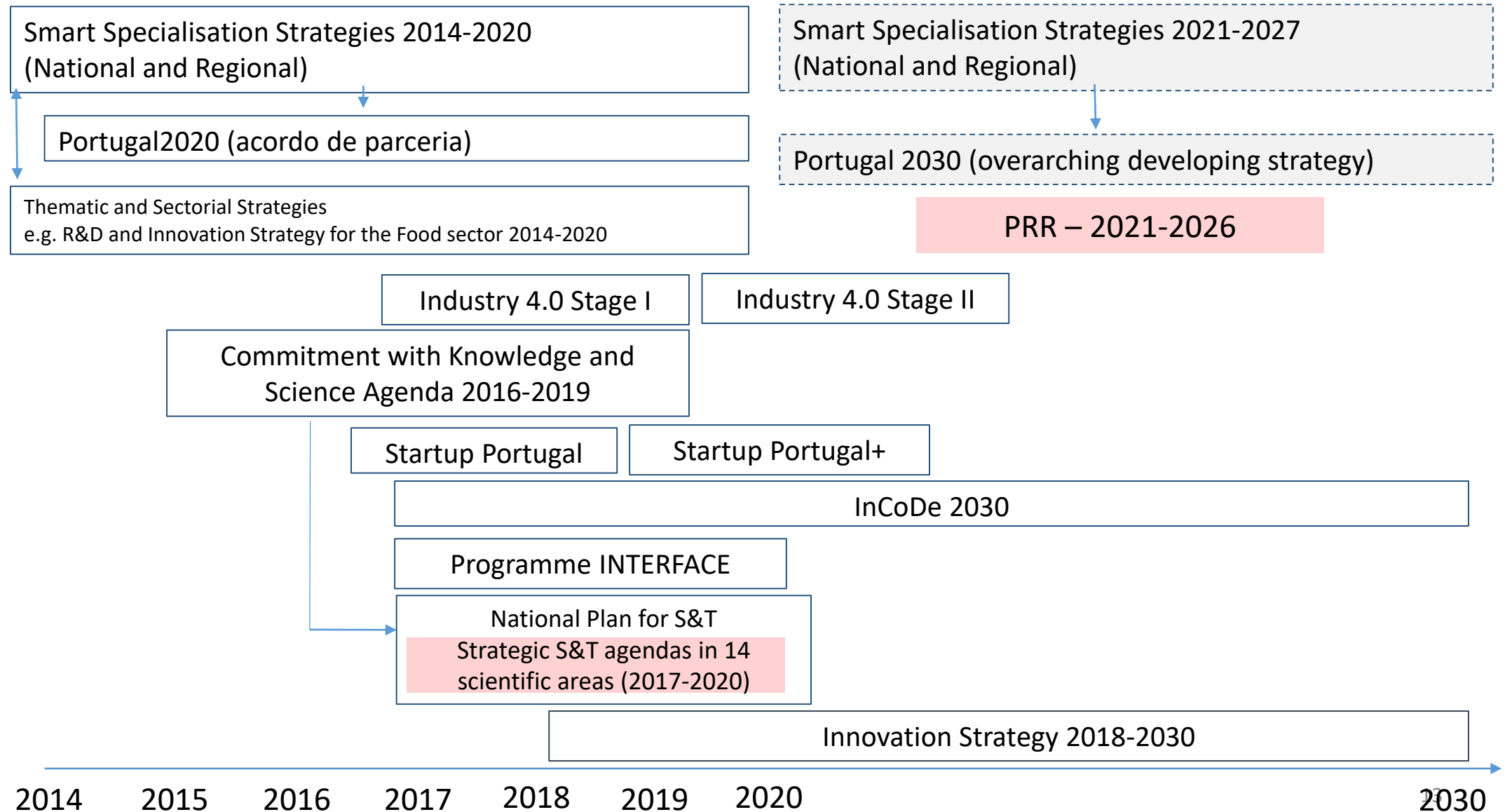
Large number of broad domains: Regional level

Regions	Regional priority-domains
Norte	Health and Life Sciences Culture, Creativity and Fashion Maritime Resources and Economy Human capital and specialised services Mobility industries and environment Advanced manufacturing systems Food and agri-environmental systems Symbolic capital, technologies and tourism services
Alentejo	Food and forestry Economy of mineral, natural and environmental resources Critical technologies, energy and smart Mobility Heritage, cultural and creative industries and tourism services Technologies and specialised services of the social economy
Algarve	Tourism and leisure Agri-food industries and forestry IT and creative industries Life sciences, health and recovery Renewable energies Sea industries, fisheries and “aquiculture”
Azores	Agriculture, livestock and agri-business Fisheries and sea Tourism

Regions	Regional priority-domains
Centro	Information and Communication Technologies Materials Agri-industry Forest Sea Biotechnology Health and well-being Tourism
Lisboa	Transports and Mobility Exploration and exploitation of marine resources Research, technologies and health services Tourism and hospitality Cultural industries and resources for creativity
Madeira	Tourism Resources and technologies of the sea Health and well-being Food quality Sustainability and infrastructure management and sustainability Energy, mobility and climate change Information and communication technologies

Source: EREI-Norte (2015), EREI-Alentejo (2014), EREI-Lisboa (2015), EREI-Algarve (2014), EREI-Madeira (2015), EREI-Açores (2014), EREI-Centro (2014)

Strategies, Agendas, Plans and Policies for R&D and Innovation in Portugal. Beyond the Large number of S3 domains



National Plan for Science and Technology (2017-2020)

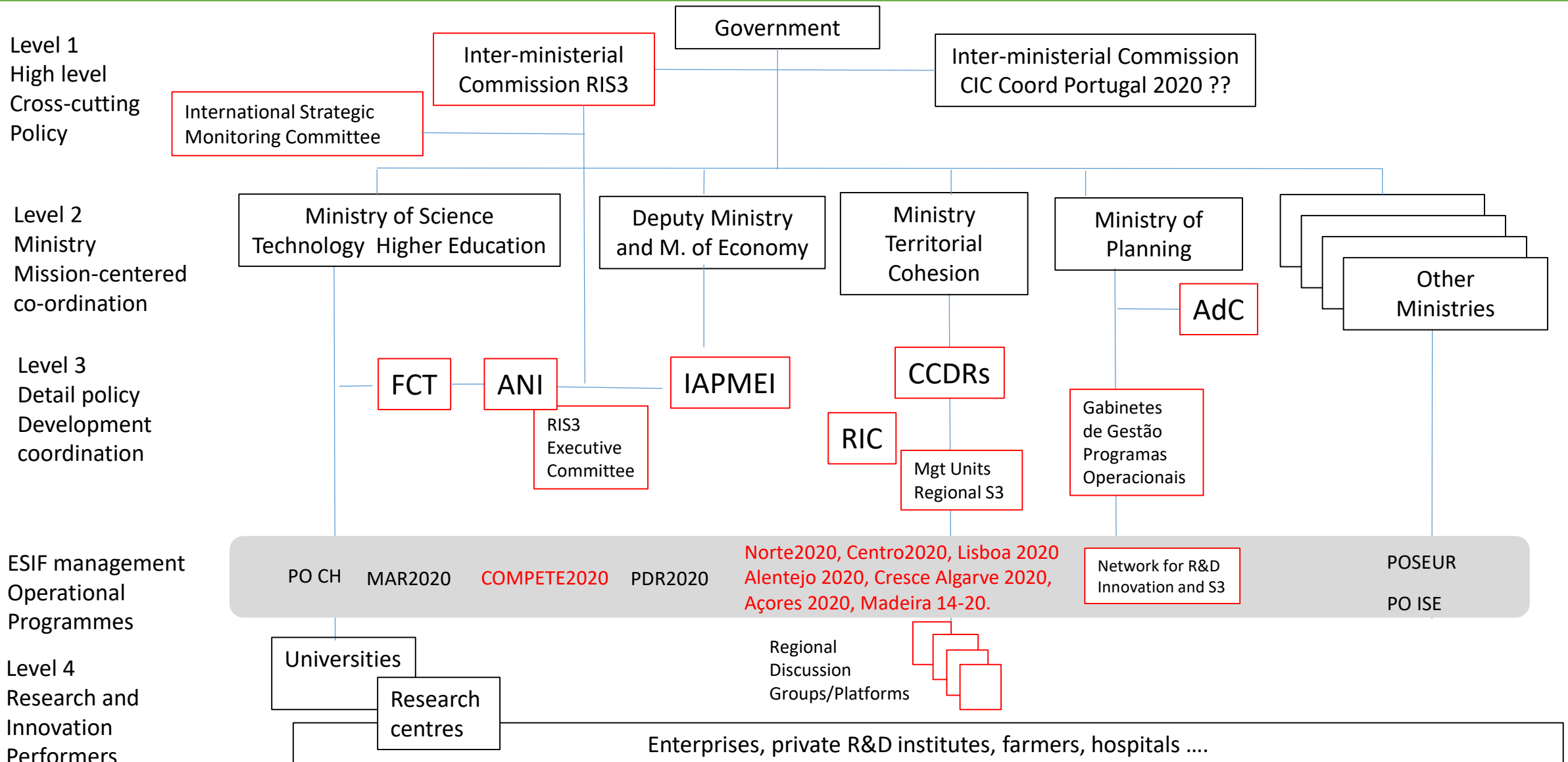
National Science Foundation

14 Thematic R&D Agendas

Agri-food, Forestry and Biodiversity
Climate Changes
Portuguese Architecture
Urban Science and Cities for the Future
Culture and Cultural Heritage
Circular Economy
Space and Earth Observation
Social Inclusion and Citizenship
Industry and Manufacturing
Oceans
Health, Clinical and Translational Research
Cyber-physical Systems and Advanced Forms of Computation and
Communication
Sustainable Energy Systems
Labour, Automation and Job Qualification in Portugal
Tourism, Leisure and Hospitality

Source: National Science and Technology Foundation FCT

National S3 Governance Structure



Main difficulties: Governance

■ National level

- High level committees / commissions did not work, therefore the intermediate coordinator ANI was left alone with no one to report to
- Multi-level governance is channelled through the “Network for R&D, Innovation and S3” (COMPETE 2020) not through the Executive Committee (at ANI)

■ Regional level

- Regional Innovation Councils and Discussion groups are just advisory bodies
 - Deficit of participation from local enterprises
 - Discussion Groups are very recent, hence with little or no influence
- However, at National and Regional levels, the management bodies in charge of S3 do not have adequate resources to ensure an effective coordination.

Main Difficulties: EDP

■ National level

- Did not find any EDP at National level.

■ Regional level

- Except for the Centro Region, only very recently thematic discussion groups and platforms were created to support EDP.
- In some cases, discussion in these groups is centred on scientific research projects and grand challenges, entrepreneurial knowledge is much less discussed.
- Feedback from these groups to higher decision bodied is still scarce

Main difficulties: Monitoring

■ National/Regional levels

- Based on input indicators (number of projects receiving EU funding by priority domain, by funding instrument, ... etc.)
- Does not inform about results
- Does not inform about possible effects on the context
- Does not inform about experimentation resulting from EDP.

Recommendations for
“Good Governance”
(of the Entrepreneurial Discovery Process
and Monitoring)

Recommendations: The strategy design process

- Lower number of domains. Sectors with a transformation goal.
- Can be defined by initial planning, not necessarily “discovered”.
- S3 is not a “one-time-choice” of priority domains – a kind of thematic menu used to focus project funding using European funds.
 - It is (mainly) a process of discovering which specific sets of projects and initiatives have transformative potential!

Recommendations: Governance

■ National level

- More political leadership, more high level coordination
- Establishment of one single higher inter-ministerial commission
- Reinforce the coordinating and monitoring team.

■ Regional level

- Smaller Regional Innovation Councils, with more private sector enterprises, more accountable (not just advisory)
- Reinforce S3 management units
- Separate S3 strategic management from administrative management of EU funded Operational Programmes
- Higher autonomy to regional authorities use specific policy instruments

Recommendations: Entrepreneurial Discovery Process

- **National level**

- Concentrate EDP at National on discovery process that involve inter-regional collaboration, national S&T infrastructures

- **Regional level**

- Reinforce regional EDP
- Reinforce the Discussion Groups dynamics
- Increase private sector enterprises participation

Recommendations: Entrepreneurial Discovery Process

- Regional/National levels
 - Together with enterprises/entrepreneurs with market knowledge, co-organise events/workshops leading to roadmaps of projects and initiatives
 - Use facilitation techniques
 - Use the results of the workshops as input to design specific regional calls, oriented to regional problems (lower granularity)
 - Example: Use Innovation Voucher to fund experimentation with new ideas and in a second call, from those first ideas, select projects (groups of projects) with higher potential impacts

Recommendations: Monitoring

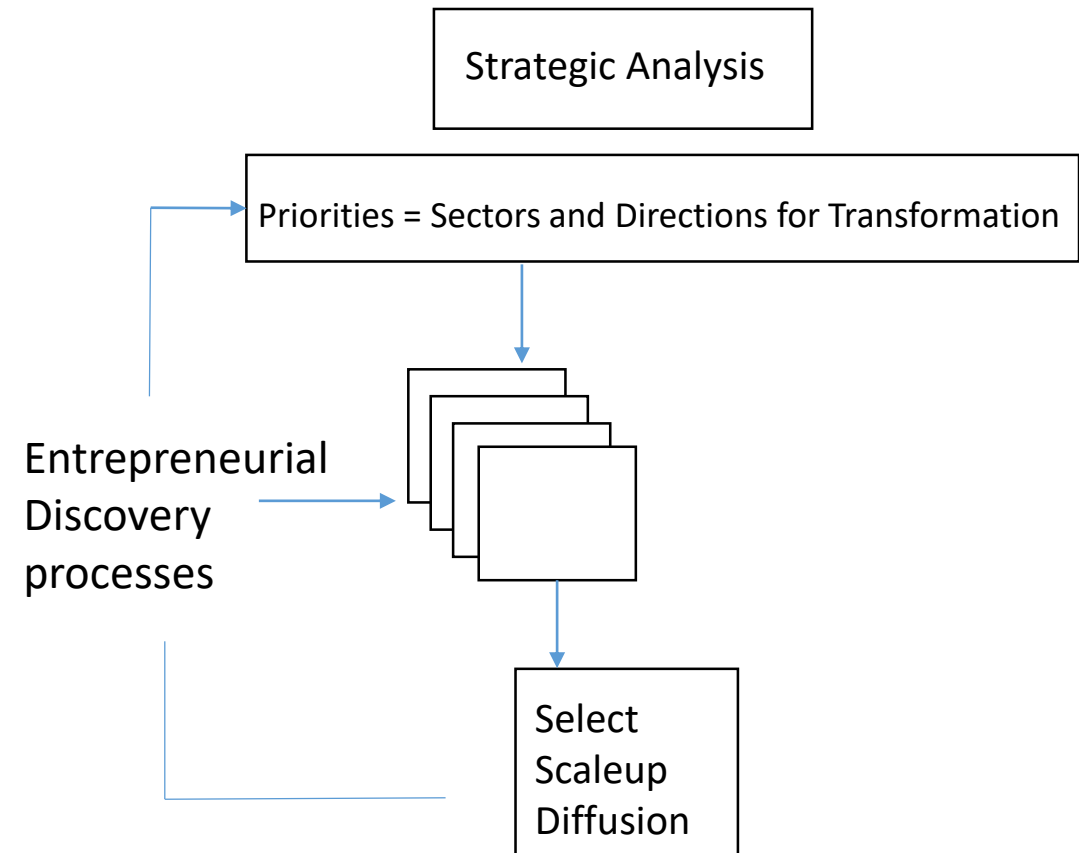
- National/Regional levels
- Go beyond monitoring based on the support from the EU funded Operational Programmes
- Include indicators enabling to assess whether experiments should continue or not ?
- Use participatory monitoring
- Include also context indicators

Challenges and points to reflect

Challenges

■ New policy capabilities for Innovation Policies

- Not just Grand Science, Technology and Innovation Plans
- Smart Specialisation policies need to balance the initial plan with a self-discovery process.
- After defining (few) initial priorities, use a permanent roadmapping process and regional project portfolio management to translate priorities into sets of activities of lower granularity level
- Use policy experimentation ! Means to experiment with diverse acceptable pathways, some cases radical, other cases incrementally deepening specialisations initiated in the past.



Challenges

- **Decentralise**
 - Higher discretionary decision power to regional managers
 - Understand that EDP is not driven by regional/national governments, nor by universities
 - Governments only “facilitate” and “support” EDP, which should be driven by who has entrepreneurial knowledge
- **How to support the Entrepreneurial Discovery Processes**
 - Co-organize multiple workshops using facilitation techniques
 - Examples: Roamaping workshops, S3-focus-group, Project Development Labs, undertaken at Centro, Online-EDPs undertaken at Alentejo and Algarve

Challenges

- Choices with impact!
 - The Entrepreneurial Discovery Processes are permanent.
 - However it comes a stage where experiences that show no signs of having impact should be discontinued, and other more promising should be reinforced.
 - Hence regions need to learn how to choose projects / initiatives promising more impact i.e. to generate externalities
 - Also need to align support infrastructures
 - And continue to use existing support instruments to promote more local entries by imitation, upscaling in international markets

Thank you for Your attention !

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