



Multi-level governance of Smart Specialization Strategies: making it work

The case of the Basque Country

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Orkestra: working on Basque competitiveness challenges...



... through transformative research

Orkestra: born in the Basque Country

Population: 2.2 millions
Surface area: 7,234 km²
GDP per capita: 38,688 PPP-€
Exports (% GDP): 66%
Industry and energy (%GDP): 22%



Main Industries	Most representative Basque companies
Advanced Machinery	Biggest European producers of machine tools (Danobat Group, Ibarria, Izar, Fagor, Goizper, Lazpiur, Lantek, Ona, Zayer)
Automotive	More than 45% of the Spanish production volume (Mercedes, Gestamp, Irizar, CIE Automotive)
Aeronautical	ITP/Rolls-Royce (half of all large commercial aircraft)
Energy	Leader company in wind energy Gamesa/Siemens (Iberdrola, Ingeteam, Sener, Petronor, Artech)
Maritime	Concentration of shipbuilding industries (La Naval, Balenciaga, Murueta, Zamakona, Sener Naval, Vicinay Cadenas)
Railway Industry	CAF
Eco-Industries	European reference in Eco-industries and Circular Economy (Basque Ecodesign Center, Indumental Recycling, Idom, Eko Rec, Acciona Agua)

Basque complexity



Basque government: core competences in industrial policy and science, technology and innovation

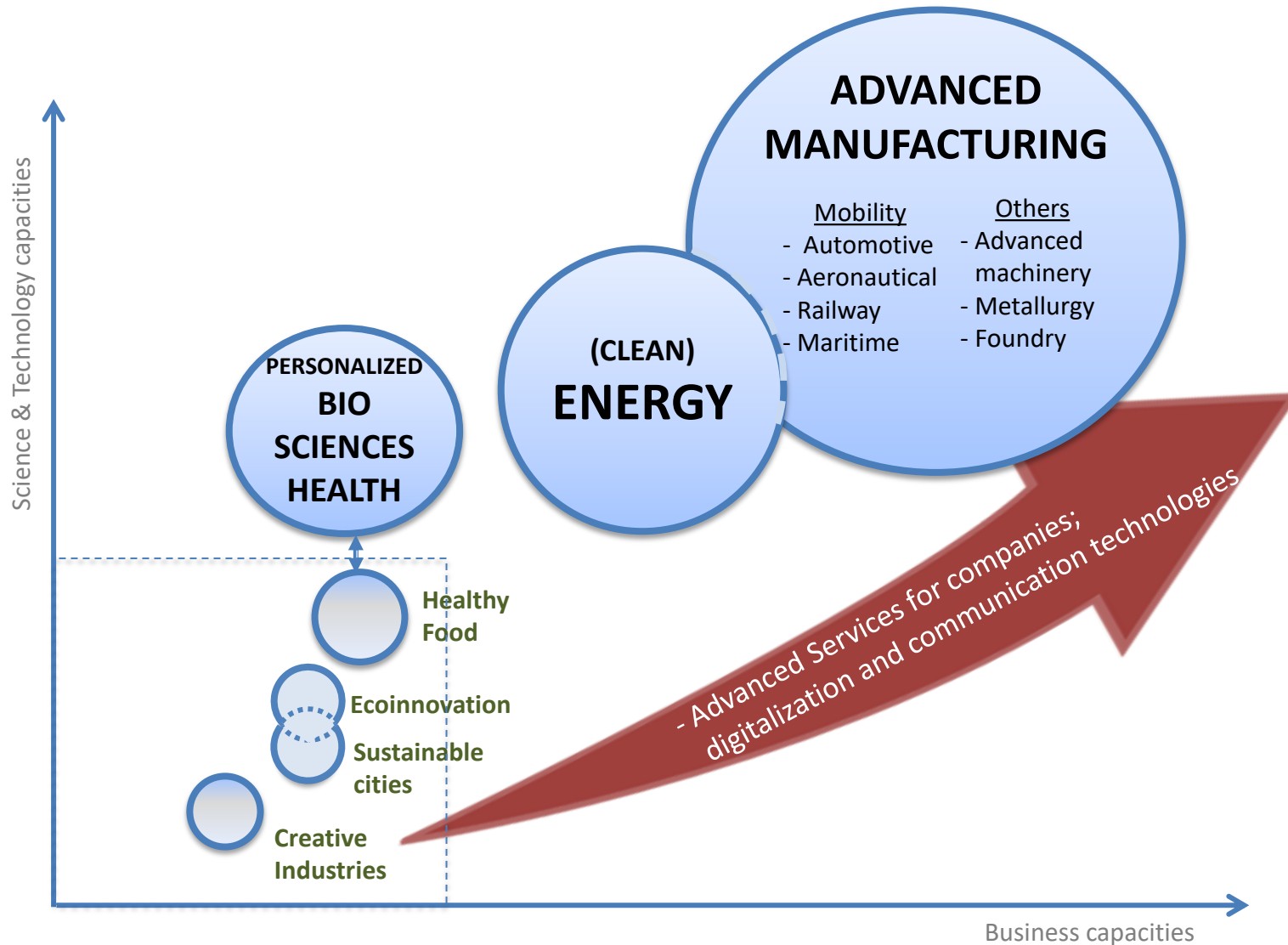
Provincial Councils: complementary competences focused on innovation (mainly SMEs) and economic development

Counties: no administrative or political competences; agencies use competences of municipalities for economic development

Municipalities/cities: though formally recognized competences for territorial development, very limited budget for innovation in most municipalities

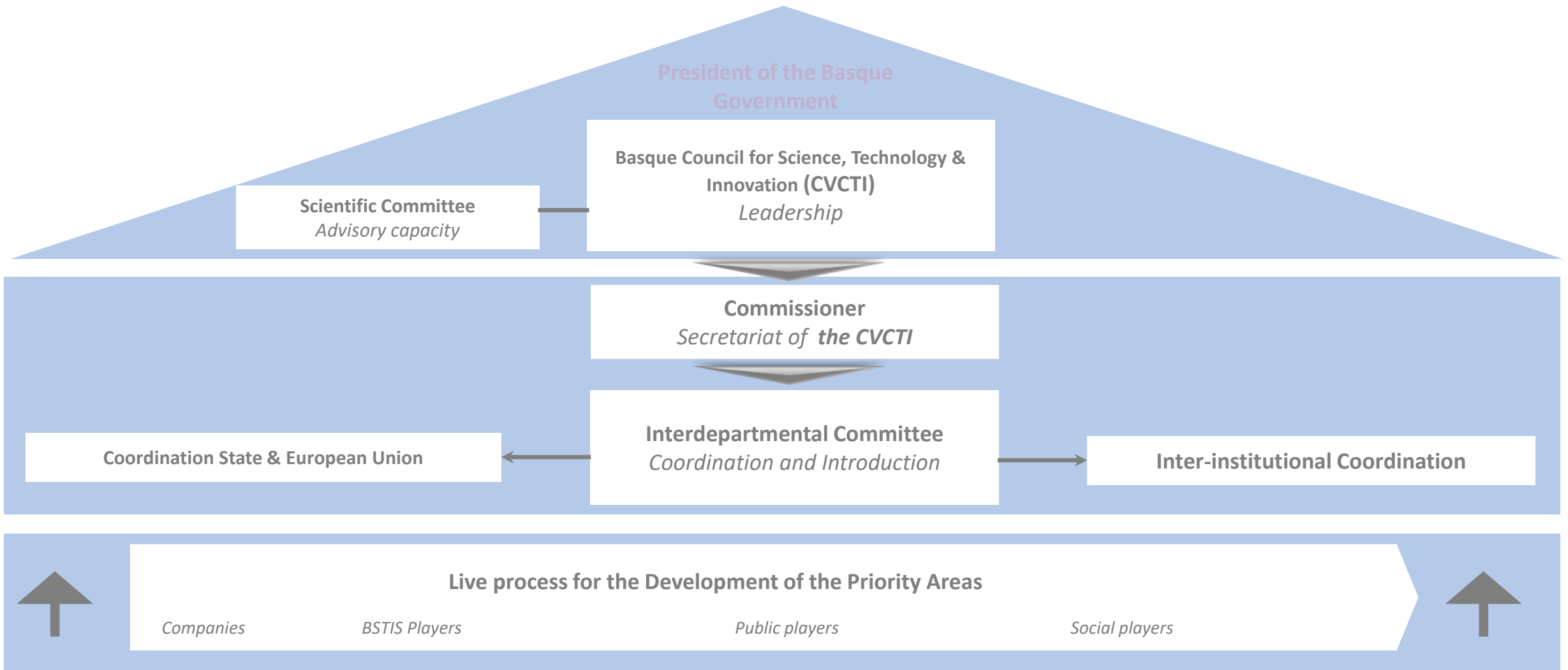


Basque RIS3 priorities



RIS3 governance

A governance system is established for STI with a multilevel approach that incorporates the main public and private players



The diversification process that RIS3 strategies aim to promote is not reaching SMEs in every sector

How do we connect SMEs to Smart Specialization?

By involving subregional government levels into innovation strategies the capacity to integrate firms and knowledge actors multiplies!

Working on the construction of effective multi-level governance (MLG) can help respond to these challenges. The local level has a role too!

Industry 4.0 in SMEs through MLG in Gipuzkoa



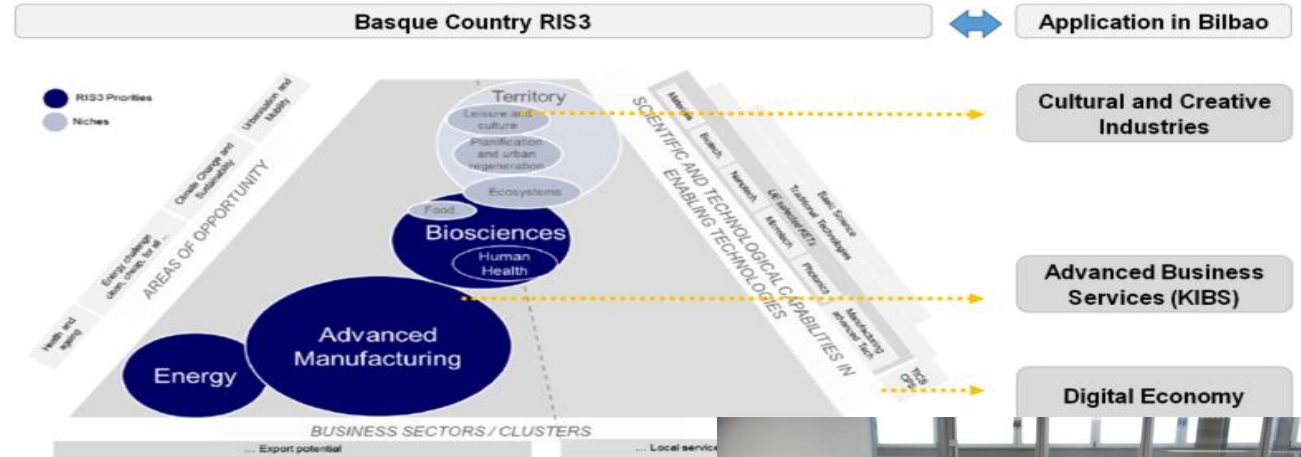
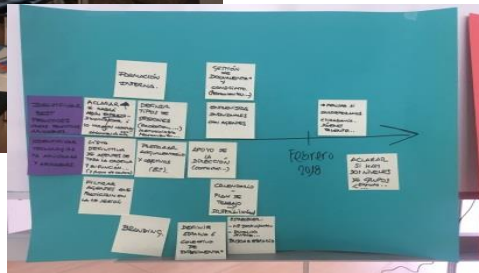
425 SMEs (from 527)
working in Industry 4.0



The collaborative governance integrates local (through county development agencies) and provincial governments and administrations. Aims: efficiency of innovation programs and shared sense to decide on our own future. Links are being built with the Basque Government now.

Since 2009! 2013: Intercounty Table and the Facilitators Action Research process; 2014: two decree laws from co-generated proposals; 2017: agreement signed by the Provincial Council and county development agencies; since 2017: creating right conditions for industrial companies from 20 to 100 workers in the territory to adopt Industry 4.0 strategies. 2018: Basque Government and its agencies being included in the governance

Urban Smart Specialization in Bilbao



S3 in the city: a new era in the economic development policy-making process in the city within the regional S3 framework

2014: iBilbao2020 strategy; since 2015: Local Group (multilevel and multiactor collaboration space) including the Basque Government; since 2016: facilitation of urban EDPs; since 2018-2019: construction of a shared vision within different areas in the City Council

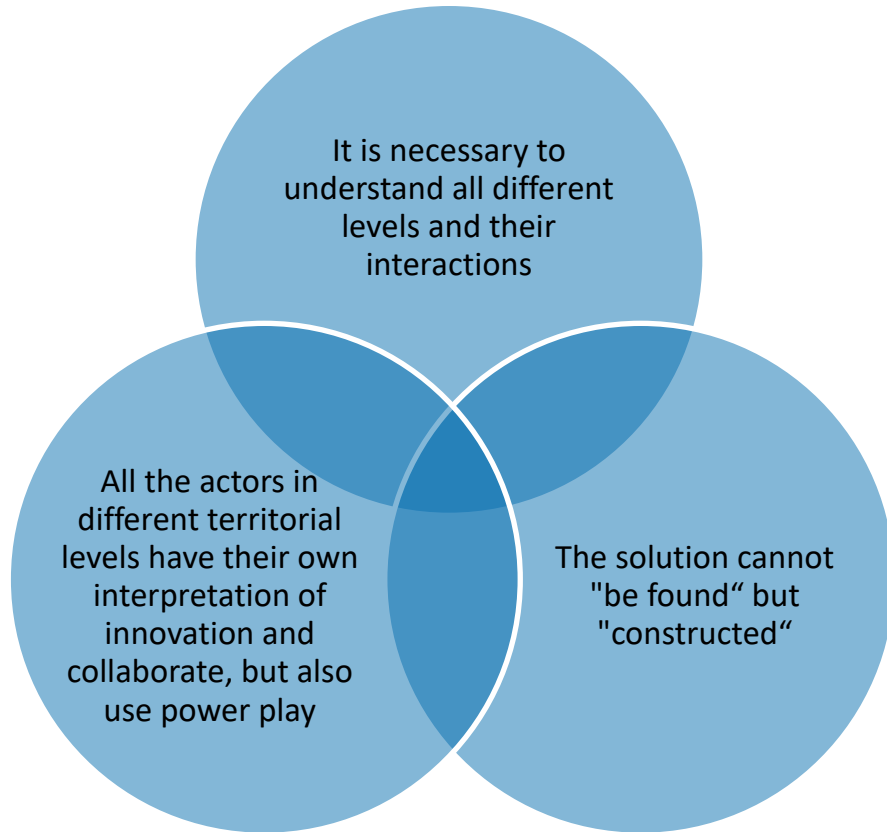
Lessons learnt!

Larrea, M., Estensoro, M., & Pertoldi, M. (2019). *Multilevel governance for smart specialisation: basic pillars for its construction?* S3 Policy Brief Series. Joint Research Center. Luxembourg: Publications Office of the European Union.

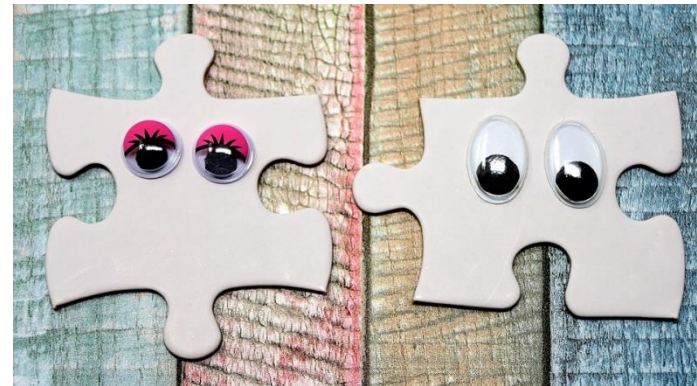
<https://s3platform.jrc.ec.europa.eu/knowledge-repository>



Complexity



Start experimenting and be ready to negotiate!



Dealing with emergence

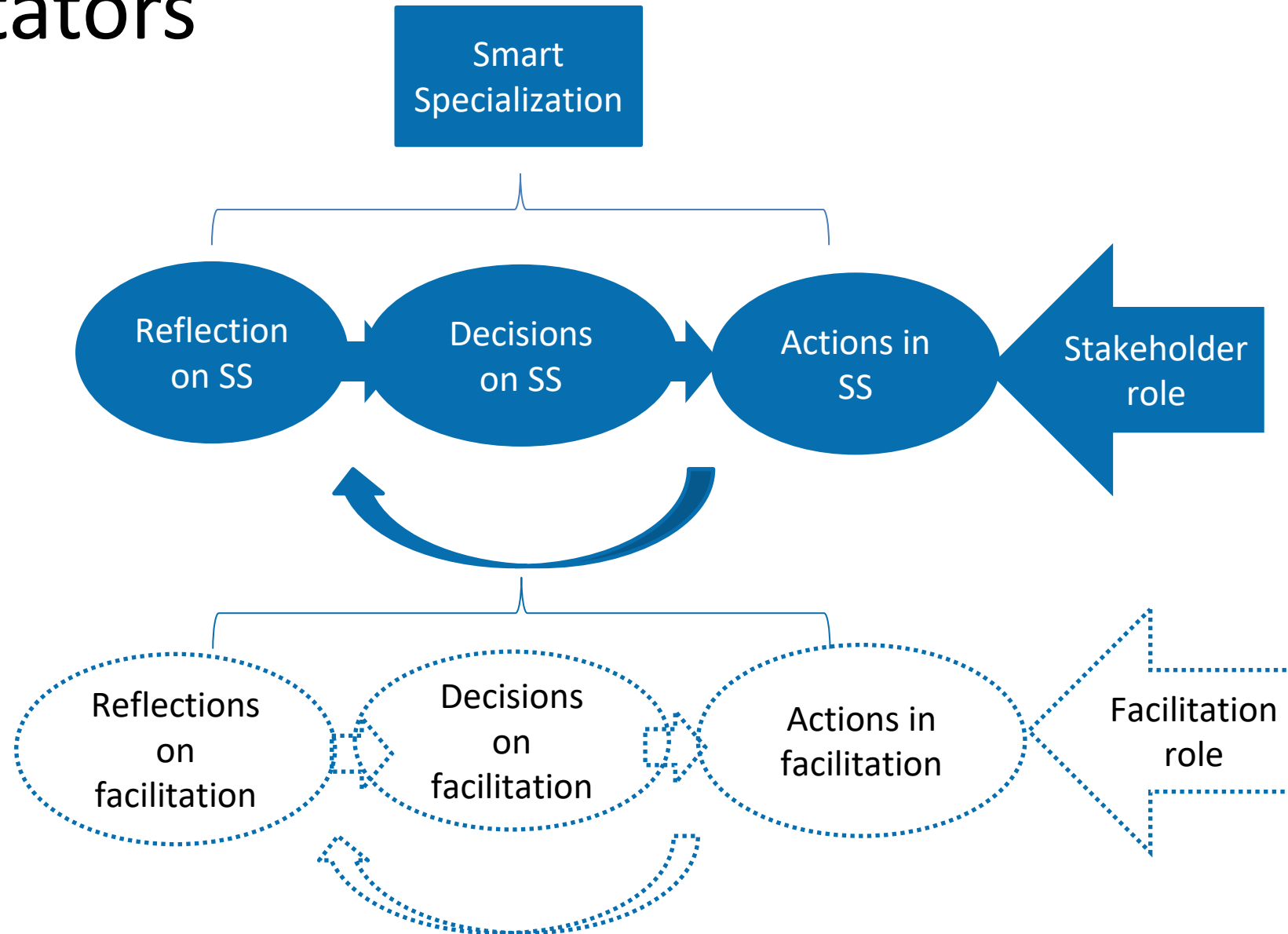
We need to change from implementing the solutions to constructing them... this means accepting at the time of starting that we don't know what the result is!

It takes time!

Communication of emergent strategies is different

Facilitation capabilities should be constructed

Facilitators



Context specificity

Number of
administrative and
government levels

Size

Competences

Powers

Geographical
position

Culture and values

And softer variables such as **COLLECTIVE KNOWING**
the capability of the actors involved in MLG to solve
problems together

Reciprocity

Each government needs to find its own unique role based on **complementarity**

MLG is a kind of neuron network, not an archipelago!



Concluding remarks

The main success is that WE are starting to BREAK MENTAL BARRIERS for multi-level governance, understanding multi-level governance as an instrument for achieving common goals



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**Hvala ti!
Eskerrik asko!
Thank you!**