

Preparing for the next programming period (2021-21): Strengthening RIS3 governance and EDP

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Smart Specialisation

- Promote strategic diversification, trigger structural change and long-term growth
- Build supportive institutional environment and efficient system of governance
- Build knowledge-based infrastructure and networks
- Within as well as outwith the region



The graphic titled "RIS3 Defined" features a decorative flourish in the top left, a key with "SUCCESS" written on it in the top right, and a logo on the left consisting of a stylized 'S' with a '3' inside, labeled "SMART SPECIALISATION STRATEGY".

RIS3 Defined

...in theory...:

National/Regional Research and Innovation Strategies for Smart Specialisation (RIS3 strategies) are integrated, place-based economic transformation agendas that do five important things:

- They focus policy support and investments on key national/regional priorities, challenges and needs for knowledge-based development.
- They build on each country/region's strengths, competitive advantages and potential for excellence.
- They support technological as well as practice-based innovation and aim to stimulate private sector investment.
- They get stakeholders fully involved and encourage innovation and experimentation.
- They are evidence-based and include sound monitoring and evaluation systems.

Smart Specialisation in lagging regions of the EU

- Foray's 3 steps theory
 - Entrepreneurial Discovery
 - Spillovers and Entry of Similar or Complementary Businesses
 - Structural Change
- A step-0 needed?
 - Build or Strengthen the regional innovation system

- Entrepreneurial capacity?
- Knowledge base?
- Technological base?
- Diffusion mechanisms?
- Absorptive capacity?
- Supportive institutional environment?
- Policy capacity?

(Role of the) Institutional environment

- Fiscal Rules; law enforcement; intellectual property rights; etc
- Competition law (rent-seeking attitudes)
- Role of Higher Education Institutions
- Culture of entrepreneurialism
- Collaboration; knowledge sharing
- Role of industry associations
- System of Governance (EDP process)

Metaxas (2018; 2019) Papamichail et al (2014; 2019)
Rodriguez Pose et al (2015) EKT (2015) Reid et al (2016)

- New system of governance being developed
 - New agencies
 - With new missions
 - Not all of them fully operative
 - Some instances of overlapping between central and regional government(s)
 - Thematic working groups for EDP
- New forms of regulation
 - E.g. intellectual property protection (Patent Box Regime)
- Fiscal rules: constant adjustment
- Improvement of Innovation Capacities (Crete)
- Private R&D rebound post-crisis

Greece cont'd

- Smart Specialisation an opportunity to repair the damages of the financial/economic crisis?
- Beside that
 - **Build resilient regional innovation system?**
 - Significant reduction in R&D activities and GDP
 - Largely dominated by the public sector
 - European Innovation score board: only Crete has significant innovation capacity
 - Low patenting activities
 - Medium-low entrepreneurial capacity (GEM)
 - Low absorptive capacity

Moving forward - challenges

- Uncertainty surrounding the fiscal regime
- Excessive bureaucracy and excessive paper-work
- Valuable knowledge and social capital disbanded because of delays in the implementation process
- New policy bodies' mission – more clarity needed? (e.g. RCRIIs)
- Mismatch between foci of local research base and private sector industrial specialisations
- Fundamentals of an effective regional innovation systems?



Cont'd (policy practice)

- EDP → Thematic Objectives 1 → strengthening and/or exploiting existing complementarities between the existing local research and industrial bases
- Critical mass of participants → EDP process
 - HEIs; SMEs
 - In defined priorities areas
- How will EDP sustained?
 - How distant are the activities being supported from reaching the market place?
 - Will they allow for technological and economic upgrading?
 - How can the relevant players join/reach international research networks, global production networks, and GVCs

Cont'd

- How will the process be monitored?
 - Metaxas (2019) → regional level
 - HR not there
 - Know-how not there
 - KPIs not clearly defined
- Expand knowledge networks
 - Bridge the intra-regional gap (TO1)
 - Extra-regional/international networks?
- New areas of strategic priority to be discovered?
 - Metaxas (2019) – bottlenecks to knowledge/technology diffusion identified.
 - What are they? How are they going to be dealt with?

RSI3 – Eastern Macedonia

- Areas of strategic priority identified 
- Widespread participation in EDP 
- Vital lessons learnt 
 - Timely planning and engagement
 - Relationship between national and regional Mas to be improved
 - Need for a self-evaluation post evaluation cycle





Challenges

- Granularity in the selection process would help the implementation process
- Vision – how knowledge/technological diffusion can help smarter specialisation processes
- How to go beyond TO1
- How can the regional system be powered up to trigger structural change
- New strategic priorities

Questions

- Interaction between the EDP vertical dimension (sectoral specialisations) and the role of key private actors. Would they have invested anyway in the priority areas?
- Would it be possible to learn about some examples of good practice?
- How far will the activities support from reaching the market place – once completed?
- Relevant private players: do they have the required financial resources, networks and tech/managerial capabilities to reach the market place?
- Are extra-regional financial resources or FDI needed? Examples?
- What governance-related problems and bottlenecks must be resolved (aside better alignment between MAs at the regional & national levels)?

RIS3 – Western Greece

- Vision → interaction between vertical and horizontal dimension of the strategic plan 
- Clear definition of priority areas at the sub-sectoral level 
- A variety of different stakeholders involved in the EDP process 
- Awareness of implementation challenges 
 - Excessive bureaucracy
 - Lack on monitoring system
 - Relevant stakeholders must remained engaged
 - Societal challenges as well as techno-economic ones?

Challenges

- Vision: How are ICT going to benefit other priority areas?
- What can be done about low EDP traction in 'non tech friendly' domains of the economy?
- How to go beyond TO1?
- How can the regional system be powered up to trigger structural change?
- 4th component of the helix
- New strategic priorities

Questions

- Any examples of good practice as to how tech convergence between ICT and the horizontal domains of smart specialisation?
- Roughly €200k per project. How close to the market will the financed projects get to the market? Practical examples of other measures that can be undertaken?
- How confident the relevant private players have the required financial resources, networks and tech/managerial capabilities to reach the market place?
- What can you do to help them enter/upgrade within GVCs? (is this realistic, at this stage?)
- Is the regional institutional environment fit for purpose?
- Practical examples of fixings of dysfunctional elements, leading the local system to operate more efficiently?
- Are new priorities needed?

Thank you

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