Profiling indicators for RIS3: setting the scene

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- ➢ The definition and use of profiling indicators appears as the first stage in the design and implementation of RIS3

- ➢ Given the **broad scope to be covered by RIS3 strategies**, a wide approach should be taken into consideration in the analysis of the regional context and its potential for innovation, focused not only on the traditional factor endowments but also on the entrepreneurial dynamics, the interactions between the key players on the innovation ground and the existing institutional framework

- ➢ In the context of RIS3, which are the (new) implications for the profiling indicators?
- • The **indicators used for monitoring and evaluation** should be closely related to **profiling indicators**

- • Profiling indicators have to add constructive insights about the determination of **niches of competitive advantages**

- • While the traditional techniques of analysis (SWOT analysis, regional profiling studies, expert assessments, etc.) are available for the new strategy, an additional (and more complex) dimension appears in the RIS3 approach: **stakeholders** must be involved in the characterization of the regional context

- • The set of profiling indicators (and those derived from them for monitoring and evaluation) must be objective enough to avoid an **endogenous choice** of them strongly influenced by rent-seekers

➢ A tentative definition of profiling indicators? The set of statistical indicators covering demographic, socio-economic, institutional and connectivity features of territories with the purpose of **shaping the relevant characteristics of regional economies in terms of smart growth**

➢ Particularly, profiling indicators must provide quantitative and qualitative information on:

❖ **the regional assets available** for promoting smart growth, such as the **relative endowments** of private and public capital, human capital measures and labour force characteristics, other conditioning factors affecting TFP (mainly R&D indicators and their interactions with skilled workers), and **institutional components**.

❖ **the linkages between the region and the rest of the world** in terms of trade, technological diffusion and the position of the regional firms in the global value chains. The **degree of internationalization** of regional firms

❖ **the regional entrepreneurial activity.** Trickiest challenges. Firstly, problems with data availability, which in many cases come from subjective sources, i.e. responses to surveys. And secondly, there exists a closely relationship between the environment where entrepreneurs make their decisions and the institutions that determine the (correct or perverse) incentives guiding them; and the quantitative measurement of this type of situations may be extremely complicated

➢ Expected contributions of the workshop:

❖ Clarifying what does it mean "availability of appropriate data" in terms of a **suitable access in time** to the statistical information. The delay between the period which the figures refer to and the date of data availability is critical.

❖ The role to be played by the **composite indexes** should be on the table. They are very useful to summarize the analysis of profiling indicators but may lead to an excessive simplification of a multidimensional phenomenon.

❖ How to deal with the huge potential heterogeneity of regional data in terms of methodology, time availability and others technical points. Is it preferable to have **few indicators but comparable** across regions or a wide battery of very regional-specific indicators?

❖ Profiling indicators could lead to a categorisation of European regions. Therefore, a kind of **typology of regions** may be seen not only as a natural result stemmed from the profiling exercise but also it could make easier the design and implementation of subsequent stages in RIS3

Thank you!

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