

CRETE: Towards a RIS3 strategy



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OUTLINE OF THE PRESENTATION

CRETE: ON THE ROAD TO RECOVERY?

THE PEER REVIEW: AN OPPORTUNITY TO LEARN

CRETE's S3 POTENTIAL

SUMMARY & NEXT STEPS

MAJOR ISSUES FOR DISCUSSION

Crete at a glance



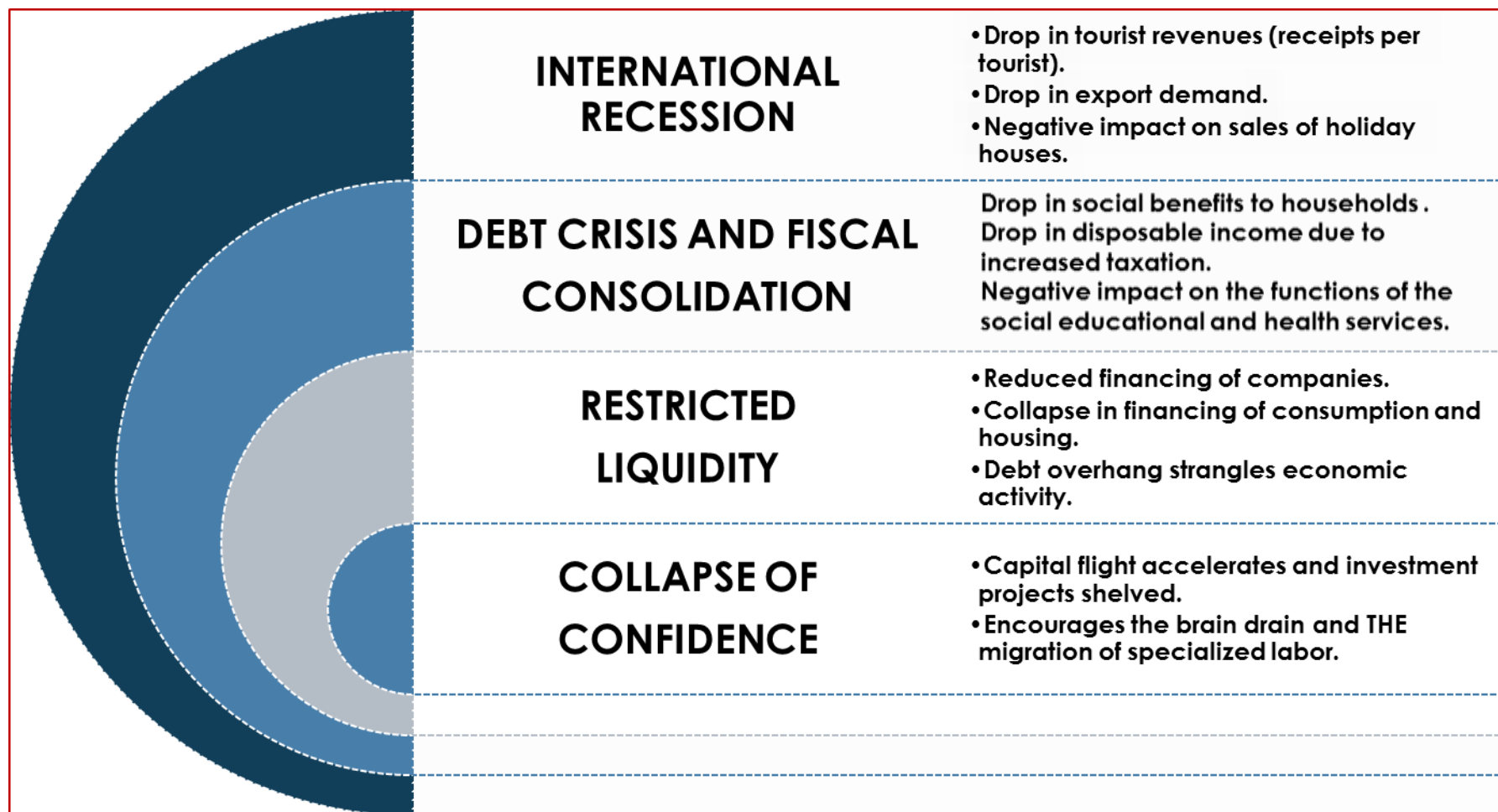
INTERMEDIATE LEVEL OF DEVELOPMENT IN EU

- *The region of Crete is at an intermediate level of development in EU.*
- *The GDP per capita of Crete was in 2010, 80% of the average EU 27 countries taking the 190th position in EU.*
- *Crete is part of a group of 76 regions with a GDP ranging from 80% to 99% of EU average.*
- *The Region has considerable comparative advantages which have not been transformed through policy initiatives into dynamic competitive advantages.*

A DYNAMIC AND BALANCED REGIONAL ECONOMY

- *The Region of Crete has exhibited a stable growth rate in line with the national average.*
- *Was 5th in Greece in 2010 in GDP per capita.*
- *The Region has developed a more balanced structure of economic activities with considerable export and extrovert orientation.*

The regional economy under strong pressure from the crisis



Strategic vision



CRETE: A DYNAMIC AND SUSTAINABLE REGION

Dynamic: Adopting an integrated exit strategy from economic crisis through investment and support of the most dynamic sectors: agro-food, tourism & culture, environment & quality of life and the knowledge economy.

Sustainable: Firmly based on environmental balance with protection of the environment and promotion of natural and cultural assets as well as socially inclusive growth.

Our expectations from the Peer Review Workshop



Our region can benefit from the workshop by:

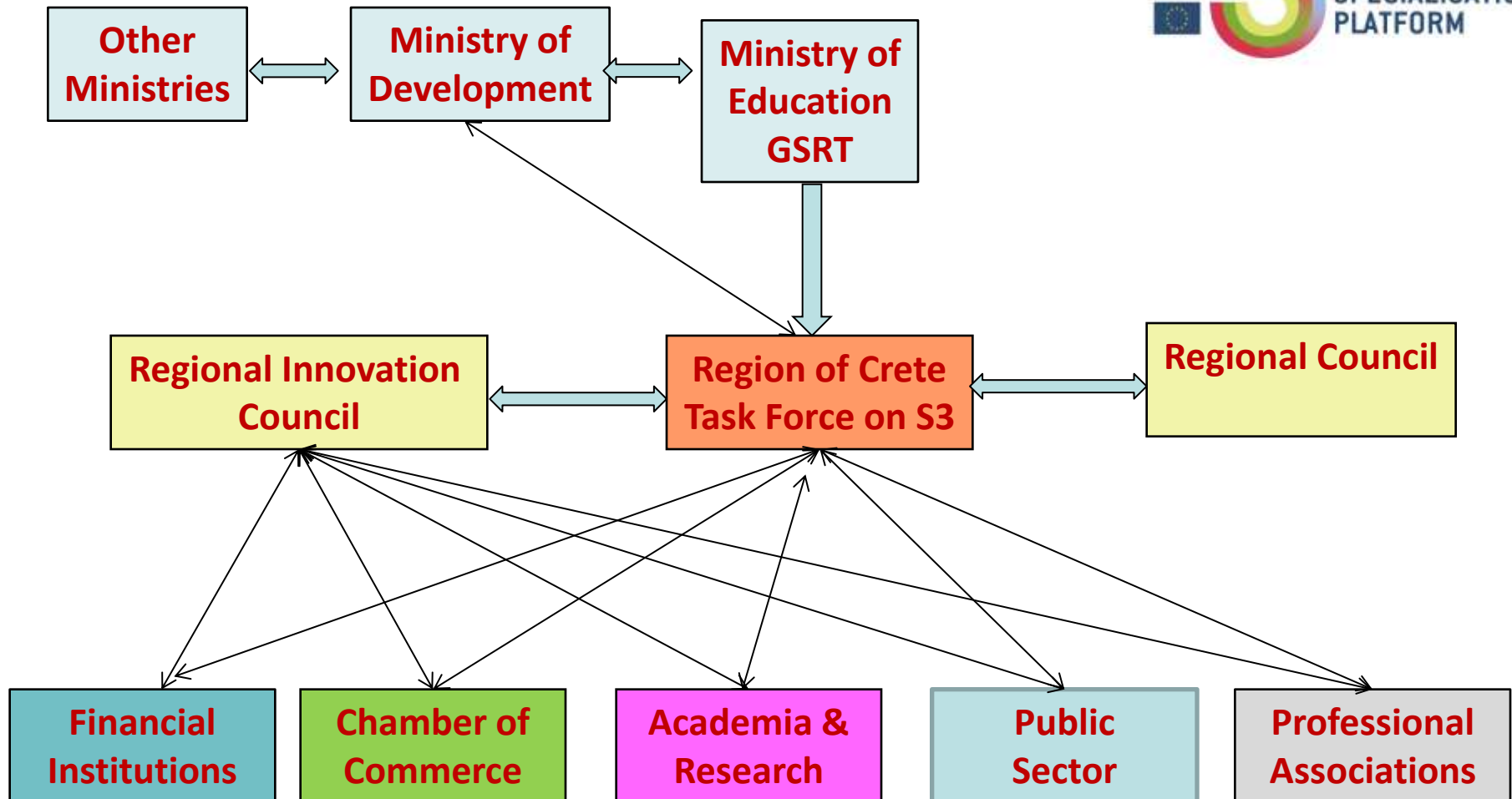
- ***Sharing experiences with other regions and learn from their success***
- ***Refining regional innovation strategy***
- ***Benchmark our approach with other successful regions***
- ***Learn how can local enterprises and other participants in the entrepreneurial process of discovery be effectively engaged in the process***
- ***Learn how SFs can be used effectively in order to develop links with Horizon2020 and the innovation process***

What other peer-regions can learn from Cretan experience



- ***Development of a strong internationally oriented Academic & Research landscape and highly competitive public infrastructures represent a solid foundation for S3 take-off.***
- ***High quality primary products and distinct local cuisine (Cretan diet) leading to deepening connection with agro-food and tourism.***
- ***Development of Regional Transportation Companies (maritime, airlines), link with tourism and the primary sector.***

Governance

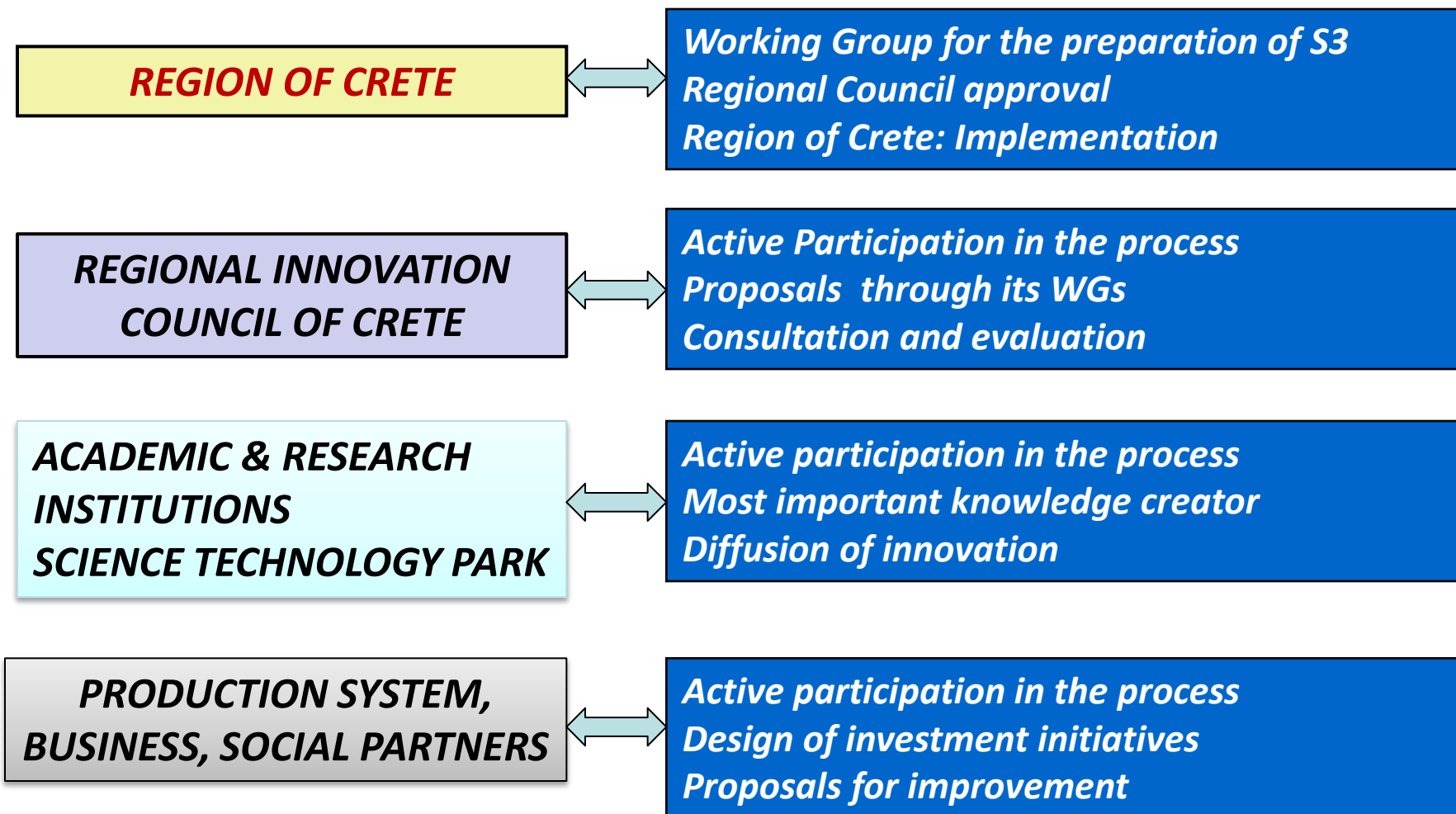


S3 DESIGN PROCESS

Governance: Role of partners



MINISTRY OF DEVELOPMENT, GSRT: FRAMEWORK, MONITORING



SWOT ANALYSIS

STRENGTHS

- *Environmental conditions: Excellent climate and impressive natural beauties*
- *Cradle of an old civilization with monuments scattered around the island*
- *Internationally recognised cultural presence (El Greco, Nikos Kazantzakis, etc)*
- *Safe and established tourism destination*
- *Adequate air and sea connection with many destinations all over year*
- *Presence of large tourism and transport enterprises*
- *Emerging new economic sectors (e.g. Renewable Energies)*
- *Long term and established interregional collaborations*
- *Quality agricultural products - well known traditional Cretan diet*
- *Extrovert businesses*
- *Mature environment for the exploitation of innovative technologies*
- *Important infrastructures in the area of information/knowledge society*
- *High level academic and research infrastructures with capabilities to develop and diffuse innovation internationally*

OPPORTUNITIES

- *Development of new infrastructures with regional added value (new airport in Kastelli, national road, infrastructures for environmental protection)*
- *New business activities based on the rich natural environment, sustainable development and support for the enhancement and promotion of cultural heritage (world reference centre for the Minoan civilization)*
- *Opportunities for the development of alternative tourism (medical, conference etc).*
- *Opportunities from the new programming period programmes 2014-2020 and Horizon 2020.*
- *Collaboration of local businesses with research and academic institutions, introduction of innovative ICT technologies with strong impact on the emerging economic sectors in the region.*
- *Exploitation of ICT technologies for upgrading of local businesses and diffusion of new innovative management practices (Primary and Tertiary sectors)*
- *Development of stronger linkages between the primary and the tertiary sectors through information society*
- *Increased collaboration of regional stakeholders through the Regional Innovation Council*

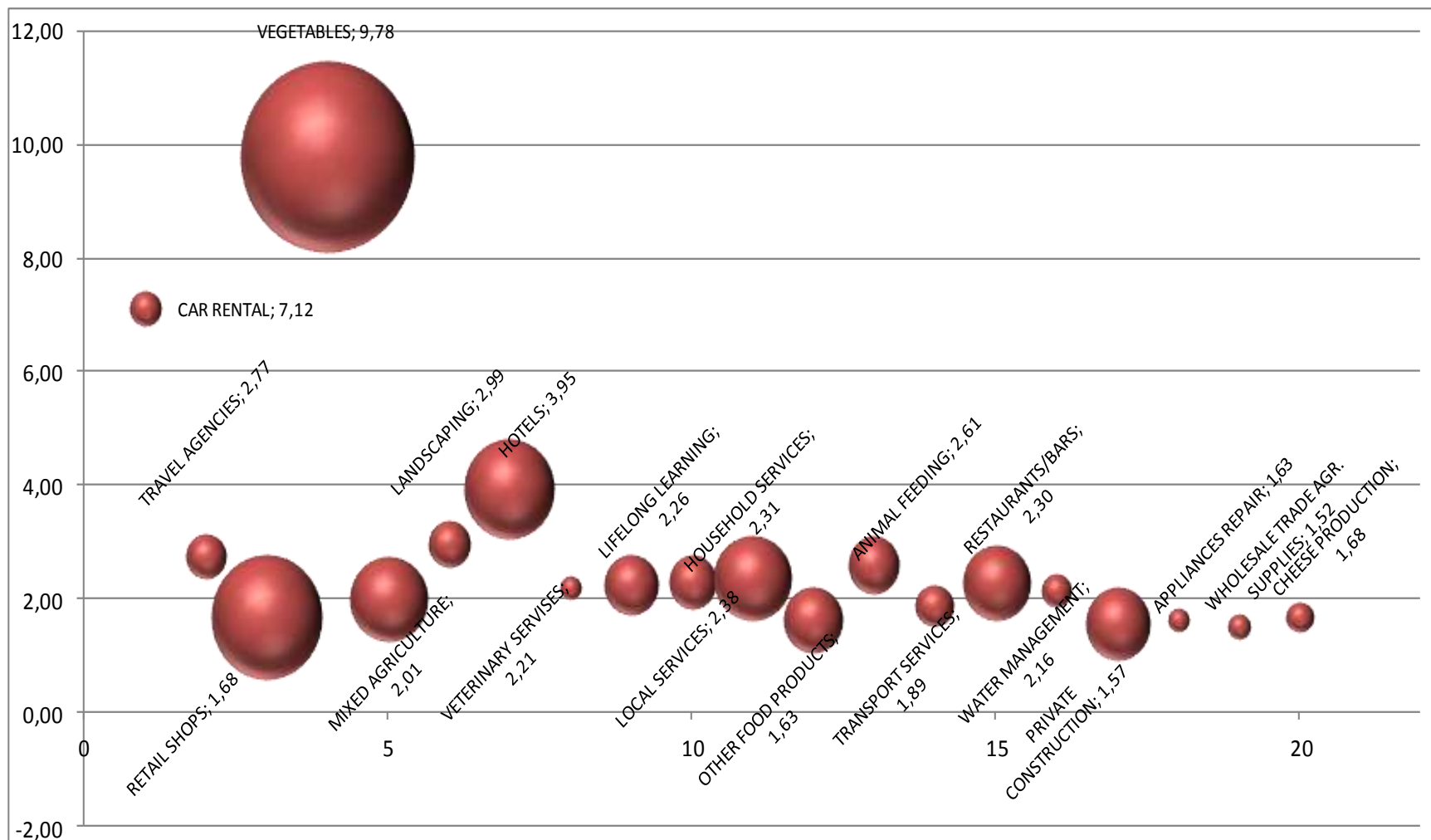
WEAKNESSES

- *Small number of spin-offs and start ups, weak seed capital mechanisms*
- *Family based, low innovative enterprises, in traditional sectors*
- *Lack of specialisation strategies and weak clusters tradition*
- *Weak intermediate support mechanisms*
- *Failure of systematic collaboration and coordination between academia and local industry*
- *Complicated legal framework and bureaucracy*
- *Limited power of the regional government - Concentrated and bureaucratic state.*
- *(Very) low industrial and productive activity, focused mainly in traditional sectors*
- *High transportation cost as an insular region*
- *(Very limited investments in generic infrastructures during the last 35 years)*
- *Inadequate environmental conscience and lack of effective planning*
- *Limited use of e-services*
- *High dependency of entrepreneurs on state grants*

THREATS

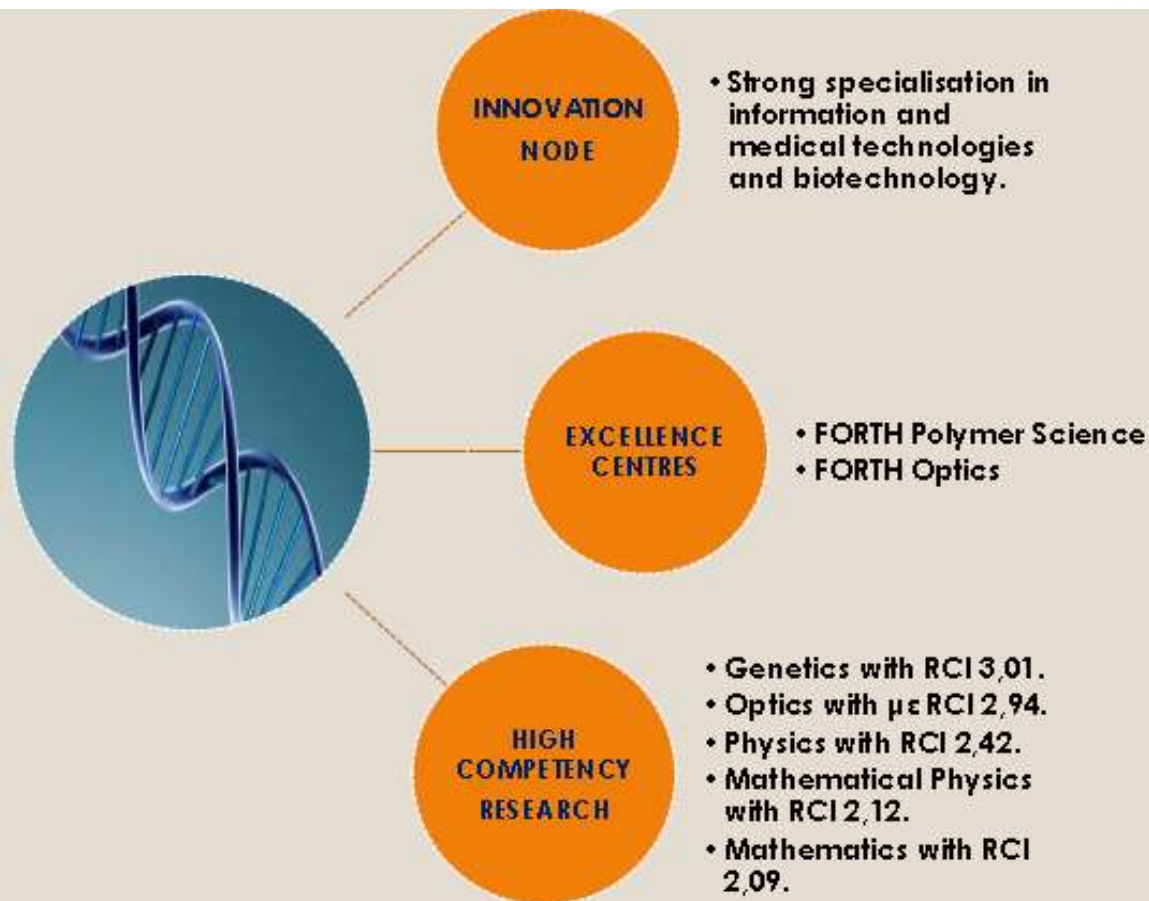
- *Long and on-going financial crisis resulting in tight liquidity conditions and risk aversion*
- *Lack of integration in the new Regional Operational Program-retaining of management and implementation competencies by ministries resulting in fragmentation in the design, implementation and monitoring of actions.*
- *Delays in administrative & civil service reform*
- *Low level of morale within the research community*
- *Strong competition in the research area*
- *Interconnectedness and continuity with R&TD projects and programmes*
- *Uneven (polarized) educational level of workforce combined with limited and poorly targeted training in human resources*

Specialization of Crete



Location Quotients

Specialization of Crete



Looking beyond the region's boundaries



A long learning process

- *During the last 20 years the region and the regional institutions participated in a high number of RTDI projects in cooperation with other European regions*

(Framework programmes for research, interregional and international cooperation, Regions of Knowledge etc)

- *Border regions*
- *Other Greek regions*
- *Regions from other EU Member States*
- *Strong cooperation with other insular regions in traditional as well as new and emerging sectors*

Regional entrepreneurial dynamics



- **Assessing entrepreneurial dynamics in the region:**
 - *«Entrepreneurial dynamics» is understood as a creative combination of knowledge to generate new market activity contributing to a specialized diversification*
 - *Strong potential for entrepreneurial discovery in several sectors plus «hidden innovators»*
- **Involvement of entrepreneurial actors in the region:**
 - *Participation of the business and academic/research community in the development of the region's RIS3 is very active*
 - *The most relevant bottlenecks to participation and collaboration are potential conflicts of interest as well as limited intersectoral cooperation*

Existence of limited number of large companies mainly in the tourist sector and some in sectors associated with primary production.

Several companies have exhibited strong innovative drive with success in international markets branching out of the region.

SMEs profile in the primary sector is changing with the employment of more competent human resources.

Weak cluster and networking tradition low collaborative mentality.

Lack of communication with the academic and research community a major handicap.

The crisis has increased risk aversion and weakened firms' ability to respond to opportunities.

Main objectives of RIS3



- *Objectives are based on*
 - *Analytical evidence (regional studies, regional, and national statistics, benchmarking, SWOT)*
 - *Support by clear stakeholder/societal needs (through consultation and long-term collaboration with the regional authorities in innovation projects).*

Main sectoral objectives of RIS3



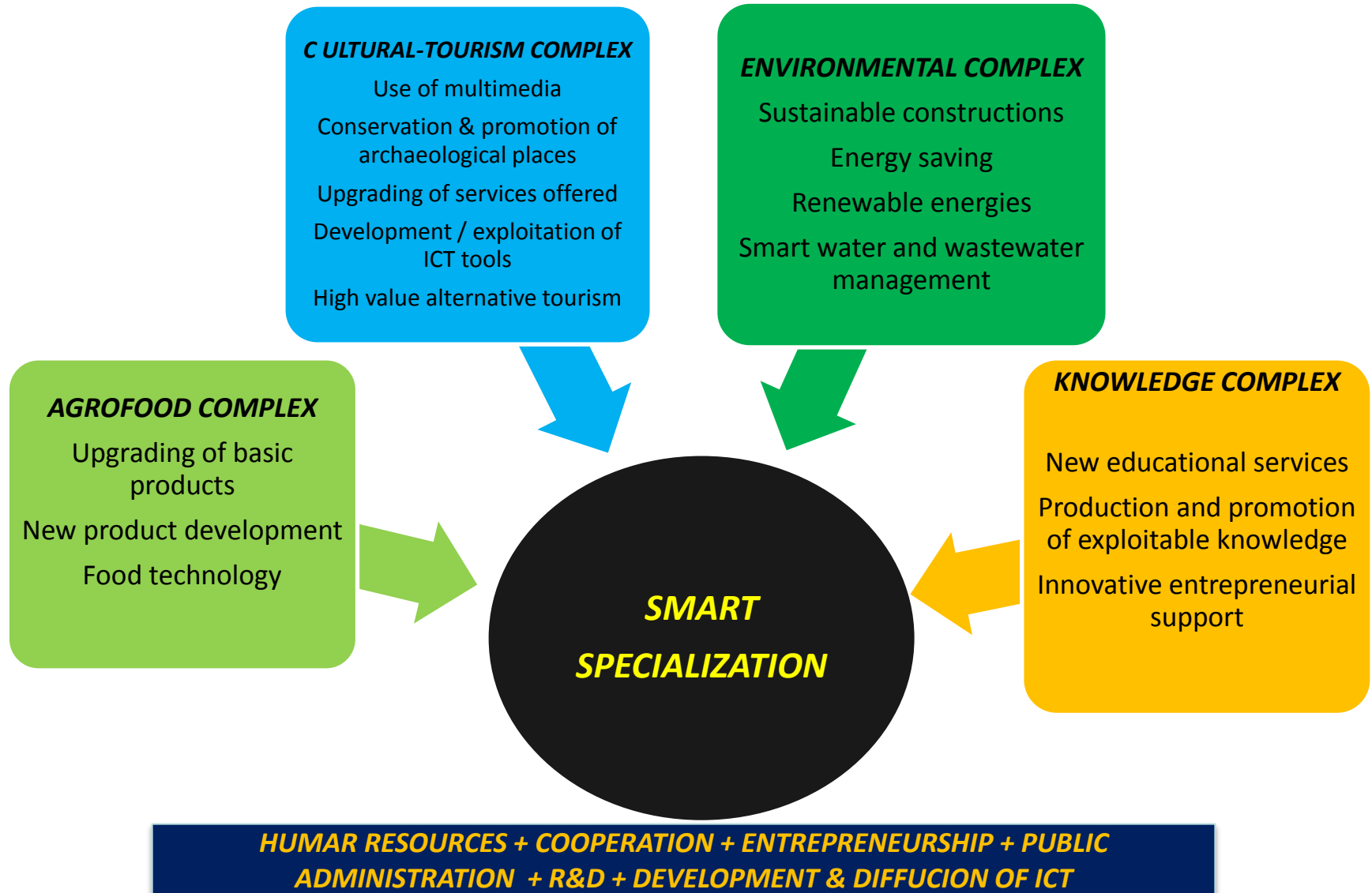
- *Elimination of the factors that make agricultural products vulnerable (packaging, quality, organic, creation of brand names) and control of factors which influence their competitiveness in the international markets*
- *Improvement of tourism services, integration with tradition and culture, use of new technologies for the augmentation of the tourism product*
- *More friendly use of energy, energy saving and elimination or energy consuming systems, exploitation of renewable energies, smart water management techniques, improvement of environmental parameters.*
- *Exploitation of KETs and innovation developed by the HEIs through new investment initiatives*
- *Creation of a favourable environment for dynamic and constant collaboration among key regional players*

Regional priorities



- ***RIS3 priorities have been chosen using the region's experience from the implementation of similar strategies, regional competitive advantages and specialization through a participatory process.***
- ***The priorities are based on the analysis of the region's strengths and weaknesses as well as on the potential for developing new products and services using new technologies***

Regional priorities & SmSp sectors



Digital Growth priorities



- *ICT is a horizontal priority embracing all specialization sectors*
- *Priorities are linked to the specific objectives*
- *A strategic policy framework for digital growth is planned.*

New management, marketing & logistics practices in the primary sector, exploitation of distribution channels

Incentives to tourism companies to exploit ICT in order to promote the region

Support to the development and implementation of telemedicine applications

Support to the educational system to improve skills and dexterities of the citizens

Incentives to HEIs to improve their capacity to develop new innovative products and services

Implementation and budget



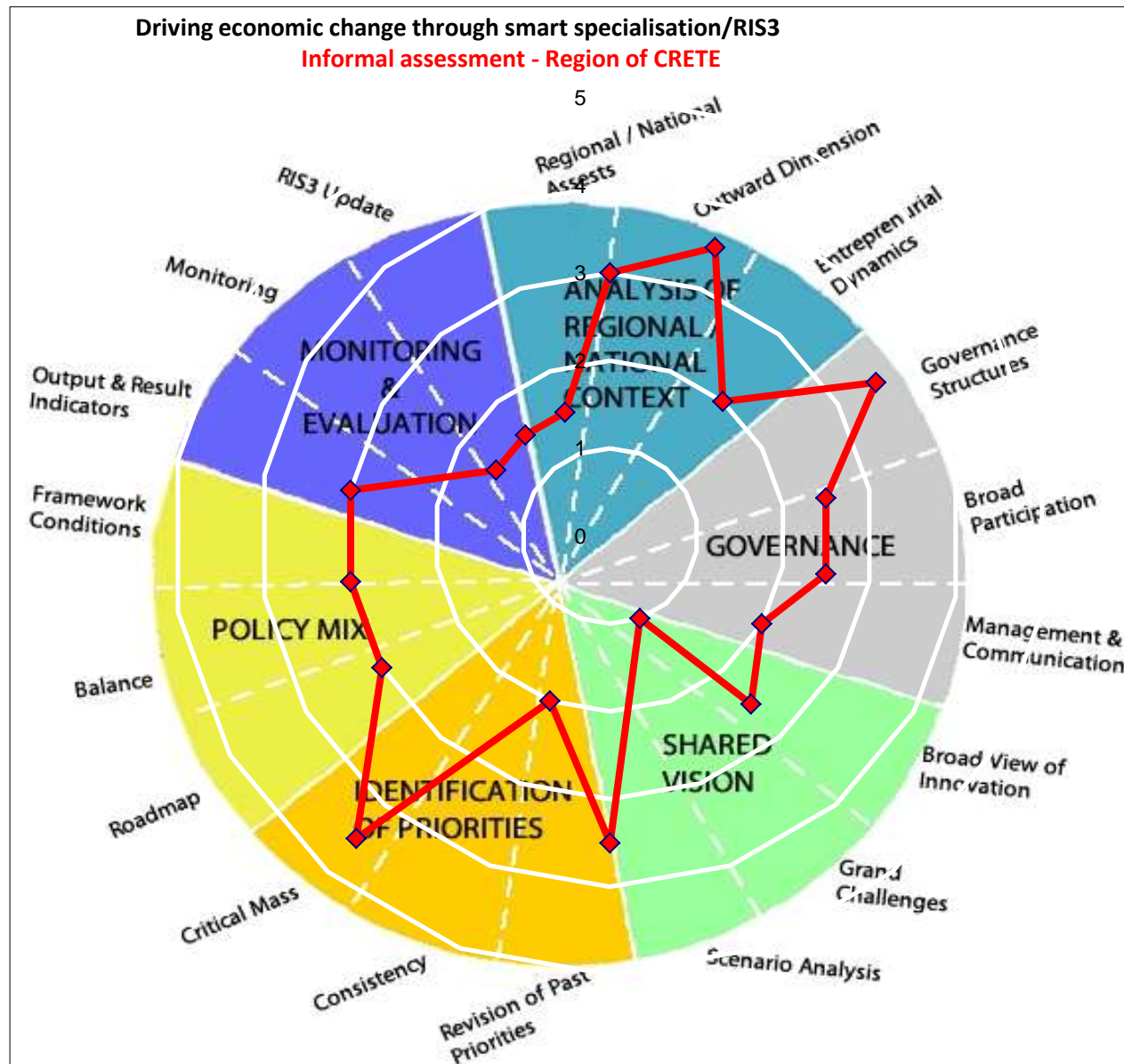
- *Action plans are in preparation*
- *Tools for the implementation exist, but budgets are not yet finalized*
- *The strategy and its implementation will integrate and exploit the synergies between different policies and funding sources and mechanisms (national funds, ERSF, private etc)*
- *Discussion with regional stakeholders and partners involved in the implementation stage of RIS3*
- *RIS3 will stimulate private R&D+I investments through the entrepreneurial process of discovery*
- *Responsibility for the implementation is still under question (regional vs central)*

Measuring progress



- *Mechanisms for monitoring and evaluating the implementation of the strategy are still under question, depending on the schedule (decision by the central government)*
- *Ongoing work regarding performance and impact indicators*
- *Evaluation outcomes will be the basis for re-designing the strategy*

Crete self-assessment wheel



Summary and next steps



Main challenges and success criteria

- *Development of new quality products /new brand names, further exploitation of accumulated knowledge towards a knowledge – based economy*
- *Exploitation of the competitive advantages of the local cuisine and agro-food sector and integration of local products with tourism*
- *Enhance intersectoral collaboration*
- *Development of new jobs, retain of graduates and brain gain*

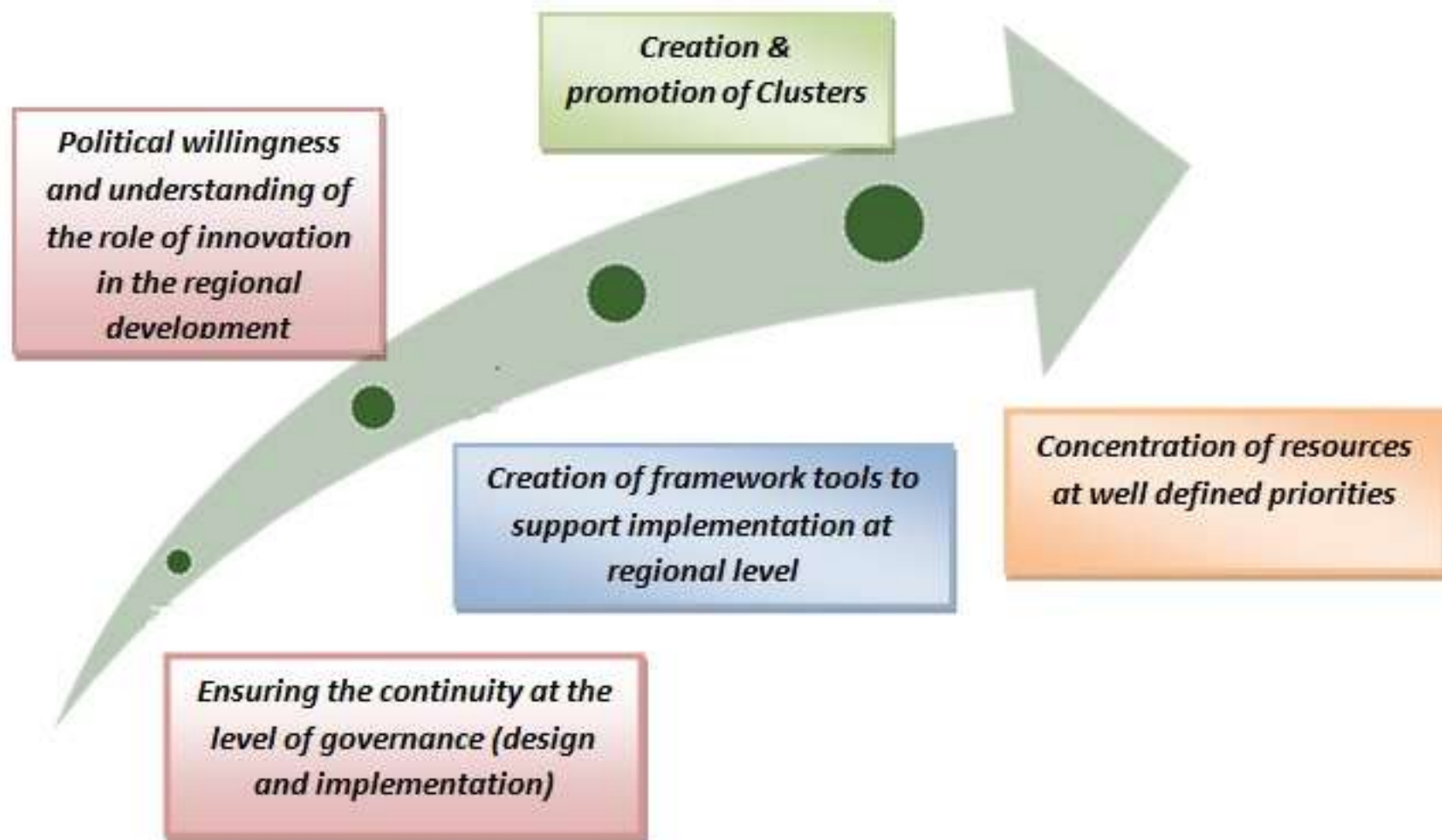
Summary and next steps



Awareness of regional stakeholders

- *Ongoing process*
- *Creating awareness is a time consuming process*
- *Need to persuade the central administration in order to trust the regional government 's ability to undertake and implement the regional innovation strategy*

Next steps: Conditions for successful implementation of S3



Questions to discuss with the peers



QUESTION 1

- *Within a S3 context, what particular policy actions should the Region of Crete undertake regarding the level of specialization, the detailed selection of products/services and the ability to retain flexibility over time*

How can we manage excessive narrowing specialization

How to sustain a certain level of related variety, in order to avoid lock-in situations and ensure that emerging sectors can be developed

At what time intervals we should review and adjust the strategy in terms of specialization

Questions to discuss with the peers



QUESTION 2

- *What pre-conditions are necessary for S3 innovation and entrepreneurial activity to take place especially in a crisis environment*

How can we support entrepreneurial participation taking into consideration the crisis environment, what is the experience of peer regions on regional support mechanisms (especially in the area of finance)

How to mobilise individuals, enterprises, professional associations, clusters and networks.

Questions to discuss with the peers



QUESTION 3

- How can develop an effective investment project selection process in order to ensure the correctness and legitimacy of the S3 outcome. How to minimize conflicts among different local players and maintain an objective selection process considering the limited resources?*

What type of mechanisms can be placed to avoid picking winners/regional champions

How to develop new schemes and monitoring mechanisms

What is the experience of peers on impact assessment tools as part of the selection process

QUESTION 4

- Crete has a strong research capacity but the links within triple helix are very weak. What kind of additional regional incentives and framework conditions are necessary to strengthen the links and enhance knowledge generation, diffusion and exploitation?*

How to improve the capacity of the regional productive system to absorb innovation based on research outputs

How to build and foster international collaborations within S3 context

Questions to discuss with the peers



QUESTION 5

- *How the KETs existing capabilities can be more effectively linked to the proposed regional specialization*

How to select KETs on the basis of prospective outcome within the time horizon of the new programming period

How to exploit and diffuse KETs to provide Crete with an interregional comparative advantage

What experience peer regions have on the associated risk and the management of generated potential

Questions to discuss with the peers



QUESTION 6

- *How the sharing of responsibility between National/Regional authorities has an impact on the governance and monitoring of S3*

What specific measures should the region take on governance and policy coordination, monitoring and evaluation within this fragmented planning environment

QUESTION 7

- *How to effectively link HORIZON2010 and Structural Fund resources within S3 strategy*

THANK YOU FOR YOUR ATTENTION!