



# The Competitive Evolution of Regions



*Towards Smart Specialisation Strategies*

**infyde iD**

**JAIME DEL CASTILLO**

[jaimedelcastillo@infyde.eu](mailto:jaimedelcastillo@infyde.eu)

**BELEN BARROETA**

[belenbarroeta@infyde.eu](mailto:belenbarroeta@infyde.eu)

**JONATAN PATON**

[jonatanpaton@infyde.eu](mailto:jonatanpaton@infyde.eu)

## S3 SEMINAR

*Main Challenges for regional research and innovation and the next operational programmes*



PISA

**27-28 September 2012**



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**infyde**

[infyde@infyde.eu](mailto:infyde@infyde.eu)





# Index of contents



**1** SMART SPECIALISATION: *revealing the concept*

**2** RIS3 STRATEGIES: *smart specialisation and regional policy*

**3** STEPS TO SMART SPECIALISATION: *towards a RIS3*

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[infyde@infyde.eu](mailto:infyde@infyde.eu)





# SMART SPECIALISATION

*REVEALING THE CONCEPT...*

**Behind  
the scene...**



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infyde

[infyde@infyde.eu](mailto:infyde@infyde.eu)



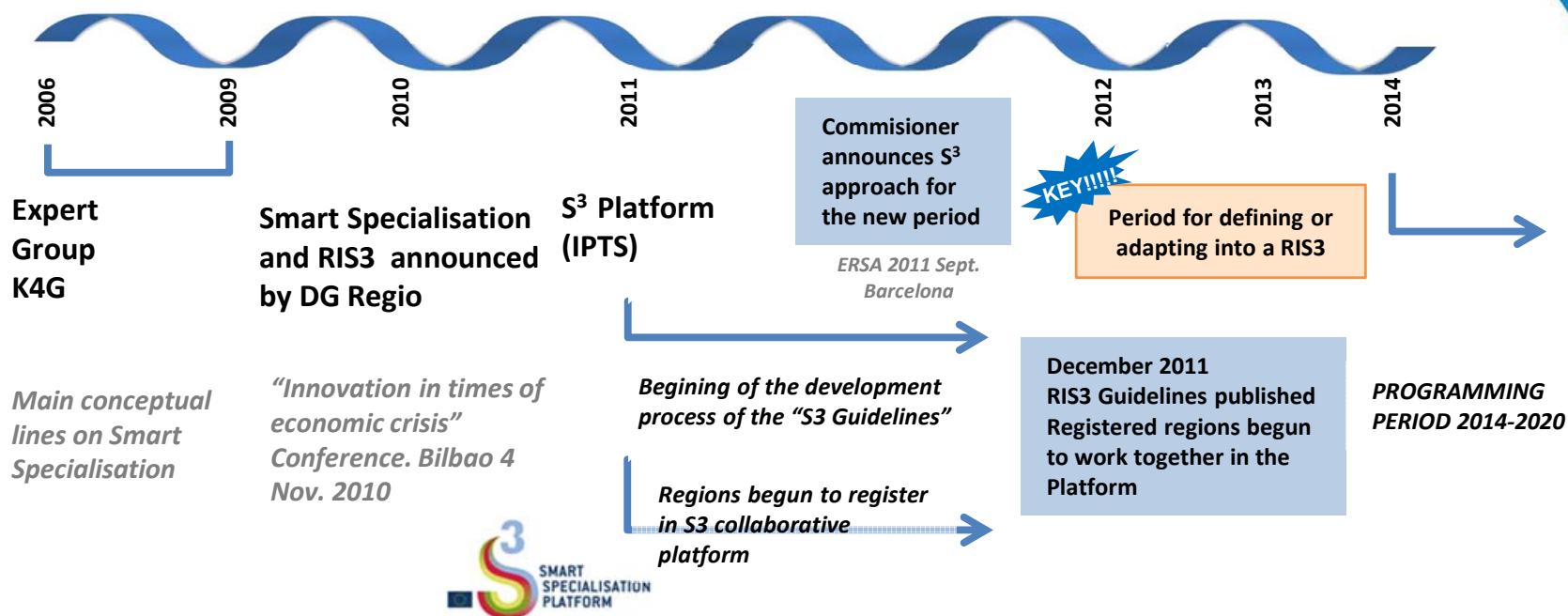


# S3 Platform Seminar

## *The Competitive Evolution of Regions*



### THE ORIGINS OF SMART SPECIALISATION...

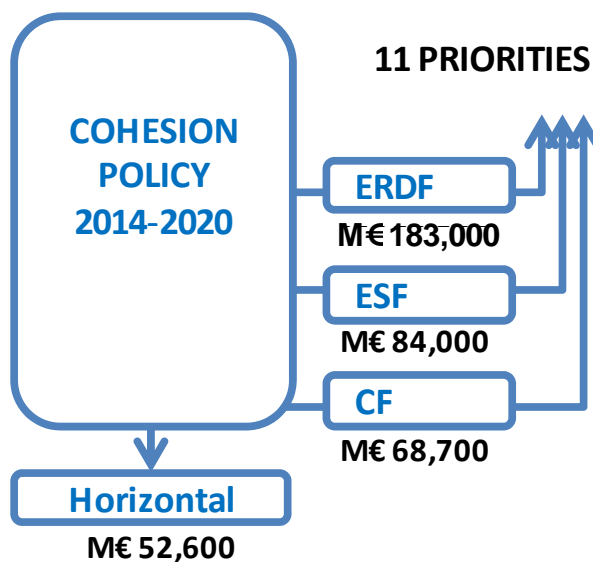




### SMART SPECIALISATION AS AN EX-ANTE CONDITIONALITY (I)

#### EUROPEAN REGIONAL POLICY 2014-2020



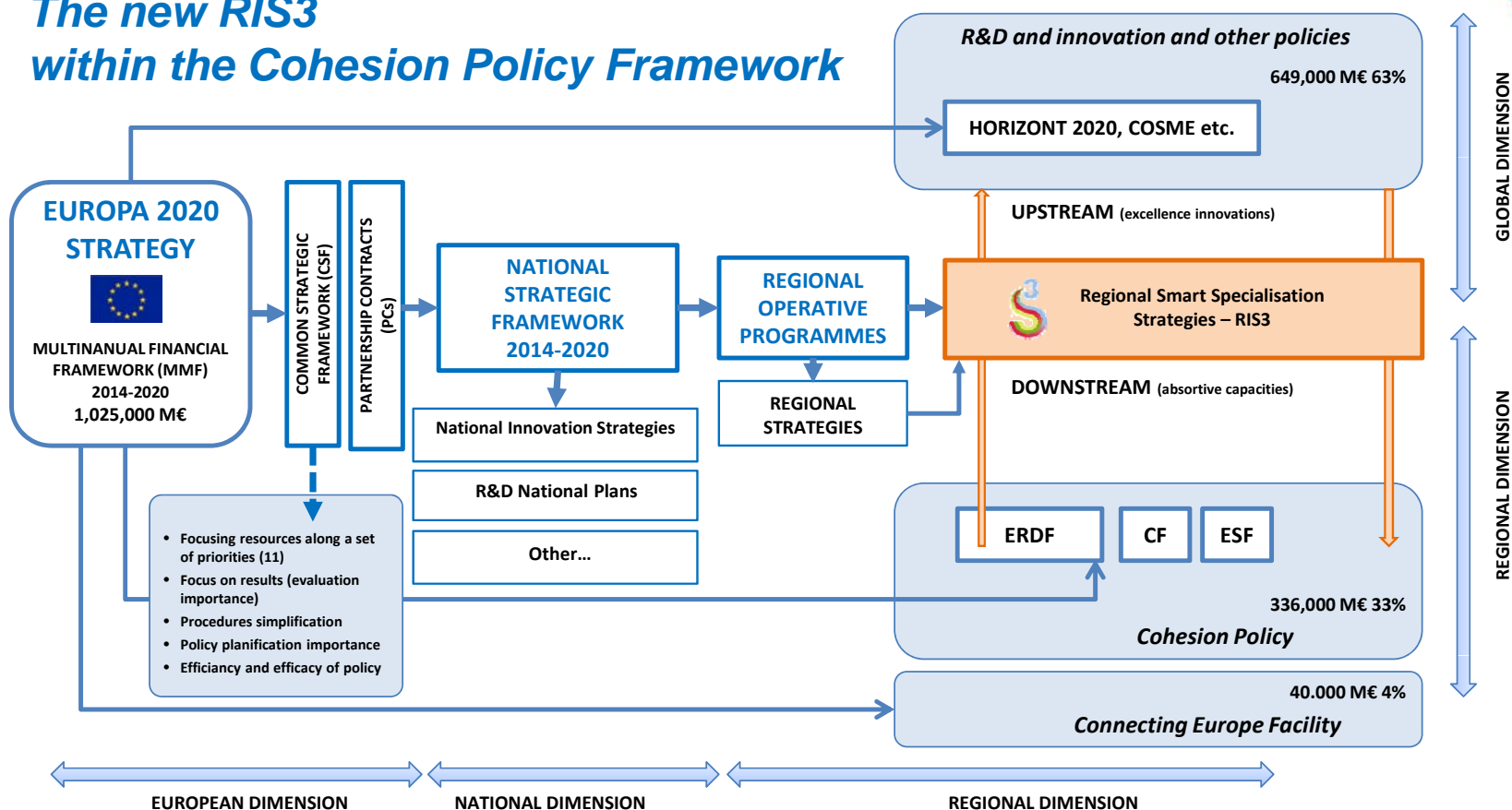
(estimated figures)



- 1 R&D and innovation 
- 2 Access, use and quality of ICT 
- 3 Competitiveness of SMEs
- 4 Towards a low carbon economy
- 5 Climate change and risk prevention
- 6 Environment and resource efficiency
- 7 Sustainable transport and infrastructures
- 8 Employment and labour mobility
- 9 Social inclusion and poverty reduction
- 10 Education, skills and lifelong learning
- 11 Institutional capacity and an efficient public administration

### SMART SPECIALISATION AS AN EX-ANTE CONDITIONALITY (II)

#### The new RIS3 within the Cohesion Policy Framework





### SMART SPECIALISATION AS AN EX-ANTE CONDITIONALITY (III)

**The existence of a national or regional research and innovation strategy for smart specialisation in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well-performing national or regional research and innovation systems.**

*Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Europe 2020 Flagship Initiative Innovation Union (COM(2010) 546 final of 6.10.2010). Commitments 24/25 and Annex I "Self assessment tool: Features of well performing national and regional research and innovations systems". Conclusions of the Competitiveness Council: Conclusions on Innovation Union for Europe (doc. 17165/10 of 26.11.2010).*

**SMART SPECIALISATION  
IS IMPORTANT AND IT IS RUNNING BUT...**

**WHAT IS IT?**

### THE CONCEPT OF SMART SPECIALISATION

**WHAT** elements define smart specialisation?

**SMART SPECIALISATION** *THE CONCEPT*



#### **SPECIALISATION**

Obtaining **COMPETITIVE ADVANTAGES**

Identification of the technological domains and/or sectors of priority as a part of a strategy to reach competitive advantages.

*Towards....*



#### **RELATEDNESS**

Exploiting **RELATED VARIETY**

Identification and exploitation of the regional related diversity in order to develop new technological domains and/or sectors

*Within....*



#### **GLOBAL CONTEXT**

Obtaining **COMPARATIVE ADVANTAGES**

Identification of the differential elements that constitute a comparative advantage in a context of global value chains



### THE CONCEPT OF SMART SPECIALISATION: CASES (I)

#### SPECIALISATION → THE CASE OF BASQUE COUNTRY

- A**

Sectors achieving  
**modernisation  
through technology**

- Machinery tools
  - ICT and electronics
  - Domestic appliances
  - Automotive
  - Aeronautics
- B**

Converging  
sectors that generate  
**new activities**

- Eco-industries
    - Electric vehicle
    - Eco-construction
    - Renewables
- C**

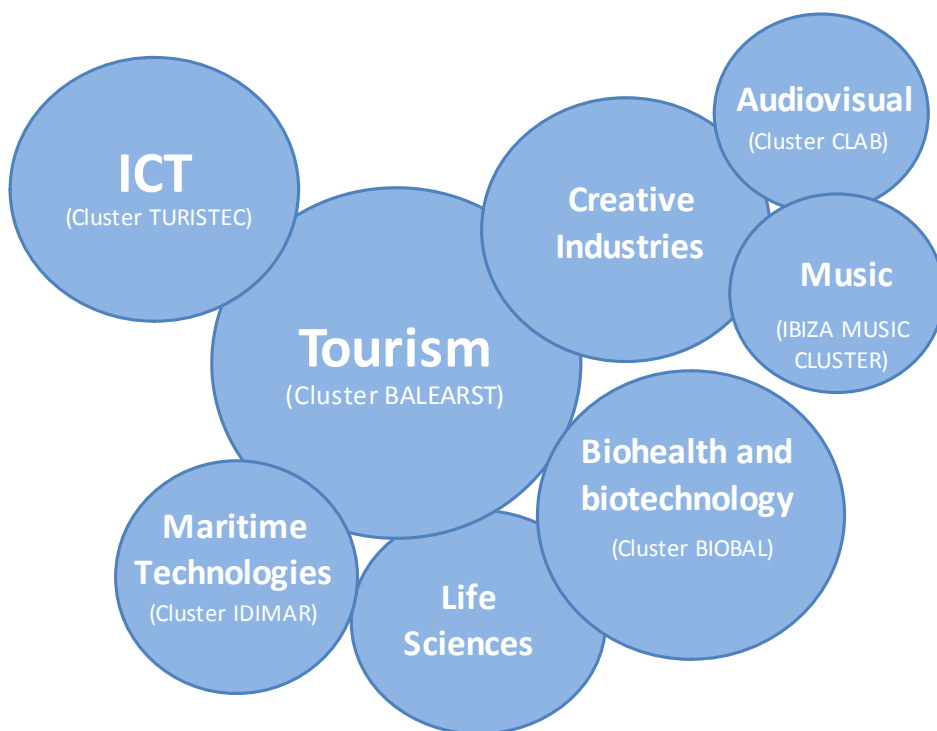
**Emerging sectors**  
likely to foster economic  
growth in the future

- Health and well-being
  - Tourism and entertainm
  - Creative industries



### THE CONCEPT OF SMART SPECIALISATION: CASES (II)

#### RELATEDNESS → THE CASE OF BALEARIC ISLANDS

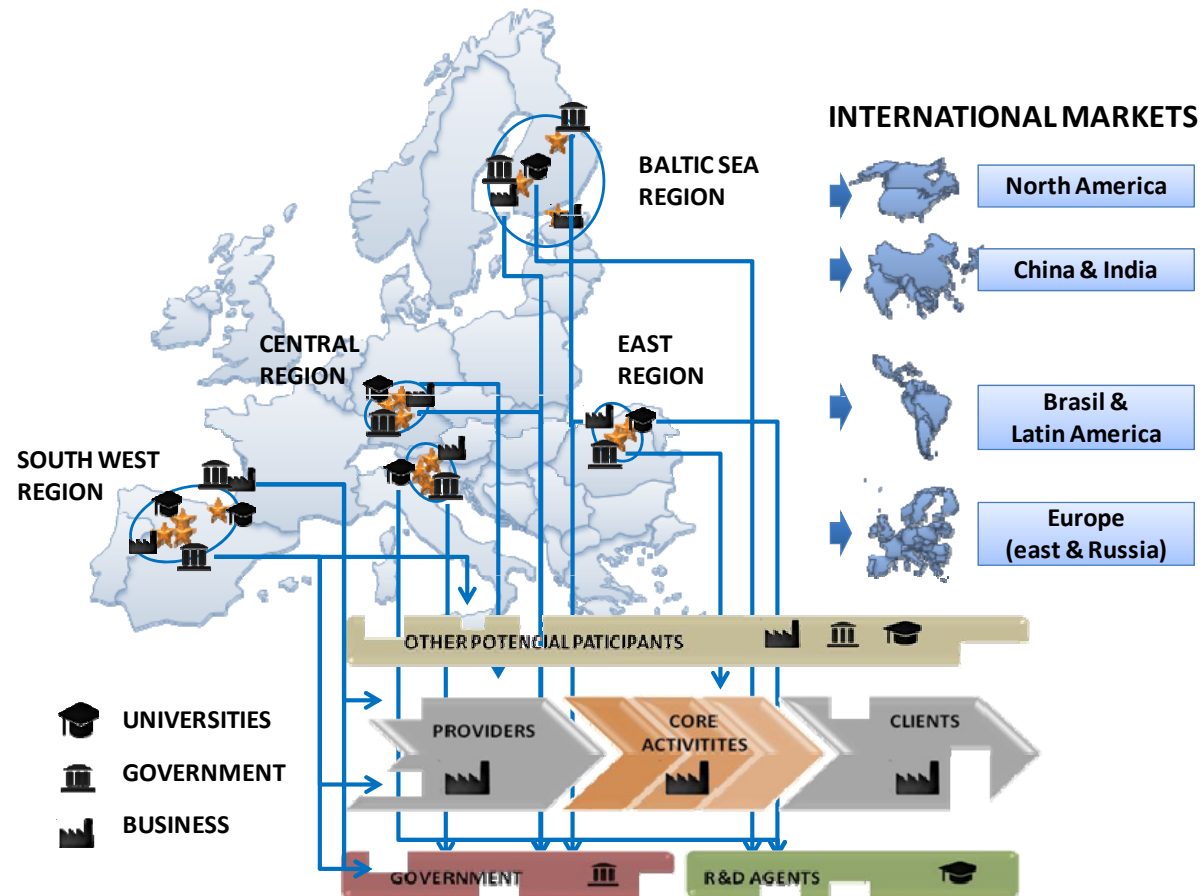


### THE CONCEPT OF SMART SPECIALISATION: CASES (III)

GLOBAL  
CONTEXT



GAIA  
CLUSTER  
GLOBAL  
VALUE  
CHAIN



### THE CONCEPT OF SMART SPECIALISATION STRATEGY

- ➡ **PRIORITIZE** over a small number (but most promising) of choices contributing to achieve the regional competitive advantage
- ➡ Support all the sectors and regional **ECONOMIC ACTIVITIES** through **KETS** and international collaborative networks
- ➡ Consider the **GLOBAL CONTEXT** to pursue not only a competitive but also a comparative regional advantage
- ➡ Promote **CONNECTIVITY** to favour the emergence of technological hybridization between the strategic choices made
- ➡ Ensure **PARTICIPATORY GOVERNANCE PROCESSES** as the only way to commit to the stakeholders and resources needed
- ➡ Establish an **EVALUATION AND MONITORING PROCESS** to ensure the continuous improvement of the strategy and the policymaking process

Regional Innovation Smart Specialisation Strategies (RIS3) are not a completely new concept of strategic planning, but an improved adaptation of those launched in the 90s



# RIS3 STRATEGIES

*SMART SPECIALISATION AND  
REGIONAL POLICY...*

**New ways  
of doing things...**



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infyde

[infyde@infyde.eu](mailto:infyde@infyde.eu)



### RIS VS RIS3: A COMPARATIVE ANALYSIS (I)

#### STARTING POINT

#### REGIONAL INNOVATION STRATEGIES RIS

- Innovation policy is not very extended, scarce tradition in innovation support
- Regional innovation systems are not developed or incipient
- Beginning of the expansive economic cycle; enough resources to go into different strategic choices

#### REGIONAL SMART SPECIALISATION STRATEGIES RIS3

- Innovation policy as a fashion: imitation, duplication and fragmentation of the efforts
- Regional innovation systems with a certain degree of development but with many stakeholders operating isolated
- Economic crisis with a significant decrease in resources as well a fragmentation in their use



### RIS VS RIS3: A COMPARATIVE ANALYSIS (II)

#### CORE ELEMENTS

#### REGIONAL INNOVATION STRATEGIES RIS

- Importance of R&D and technology development in a linear model of innovation
- Search for competitive advantages, but not always comparative advantages regarding global trends

#### REGIONAL SMART SPECIALISATION STRATEGIES RIS3

- Broad innovation in an open innovation model
- Importance of the global focus; a regional innovation system connected and in coherence with international trends
- Search for both competitive and comparative advantages regarding the global trends

### RIS VS RIS3: A COMPARATIVE ANALYSIS (III)

#### PRIORITIES

#### REGIONAL INNOVATION STRATEGIES RIS

- Strategic choices that involve multiple technologies and economic sectors
- Priorities based on the search for economic diversification but not rationalised nor linked to regional assets and strengths
- Efforts focused on knowledge generation (basic science) and its application

#### REGIONAL SMART SPECIALISATION STRATEGIES RIS3

- Commitment to a small number of technology priorities (KETs) applied to regional strategic sectors
- Prioritization is focused on the search for a specialised diversification arising from regional assets and strengths
- Commitment to entrepreneurial discovery processes (creative combination/hybridization of knowledge/technology domains)

### RIS VS RIS3: A COMPARATIVE ANALYSIS (IV)

#### STRATEGIC PROCESS

#### REGIONAL INNOVATION STRATEGIES RIS

- “TOP-DOWN” approach in strategic definition
- Government defined priorities through prospective initiatives with external experts
- Evaluation and monitoring remained internal, with a limited capacity to contribute to improvements in policymaking

#### REGIONAL SMART SPECIALISATION STRATEGIES RIS3

- “BOTTOM-UP” approach in strategic definition (participatory governance process)
- External experts support government in the implementation of a participatory governance process where all stakeholders are involved (cuadruple helix)
- Evaluation and monitoring is a participatory process contributing to policymaking improvements.

### RIS VS RIS3: A COMPARATIVE ANALYSIS (V)

#### STAKEHOLDERS INVOLVED

#### REGIONAL INNOVATION STRATEGIES RIS

- Triple helix as a critical pillar in the development of the regional system
- Departmental strategies; operating isolated and unconnected to other policies outside innovation field

#### REGIONAL SMART SPECIALISATION STRATEGIES RIS3

- Cuadruple helix as a critical pillar in the development of the regional system
- Interdepartmental policy (horizontal cooperation) and multilevel (vertical cooperation)
- Global governance strategies including (taking into account) the rest of the policies in the region (economic, social and environmental)

### RIS VS RIS3: A COMPARATIVE ANALYSIS (VI)

#### ACTIONS AND INSTRUMENTS

#### REGIONAL INNOVATION STRATEGIES RIS

- Supply-side policies focused in strengthening the regional system
- Knowledge/technology transfer between knowledge generators and businesses
- Intermediate infrastructures (ST Parks, RRT0,BICs, etc.)
- Innovation supply and demand considered on regional closed basis

#### REGIONAL SMART SPECIALISATION STRATEGIES RIS3

- Demand-side policies focus on generating an innovation intensive market
- Networks for collaboration (clusters, living labs, etc.)
- Re-thinking of the intermediate infrastructures' roles towards an open innovation model
- Public procurement (focused on innovation).
- Construction of regional, interregional and international networks to supply technological support to the different economic regional sectors.



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### RIS VS RIS3: A COMPARATIVE ANALYSIS (VII)

REGIONAL  
INNOVATION  
STRATEGIES **RIS**

REGIONAL SMART  
SPECIALISATION  
STRATEGIES **RIS3**

What would  
like to be?

**VS**

What can  
we be?

**BE IDEALISTIC**

**BE REALISTIC**

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infyde

infyde@infyde.eu





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# STEPS TO SMART SPECIALISATION

*TOWARDS A RIS3...*

What to do &  
how to do it...

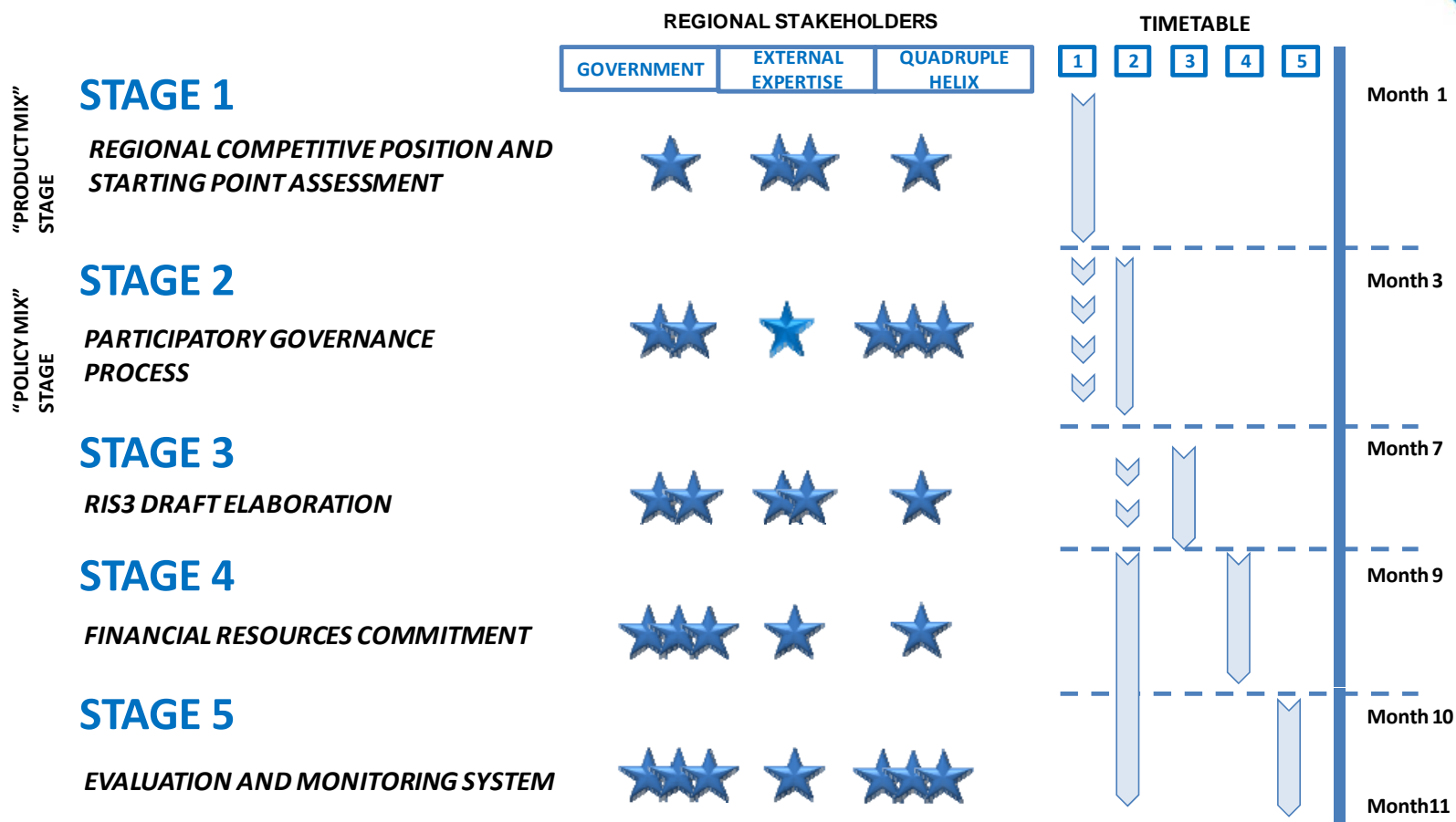


infyde

[infyde@infyde.eu](mailto:infyde@infyde.eu)



### STAGES TO BUILD UP A RIS 3 (I)



### STAGES TO BUILD UP A RIS 3 (II)

## **STAGE 1** *REGIONAL COMPETITIVE POSITION AND STARTING POINT ASSESSMENT*

1. Analysis of the economic and innovation regional situation in a global perspective
2. Specialisation pattern identification
3. Regional “Key Enabling Technologies” (KETs) identification
4. Related variety possibilities frontier identification
5. Regional SWOT

## **STAGE 2** *PARTICIPATORY GOVERNANCE PROCESS*

6. Quadruple helix stakeholders identification
7. RIS3 Forum organisation: Global challenges rountable
8. RIS3 Forum organisation: thematic roundtables
9. Regional stakeholders identification to gather commitments around the strategy

#### STAGES TO BUILD UP A RIS 3 (III)

### **STAGE 3** *RIS3 DRAFT ELABORATION*

7. RIS3 draft: diagnosis, needs, vision, mission, strategic objectives, strategic lines, initiatives
8. Consensus within the government (multidepartmental and multilevel)
9. Consensus within the regional stakeholders

### **STAGE 4** *FINANCIAL RESOURCES COMMITMENT*

10. Identification of the regional resources available
11. Complementary resources (national and European) identification

### **STAGE 5** *EVALUATION AND MONITORING SYSTEM*

12. Indicators and information gathering methodology
13. Evaluation and monitoring committee

### STAGES TO BUILD UP A RIS 3 (IV)

#### RIS3 ELEMENTS ¿WHAT DO WE HAVE TO DO?

##### ▶ GLOBAL CONTEXT PERSPECTIVE

BENCHMARKING

INTERNATIONAL NETWORKS

COMPRABLE INDICATORS

##### ▶ SPECIALISATION

KEY ENABLING TECHs MAPPING

SYSTEMIC R&D+I POLICIES

FORESIGHT

##### ▶ RELATEDNESS & CONECTIVITY

RELATED VARITY POSSIBILITY FRONTIER

INTERCLUSTER COLLABORATION

INTERCONNECTED METRICS

#### CHALLENGES TO ADDRESS

#### INSTRUMENTS TO USE

**Smart Specialisation  
dession matrix**



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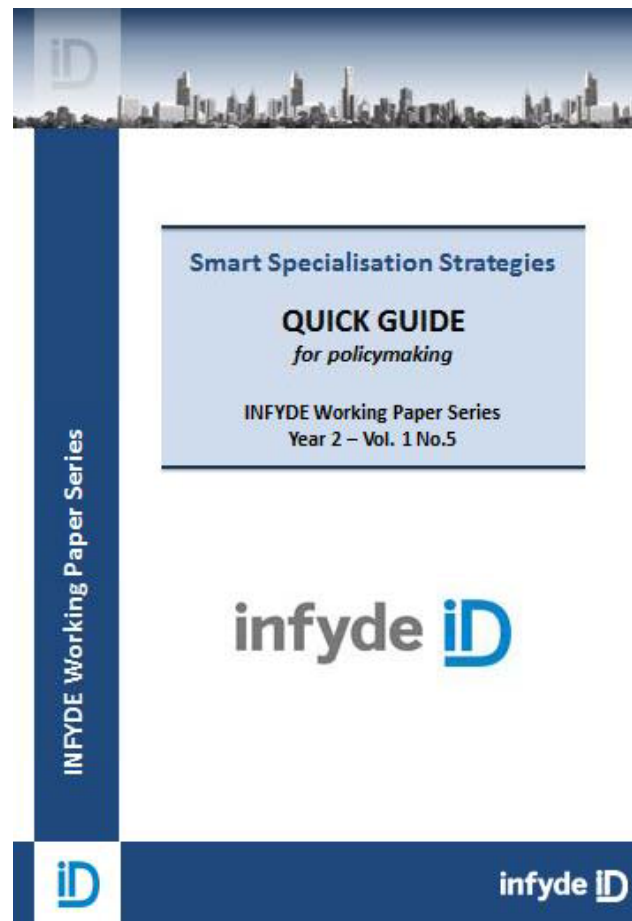
### *The Competitive Evolution of Regions*



#### 5 STAGES TO BUILD UP A RIS 3 (V)

[A very quick complement to RIS3 Guide](#) summarizing what you need to know about ex ante conditionalities and to start developing your own smart specialisation strategy

*By*  
**Jaime del Castillo,**  
**Belen Barroeta**  
**and Jonatan Paton.**



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# THANK YOU FOR YOUR ATTENTION

**JAIME DEL CASTILLO**  
[jaimedelcastillo@infyde.eu](mailto:jaimedelcastillo@infyde.eu)

**BELEN BARROETA**  
[belenbarroeta@infyde.eu](mailto:belenbarroeta@infyde.eu)

**JONATAN PATON**  
[jonatanpaton@infyde.eu](mailto:jonatanpaton@infyde.eu)

infyde **iD**

[infyde@infyde.eu](mailto:infyde@infyde.eu)

iD infyde



infyde

[infyde@infyde.eu](mailto:infyde@infyde.eu)

