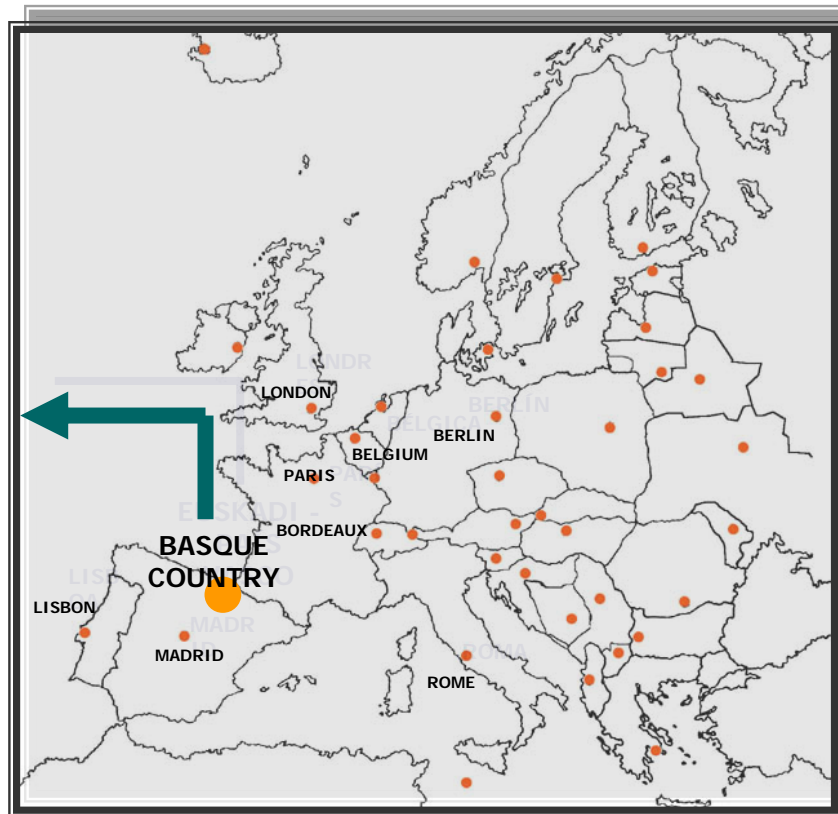




Towards a S3 strategy for: The BASQUE COUNTRY



Seville, 31 January 2012
Inmaculada Freije Obregón

Introduction (I)

Basque Country – Regional Profile:

- Population: 2,162,944, extension 7,234 km², pop. density: 299 inhab./Km²
- GDP per head: 136% of the EU27 average
- Unemployment rate: 10.7% (2011) (20,09% Spain 2011)
- Industrial sector: 25.3% of the regional GDP (2008) (12.4% in Spain)
- R&D: 2.08% of GDP as R&D expenditure (2010), 10% annual growth in per head R&D expenditure since 1996.



Introduction (II)

Basque Country – Regional Profile:

- **Basque Government** is the relevant regional authority responsible for regional economic development and RTDI policies.
- **SPRI** is the executing agency for competitiveness and innovation policies.
- **11 consolidated clusters** and 9 **pre-clusters** in strategic economic sectors

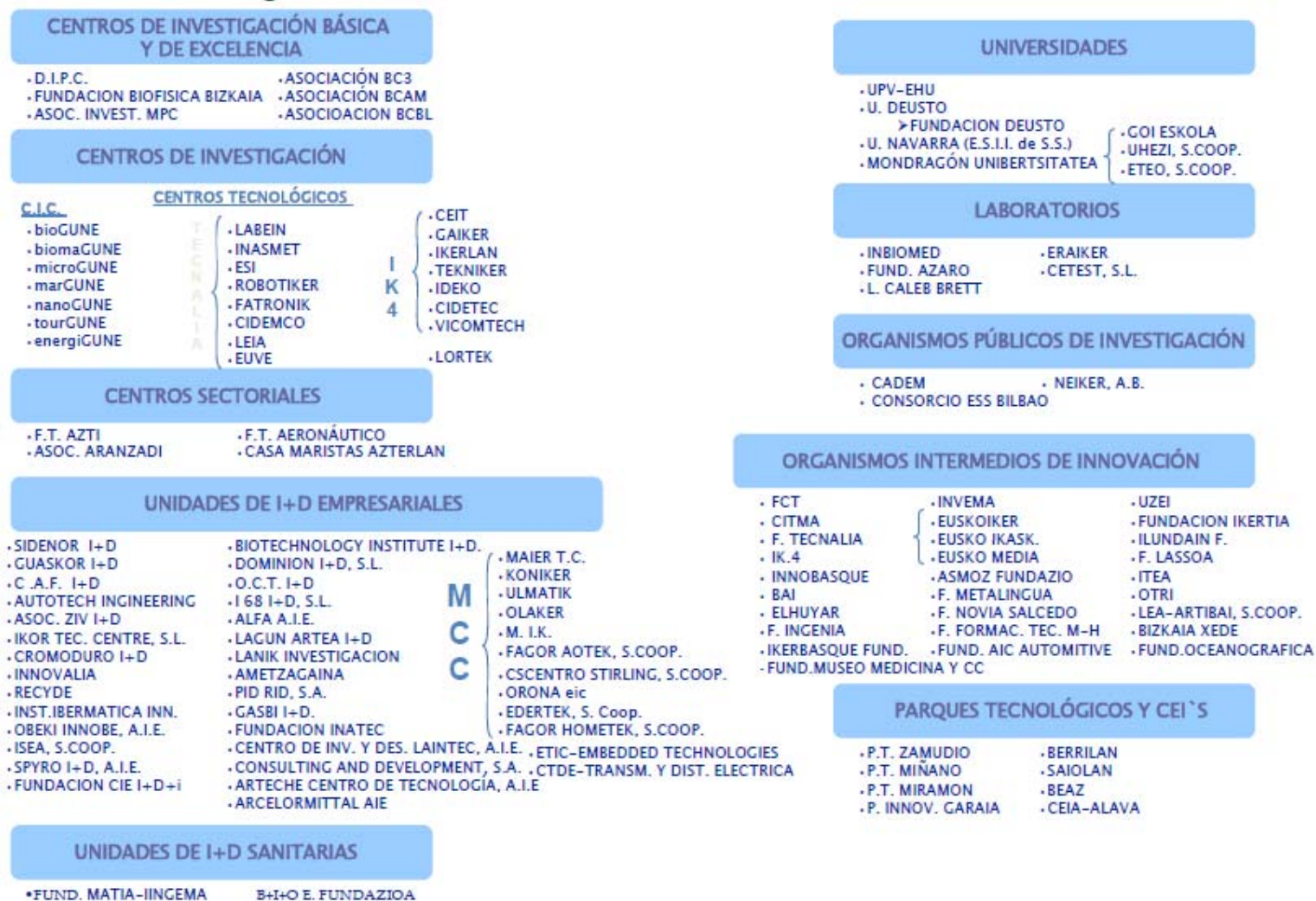
Since the 1st Competitiveness Programme in 1991, the 1st Industrial Technology Plan in 1993, the Basque Country has updated its regional strategy on competitiveness and innovation.



Introduction (III)

- Institutionalised Regional Network of Science, Technology and Innovation (RVCTI).

Basque Science and Technology Network



Place based dimension of the RIS3 (I)

- **Competitive Profile of the Basque Country:**
 - Concentration of population in three urban areas: Capital Areas Bilbao, San Sebastian and Vitoria. They are also the main economic agglomerations.
 - Region with a strong industrial tradition (machine-tool, automotive, metal, electronics)
 - Relevant results in global niche markets by some SMEs
 - Increasing importance of service sector based on industrial activity and knowledge intensive activities.
- **Key challenges:**
 - Globalization imperative: how to participate in global value chains through value added and knowledge intensive differentiation strategy
 - Economic Crisis in Spain and Europe
 - Stimulation of private expenditure in R&D and commercialisation of RTDI
 - Well positioned in “DUI” innovation but not so much in “STI” innovation
- **Competitive Advantages:**
 - Strengths in the regional network of Technology Centres and technological infrastructures
 - 4 Universities and good High Education Institutions qualification, 4 Technology Parks
 - A consolidated cluster associations network with high potential regarding related variety exploitation (inter-cluster collaboration approaches).
 - An industry structure more stable and more able to adapt to temporary crisis and structural changes (efficient management culture)

Place based dimension of the RIS3 (II)

- Current Strategy on Competitiveness and RTDI based on a common regional vision incorporated in different strategic documents:
 - **Competitiveness Plan 2010-2013**
 - **Science, Technology and Innovation Plan (PCTi 2015)**



Place based dimension of the RIS3 (III)

Areas of specialisation in the framework of Science, Technology and Innovation Plan 2015

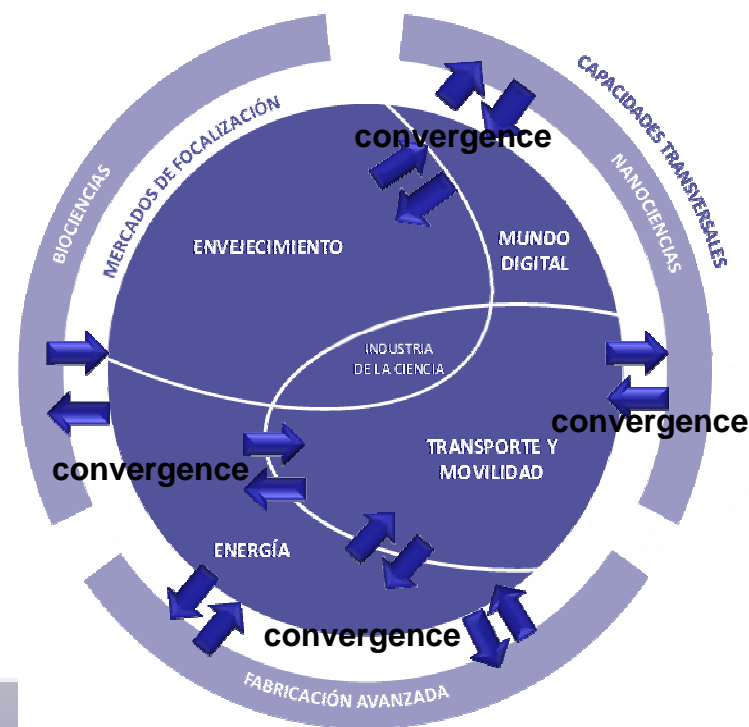
Target markets for the future

- Ageing Society
- Digital world
- Transport and mobility
- Energy (renewable)
- Science Industry

Cross-technology domains

- Biosciences
- Nanosciences
- Advanced Manufacturing

... through collaborative structures, the underlying **RELATED DIVERSITY** will be boosted.



Place based dimension of the RIS3 (IV)

Competitiveness Plan 2010-2013

AXIS 1: OPEN EUSKADI

To build a society embedded in the global economy, with a R&D system connected and international companies

AXIS 2: INNOVATIVE, ENTRE-PRENEURIAL AND TECHNOLOGICALLY Advanced EUSKADI

The Basque economy will be competitive through:

- knowledge
- creativity
- cooperation

AXIS 3: SUSTAINABLE EUSKADI

Ensuring a sustainable future in economic, social and environmental terms.

The emerging opportunity to develop new activities and 8 markets.

Achieving critical mass (I)

- How are priorities being selected?
 - Analysis of Megatrends (analysis of sectoral possibilities and needs)
 - Analysis of regional assets and RTDI capacities
 - Definition of Focus areas (prioritization): ***ageing society, digital world, transport and mobility, energy, science industry***
 - Regional vision-building process during elaboration of strategy documents (through a **participatory governance process** where the entrepreneurial, scientific, business and governmental actors dialogue)
- What methods and criteria are used to select priorities?
 - On the basis of a long tradition in strategic planning for regional industrial and RDTI policies – we are in a better position for cooperation.
 - Strategic process facilitated by the *Basque Council on Science, Technology and Innovation (CVSTI)*: focus groups, interviews, feedback and comments on proposals (Innobasque, Orkestra)
 - Prospective analysis of the overall RTDI capacity and overall trends in global society and economy.
 - Coordination between Regional Ministries (**inter-departmental**), with provincial and local authorities (**multi-level**) and between public and private agents(**consensus**)



Prospects for an “entrepreneurial process of discovery” (I)

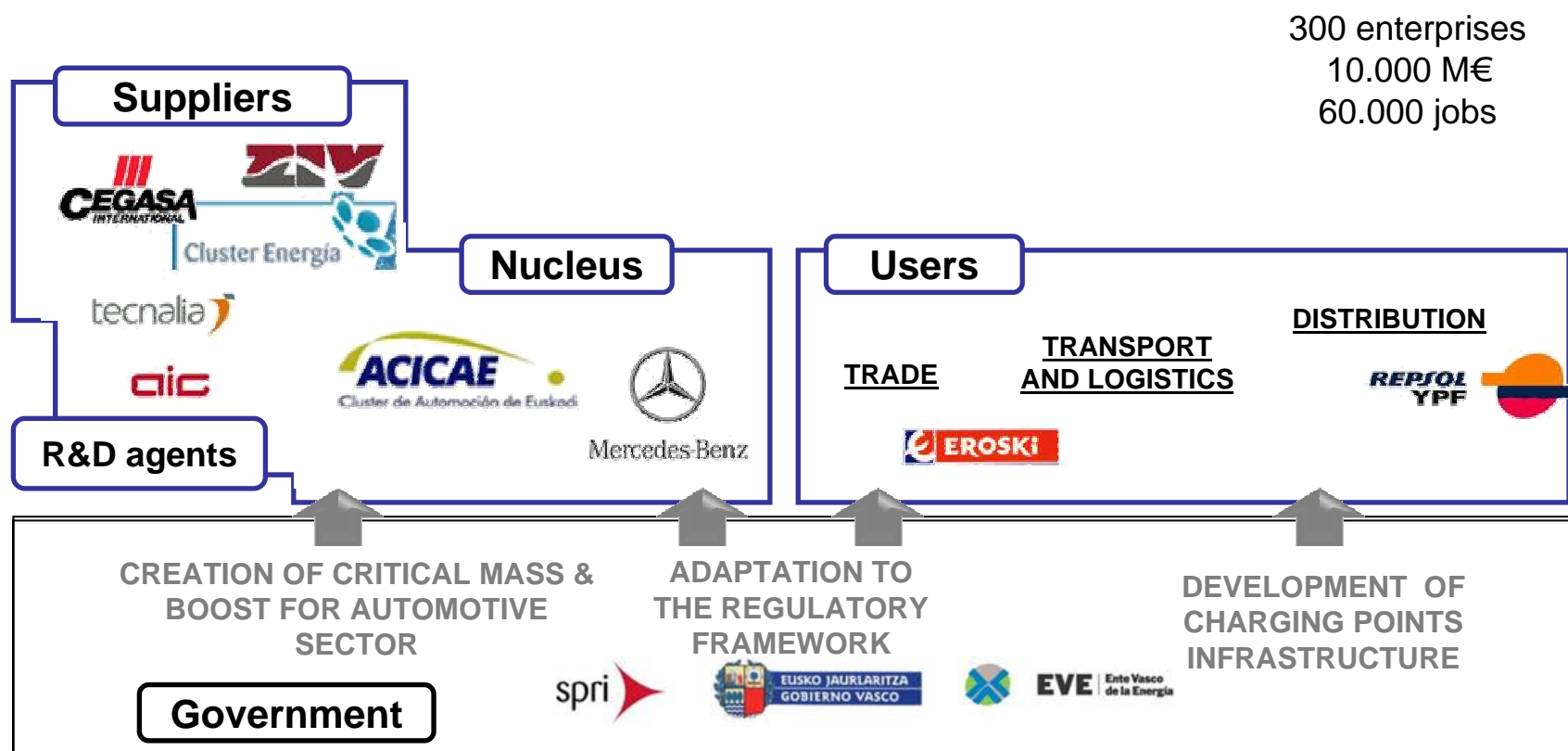


- Foundations for an EPD in the Basque Country – creating spaces for connection and exchange of knowledge:
 - CIC and BERC: *7 Centres for Collaborative Research and 6 Research Centres of Excellence* have been founded by the Basque Government in specific priority areas, clustering the regional efforts on achieving excellence in science and technology.
 - Network of Technology Centres: Technology Centres help to integrate R&D actors with companies. In addition, networks and alliances of Technology Centres, such as TECNALIA and IK4 help to exchange information, coordinate R&D and become more efficient. Mechanisms to link TC and alliances to the Regional Authorities are important to assure strategic action by the TCs.
 - Clusters: There is a strong tradition of cluster organisations in the Basque Country, in traditional industrial sectors, as well as in emergent sectors. Cluster associations help to disseminate valuable information and to create trustful relationships with other spheres (universities, administration, financing).

A strong model based on triple helix approach (business-Knowledge-government) where all these parties cooperate and establish links to increase overall regional competitiveness.
 - Network of Technology Parks: There are 4 Technology Parks in the Basque Country, which are connected in a regional Network.

Prospects for an “entrepreneurial process of discovery” (II)

➔ Example: The initiative of the **ELECTRIC VEHICLE**



Prospects for an “entrepreneurial process of discovery” (III)

- Specific actors to integrate, stimulate debate and enable participatory governance:
 - Innobasque: Basque Innovation Agency
 - SPRI: executing agency of the Basque Government
 - CEEI (Business Incubators) and Local Development Agencies
 - RED Innovanet



- Fostering active involvement of the business community through Clusters, Innobasque and the whole RVCTI – not only during strategic planning processes.



Prospects for an “entrepreneurial process of discovery” (IV)

- Promotion of partnerships (in R&D projects, internationalisation) between SMEs, companies and actors of the RVCTI through specific grant programmes (Gaitek, Etorgai, etc.).
 - Cluster mission: Improving the competitiveness of Basque companies through cooperation. Focusing on the competitive strategic challenges that cannot be addressed by individual actions carried out by the companies alone.
- Important to find the balance between demanding active participation and not “disturbing” the actors and companies with un-fruitful events and actions.

Outward-oriented aspects of the RIS

- There is a high level of internationalisation in specific sectors (industry)
- However, more connections to actors outside the region should be created. Therefore, the different plans foresee important support to open up the economy and the RTDI system:
 - Priority “Open Economy” within the Competitiveness Plan 2010-2013.
 - The “international component” is part of 3 Goals of the Science and Technology Strategy (business RDTI to enter global markets, University research of international quality, attraction and retention of talent locally and internationally).
 - Specific Initiatives like *Business Talent Country*, IKERBASQUE or Bizkaia:Xede help to attract talent and researchers.
- The analysis of the competitive position of the Basque Country within the European Regions has been important when the Plans were developed.
- On an on-going basis, international benchmarking and comparison of key indicators is an important issue. (*ORKESTRA* or the *Basque Observatory on Science and Technology*).

Outward-oriented aspects of the RIS (II)

- The objective is to develop the actions required to position Basque Country among the most advanced and competitive regions in Europe.

Regiones poco competitivas a nivel europeo	Regiones competitivas a nivel europeo	Regiones avanzadas y competitivas a nivel global	Regiones innovadoras y competitivas a nivel global
Burgenland Castilla y León Letonia Thessalia Cerdeña Puglia Algarve Calabria	Euskadi Cataluña Emilia-Romagna Aquitania Oberösterreich Schleswig-Holstein NorthernIreland Aland	West Midlands Escocia Piemonte Lombardia Rhône-Alpes Alsacia Baden-Württemberg Baviera	Oeste de Finlandia Estocolmo Sur de Suecia Dinamarca Noord-Brabant

Future orientation of the S3 process (I)

- Due to its long experience in Strategic Planning, the Basque Country seeks to learn from the past and from the previous planning processes.
- Instead of working in different scenarios in detail a continuous improvement method was chosen.
- But: intermediate goals and process indicators for each Priority Line of the Strategy → allows to analyse and monitor the level of execution of the strategy on an on-going basis.
- Continuous monitoring through a scoreboard for each Plan, both for the overall regional competitiveness and for technological performance.
- The definition of intermediate goals and the on-going monitoring is key for the learning process in the region.

Summary and next steps

- The Basque Country has just developed its new strategic framework until 2015 (Competitiveness smart implementation Strategy and Science and Technology Plan).
- The focus is now on the of the strategy and on monitoring and learning.
- The Basque Country, specially within the difficult framework of policies and public funding in Spain, sees itself as a forerunner in RIS 3 within Spain.
- Main challenges where recommendations and exchange of experience could be helpful:
 - To establish global partnerships in RTDI and commercialisation of innovative products at a global scale (electric vehicle, ocean energy, etc.): Global Value Chains
 - To strengthen the international business activities and the international capability of SMEs.
 - To foster R&D cooperative networking activities (i.e. Intercluster cooperation)
 - To guide Universities towards research excellence and make them participate in strategic partnerships.
 - To reach smaller and rather non-innovative companies and include them into strategic action.



Thank you very much for your attention.

Inmaculada Freije Obregón
Planning and Strategy Director
e-mail: ifreije@ej-gv.es

Department of Industry, Innovation, Trade and Tourism

Donostia - San Sebastián nº1, 01010 VITORIA-GASTEIZ

Phone: (+34) 945 01 82 15 | Fax: (+34) 945 01 82 53

BASQUE GOVERNMENT