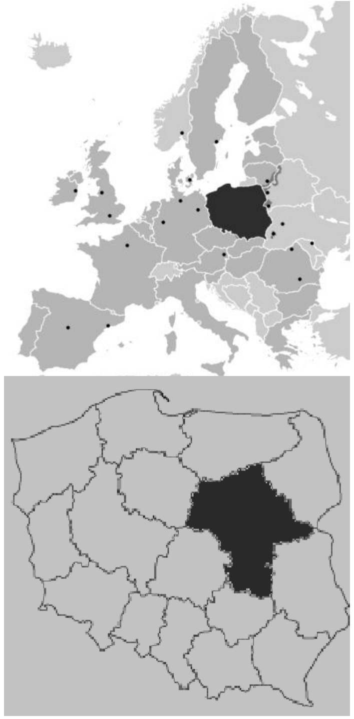
Mazovia:
Towards a RIS3 strategy



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The Office of the Marshal of the Mazowieckie Voivodeship in Warsaw

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SMART SPECIALISATION PLATFORM

Mazovia – about the region

Mazovia vs. Poland	**total**	**% Poland**
Area (in km²)	35 558	11,4
Population (in thousands)	528,6	13,7
Unemployment (in thousands)	246,7	12,4
GDP per capita (PLN)	60 359	162,7 (of the average)

Regional Disparity

Administrative unit	unemployment rate	average monthly wages (Poland+100)	people in households that benefit from social care/population of Mazovia	economic activity/ 10.000 people	people economically active/100 people	NGOs/10.000 people
	2012	2012	2012	2012	2012	2012
	%	%	%	economic entity	economic entity	economic entity
POLAND	13,4	100	8,1	1032	12	30
MAZOVIA	10,7	123,9	6,8	1319	14	37
Ciechanow-Plock	18	99	10,3	726	9	24
Ostroleka-Siedlce	16	86,4	11,3	756	10	27
Radom	24,6	89,5	10,6	822	10	23
Warsaw	**4,3**	**135,6**	**3,3**	**2070**	**20**	**63**
Warsaw East	13,3	93	6,4	1063	13	21
Warsaw West	8,9	105,6	5	1349	16	24

Warsaw vs. peripheries

Warsaw

- 32% of region's population
- 77,6% households with Internet access
- The highest levels of social capital, education, employment
- Concentration of services
- Concentration of universities and R&D institutions
- The highest birth rate in the region

Peripheries

- Mainly rural areas
- Brain drain
- Low wages
- Low level of social capital
- Ageing society

Our expectations from the Peer Review Workshop

- To verify our approach towards Smart Specialisation
    1. dealing with a polarised region: Warsaw vs Peripheries
    2. managing without a leading branch/driving force
- To receive feedback – directions and ideas concerning the process
- To receive feedback on the stakeholders' engagement activities
- To discuss the ways of social capital building

Questions we would like peers to discuss

Question 1: How to overcome the centre-periphery conflict?

Question 2: How to specialize without one easy identifiable leading branch/sector?

Question 3: How to involve stakeholders in the process, especially SMEs?

Question 4: What are your experiences in building social capital (with emphasis on social innovation)?

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Mazovia's work on research and innovation

2008

- Regional Innovation Strategy for Mazovia 2007-2015

2012

- need for an update according to Strategy Europe 2020, National Development Strategy, National Strategy of Regional Development and Regional Development Strategy

2014-2020

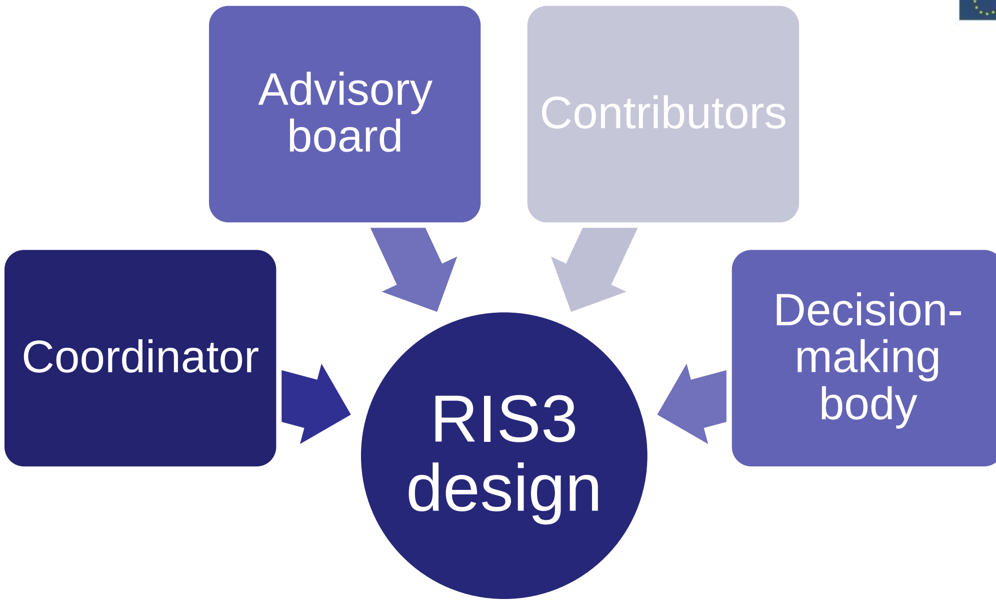
- Regional Innovation Strategy for Mazovia 2014-2020 including smart specialisation (an annex) and the idea of information society

Mazovia's work on research and innovation

- Strategy of Innovation and Economic Efficiency 'Dynamic Poland'
- National Strategy for Smart Specialisation

Cooperation between regional and national level is not sufficient

Governance



RIS3 design process

Coordinator The Office of the Marshal of the Mazowieckie Voivodeship in Warsaw

Advisory board Mazovia Innovation Council

Decision making body: The Management Board of the Mazowieckie Voivodeship, The Regional Council (The Sejmik of the Mazowieckie Voivodeship)

Contributors: regional/ local administration institutions, research institutes, technology centres, business support institutions, clusters, companies, NGOs

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Governance mechanisms

Group consultation

- General meetings
- Sectoral meetings
- Seminars
- Workshops
- Focus groups
- Surveys

Individual consultation

- Interviews – companies
- Interviews – clusters, business support institutions

Management

- Meetings
- Feedback analysis
- Open government
- Research&reports
- Assessment&expertise
- Decisions

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Governance – actors identification process

business support institutions,

organizations of enterprises and employers

published rankings of the most innovative companies at regional and national level

feedback from Regional Offices participating in the project

How did we get here?

Socio-economic analysis of the region (desk research)	Statistisc, expertises, foresights	2 general consultation meetings	6 open consultation meetings with key sector representatives
10 open consultation meetings in subregions	One-to-one consultation meetings	Workshops	6 meetings in Regional Centres of ESF on the subject of Smart Specialisation
6 meetings concerning social innovation in Regional Centres of ESF	Open consultation meeting with clusters' members and coordinators, followed by one-to-one meetings	Analysis of incoming proposals and opinions	Internet survey

Building the evidence base for RIS3 - general

SMART SPECIALISATION PLATFORM

Strengths & Competitive advantages	Weaknesses & Challenges
National capital – headquarters of the most important institutions Highest GNP per capita in the country	Economic polarization "Moderate innovator" in the EU
Opportunities	**Threats**
The most competitive region Services as driving force Companies with the highest cost- and energy-efficiency	Brain drain (Warsaw and abroad) Declining competitive advantage towards other EU regions

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Building the evidence base for RIS3 – social potential

Strengths & Competitive advantages	Weaknesses & Challenges
The highest percentage of people with higher education The highest percentage of people professionally active Active NGOs Entrepreneurship Cultural centre Relatively high participation in cultural and social activities Relatively high level of digital inclusion	Low level of social capital (compared to other EU countries) Social polarization Low level of social trust Declining social cohesion Growing social exclusion Ageing society Lack of regional identity
Opportunities	**Threats**
Increasing networking abilities New course programmes aimed at entrepreneurship Population growth	Reduced possibilities of employment for the over-50 workforce Restricted access to medical care for ageing society No need for building social capital in the society Outdated education system

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Building the evidence base for RIS3 – academic potential

SMART SPECIALISATION PLATFORM

Strengths & Competitive advantages	Weaknesses & Challenges
<u>The highest number of research institutes in the country</u> Relatively high R&D expenses Good R&D infrastructure <u>Academic centre</u> National private patent leader Considerable R&D resources <u>The highest R&D employment – 1/3 of all R&D employees in the country</u> Relatively high commercialization possibilities	Low R&D expenses compared to the EU level <u>Inefficient R&D expenses structure , R&D activity dominated by public research units and state univesities, located in the capital city</u> Underdeveloped tutorial system and alumni networks <u>Concentration of academic potential in Warsaw</u> <u>Courses and programmes not matching market needs</u> Small number of applications to the European Patent Office <u>No correlation between relatively high R&D expenses (national level) and academic potential (international level)</u>
Opportunities	**Threats**
Structural funding for the R&D sector More efficient financing of peripheral research centres <u>International mobility of young academics and alumni</u> <u>Strengthening of academic networks</u>	<u>Increasing competitivenes of other regions</u> <u>Brain drain</u> Excessive dependence on public funding Polarized intellectual capital

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Building the evidence base for RIS3 – economic potential

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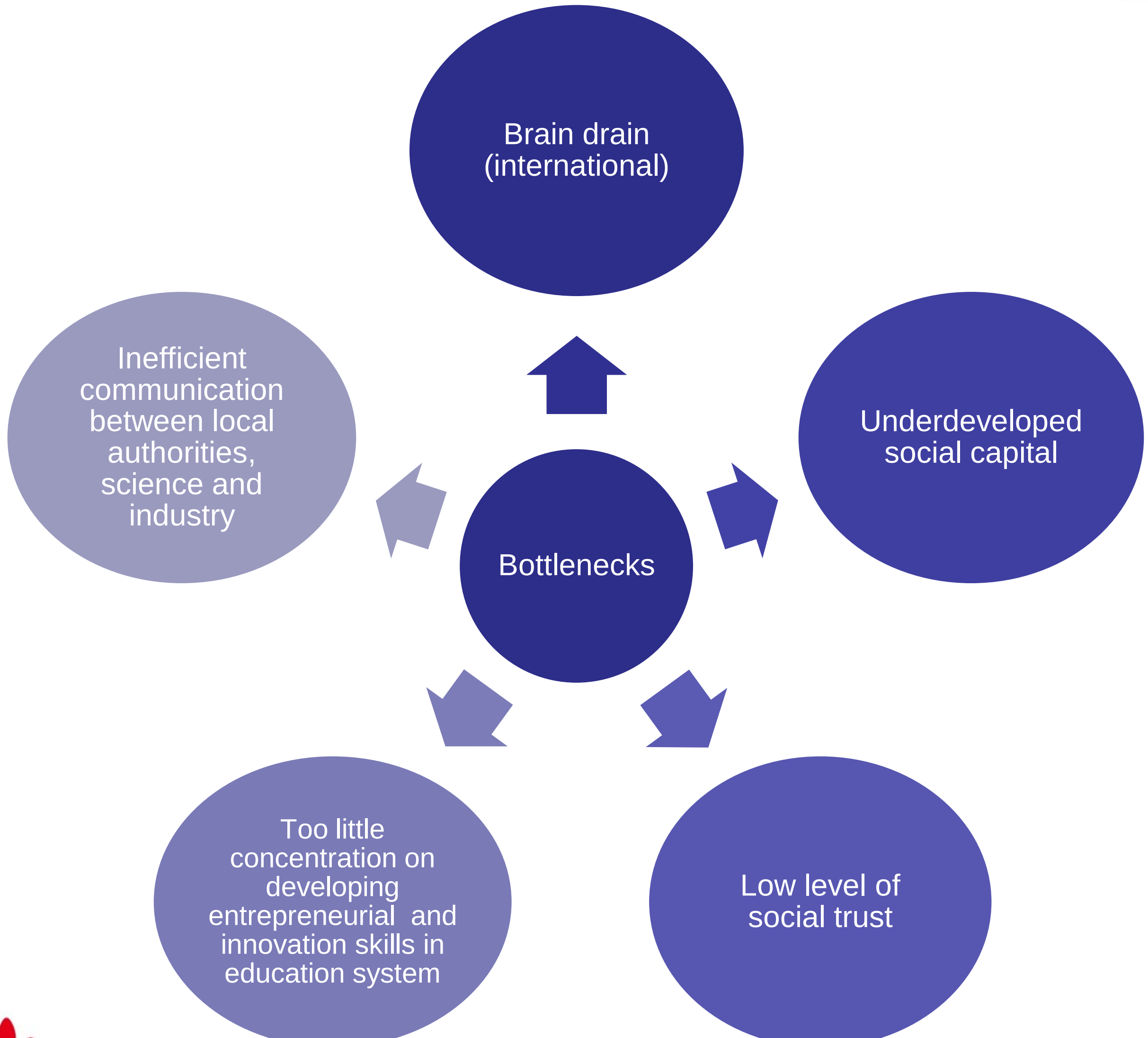
Strengths & Competitive advantages	Weaknesses & Challenges
Concentration of the most innovative companies in the region	Polarized development processes
Diversified labour market	Low innovative activities of the industry sector
Specialized in agriculture, including ecological agriculture	Practically no cooperation between business support institutions
Production potential – renewable energy, cosmetics, chemical and pharmaceutical industry	Outside Warsaw – low development level of business-related institutions
Developing energy sector	Growing energy demand
Well developed sector of market services	Low efficiency of agriculture
Logistics centre	Inefficient communication between regional authorities and industry
Highest ICT potential in the country	Restricted access to energy infrastructure in peripheries
Opportunities	**Threats**
Accessible support instruments for innovation and entrepreneurship	Declining international competitiveness of Warsaw
Location of production centres closer to the end user	Brain drain
Greater scope of internationalization of trading in the region	Increasing diversification in economic regional development
	Outflow of investments from Mazovia

Looking at entrepreneurial dynamics

Innovation source	• Purchase of rights, licenses, know how • Purchase of final results of scientific research • Low interest in investing in R&D
Industry – university cooperation, the role of technology and innovation centres	• Insufficient connections between industry and universities • Low level of mutual trust • Lack of information on ongoing and planned projects • Malfunctioning technology and innovation centres – no animation of cooperation
Clusters	• 45 clusters in the region • Most of them in their initial stage of development • Multiplication of clusters in some business areas (construction, medicine, IT) – no will to build a common structure

Looking at entrepreneurial dynamics – bottlenecks



Social capital

Low levels of social capital and social trust

- Poor attendance at consultation meetings
- Little interest in social innovation
- Little information about creating and managing social initiatives
- Unstable economic situation influences the operations of SMEs

What we do to overcome the problem

- Direct contact with stakeholders – post, phone, fax, email
- Open government
- Information nad communication campaign – websites, advertisements,, workshops, leaflets, publications, conferences
- Networking initiatives: Partner Networking Forum, Cluster Initiatives Animation, Mazovia Network of Innovation Information Centres

Impressions so far

- Insufficient response rate
- Stakeholders still more interested in short-term tangible benefits from their enegegement
- Growing competition instead of coopration
- Bureaucracy

Main objectives of RIS3

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MAIN GOAL

Increased innovation potential, leading to accelerated growth and increased competitiveness of Mazovia

STRATEGIC GOAL 1

Increased and strengthened cooperation in innovation and innovativeness development

STRATEGIC GOAL 2

Increased internationalisation aiming at innovativeness of the region

STRATEGIC GOAL 3

Increased efficiency of support and financial support to pro-innovative initiatives in the region

STRATEGIC GOAL 4

Shaping and promoting pro-innovative and pro-entrepreneurial attitudes fostering cooperation and creativity

STRATEGIC GOAL 5

Strenghtening of the information society as the key driver of innovation

Priorities

STRATEGIC GOAL 1

Increased and strengthened cooperation in innovation and innovativeness development

1. Development of industry–university–external environment cooperation initiatives bound to have tangible impact on the economy of the region.

2. Increased activity of small and medium enterprises in cooperation networks with the most innovative national and international companies.

3. Network development (including clusters and producer groups).

4. Intensification of research producing results possible to implement in practice and contributing to development of regional and supra-regional networks.

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Priorities

STRATEGIC GOAL 2

Increased internationalisation aiming at innovativeness of the region

1. Increased international activity of Mazovian research institutions, companies and clusters (exports, licensing, imports of new technologies, research outsourcing, incentives for international innovation networking).

2. Increased foreign direct investment level in hi-tech along with the number of research institutes in cooperation with regional partners.

3. Increased number of international research and development projects conducted in the region.

4. Efficient promotion of innovation capacity of Mazovia.

Priorities

STRATEGIC GOAL 3

Increased efficiency of support and financial support to pro-innovative initiatives in the region

1. Creating fixed mechanisms of commercialisation of research.

2. Supporting regional companies undertaking international research programmes.

3. Supporting regional companies conducting research that may lead to improvement of competitiveness by introducing innovation.

4. Increased voulme of financial assistance to innovation projects of SMEs (including spin-offs owned by graduates and academics).

Priorities

STRATEGIC GOAL 4

Shaping and promoting pro-innovative and pro-entrepreneurial attitudes fostering cooperation and creativity

1. Efficient promotion of innovative approach and supporting the initiatives promoting good practices of Mazovian companies and institutions that benefit from innovation support instruments.

2. Increased engagement of regional authorities in creating a promotion network of innovation in the region.

3. Building social trust and social capital in the regional economy.

4. Promotion of pro-innovative attitudes and initiatives.

Digital Growth priorities

- e-Strategy for Mazovia incorporated into RIS
  - Strategic goal 5 of the new RIS
  - SWOT analysis of digital growth part of the general SWOT analysis
  - Diagnosis include
    - Analysis of ICT demend and supply – polarized infrastructure (centre – peripheries)
    - Identification of needs (aimed at social inclusion, digital literacy)

Digital Growth priorities

STRATEGIC GOAL 5

Strenghtening of the information society as the key driver of innovation

1. Supporting companies implementing ICT solutions.
2. Supporting creation and implementation of intelligent management systems and e-services (e-administration, e-health, e-logistics, e-finance, e-commerce, e-work, e-education).
3. Supporting initiatives that promote Internet usage.
4. Improvement of digital literacy and digital inclusion.

Smart Specialisation – identified factors

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Economic areas

- Agriculture
- Chemistry
- Medicine
- Energy sector
- IT

KET

- Biotechnology
- ICT
- Nanotechnology
- Electronics
- Photonics

Support processes

- B2B services, including financial services
- R&D services

❑ **Based on the links and feedback network between**

- **economic areas,**
- **key technologies,**
- **economic areas and key technologies.**

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Smart Specialisation

- Increased efficiency
- Annex to the Regional Innovation Strategy
- Revised on a 2-to-3-year basis
- Any update should undergo similar procedure to the one of identification of smart specialisation, independently from RIS update

Identified Smart Specialisation Areas

1. **Safe Food**
2. **Intelligent Management Systems**
3. **Professional Services for Business**
4. **High Quality of Life**

Smart Specialisation identification process

1. Feedback (analyses, reports, statistical data),

desk research

2. Diagnosis of the region

Initial selection of leading sectors

3. First round of consultation meetings Meetings of the Mazovia Innovation Council

4. Modifications of the list of leading economic sectors

Feedback

5. Feedback analysis

6. Narrowing down the list of sectors and identification of cross-sectoral connections and their connections wit KETs and support processes

7. Establishment of four economic areas – hubs, that represent the smart specialization areas of the region

8. Second round of consultation meetings

One-to one and open meetings

9. Feedback analysis

Further specification of smart specialisation areas

Smart Specialisation identification process

1. **Feedback (analyses, reports, statistical data), desk research; i.e.**

- Opening Report
- Analysis of Innovation Sectors in Mazovia
- Analysis of R&D Activities in Mazovia
- Knowledge Sector Analysis in the Context of Smart Specialisation
- Influence of Mazovian Cluster Initiatives on Smart Specialisation
- Market of New Technologies in Mazovia
- Innovation Potential of Rural Areas in Mazovia
- Research and Analytical Report
- Development Trends of Mazovia
- Clusters in Mazovia
- Influence of Business Support Institutions on Mazovian SMEs
- Mazovia – a Creative Region
- Competitiveness of Mazovia
- Diagnosis of NGOs in Mazovia
- Statistical Yearbooks
- Statistical data from the Local Data Bank

Smart Specialisation identification process

3. First round of consultation meetings and Meetings of the Mazovia Innovation Council

- 6 by sector: agriculture, medicine, chemistry, energy, ICT, clusters
- 6 by subregion: Ciechanow, Ostroleka, Plock, Radom, Siedlce, Warsaw
- 2 sessions of Mazovia Innovation Council

8. Second round of consultation meetings and One-to one and open meetings

- 6 by subregion: Ciechanow, Ostroleka, Plock, Radom, Siedlce, Warsaw
- 12 in cooperation with Regional Offices ESF in Ciechanow, Ostroleka, Plock, Radom, Siedlce, Warsaw
  - 6 concerning Smart Specialisation
  - 6 on social innovation
- 4 workshops concentrating on identification of connections within Smart Specialisation areas
- One-to-one consultation meetings with representatives of clusters and business support institutions

Analysis of the results of internet survey (distributed during both rounds of meetings).

What do we need now? Implementation and budget...

- Structure for implementation: RIS Managing Instituution, implementing institutions
- List of practical and applicable outcome indicators
- Complex monitoring and evaluation system
- Budgeting scheme

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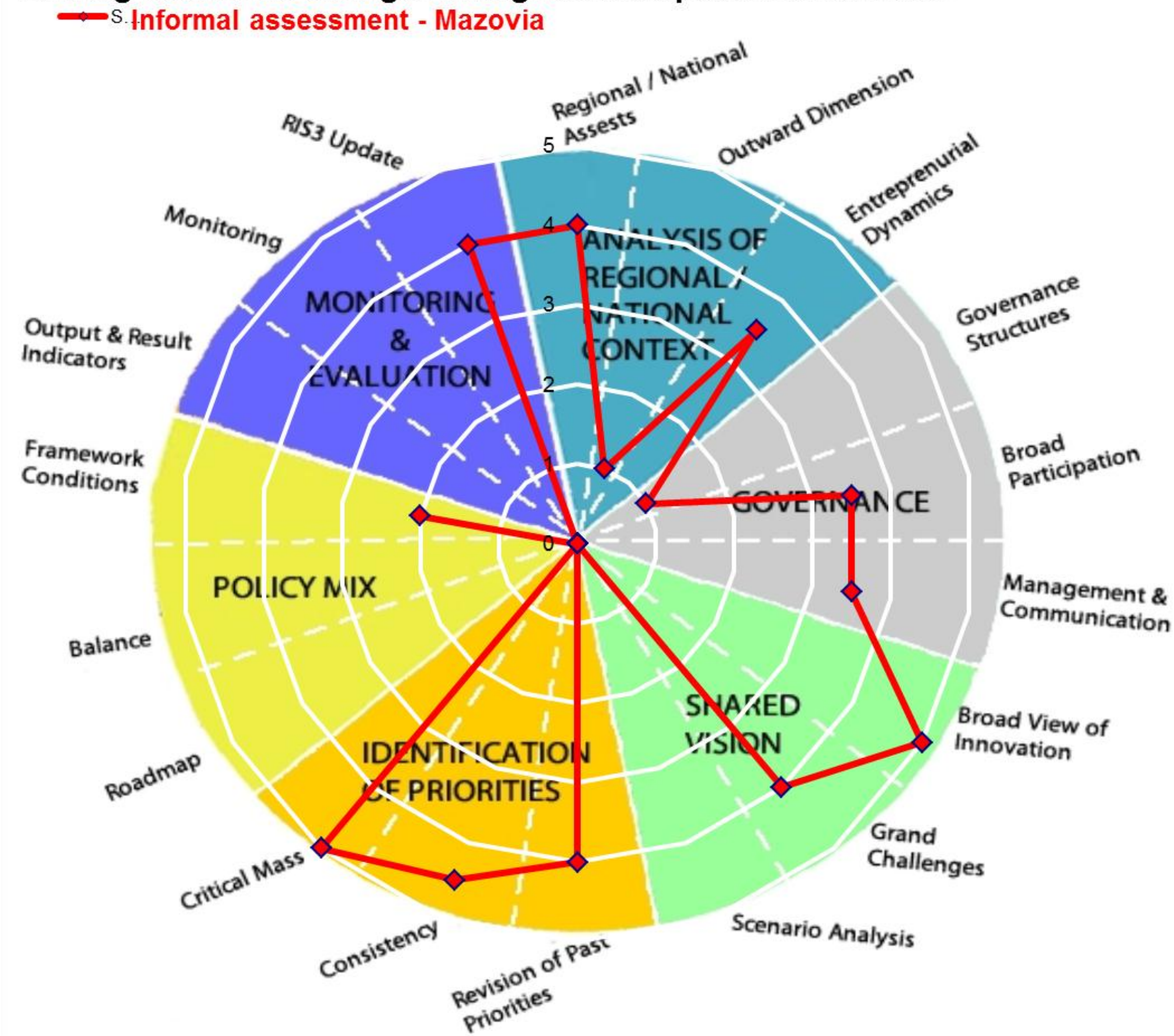
Driving economic change through smart specialisation/RIS3



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Summary and next steps

„To do" list

- Budget scheme
- Implementation strategy
- Monitoring and evaluation systems
- Round of one-to-one meetings with representatives of clusters
- Round of one-to-one meetings with representatives of business support institutions

Main obstacles to overcome

Low level of social capital and social trust

Questions we would like peers to discuss

Question 1: How to overcome the centre-periphery conflict?

Question 2: How to specialize without one easily identifiable leading branch?

Question 3: How to involve stakeholders in the process, especially SMEs?

Question 4: What are your experiences in building social capital?

Question 1: How to overcome the centre-periphery conflict?

- **Why**:

Diversification of economic level and potential

Warsaw – central institutions, R&D institutes, the majority of the most innovative companies, well developed market services

Peripheries – 5 subregions, rural areas

Question 2: How to specialize without one easily identifiable leading branch?

- **Why**:

 Diversified economy

Lack of strong clusters

Strong and diverse R&D sector

Poor relations of enterprises and R&D sector

Question 3: How to involve stakeholders in the process, especially SMEs?

- **Why**:

Poor attendance at meetings

Hard to engage companies in the process

Poor information flow between the enterprises and business-related institutions

Low innovation level of the Mazovian small enterprises – lack of interest in the RIS

Question 4: What are your experiences in building social capital (with emphasis on social innovation?

- **Why**:

Extremely low level of social capital and social trust

Low stakeholder response rate

Insufficient range of cooperation between enterprises, R&D sector, public administration