Peer eXchange & Learning

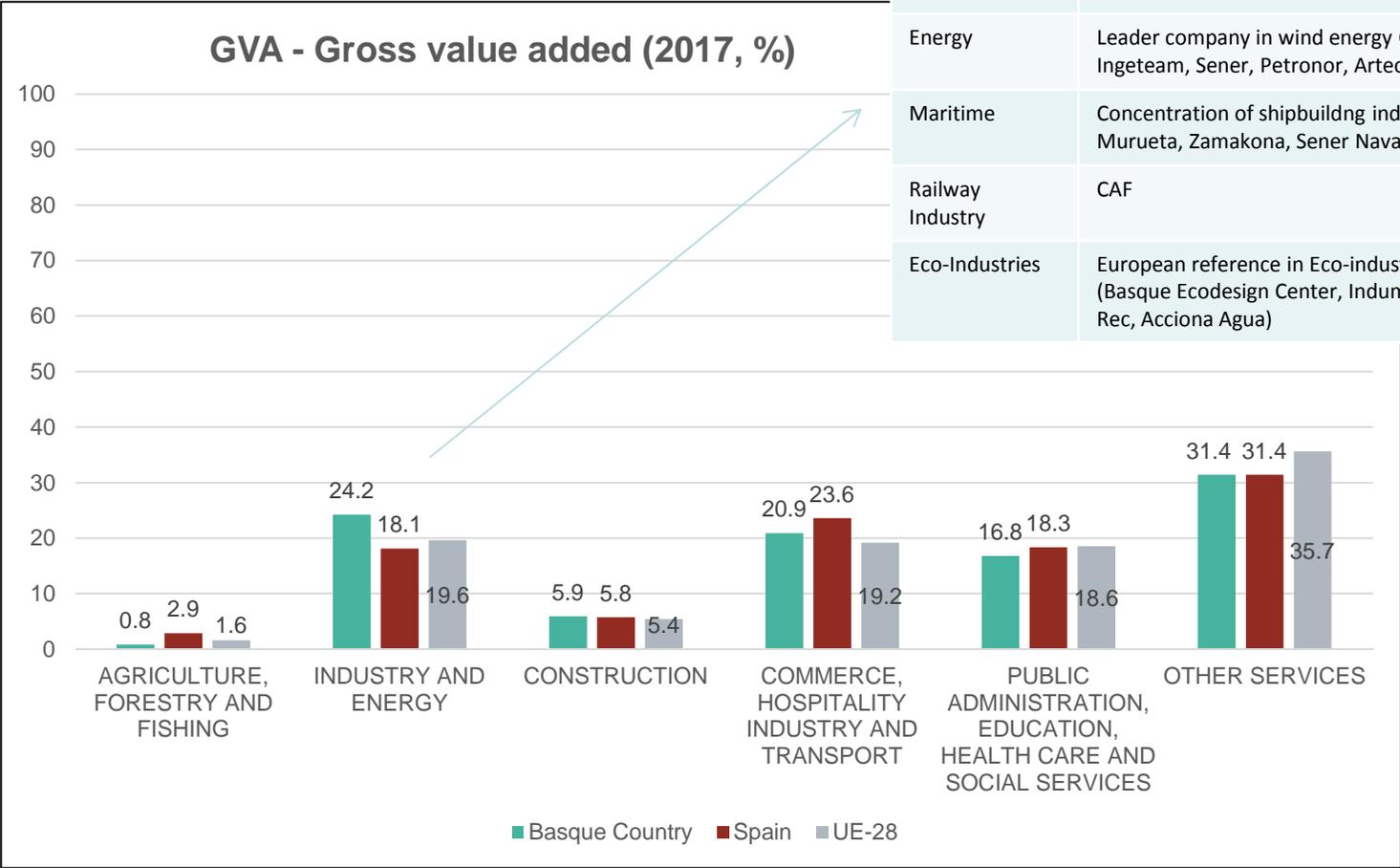# Multi-level governance for Smart Specialisation

BASQUE COUNTRY

Bilbao, 12 April 2018
Carlos Peña – Basque Government
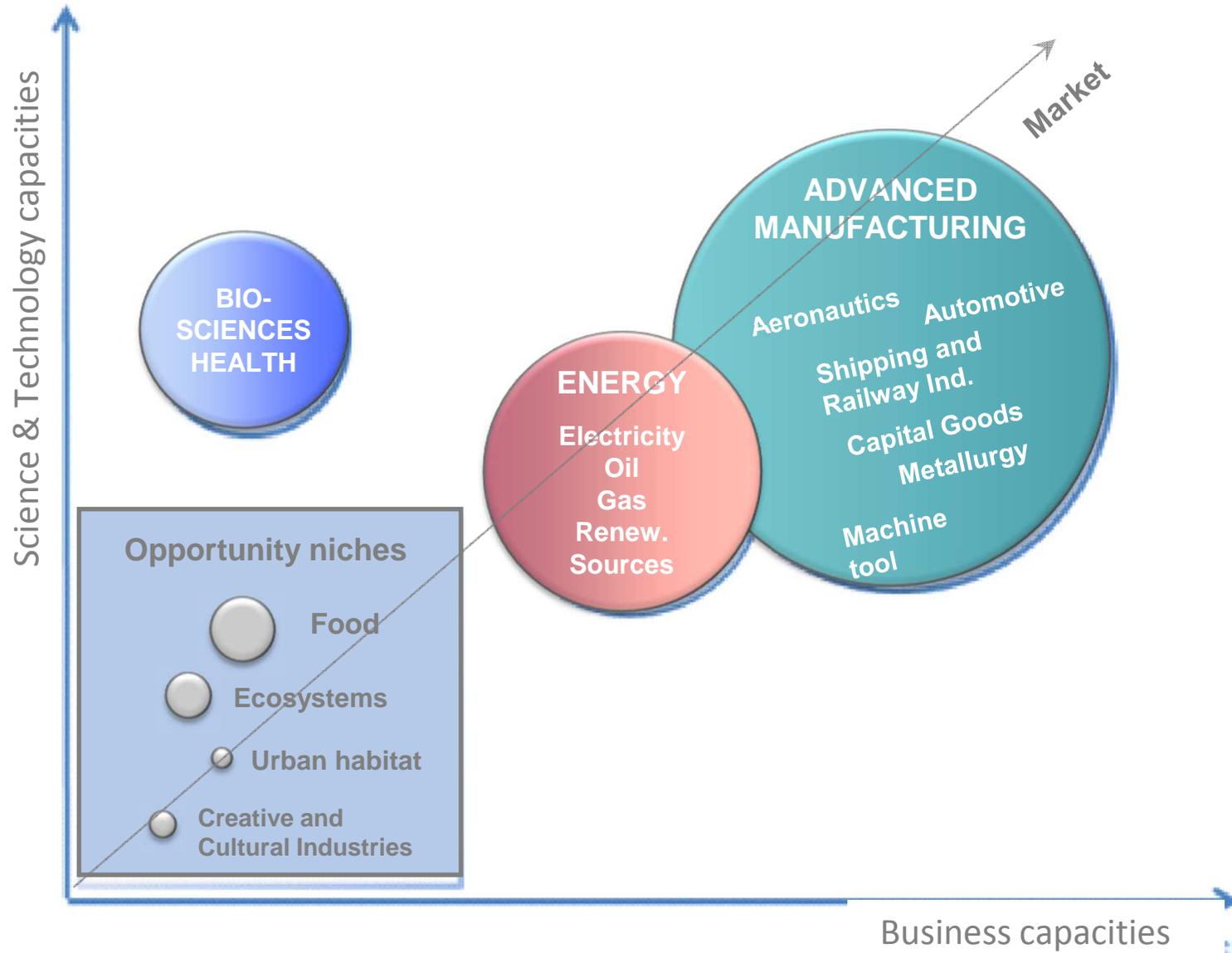Nora Sarasola- Bilbao City Council

Basque Country_Economic Structure

Main Industries	Most representative Basque companies
Advanced Machinery	Biggest European producers of machine tools (Danobat Group, Ibarmia, Izar, Fagor, Goizper, Lazpiur, Lantek, Ona , Zayer)
Automotive	More than 45% of the Spanish production volume (Mercedes, Gestamp, Irizar, CIE Automotive)
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GVA - Gross value added (2017, %)

	AGRICULTURE, FORESTRY AND FISHING	INDUSTRY AND ENERGY	CONSTRUCTION	COMMERCE, HOSPITALITY INDUSTRY AND TRANSPORT	PUBLIC ADMINISTRATION, EDUCATION, HEALTH CARE AND SOCIAL SERVICES	OTHER SERVICES
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Basque RIS3_priorities

Science & Technology capacities (vertical axis)

Business capacities (horizontal axis)

Market

BIO-SCIENCES HEALTH

ENERGY
Electricity
Oil
Gas
Renew.
Sources

ADVANCED MANUFACTURING
Aeronautics   Automotive
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Metallurgy
Machine tool

Opportunity niches
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Ecosystems
Urban habitat
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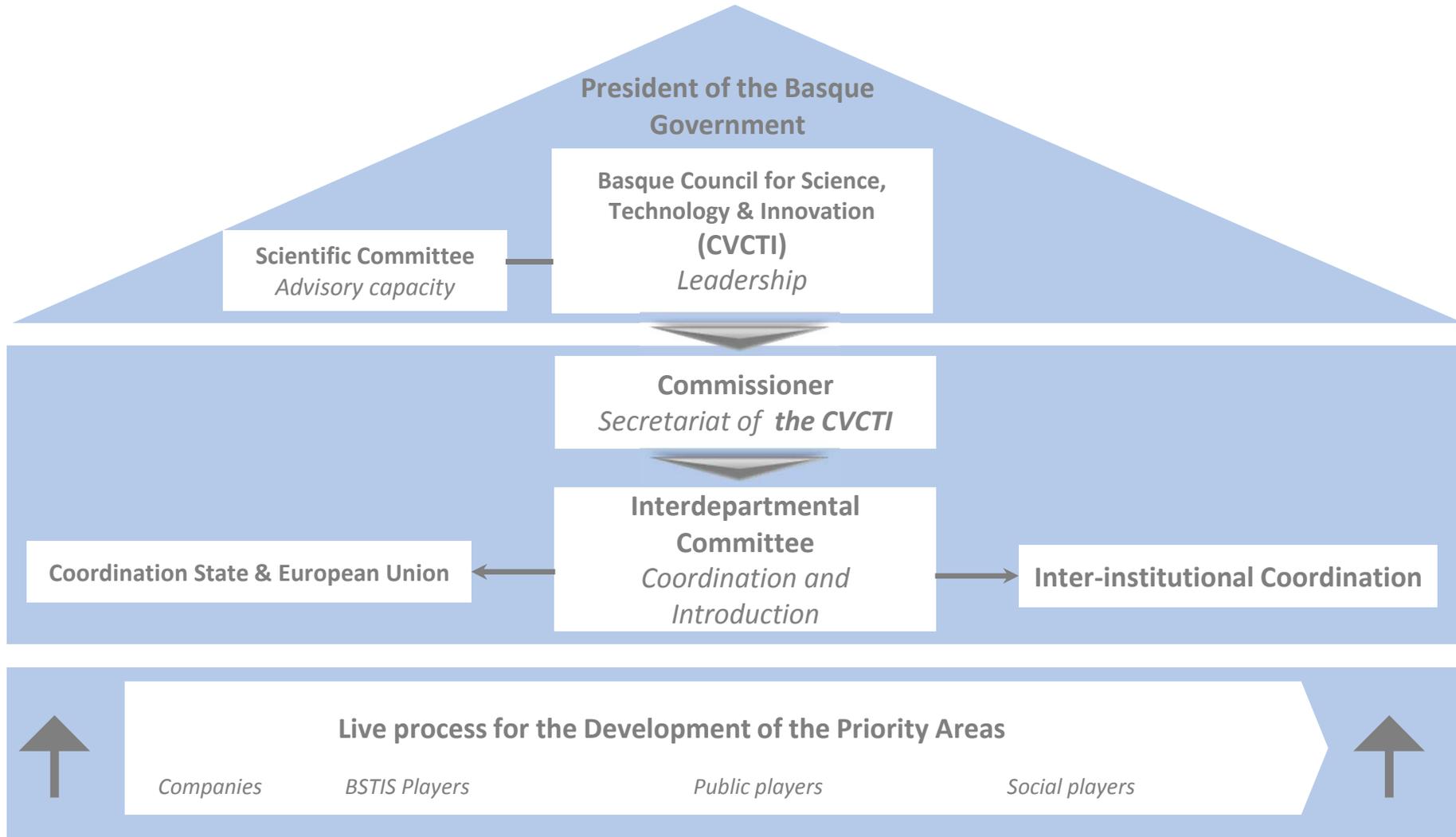
RIS3 governance

A governance system is established for STI with a multilevel approach that incorporates the main public and private players

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Live process for the Development of the Priority Areas

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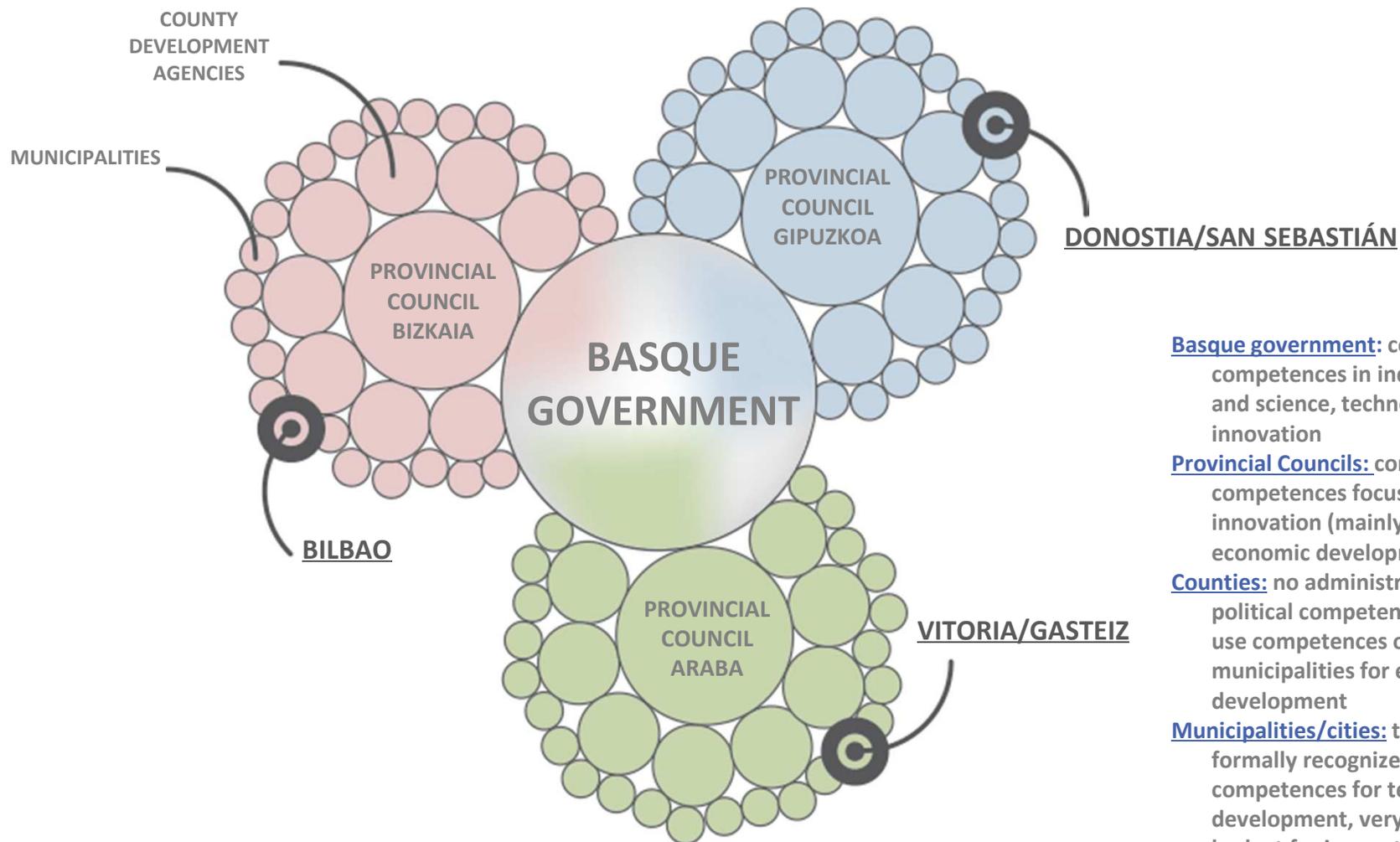
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Multi-level governance
Distribution of powers and functions

COUNTY DEVELOPMENT AGENCIES

MUNICIPALITIES

PROVINCIAL COUNCIL BIZKAIA

PROVINCIAL COUNCIL GIPUZKOA

BASQUE GOVERNMENT

PROVINCIAL COUNCIL ARABA

DONOSTIA/SAN SEBASTIÁN

BILBAO

VITORIA/GASTEIZ

Basque government: core competences in industrial policy and science, technology and innovation

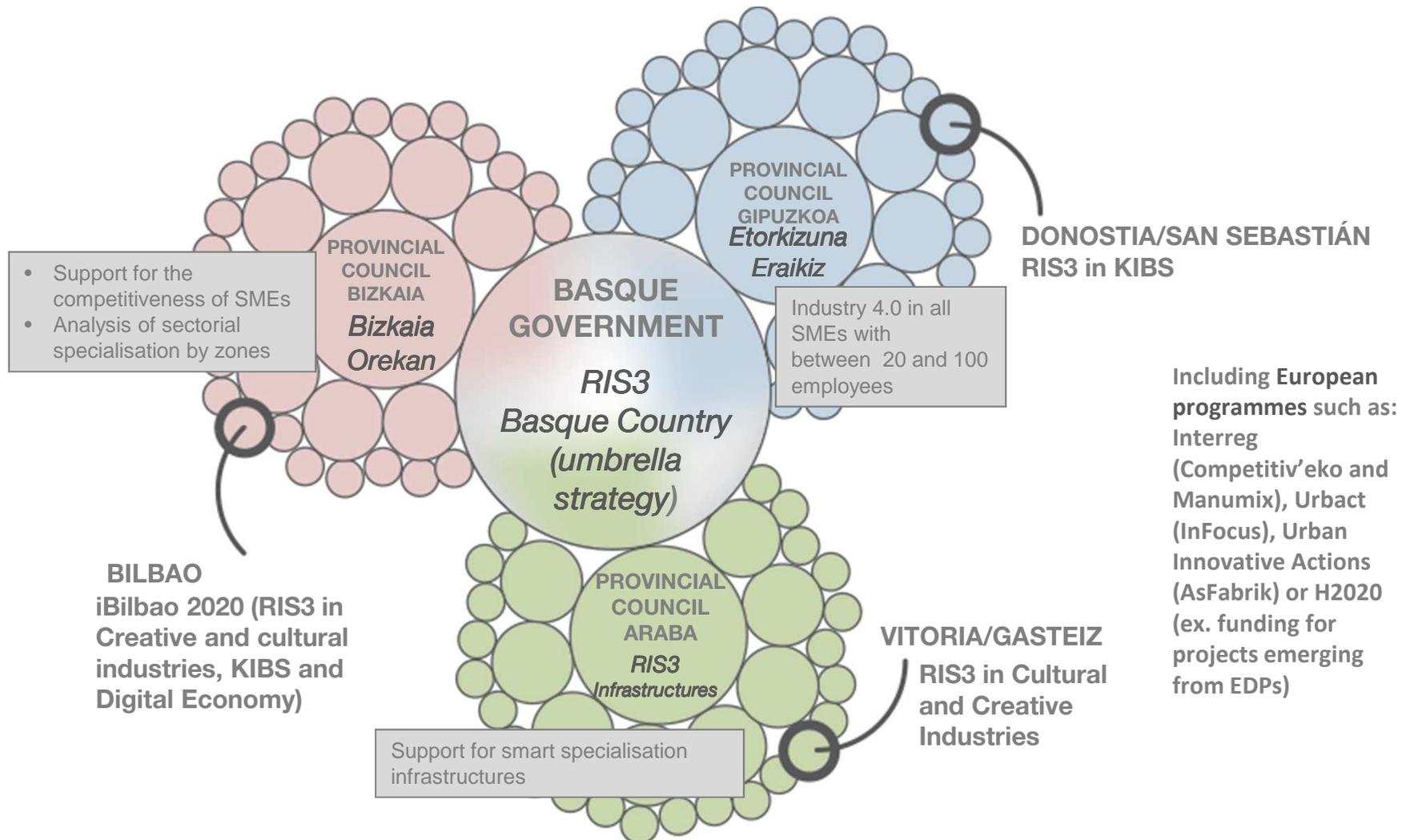**Provincial Councils:** complementary competences focused on innovation (mainly SMEs) and economic development

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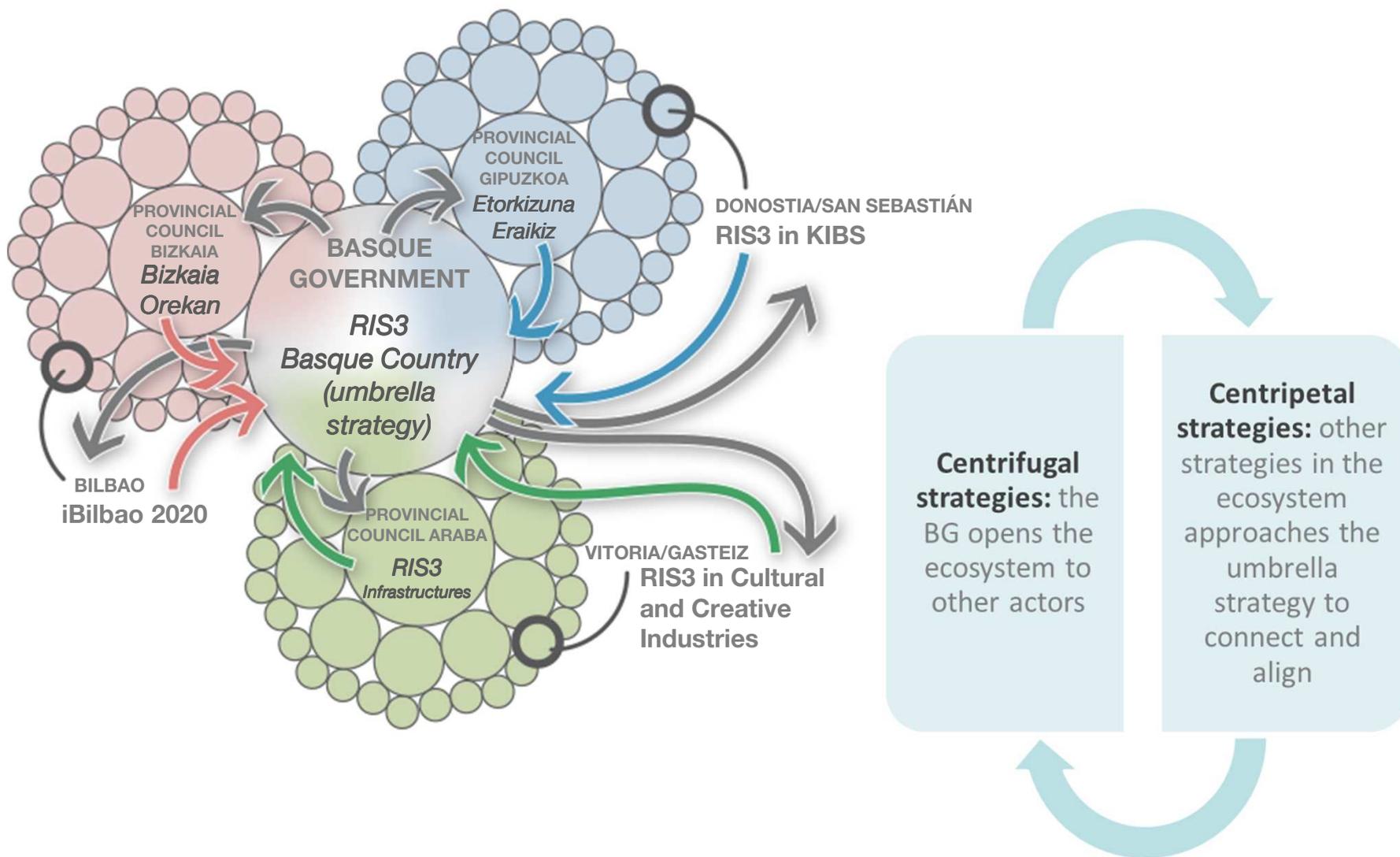
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PROVINCIAL COUNCIL BIZKAIA
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BILBAO
iBilbao 2020 (RIS3 in Creative and cultural industries, KIBS and Digital Economy)

PROVINCIAL COUNCIL ARABA
RIS3 Infrastructures

VITORIA/GASTEIZ RIS3 in Cultural and Creative Industries

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Changes and innovations introduced in the governance structure regarding the multi-level dimension

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RIS3 in KIBS

BILBAO
iBilbao 2020

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RIS3 Infrastructures

VITORIA/GASTEIZ
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Centrifugal strategies: the BG opens the ecosystem to other actors

Centripetal strategies: other strategies in the ecosystem approaches the umbrella strategy to connect and align

Main lesson learnt

The main **success** (which will be later discussed as also being one of the main challenges) is that WE are starting to BREAK MENTAL BARRIERS for multi-level governance, understanding multi-level governance as an instrument for achieving common goals

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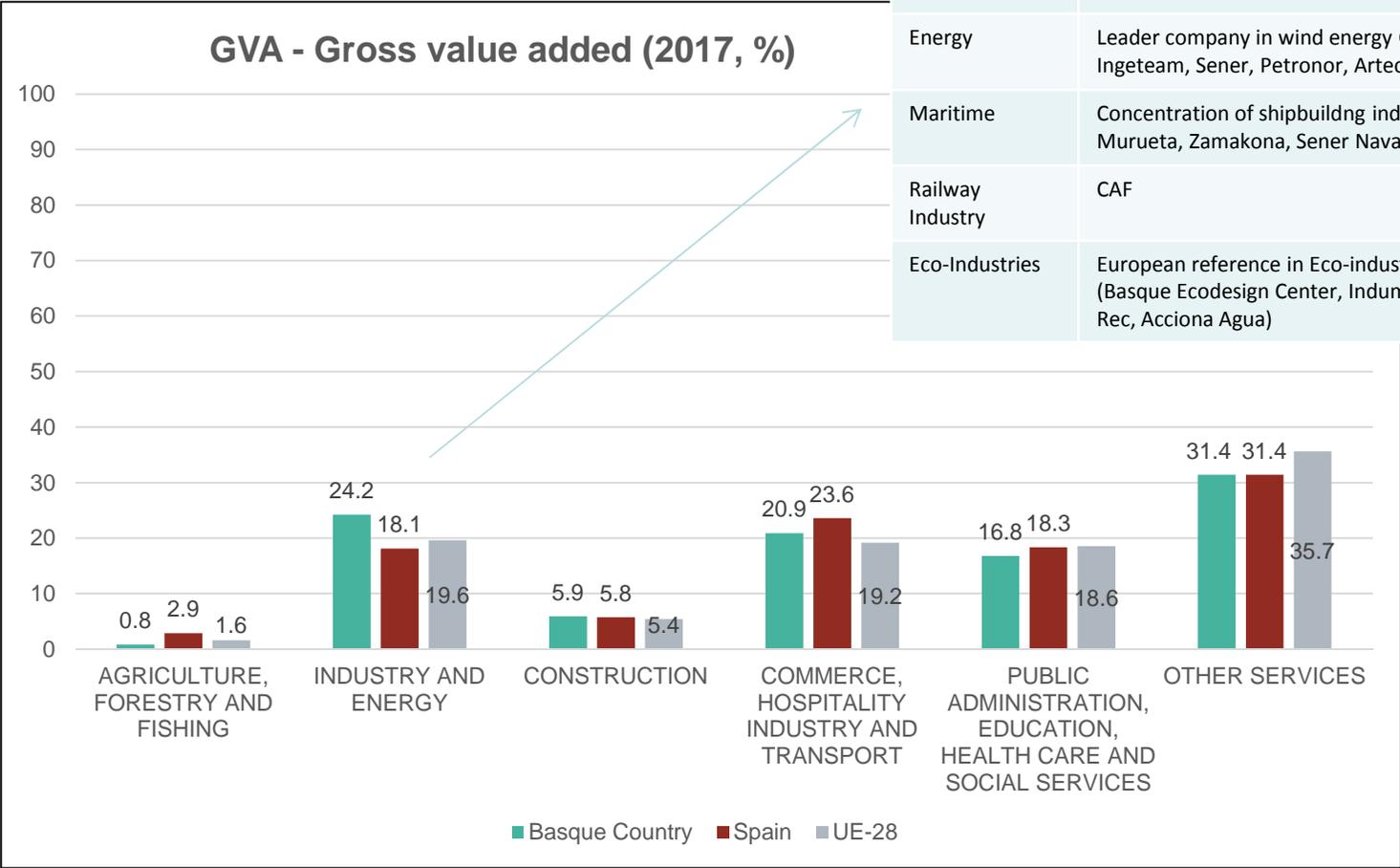# Multi-level governance for Smart Specialisation

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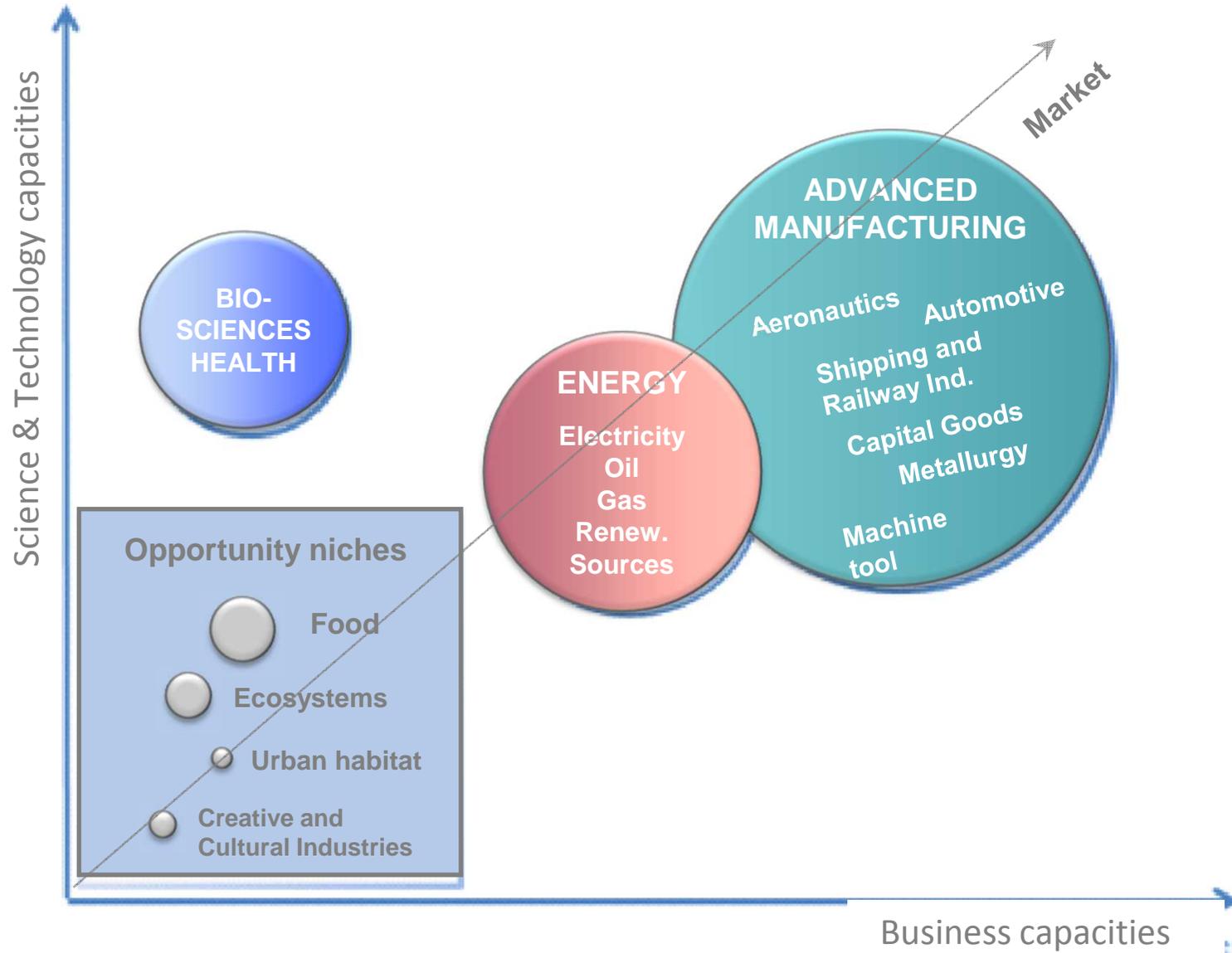**Nora Sarasola- Bilbao City Council**

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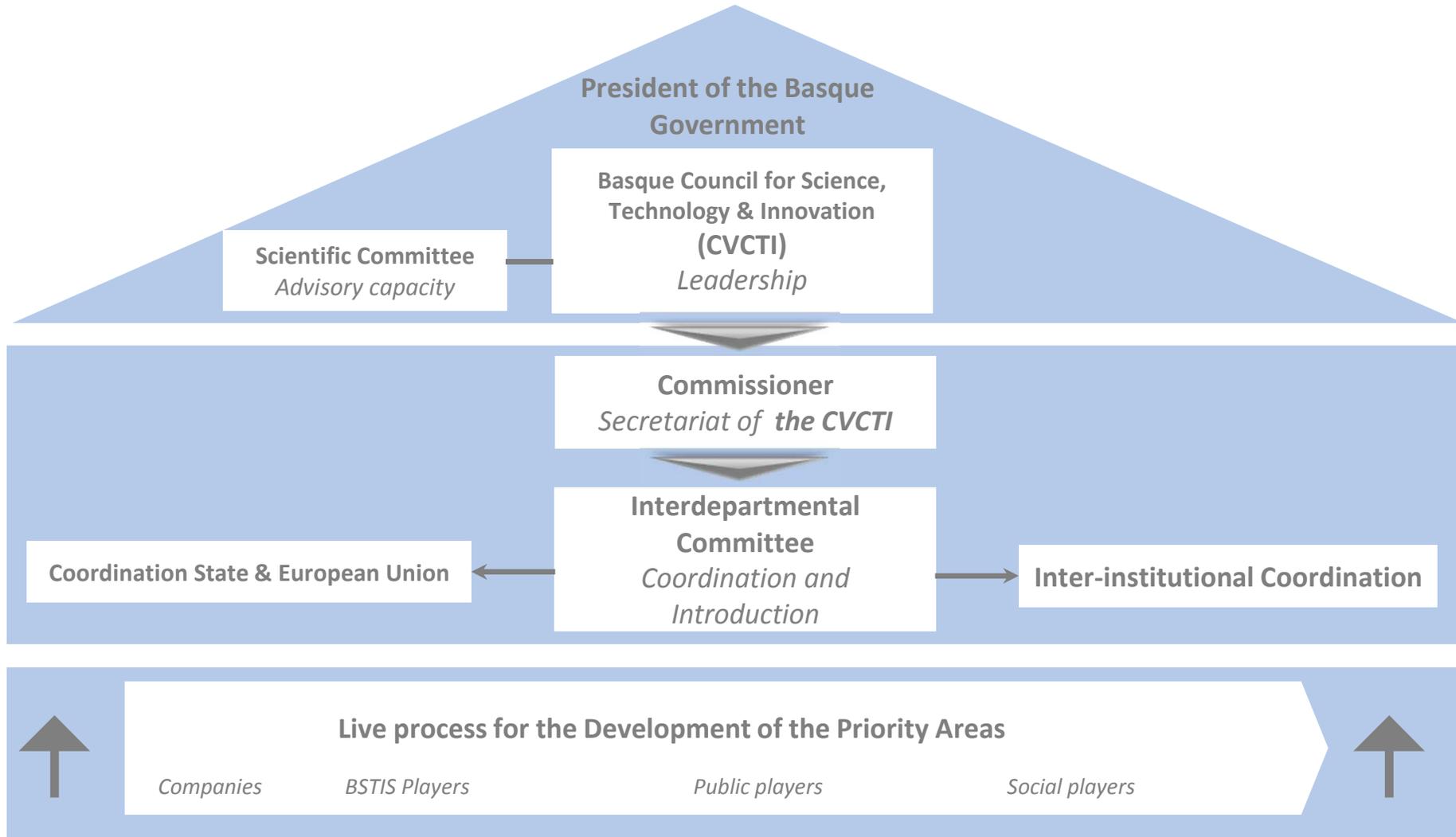| Main Industries	Most representative Basque companies
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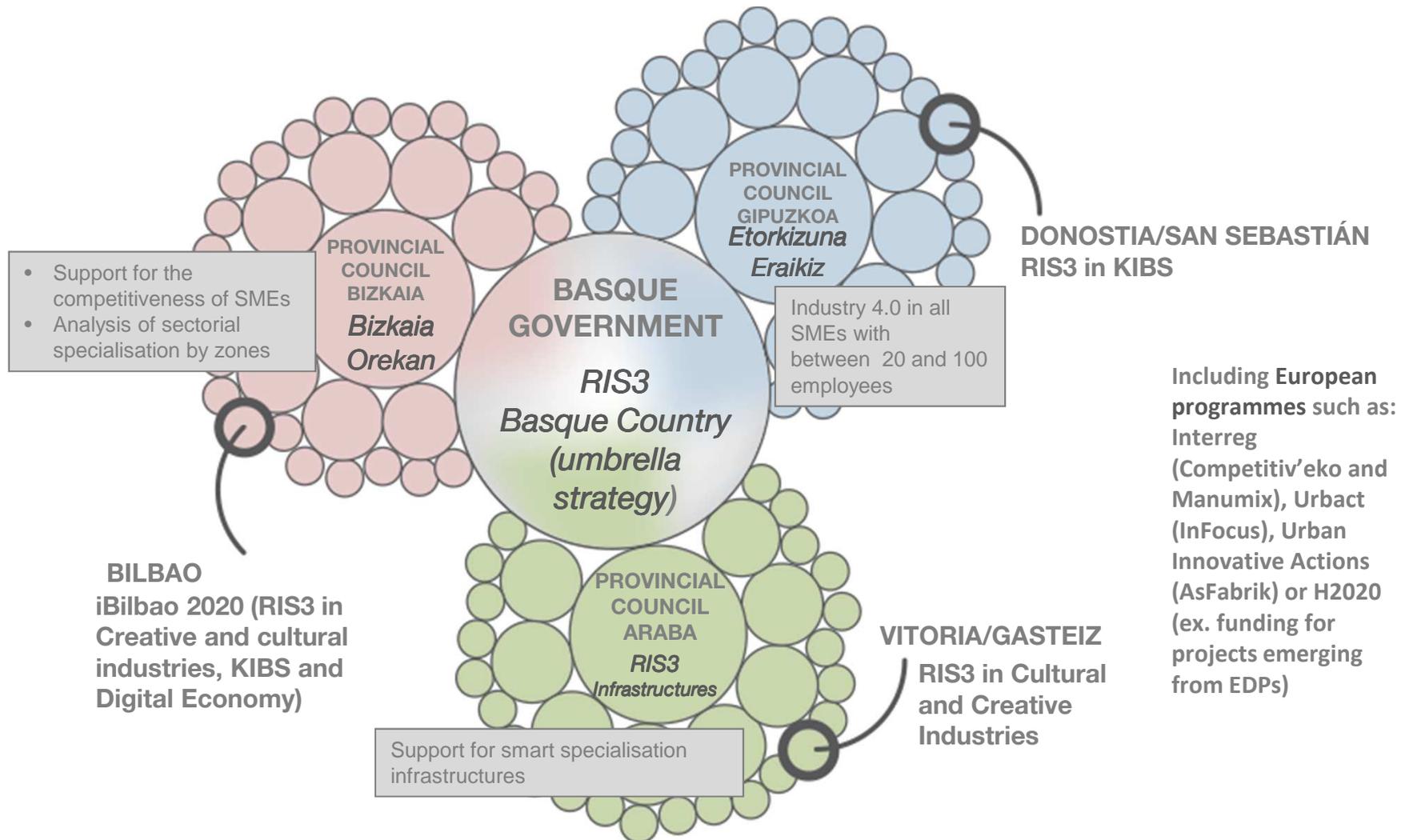
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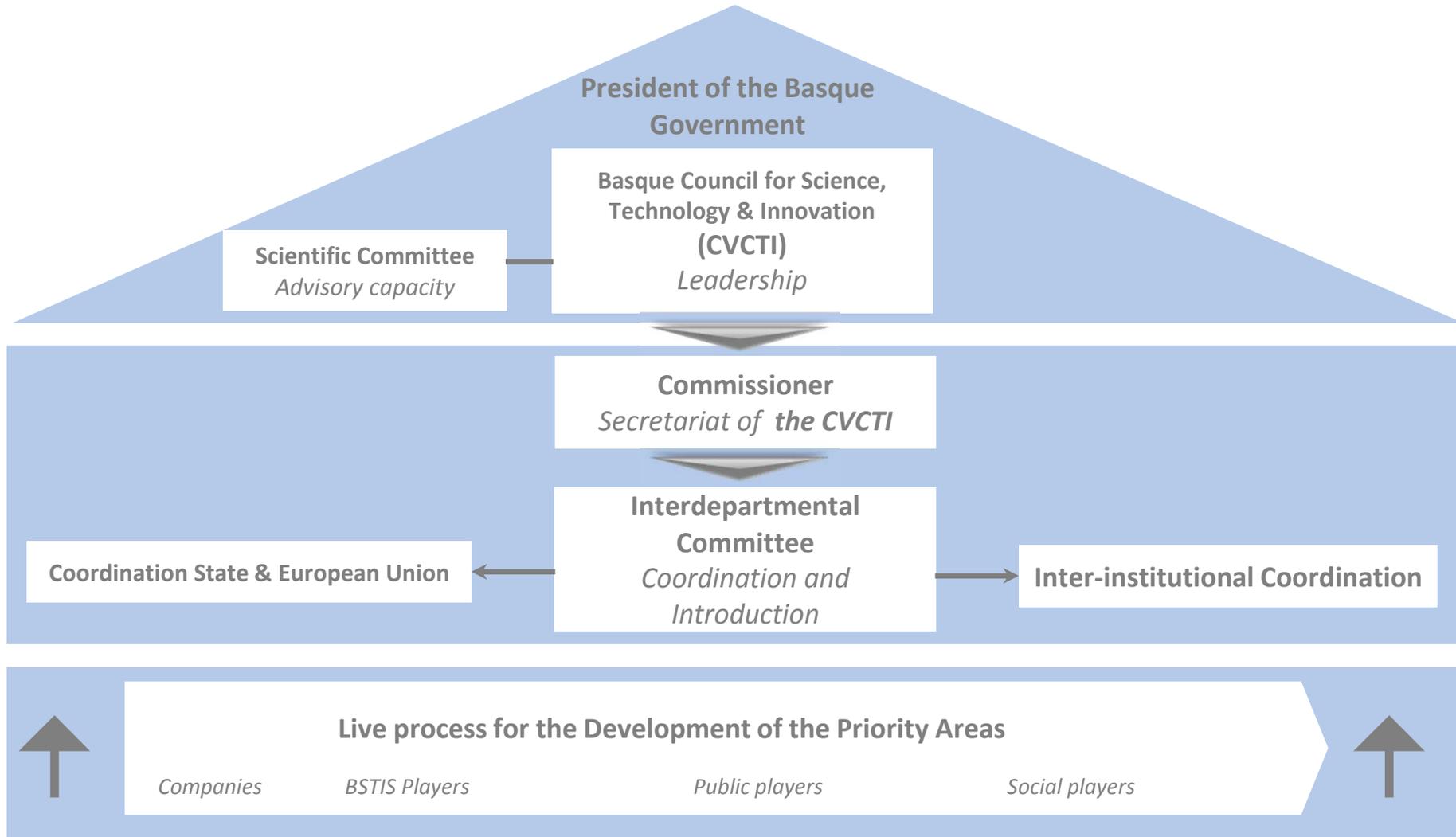| Main Industries	Most representative Basque companies
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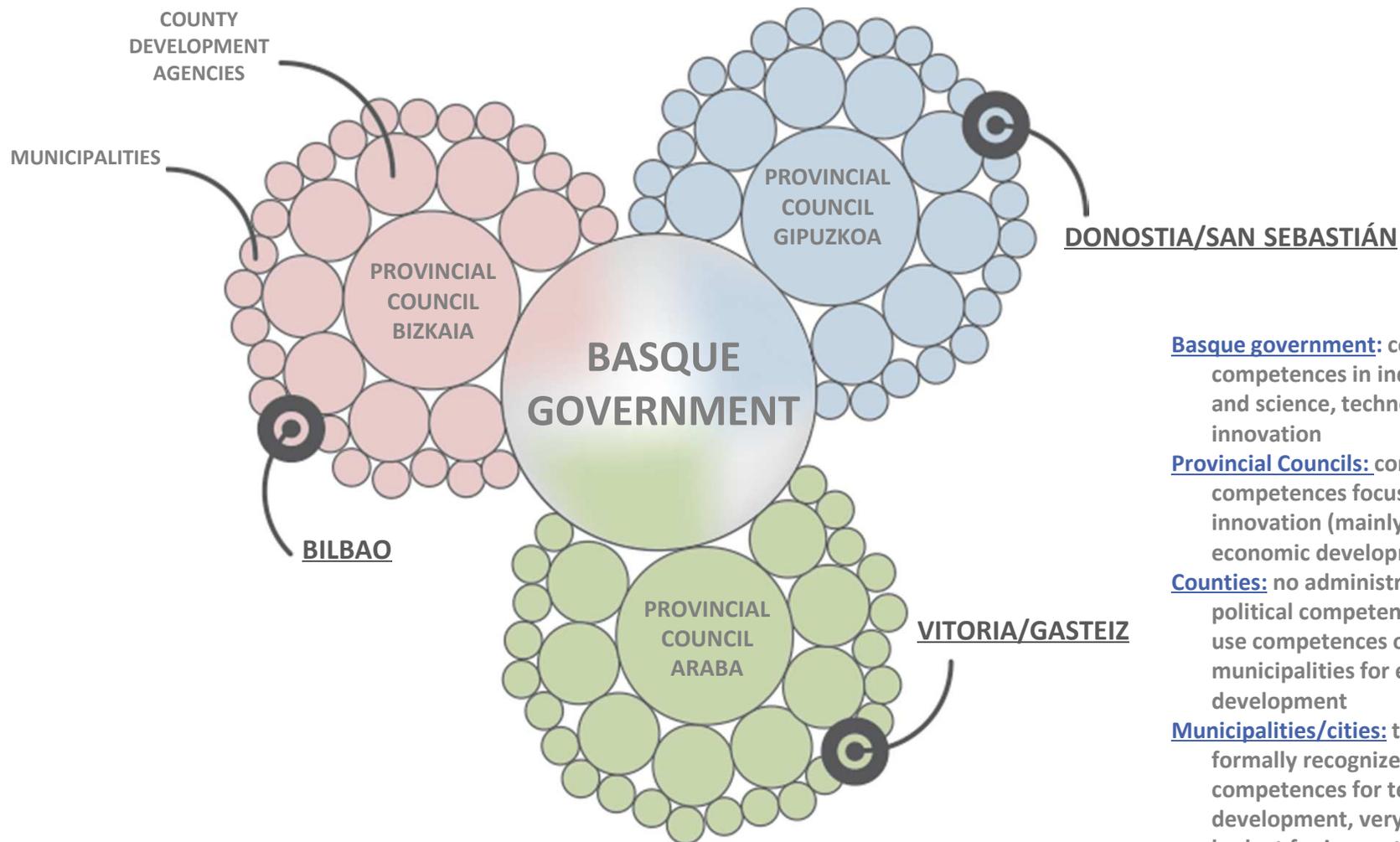
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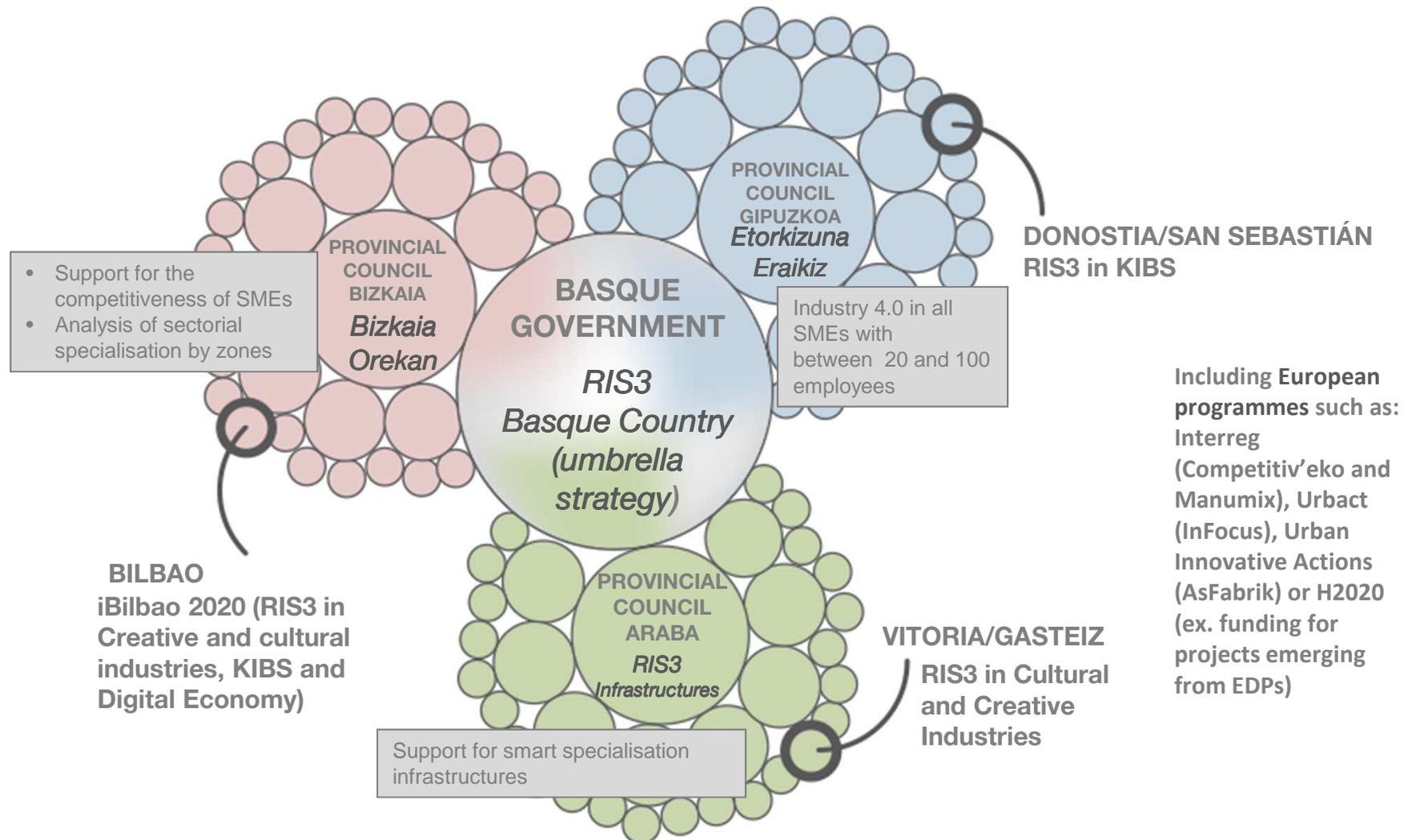
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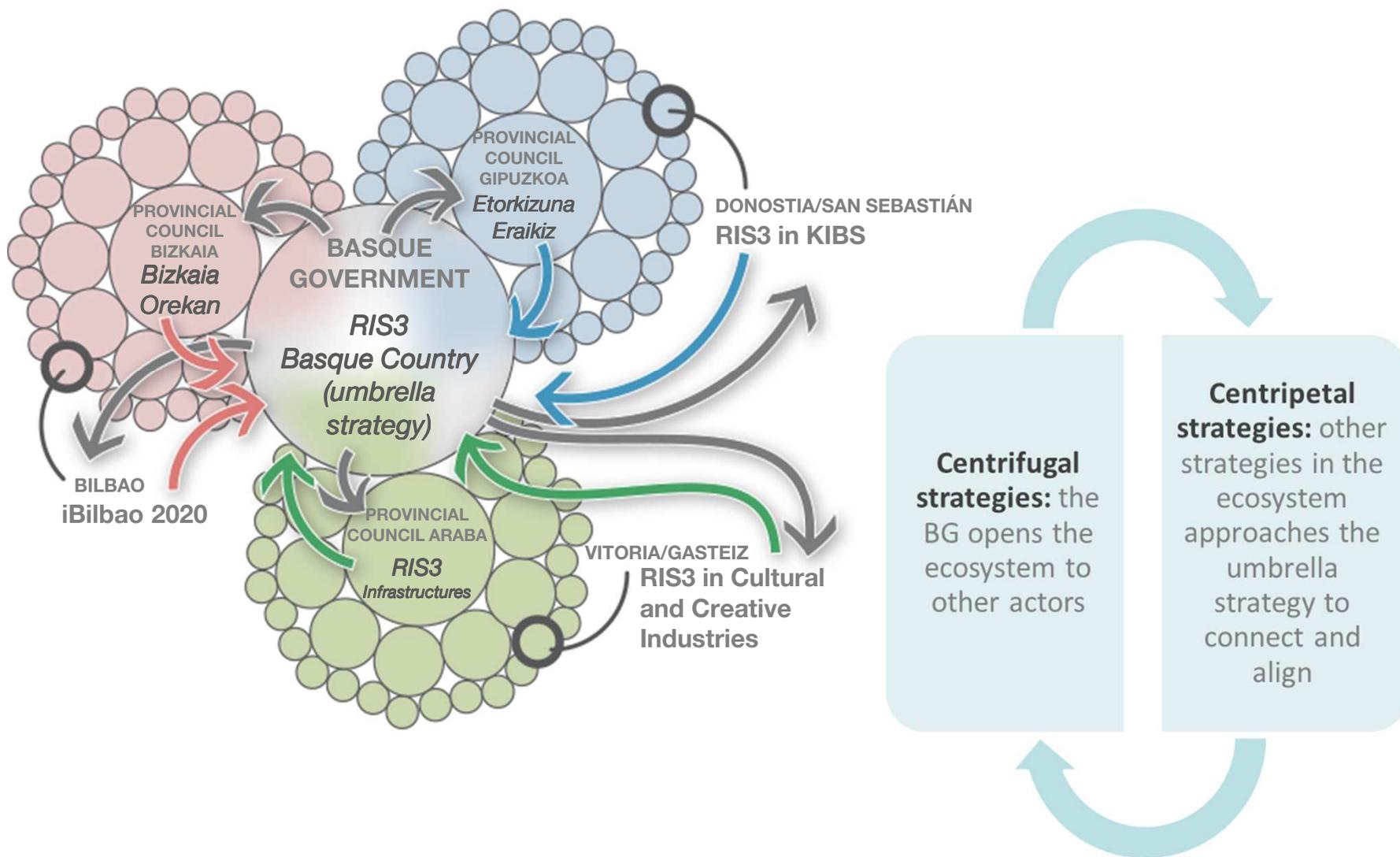
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RIS3 in KIBS

BILBAO
iBilbao 2020 (RIS3 in Creative and cultural industries, KIBS and Digital Economy)

PROVINCIAL COUNCIL ARABA
RIS3 Infrastructures

Support for smart specialisation infrastructures

VITORIA/GASTEIZ
RIS3 in Cultural and Creative Industries

Including **European programmes** such as: Interreg (Competitiv'eko and Manumix), Urbact (InFocus), Urban Innovative Actions (AsFabrik) or H2020 (ex. funding for projects emerging from EDPs)

*The examples most cited in the preparatory workshop for the PXL event have been chosen

Changes and innovations introduced in the governance structure regarding the multi-level dimension

Main lesson learnt

The main **success** (which will be later discussed as also being one of the main challenges) is that WE are starting to BREAK MENTAL BARRIERS for multi-level governance, understanding multi-level governance as an instrument for achieving common goals

Question 1: **How to overcome barriers (mental, administrative, linked to regulation) to experimenting with multilevel governance?**

- **Why**: *It is important because experimentation is the road towards being able to offer a better service to the final beneficiary of policies.*

- **What has been done**: (experimental governance has been constructed intentionally or otherwise in the following:)
  - *Projects that, while not directed towards the construction of multilevel governance, have helped to build it*
  - *Specific projects for the construction of multilevel governance*
  - *Inter-institutional committee and participation by sub-regional governments in steering groups*
  - *Integration of governance as an element of strategic plans*
  - *Organisations that play a significant role in the sphere of governance*
  - *Sometimes the continuity of certain people in specific posts has allowed for stable connections*

Question 1: **How to overcome barriers (mental, administrative, linked to regulation) to experimenting with multilevel governance?**

- **What worked:**
  - *Share specific common objectives that facilitate collaboration*
  - *Sharing the philosophy and having a shared vision. Achieving this may involve a long and sometimes difficult process*
  - *Explicit conflict, provided the conditions exist in which to address and resolve it*
  - *Promote interdepartmentally and inter-institutional processes in order to share information*
  - *Ensure that experimental projects are supported at the highest level*

- **What has not worked**:
  - *__Meeting points__ with potential but which have yet to be fully exploited*
  - *Integration of actors in multilevel governance who due to historical reasons, resources, competences etc. are __"weaker"__*
  - *__Operational level__ of inter-institutional cooperation*
  - *Tools to measure not only how governance works, but whether it is resulting in improvements in __ultimate objectives__*

Question 2: **How to articulate multilevel governance that makes it possible to integrate SMEs into RIS3?**

- **Why**: *It is important because the diversification process that RIS3 strategies aim to promote is not reaching SMEs in every sector; they are being excluded from this transformation process sought by smart specialisation.*

- **What has been done**:
- *Compilation of needs of SMEs via cluster associations (in those clusters where there are indeed SMEs among their associates-health, TICs, etc.), which has contributed towards the definition by steering groups of technologies and lines of research*
- *Pilot projects to communicate RIS3 to SMEs, involving county agencies and IVET centres and coordinating with Provincial Councils*
- *Pilot projects to offer technological services to SMEs from IVET centres, exploiting the latter's capacities and capillarity*
- *Development of new governance models (mainly between Provincial Councils and county development agencies) that make it possible to reach SMEs in response to RIS3 priorities (Bizkaia, Gipuzkoa and Bilbao)*
  - *Bizkaia-Bizkaia Orekan: analysis of current sectoral specialization and identification of opportunities that would contribute to regional RIS3 and support for the competitiveness of SMEs*
  - *Gipuzkoa-Etorkizuna Eraikiz: promotion of specialisation in Industry 4.0 oriented towards industrial SMEs with a methodology shared between Provincial Council and agencies*
  - *Bilbao-Local Group: multi-agent and multilevel space (both the Provincial Government of Bizkaia and the Basque Government participate) to support urban specialisation in sectors that contribute to regional RIS3 priorities and where the majority are micro-companies*

Question 2: **How to articulate multilevel governance that makes it possible to integrate SMEs into RIS3?**

- **What worked**:
  - *Have in place a stable framework and spaces in order to exercise multilevel governance*
  - *Promote a joint effort between technical and political partners*
  - *Have in place agents of proximity such as county development agencies and vocational training centres that have relationships of trust with SMEs and can provide capillarity (industrial sector for example)*
  - *Develop capacities for facilitation of people working with companies*
  - *(In the case of Gipuzkoa) Integration between economic and social policies*

- **What has not worked**:
  - *Coordination of __fragmented initiatives__*
  - *The __role of intermediation (facilitators)__ between the demands of SMEs and what the system offers, in order to direct them towards the most suitable suppliers/partners*
  - *__Articulation between cluster associations and county development agencies__ to integrate the industrial SME*

Question 3: **How to integrate cities in RIS3 strategies?**

- **Why**: *It is important because although historically cities have not played an active role in economic policy and innovation, their integration can contribute to the objectives of RIS3 strategies and address challenges of economic development and within the social sphere. This integration will also contribute to urban development.*

- **What has been done**:
  - *Definition of urban specialisation strategies in each city*
  - *Participation in the Cultural and Creative Industries steering group*
  - *Bilbao Local Group*
  - *Participation in project of collaboration with cluster associations and technological centres in specialisation areas prioritised in RIS3 strategies*

Question 3: **How to integrate cities in RIS3 strategies?**

- **What worked**:
    - *Have in place a stable space for the exercise of multilevel governance*
    - *Support the development of capacities and a shared vision with the staff of public institutions in cities.*

- **What has not worked** :
    - *The potential of the urban economy has not been considered **beyond the priority in Cultural and Creative Industries***
    - *A **stable framework** and spaces in order to exercise multilevel governance **that includes cities:** consider the potential for integrating cities to be able to **address**, with greater proximity, **social challenges and the integration of society and SMEs***