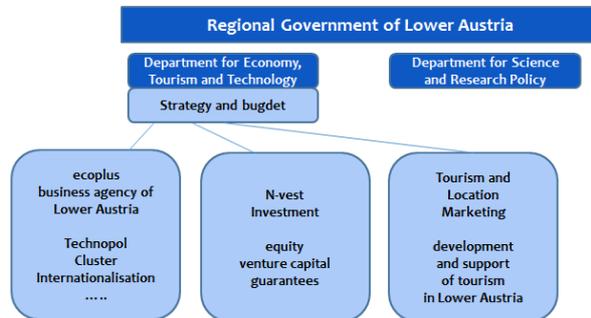


## Background paper Lower Austria

### Governance:



Overall the department for Economy Tourism and Technology is responsible for developing, monitoring and steering the strategy while the implementation of the programmes is done by the programme owners = agencies

### Province of Lower Austria

The province still has an efficient and robust economic structure. With a ca. 50 billion euro gross regional product, Lower Austria makes up 15.8% of the national economy of Austria. In the wake of the economic and financial crisis that broke out in 2008, the global economy became characterized by heterogeneous developments. Stable, sustainable economic growth on a global level has yet to be achieved in the 2010 to 2015 period. Uncertainty and challenging framework conditions still prevail. The prospects for economic growth are predicted to remain subdued for the European region. Given this background, it is all the more important for regional economic policies to generate impetus and remain focused on maintaining the competitive ability of their economies. For this reason we took pains to examine the defined economic strategy closely and revise it according to the current challenges and opportunities, and to define suitable goals, instruments, and measures that will keep the Lower Austrian economy on the growth track.

#### STRENGTHS

- The Lower Austrian economy possesses a broad spectrum of products and large portions of the value chains can be covered by businesses in Lower Austria.
- In terms of their export activity, Lower Austrian businesses profit immensely from the opening of the east and the expansion of the EU.
- The technopoles represent an important instrument for the establishment of new companies and the creation of new jobs.
- As a business location, Lower Austria has a number of attractive factors such as the availability of land, transportation routes, and human resources in its favor.
- The links with the greater metropolitan area of Vienna offer much development potential.

#### WEAKNESSES

- Compared to Lower Austria's share of the population, the percentage of inventors in the province has been disproportionately low in the last ten years.

- The geographic location as well as the structural changes in recent years continue to have varying regional impacts on infrastructural framework and accessibility, growth potential, and population development.
- Demographic change and emigration are leading to challenging framework conditions on the regional level.

#### OPPORTUNITIES

- Development of new export markets in the scope of globalization and transfer of the strengths of the existing export structures to non-EU member states and focus on states with high potential for growth.
- Goal-oriented development of R&D sites in Lower Austria through focused measures such as upgrading of technology skills and the establishment of R&D sites.
- Intensification of collaboration through the use of existing networks and innovation cooperations: Vienna, Upper Austria, Burgenland, Styria, as well as Upper Bavaria, Stuttgart, Tübingen, Düsseldorf, and Cologne, which are also regions that have a high regional network density with Lower Austria.
- Development of as complete as possible value chains by promoting upstream and downstream supply and service links.

#### THREATS:

- Product portfolio in businesses too small, thus creating dependency on just one or only a few clients.
- Finishing of commodities and raw materials outsourced to other regions (just supplying raw materials generates little value added).
- Altered framework conditions in the financial sector, last but not least due to the most recent financial crisis (Basel III). This may lead to funding and liquidity bottlenecks, especially for small and medium-sized businesses (SMBs)

### S3 Strategy:

The thematic priorities are defined in the implementation of actions. This leads to the possibility to very specific, niche thematic priorities which can be easily adapted to current needs.

#### VISION:

Lower Austria sees itself as a territory for entrepreneurs. In Lower Austria, businesses can expect to encounter ideal framework conditions for their development and ability to compete. This includes the entire spectrum of relevant infrastructures ranging from the supply of services to financial support. Sustainable economic and business growth is the basic prerequisite for a continuing improvement of the quality of life over the long term. Lower Austria is therefore striving to become a competitive entrepreneurial territory that contributes to the maintenance and further improvement of the high quality of life of its citizens.

#### Economic Goals:

- Lower Austria is driving force of growth in the eastern Austria

- Lower Austria creates high quality professional jobs
- The development of Lower Austria as an attractive business site will continue

#### Core Strategy

- Sustainable business success and internationalization
- Attractive business sites
- Research and development & market implementation
- Start ups with growth dynamics

#### Core strategy: Research and development & market implementation

Research and development, with particular focus on marketing, will be supported as part of this core strategy. Research and development alone are not enough for economic success. Successful market placement is required. Upgrading and building of technology skills will continue at the technopole sites. Cooperative innovation projects focusing on effective marketing will be funded and supported, with the aim of helping to increase the potential for innovation in small and medium-sized businesses (SMBs) too. Mobilizing innovation potential and project funding should also make it easier for small businesses to get into research and development.

#### ESSENTIAL FIELDS OF ACTION IN THIS CORE STRATEGY ARE:

- UPGRADING OF TECHNOLOGY AND INNOVATION SKILLS
- SPONSORSHIP OF COOPERATIVE INNOVATION PROJECTS
- DEVELOPMENT AND BACKING OF COOPERATIVE R&D&I PROJECTS AND NEEDS-ADAPTED EDUCATION PROGRAMS
- PROMOTION OF RESEARCH AND DEVELOPMENT PROJECTS
- PROMOTION OF INVESTMENTS IN SWITCHING TO SERIES PRODUCTION
- MOBILIZATION OF INNOVATION POTENTIAL

Within this fields of action thematic priority setting

E.g. Technopol programm

- Cluster programm
- development and backing of cooperative R&D&I Projects and needs adapted education programs
- .....

#### Monitoring system in a nutshell:

Current status of RIS3 monitoring: implemented since 2014

Monitoring strategic objectives/vision: bottom up approach

Monitoring the RIS3 priorities: same policy measures approach in each priority

Expected changes: adaptations/changes part of the system

Result indicators: each policy instrument to fulfill priorities

Output indicators: qualitative and quantitative indicators

Data: different, ODP vs. data protection, congruency

Methods: surveys, open platforms (patents..)

Role of the monitoring system: steering, reviewing, knowledge

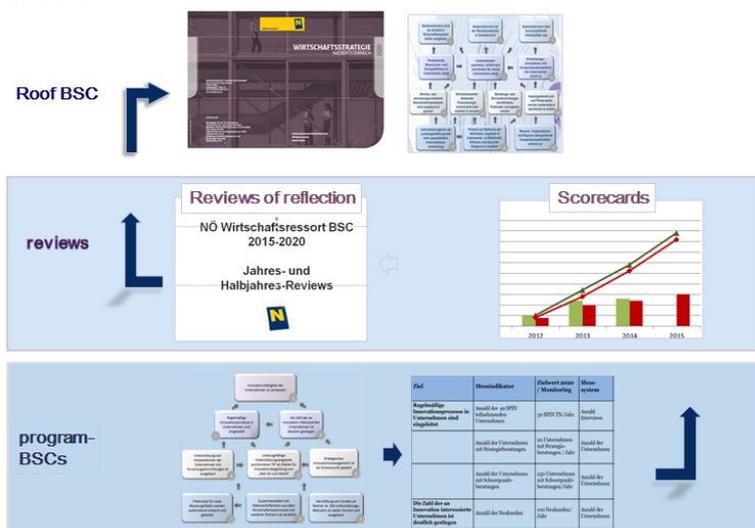
Responsibilities: data collection and indicators managed by different bodies

Stakeholders: cocreation and coworking of stakeholders  
 Using the monitoring evidence: steering, reviewing, knowledge  
 RIS3 revision: evaluation system

## S3-Monitoring

In designing and implementing the S3 for Lower Austria, we have built on our experience with regional innovation strategies dating back to 1997. The strength of the smart specialisation concept is its focus on innovation discoveries and we have therefore designed our strategy, including the monitoring mechanism, to fully exploit this.

Implementing smart specialisation is difficult without an appropriate monitoring system. As they say, 'You get what you measure!' and it also helps to 'fine tune' the strategy. Our programmes are monitored by a balanced score card method, learning from its use in previous innovation strategies. This includes performance data such as publications, critical size and collaborative projects. These data are reflected and discussed in reviews to get a better knowledge for steering. On an aggregated level the fulfilment of the roof BSC can be derived by these data supplemented by survey and statistical data.



### Example for fostering cross sectoral innovation discoveries:

More specifically, we have sought to foster interactions on two levels: Instruments, meaning the coherence and synergies between programmes in the policy mix, underpinned by greater inter-institutional collaboration; and Technologies, referring to prioritised support to activities that cross sectors and disciplines.

Therefore in S3 new indicators have been worked out in collaboration to reflect the cross-instrument and cross-technological emphasis. This in turn has led to initiatives that reflect the indicators. As an illustration, we now measure the impact of inter-institutional collaboration on the related instruments and programmes, including the targets and focus of the programme managers. This has led to an intensification of collaboration between clusters and technopoles, fostering diversification of technological know-how and promotion of further regional specialisation – for example, the food cluster and Technopole Tulln have assembled a large consortium called FoQOSI where academia and companies work together with public agencies on food safety challenges.