



High-level Seminar on Public – Private Partnership in Innovation Activities

Smart specialization strategies

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Structure of the talk

What are S3?

Why are they deployed?

How do they operate?

What challenges do they face?





Definition of S3

National/regional research and innovation strategies for smart specialisation (RIS3) are **integrated, place-based** economic transformation agendas which

- **focus policy support** and investments on key national/regional priorities, challenges and needs for knowledge-based development, including ICT-related measures;
- build on each **country's/region's strengths**, competitive advantages and potential for excellence;
- support technological as well as **practice-based innovation** and aim to stimulate private sector investment;
- get **stakeholders fully involved** and encourage innovation and **experimentation**;
- are evidence-based and include sound monitoring and evaluation systems.





S3 combines vertical & horizontal policies

Calls for development of sectoral/ technological priorities and targeted policies to support them

But also for horizontal policies to complement the former





Criticisms of earlier approaches to innovation & industrial policy

- R&D, innovation, regional developm't not sufficiently business driven
- Gov'ts attempting to pick winners, but lacking market knowledge to do so
- Attempts to copy sectors that were successful elsewhere w/o taking into account local conditions
- Insufficient differentiation across regions





6 elements of S3

1: Analysing one's strengths, weaknesses, competitive advantages and potential for excellence

2: Involving innovation stakeholders, in particular the business community

3: Elaboration of an overall vision for the future of the region

4: Selection of priorities for S3 + definition of objectives

5: Definition of coherent policy mix, roadmaps and action plans

6: Integration of monitoring and evaluation mechanisms





Entrepreneurial discovery process

Business

manufacturing and services, primary sectors, financial sector, creative industries, social sector, large firms, SMEs, young entrepreneurs, students with business idea cluster and business organisations

Research

public and private research bodies, universities, science and technology parks, NCPs, Technology transfer offices, Horizon2020 committee members, regional ESFRI roadmaps etc.

Entrepreneurial Discovery Process

Different departments, if relevant at different government levels, agencies e.g. for regional development, business advice, public procurement offices, incubators, etc.

Public administration

NGOs and citizens' initiatives related to societal challenges for which innovative solutions would be helpful, consumers associations, Talents! etc.

Civil society / Users





S3 governance challenge

S3 makes enormous demands of the public sector

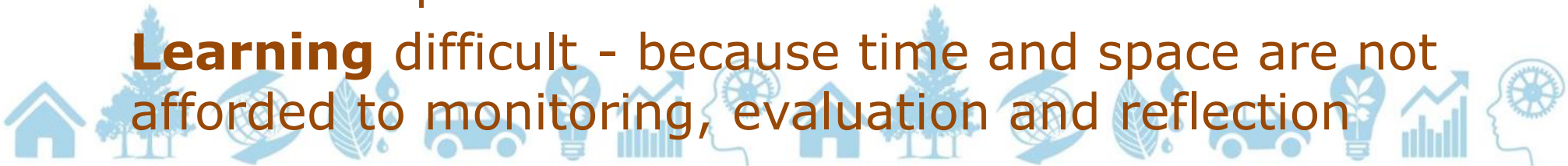
- initiate the ED
- manage it,
- translate the results into policies,
- Monitor and adjust

But **austerity** is undermining it

Feedback critical - but it is often stymied by fear, power and hierarchy

Failure not tolerated - but the public sector needs to be more experimental

Learning difficult - because time and space are not afforded to monitoring, evaluation and reflection





Experience with ED

More often than not the public sector ends up short-cutting the entrepreneurial discovery process:

- the administration dreads government failure
- the “real” business people are not sufficiently interested/involved (companies committed to change matter)
- the business “representatives” are not business minded
- the administration considers that macro-analytics and (formal) stakeholder involvement make up for the absence of business interest





Specialization based on regional strengths?

Andalusia

- **mobility** & logistics
- **transport**-related advanced industry
- territorially based endogenous resources
- **tourism, culture** & leisure
- **health & social well-being**
- agro-industry & healthy diet
- **renewable energy**, energy efficiency & sustainable building
- **ICT & digital economy**

Puglia

- **transport & mobility**
- environment, **health** & security
- **cultural heritage & tourism**
- **health, well-being & socio-cultural dynamics**
- **renewable** & competitive **energy**
- digital government
- Education
- **digital** & creative **economy**





Emerging fields of Smart Specialisation

- **Energy**
- **Life science**
- **ICT**
- **Environment**
- **Agro-food**
- **Tourism**
- **New materials**





Conclusion

- S3 is an interesting concept
- Rolled out on massive scale in EU
- But very demanding to implement
- Evidence still scarce
- But may be less bottom-up, less business-driven in practice than intended
- And may not be as effective as intended in fostering specialization based on regional advantages





THANK YOU FOR YOUR ATTENTION

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www.unece.org/ceci/welcome.html

