Helsinki-Uusimaa Regional Council

Smart specialisation for regions and international collaboration Smart Pilots Seminar 23.5.2017

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EUROPEAN COMMISSION
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The RIS experience

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Lessons from past Regional Innovation Strategies (RIS)

Inward-looking
- Not taking into account the global economy and the European Research Area.

Driven by external consultants
- Lack of understanding of regional innovation systems as an interaction of interdependent players, policies and institutions.
- Failure to set the networking process in motion or to keep it going over time.
- Ownership problem for regional players.

Excessive focus on technology supply and R&D.
- Too little emphasis on applications.
- Lack of credibility for business sector.

The political rationale for Smart Specialisation

Smart Specialisation should foster economic growth, in the region <u>and</u> in the Union.

Smart Specialisation is about <u>value for money</u>, smart R&D investment in a context of scarce public resources.

The European Commission has proposed the existence of a Regional Innovation Strategy for Smart Specialisation (RIS3) as <u>an ex ante condition</u> for the disbursement of R&D- (and ICT-)related funds for the period 2014-2020.

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The RIS experience

Common problems of regional innovation policies

Lack of international and trans-regional perspective:

- The regional innovation and economic system is often considered in isolation.

Innovation policies are not in tune with the industrial and economic fabric

- Too much public intervention (R&D), not enough business-driven.
- Lack of a sound analysis of the assets of the region.

'Picking winners syndrome'

- No priorities are identified and best performers are just copied.

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What is Smart Specialisation?

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What is Smart Specialisation?

- Evidence-based

- All assets are considered

- No top-down decision, but entrepreneurial discovery process involving key stakeholders

- Global perspective on potential competitive advantage and potential for cooperation

- Sourcing knowledge rather than re-inventing the wheel

- Priority setting in times of scarce resources

- Excel / Improve in something specific

- Focus investments on regional comparative advantage

- Accumulation of critical mass

- Not necessarily focus on a single sector

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What is smart about RIS3s?

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What makes a Regional Innovation Strategy "Smart"? - 1

- **A place-based** strategy which allows regions to find their own way to innovation by exploiting **regional competitive advantage** (no one size fits all).

- A **learning process** that brings on board the right partners allowing an **entrepreneurial discovery** of the region's **future path**, the knowledge domains in which a region can hope to excel.

- **Outward-oriented**: looking beyond the regional (and national) borders for both R&D competence and business partners.

What is smart about RIS3s?

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What makes a Regional Innovation Strategy "Smart"? - 2

- It is about **prioritisation**: making choices, based on past experience, existing assets and perspectives.

- It **realises the potential for scale, scope and spillovers** in knowledge production and use.

- It **focuses on fast-growing, innovative companies**.

- It is not 'business as usual' and, therefore, **new tools and support mechanisms** may be required.

The four Cs of Smart Specialization

Choices and Critical mass: limited number of priorities on the basis of own strengths and international specialisation – avoid duplication and fragmentation in the European Research Area – concentrate funding sources ensuring more effective budgetary management.

Competitive Advantage: mobilise talent by matching RTD+I capacities and business needs through an entrepreneurial discovery process.

Connectivity and Clusters: develop world class clusters and provide arenas for related variety/cross-sector links internally in the region and externally, which drive specialized technological diversification – match what you have with what the rest of the world has.

Collaborative Leadership: efficient innovation systems as a collective endeavour based on public-private partnership (quadruple helix)
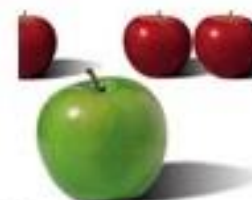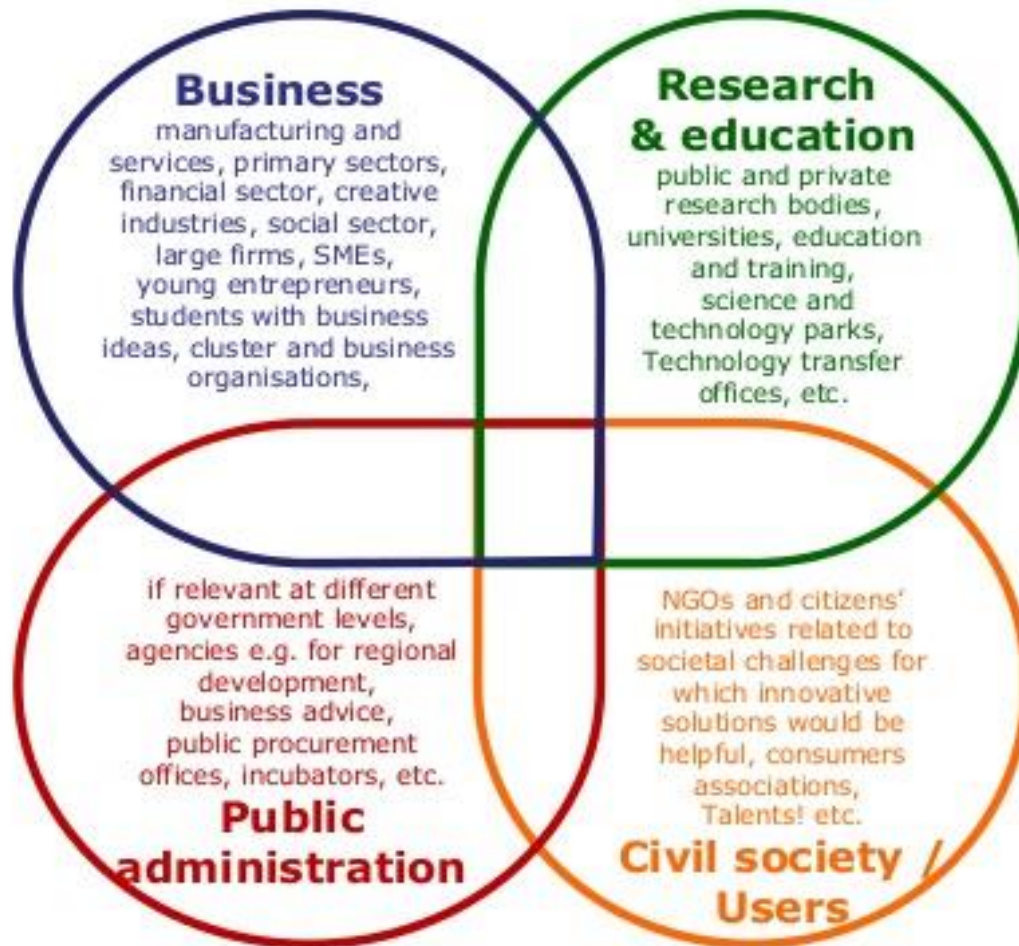
Source: RIS 3 Guide

How to start entrepreneurial discovery process

Kick-start with consultation in quadruple helix:

Detect potential boundary-spanners between different stakeholder / interest groups, new innovative entrepreneurs, hidden champions, or persons with a potential for this is one of the aims of this first step. …

See new annex III of RIS3 Guide

- **Internationalisation** is considered 'a crucial component of smart specialisation strategy (S3)

- Not only export and foreign direct investments but also 'strategic alliances, joint research, co-development, outsourcing, relocation, mergers and acquisitions, licensing intellectual property rights (IPR), soft landing, technology showcase'

- Internationalisation is a context within which regions should be able to identify 'niches' or specific domains for (present and future) competitive advantage, and relevant linkages and flows of goods, services and knowledge that reveal possible patterns of integration with partner regions

..like Smart Pilots-project!

- Outward orientation of a smart specialisation process is considered a field of action alongside clusters, social innovation, research infrastructure

S3 Transnational cooperation and value chains

The importance of the **global economy and innovation networks** calls for a regional innovation policy that goes beyond regional and national borders. Cooperation in S3 **involves sharing knowledge, pursuing collaboration and exploiting synergies** with S3 initiatives in other countries and regions. **Transnational cooperation** is a key component of smart specialisation strategies. Cooperation with others and an outward-looking perspective help monitor the competitive position of the country/region with regard to others and to identify its position within **global value chains.**

Benefits:

- Gaining from access to wider business and knowledge networks
- Getting necessary research capacity
- Reaching out other markets
- Expanding business opportunities
- Combining complementary strengths
- Joining global value chains

Instruments for international and interregional collaboration

Smart Specialisation Platform http://s3platform.jrc.ec.europa.eu/

EU-funding instruments:

Interregional and cross-border EU-programmes (Interreg Europe, interregional and cross-border Interregs)

Horizon2020, Cosme etc.

Smart specialisation is very likely to be an important concept also in forthcoming 2020+ regional policy framework

More than 180 european regions having S3-strategies (information available: Smart specialisation platform)

Scenarios and trends for the future

- Competition about knowledge and innovations, talents, investments etc. will be more and more global

- Value chains increasingly international and global

- Very rapid technological developments, fast and unaccepted changes (also opportunities!) in the operational environment – need to be smart, clever and fast when seizing new opportunities!

- Platform-type of smart, flexible, cross-sectoral and cross-organisational working structures that are based on collaboration will dominate: silos, hierarchical structures ect.are outdated

- S3 international collaboration supports all the main elements in these trends

But in the end...It is not about structures and processes.. It is all about **people** meeting each other, building trust and working together!

Thank you for your attention!