Smart specialisation in Northern Sparsly Populated Areas

Katja Reppel

Head of Sector smart growth

DG REGIO – Unit Smart and Sustainable Growth

29 November 2012

European Commission

Regional Policy

Structure

1. *Why "smart specialisation" is the way forward also for NSPA*

2. *How the Commission can help*

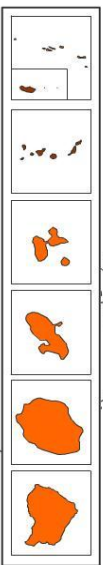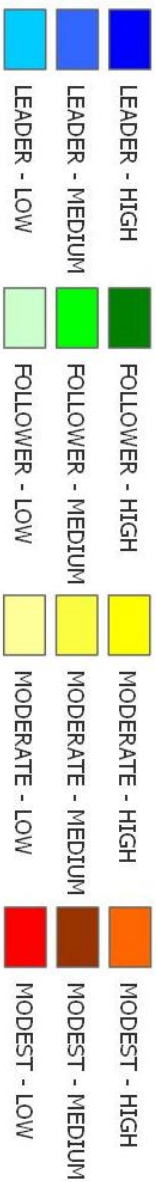# Europe 2020: Innovation Union flagship:

"the Innovation Union must involve all regions"
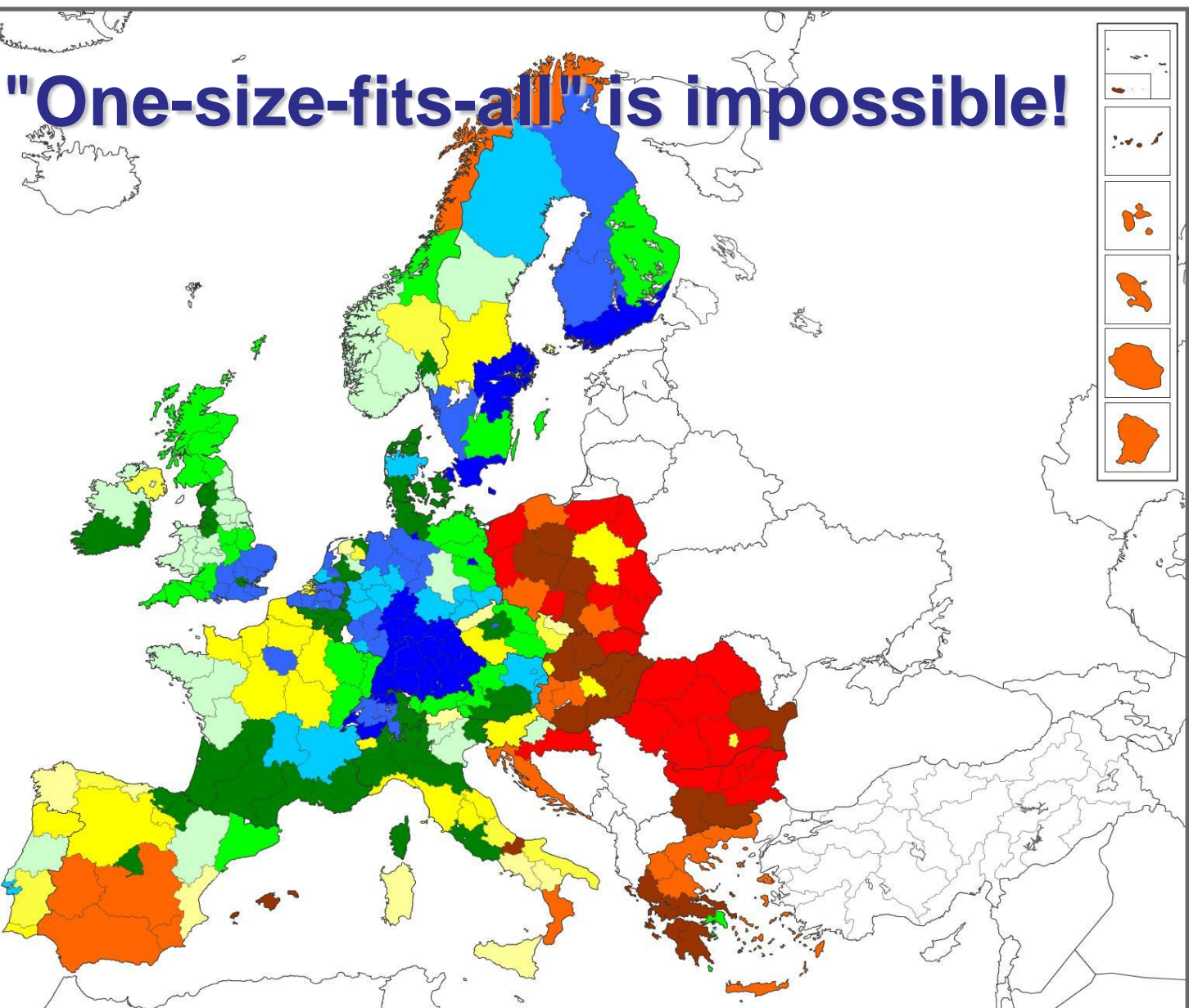
➢ Smart specialisation strategies

"One-size-fits-all" is impossible!

Regional Innovation Scoreboard 2012
http://ec.europa.eu/enterprise/policies/innovation/policy/regional-innovation/index_en.htm

LEADER - HIGH
LEADER - MEDIUM
LEADER - LOW

FOLLOWER - HIGH
FOLLOWER - MEDIUM
FOLLOWER - LOW

MODERATE - HIGH
MODERATE - MEDIUM
MODERATE - LOW

MODEST - HIGH
MODEST - MEDIUM
MODEST - LOW

Competitiveness Index, 2010

Index - Values range between 0 (low) and 100 (high)

Legend:
- <30
- 30 - 40
- 40 - 50
- 50 - 60
- 60 - 70
- >=70
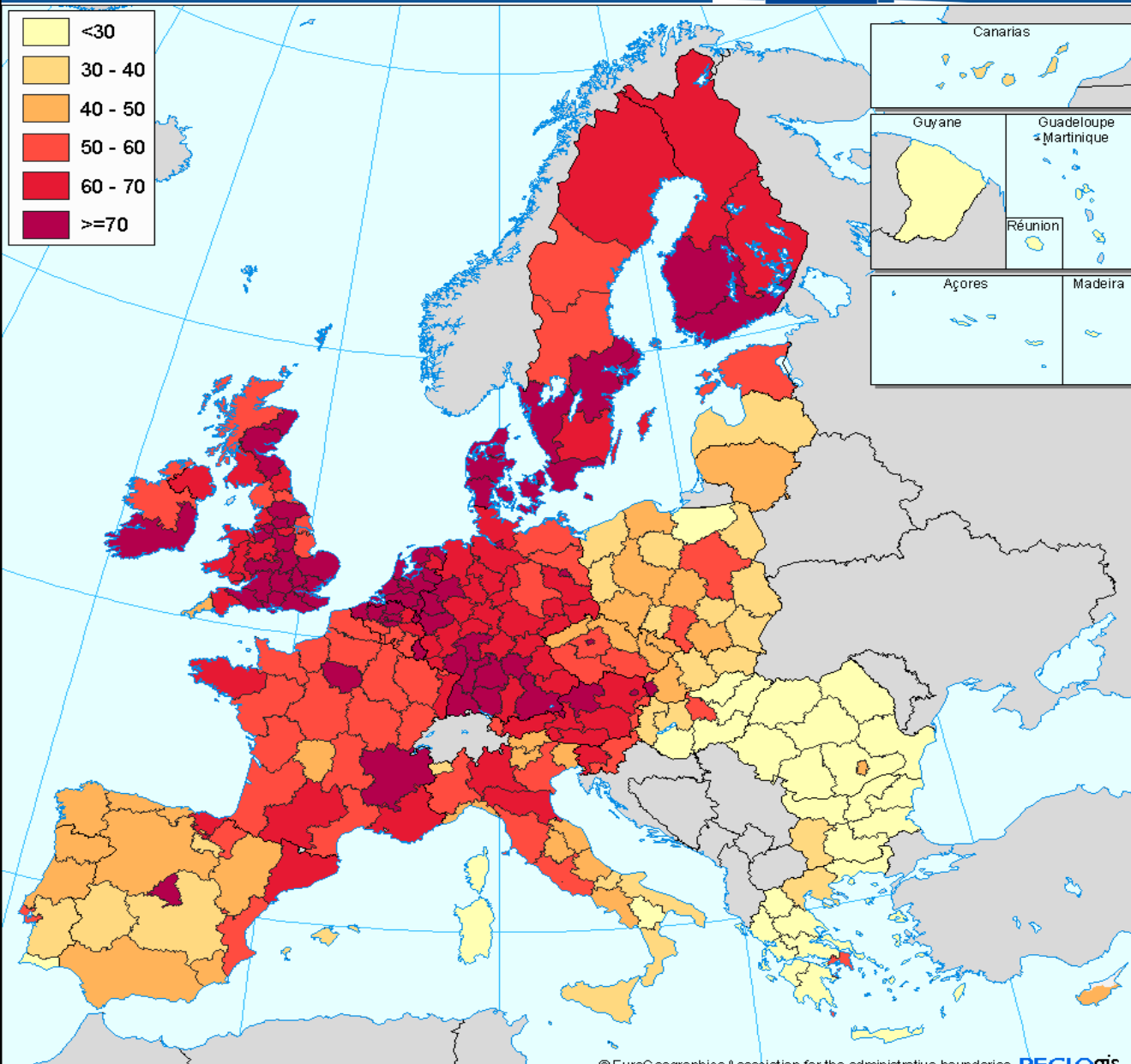
Competitiveness

NB: The data do not include the impact of the crisis …

What is Smart Specialisation ?

= innovation as driver for **structural change**

= **fact-based**: all assets

= no top-down but **process + shared vision among innovation stakeholders, in particular business**

= **All forms of innovation** – not only technology and research driven

= **eco-systems**: creating environments for change

= Mobilisation of investments and synergies **across different departments and governance levels** (EU-national-regional)

= **source-in** knowledge, & technologies

= **Be different!**

= **competitive advantages**, potential for excellence, opportunities
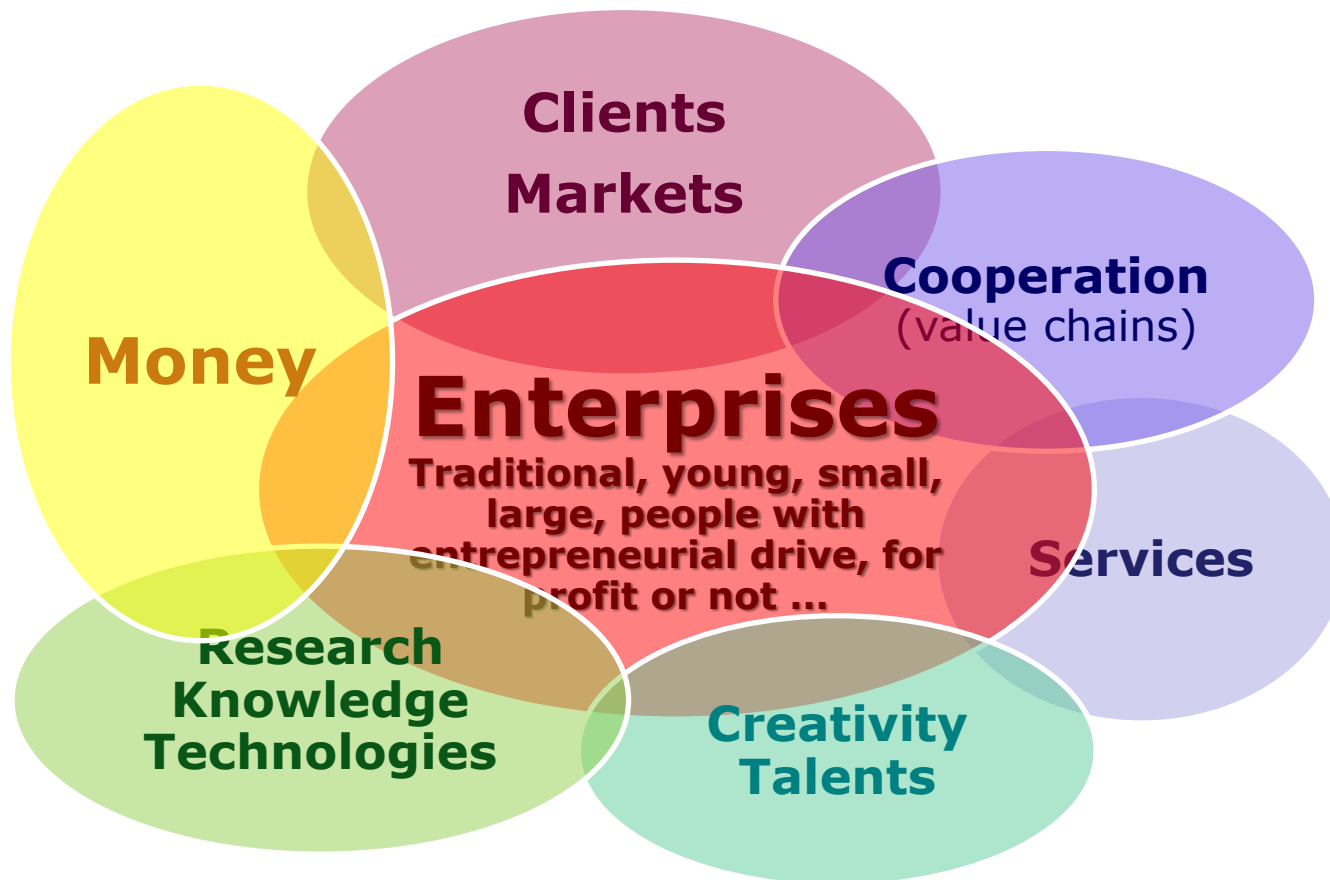
= **global perspective** on potential competitive advantage + potential for cooperation, global value chains

= **Concentration** of resources on priorities, problems and core needs

= accumulation of **critical mass**

= not necessarily focus on a single sector, but **cross-fertilisations**, rejuvenating traditional sectors through higher value-added activities

RIS3 is a process …
of «entrepreneurial discovery»

Clients

Markets

Cooperation
(value chains)

Money

Enterprises
Traditional, young, small, large, people with entrepreneurial drive, for profit or not …

Services

Research Knowledge Technologies

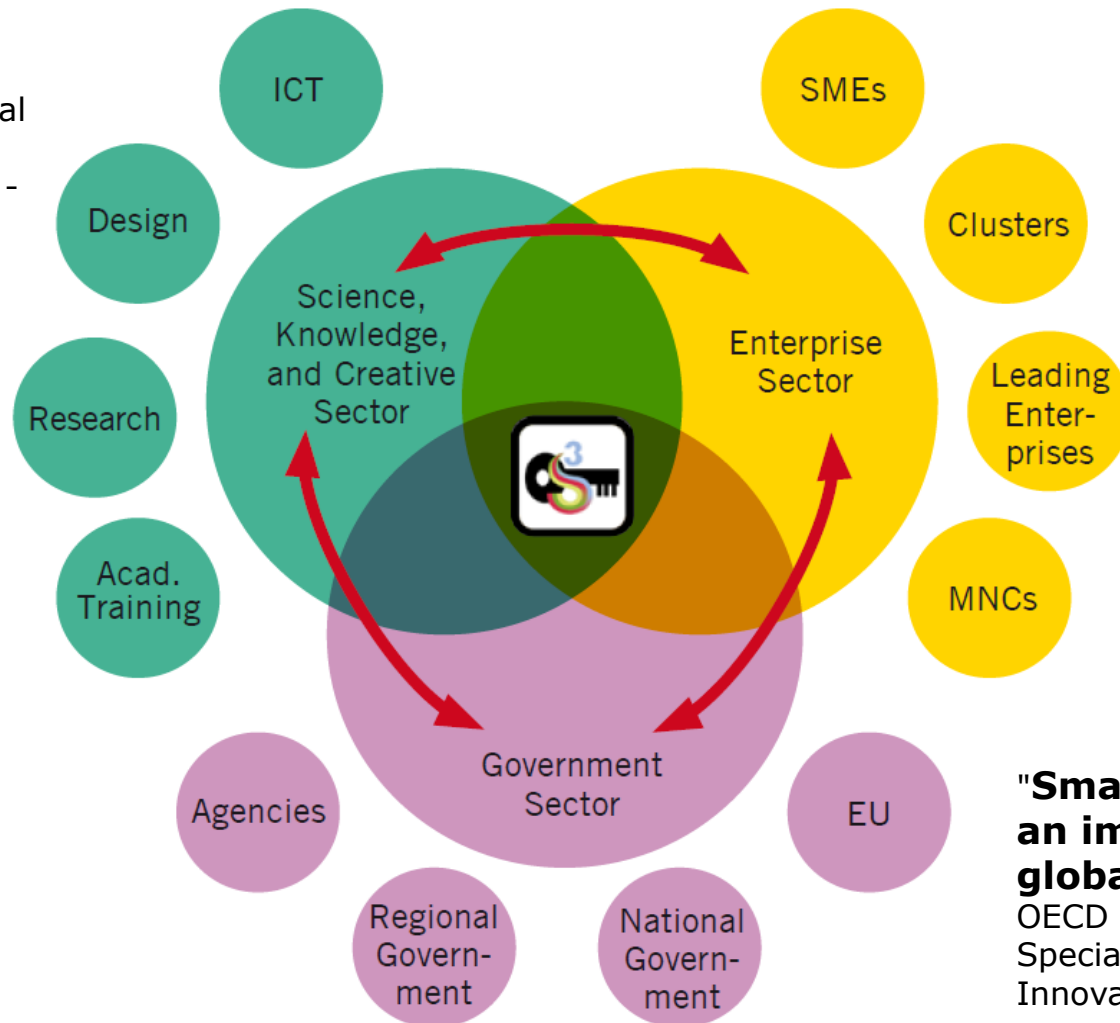**Creativity Talents**

What do enterprises need?

With whom to cooperate?

Who are your customers / competitors?

Is there critical mass / excellence?

Regional Policy

Self-assessment key
for launching the RIS3 development

Questionnaire to start entrepreneurial discovery process involving the triple - helix actors and expand knowledge on regional assets that may not be captured by official statistics .. .

"**Smart specialisation - an imperative in the global economic context**"
OECD report on "Smart Specialisation Strategies for Innovation-driven Growth"

… you may think:

Great theory, but in my region there are no universities nor research institutes nor any creative sector nor large anchor firms nor clusters of industries with critical mass and only very few people …
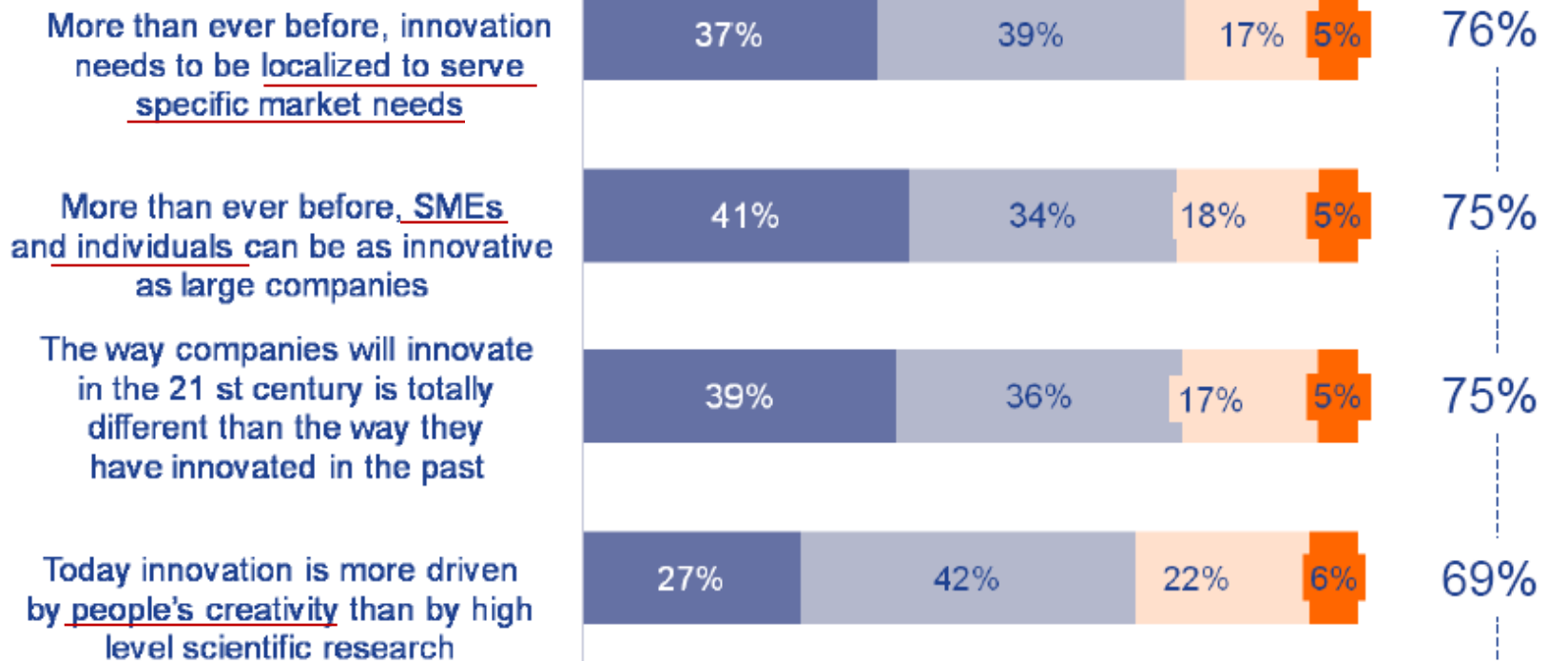
Innovation for all regions?

Innovate in the 21st century:
new actors, new rules …

GE GLOBAL INNOVATION BAROMETER

	Strongly agree	Somewhat agree	Somewhat disagree	Totally disagree	ST Agree
More than ever before, innovation needs to be localized to serve specific market needs	37%	39%	17%	5%	76%
More than ever before, SMEs and individuals can be as innovative as large companies	41%	34%	18%	5%	75%
The way companies will innovate in the 21 st century is totally different than the way they have innovated in the past	39%	36%	17%	5%	75%
Today innovation is more driven by people's creativity than by high level scientific research	27%	42%	22%	6%	69%

Examples

Assets:
- Permanently cold weather
- No neighbours who would mind noise
- Close-knit community where strangers/spies are immediately spotted

Northern Sweden:

winter car testing facilities in Arjeplog (60 kilometers south of the Arctic Circle) attracted Daimler, Volkswagen, Toyota, General Motors, Ford, Fiat, Peugeot, Saab, and Hyundai ….

Examples

Assets:
- Rather cold weather
- Nothing around but trees
- Labour forces' main competence: handling forest machinery

North Karelia (Finland):

Forest cluster brought structural change from wood production to forest machinery, chemicals, packaging, logistics ….

Examples

Assets:

• Clean air ....

East Wales:

OpTIC Technium (a RegioStars winner) is a technology and incubation centre in St Asaph that was set up under the initiative of the enterprises and universities in the opto-electronics cluster organisation in North Wales to provide support, knowledge and facilities for emerging technology businesses ....

Regional
Policy

Examples

Assets:

• **Lots of wind …**

Navarra (Spain):

Wind energy has generated an active industrial and productive sector in the region: turbine assembly, manufacture of blades, turbines, towers and control equipment, and other wind turbine components …
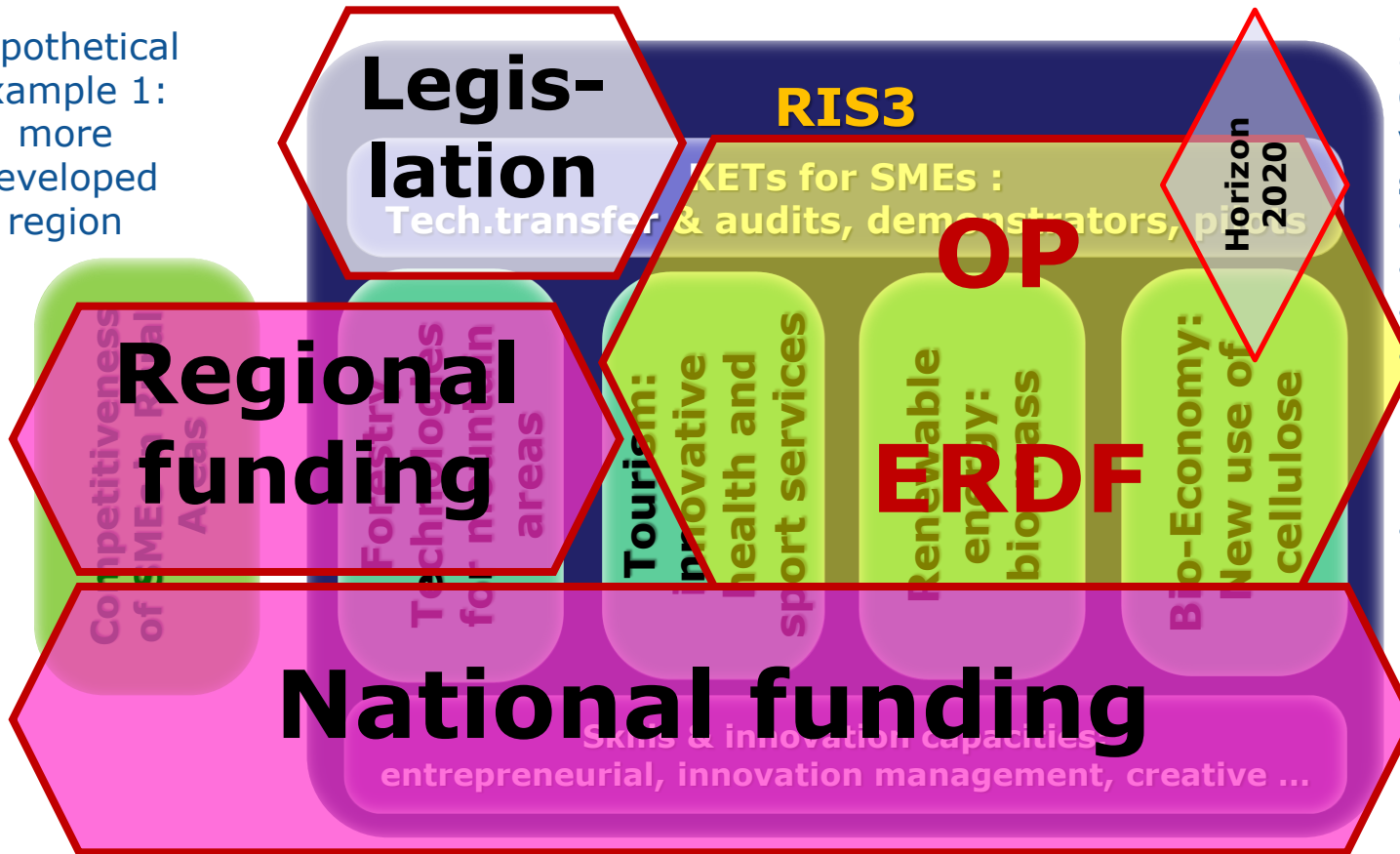
… any lesson to be learnt?

- *"Proximity matters", but so does creativity, community-based initiatives, virtual networks …*

- *Be different: the mix makes it - both inside your region and by seeking cooperation with other regions …*

- *Building on ALL types of assets in a region …even those that look like a disadvantage*

How could a RIS3 look like?

Hypothetical example 1: more developed region

Legis-lation

RIS3

KETs for SMEs : Tech.transfer & audits, demonstrators, pilots

Horizon 2020

OP

ERDF

Regional funding

Competitiveness of SMEs in Rural Areas

Future Technologies for new Urban areas

Tourism: innovative health and sport services

Renewable energy: biomass

Bio-Economy: New use of cellulose

National funding

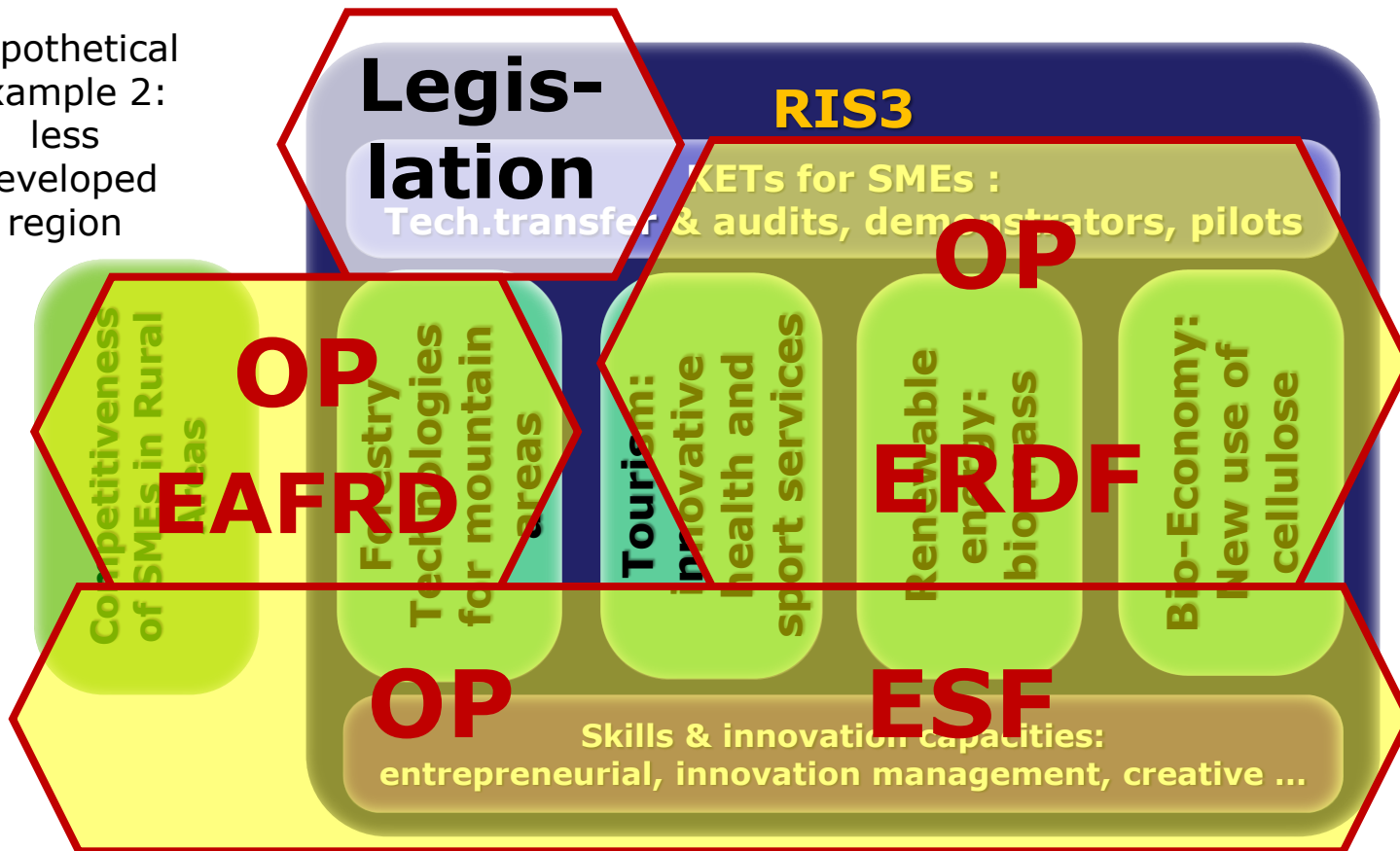Skills & innovation capacities entrepreneurial, innovation management, creative …

Implementation drawing on a **variety of sources:**
- **CSF funding**
- **Own nat/reg**
- **Legislation**
- **Mobilise private funding & activity**
- **Amplify through synergies & external cooperation**

RIS3 = the national / regional innovation strategy

Regional Policy

Support for RIS3 development:

- **S3Platform:**
  - ✓ Website + Newsletter
  - ✓ Guidance on process for development of RIS3
  - ✓ Analytical support
  - ✓ Organises "peer-reviews" of national / regional strategies
  - ✓ Conferences, working groups, trainings …

- **Informal expert reviews**

- **Guidance:** RIS3 step-by-step, thematic guides

- **Data material**, e.g. Regional Innovation Scoreboard, ERAWATCH, RIM, European Cluster Observatory, Digital Agenda Scoreboard, SME performance review, SSH studies, IPTS studies, etc.

- **Good practices**: e.g. RegioStars, European Entrepreneurship Awards …

- **CoR, OECD, World Bank, JASPERS, EURADA, ERRIN, EBN**, etc.

Regional Policy

Commission support for RIS3:

////**S3Platform:**
- peer-reviews
- analysis & data
- training
- communication

S3 SMART SPECIALISATION PLATFORM

- ✓ **100 regions + 2 MS registered**
- ✓ **6 peer-reviews, trainings, thematic seminars**
- ✓ **RIS3 guide**
- ✓ **Web-site, Newsletter**

Cohesion Policy

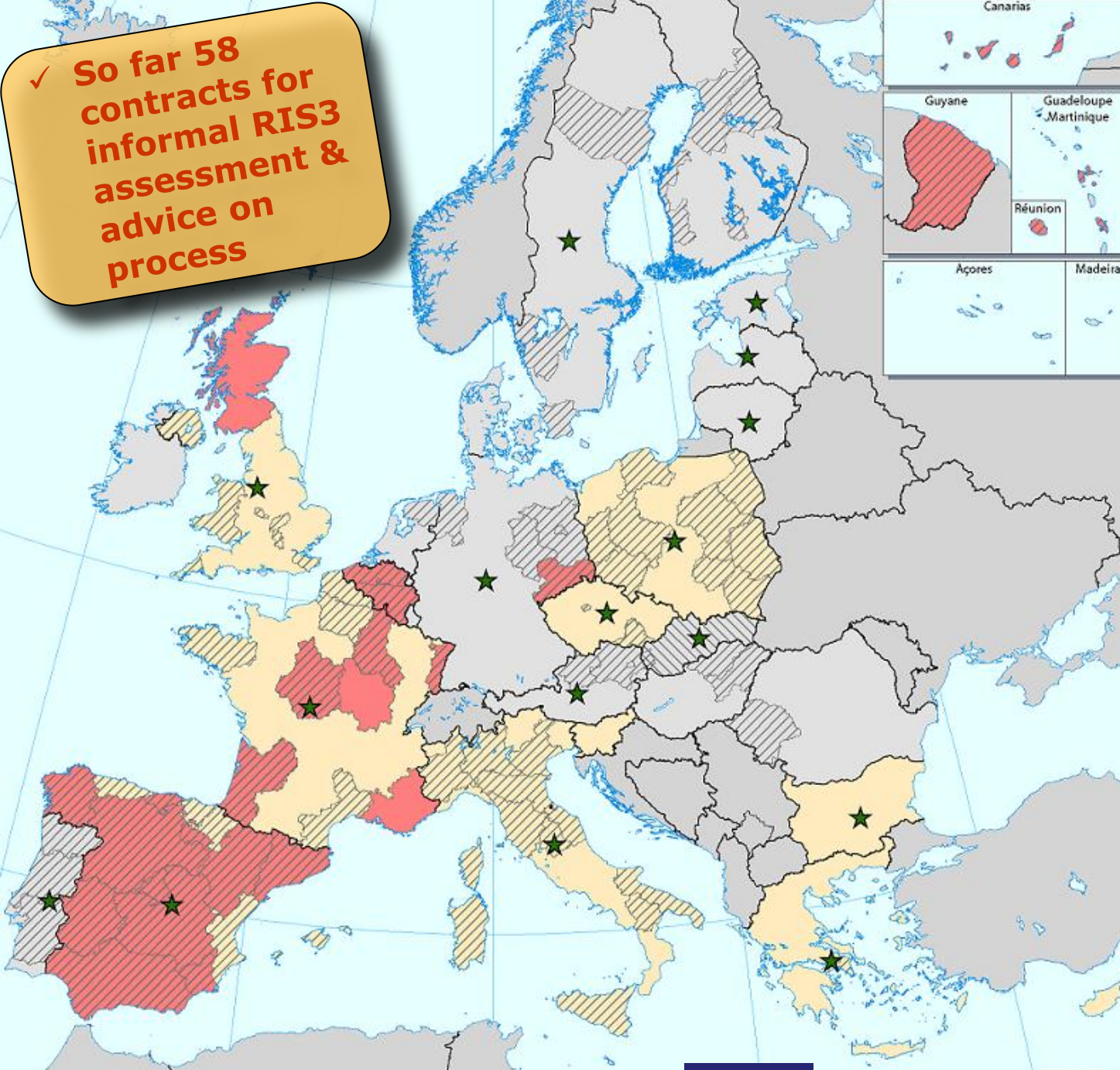# Commission support for RIS3:

S3Platform:
- peer-reviews
- analysis & data
- training
- communication

★ RIS3 policy events:
- national
- trans-national

✓ **10 RIS3 kick-off events for Member States**
✓ **4 trans-national RIS3 events**

So far 58 contracts for informal RIS3 assessment & advice on process

Commission support for RIS3:

S3Platform:
- peer-reviews
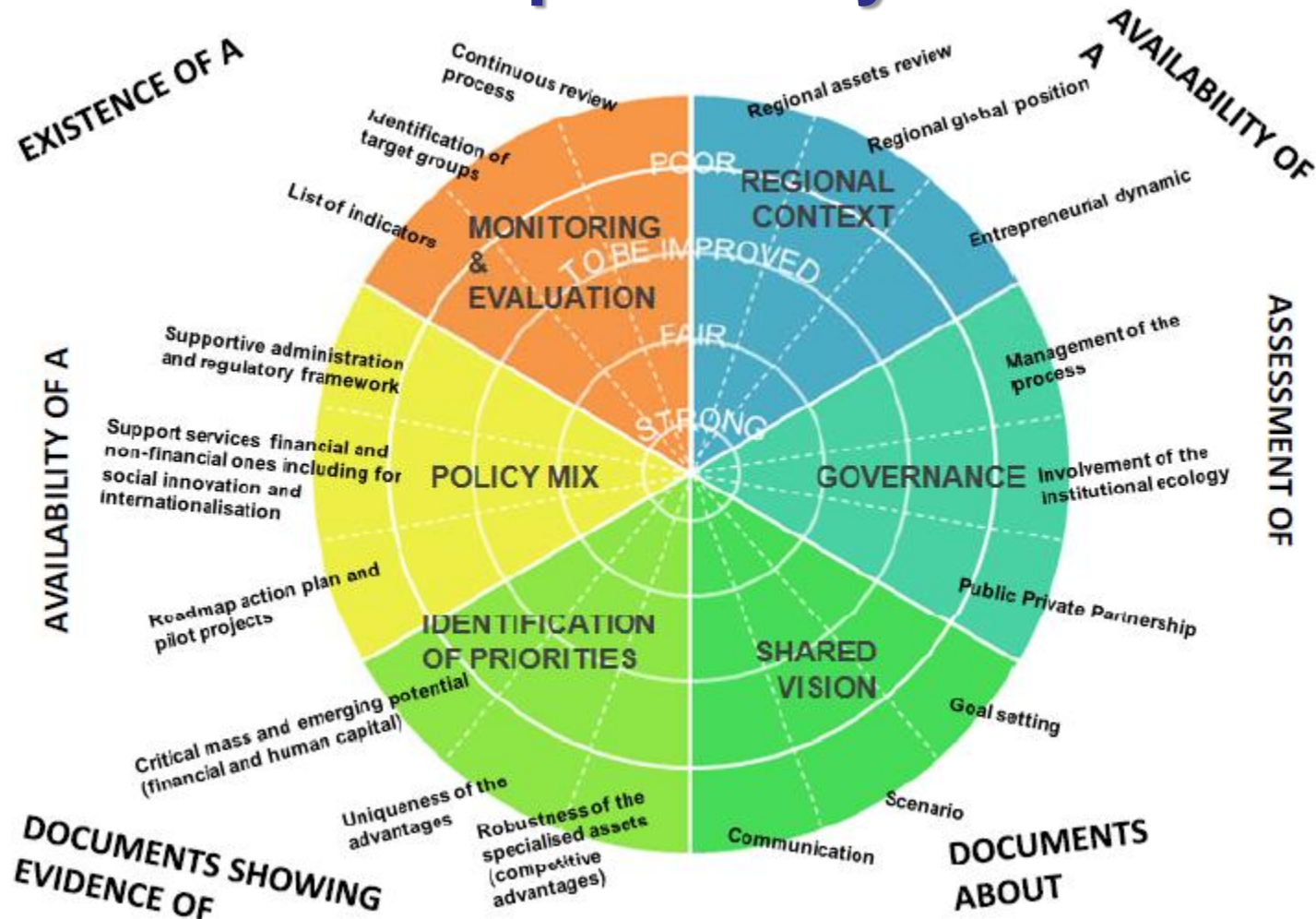- analysis & data
- training
- communication

★ **RIS3 policy events:**
- national
- trans-national

Expert analysis and support

national

regional

- thematic
- process
- ....

Cohesion Policy

Dimensions of expert analysis

Source: Eurada

Guidance material

Smart Specialisation in a Nutshell

Fact-sheet

On InfoRegio website in all languages:

http://ec.europa.eu/regional_policy/what/future/proposals_2014_2020_en.cfm

Regional
Policy

RIS3 Guide

Content:

► Step-by-step guide to strategy development

► Suggestions for delivery instruments

► Guidance for expert assessment

Target group: policy-makers, academics, innovation support providers

See:
http://s3platform.jrc.ec.europa.eu/s3pguide

Thematic guides

- ❑ **Incubators**
- ❑ **Universities & regional development**
- ❑ **Broadband**
- ❑ **Service innovation**
- ❑ **Creative industries**
- ❑ **Green growth**
- ❑ **Entrepreneurial mind-set**

Soon available:

▸ *Clusters*   ▸ *Social Innovation*

▸ *Public procurement for innovation*

▸ *Horizon2020, COSME – CSF funds*

Inspiration for innovation support:

- Review of regional innovation (OECD)
  https://community.oecd.org/community/smartspecialisation

- State Aid framework for Research and Innovation

- Analysis of regional innovation http://www.rim-europa.eu

- EURADA • *Directory of "No-Nonsense" Activities to Build S³-minded Regions; • All money is not the same* http://www.insme.org/files/3019

European Commission

Regional Policy

Innovation in the agro-food sector

Reflection paper: **Agricultural knowledge and innovation systems in transition** (SCAR, March 2012)

Agricultural Knowledge and Innovation Systems in Transition – a reflection paper

Standing Committee on Agricultural Research (SCAR) Collaborative Working Group AKIS

http://ec.europa.eu/research/bioeconomy/pdf/ki3211999enc_002.pdf

Regional Policy

Information

- **Proposals for the Structural Funds 2014-2020:**
  http://ec.europa.eu/regional_policy/what/future/proposals_2014_2020_en.cfm
- Amended proposal for the Common Provisions Reglation (11/9/2012): http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52012PC0496:EN:NOT

- **RIS3 factsheet:**
  http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/smart_specialisation_en.pdf

- **S3 Platform:** http://ipts.jrc.ec.europa.eu/activities/research-and-innovation/s3platform.cfm

- **RIS3 guide**: http://s3platform.jrc.ec.europa.eu/s3pguide

- **Thematic guides**: http://s3platform.jrc.ec.europa.eu/guides