

Smart Specialisation and Regional Innovation Policy: Where Have We Come From, Where Are We Now and Where Are We Going?

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RIS3 Where Have We Come From?

- Since the mid-1990s and early 2000s numerous contributions on regions and innovation in
 - economic geography, science policy and research policy, industrial economics, regional science and urban economics, international business, strategic management
- Scattered literatures but emerging commonalities across many dimensions
- Role of place, systems nature, multiple stakeholders, differentiated and specific

RIS3 Where Have We Come From?

- Science and economics: local innovation systems; learning networks; related variety and related diversification processes; firm-size structures; agglomeration, clusters and spillovers; human capital distributions; global city-regions, polycentric structures, technology portfolios
- Political economy: institutional context; governance frameworks; public-private partnerships, civil society and third sector, culture and creativity

RIS3 Where Have We Come From?

- Increasing awareness that local and regional entrepreneurship and innovation → national entrepreneurship and innovation
- Shift from a view of firms, technologies and industries to a national context to also include regional innovation systems
- Transatlantic productivity gap, 2008 global economic crisis – forced a rethinking regarding Europe's economic processes and mechanisms driving innovation and productivity
- Importance of *ideas* for change – Rodrik 2014

RIS3 Where Have We Come From?

- *Knowledge for Growth 'K4G' Expert Group*
Agenda – 2005-2009
- Gradual shift from a non-spatial [national/EU] to spatial and regional emphasis
- 2008-2009 Start of the reform agenda for EU Cohesion Policy across all its dimensions and fields of intervention
- 2010 EU2020 agenda of smart, sustainable and inclusive growth
- 2011 OECD Global Standard growth strategy – stronger, cleaner, fairer

RIS3 Where Have We Come From?

- Incorporation of smart specialisation principles and ideas – centrality of entrepreneurial search – into a broader *RIS3* programme
- *RIS3* aim primarily to address the smart growth problems, but also to contribute heavily to the sustainable and inclusive growth challenges
- *RIS3 Platform* and the first official 2012 EU *Guide to Research and Innovation Strategies for Smart Specialisation (RIS 3)*
- January 2012 - smart specialisation conditionality in draft CP regulations

RIS3 Where Are We Now?

- Generally wide acceptance and early-stage uptake of *RIS3* ideas and principles
- Different mixes of priorities in different countries and in different regions
- Differing degrees of success or progress in different parts of Europe
- Adoption, learning and adaptation of *RIS3* principles to national and regional context
- Increasing emphasis on environmental and energy arenas – reflected in the *RIS3 Platform*
- New forthcoming *RIS3* Guide 2016

RIS3 Where Are We Going?

- Governance - learning *RIS3* by doing is essential – practice, experience, trust-building
- Learning from other regions is crucial – role of the *S³ Platform* in networks of learning
- All are essential for enhancing long-run institutional capacity and capabilities
- *RIS3* must not be a one programming-period phenomenon or brand
- Greater focus on those parts of the EU where these issues are more difficult and challenging – EU13 countries and especially CEECs

RIS3 Where Are We Going?

- Geographical focus on *RIS3* may shift in coming years in different countries
- Remote rural regions and large primarily urban regions the most vulnerable post-crisis
- Intermediate and non-remote rural regions were more resilient
- Balance between larger metro and smaller metro also appears to be shifting
- In some countries → greater *RIS3* priority to supporting larger urban regions and also much smaller rural areas

Effects of the crisis in OECD TL3 European Regions (Extended OECD Regional Typology) by Period

	vulnerability to crisis			
	highest		lowest	
GDP	PRR (-0.91%)	PU (-0.38%)	IN (-0.38%)	PRC (0.56%)
GDP pc	PRR (-0.98%)	PU (-0.85%)	IN (-0.71%)	PRC (0.36%)
GDP pw	PU (-0.52%)	IN (-0.21%)	PRC (-0.21%)	PRR (-0.07%)
employment	PRR (-2.20%)	PU (-1.41%)	IN (-1.05%)	PRC (-0.92%)
ER	PRR (-1.4 pp)	PU (-1.2 pp)	IN (-0.8 pp)	PRC (-0.7 pp)
unemployment	PRR (27.3%)	PU (27.2%)	IN (26.9%)	PRC (19%)
UR	PRR (1.8 pp)	IN (1.58 pp)	PU (1.57 pp)	PRC (1.1 pp)

GDP per head growth in EU metro regions 2000-2008 and 2008-2011

	2000-2008			2008-2011		
Average annual real change in %	GDP per head growth =	Productivity growth +	Employment per head growth	GDP per head growth =	Productivity growth +	Employment per head growth
EU-15						
Capital metro	1.44	0.88	0.56	-0.79	0.34	-1.13
Second-tier metro	1.29	0.70	0.59	-0.76	0.15	-0.91
Smaller metro	1.20	0.67	0.53	-0.59	0.24	-0.83
Non-metro	1.15	0.75	0.40	-0.77	0.20	-0.98
Total	1.27	0.76	0.51	-0.70	0.24	-0.94
EU-13						
Capital metro	5.49	3.64	1.85	-0.26	1.04	-1.30
Second-tier metro	4.85	4.08	0.78	1.43	1.30	0.14
Smaller metro	3.66	3.56	0.09	1.38	1.17	0.21
Non-metro	4.47	4.45	0.02	0.57	1.70	-1.13
Total	4.88	4.31	0.56	0.66	1.44	-0.78

Source: Eurostat and authors' calculations

RIS3 Where Are We Going?

- In other countries, *RIS3* supporting smaller urban areas will gain in importance
- Population ageing and population decline - more than one third of Europe's cities are declining in population prior to the crisis and this has been exacerbated by the crisis by out-migration
- Population decline and population ageing pose major challenges for the long-run economics and financial viability of all types of development interventions → need to be smarter in development policy → *RIS3*