

# Regional Strategies for Smart Specialisation in the Nordic Countries

WS 9: Implementing Smart Growth Principles in the Age of Austerity 23 November 2012

> Maria Lindqvist, Nordregio Senior Research Fellow

#### From theory to policy

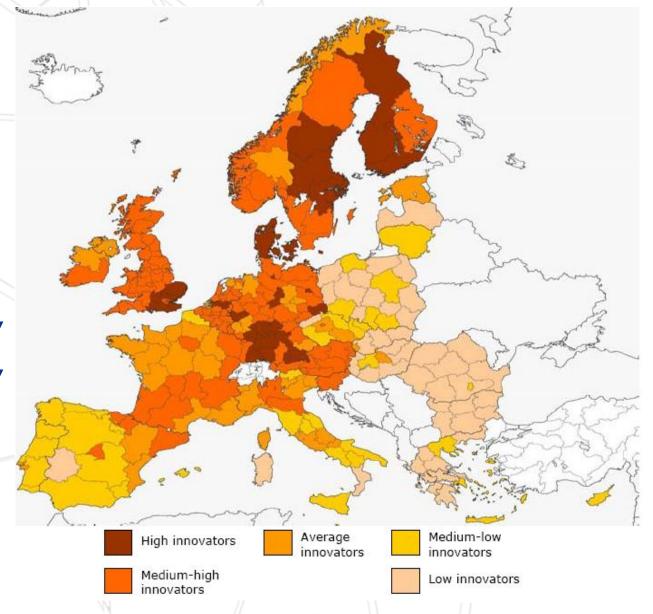
- EUs Knowledge for Growth (K4G)
  - D. Foray et al, 2009
  - P. McCann and R. Ortega-Argilés, 2011
- Europe 2020 Strategy
- Flagship Initiative Innovation Union
- DG Regio Regional Policy Contributing to Smart Growth
- EU Cohesion Policy



#### Level of Innovation in the EU

### CP support for Innovation:

- □ 4% in 89′-93′
- □ 7% in 94'-99'
- □ 11% in 00′-06′
- □ 25% in 07′-13′



Source: DG Regio

#### Concentration ERDF Investment

- Tenergy efficiency and renewable energy
- Research and Innovation
- SMEs competitiveness



6%
44%
Less developed regions

Source: DG Regio



#### EU Cohesion Policy 2014-2020

- Cohesion policy (ERDF, CF & ESF) dedicated to meeting the Europe 2020 objectives of smart, sustainable and inclusive growth
- Consistency with the national reform programmes
- Thematic concentration to maximise the impact of investment: focus on research and innovation in ERDF
- Conditionality to ensure effective implementation, e.g. research and innovation strategies for smart specialisation (RIS3).

Common Strategic Framework of the Commission: coherence (ERDF, ESF, CF, EAFRD and EMFF); clarify synergies with Horizon 2020 etc.

Source: European Commission, October 2011



## Smart Specialisation in the Nordic Countries

- Nordic Working Group for Third Generation Regional Policy
- Purpose: Explore the concept and its impact on regional policy in the Nordic countries
- Method
  - Desk research
  - Interviews and seminars
  - Parallell projects
  - Working paper



#### Smart Specialisation is...

"... a dynamic strategic process where regions and Member States identify their long term competitive advantages based on local strengths, and define those actions that can lead them to maintain and/or create their competitive postition"

Source: Innovation Union Competitiveness Report 2011



#### Important Elements

- Analysis and regional embeddedness
  - Diversification and specialisation
  - Critical mass
- Collaboration and linkages (connectivity)
  - Across sectors, disciplines, clusters and industries
  - Local-region-national-global
- Broad definitions of innovation
- Top-down (strategic decision) and bottom-up (entrepreneurial dynamics)



#### Applying a RIS3 framework

Step 1 – Analysis of regional context/ potential

Step 2 – Governance process

Step 3 – Vision for the future

Step 4 – Selection of priorities

Step 5 – Policy mix

Step 6 – Monitoring and evaluation



Source: S3 platform, RIS3 Guide



#### Impact on Nordic Policy

- Influence from EU Structural Funds
- Regional concentration in Finland (Innovative Cities)
- Focus on Smart Growth in Sweden
- Some hesitation in Denmark (IQ Net)
- More activity in Finnish and Swedish regions (S3 platform, Reglab seminar, OECD:s TIP project)
- Increasing interest in Iceland and Norway



#### **Analysis Capacity**

- Tradition of SWOT-analysis within regional contexts
- Analysis in collaboration between regions (e.g. Reglab Denmark and Sweden)
- National analysis support, e.g.
  - Sector and cluster analysis/evaluation
  - Sfinno innovation database
  - rAps regional analysis and prognosis system

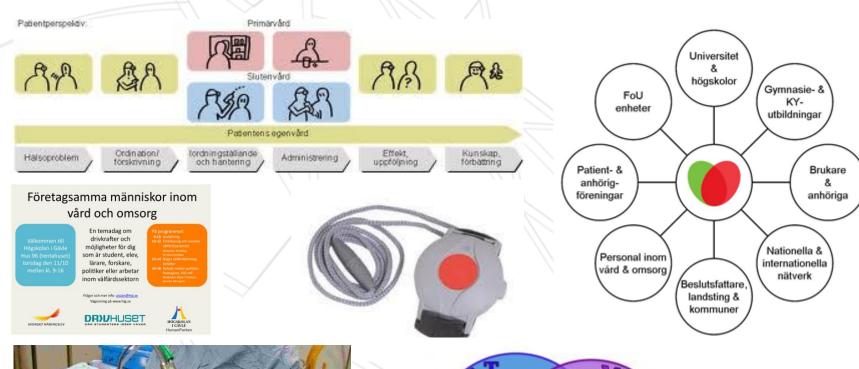


#### Tradition of TH collaboration

- Regional collaboration and partnerships
  - Regional Development Plans and Strategies
  - ERDF-partnership
  - Regional Growth Fora
  - Councils for Cooperation with Business
     Communities
- Innovation Strategies
  - Regional Innovation Strategies
  - Regional Research Funds
- Cluster, program and project boards



#### Innovation in Health Care











#### **Exemples of Policy Tools**

- Clusters
- SME Innovation Environments
- Research infrastructures & science parks
- Universities & HEI
- Digital Agenda EU
- Key Enabling Technologies (KET)

- Financial instruments
- Culture and creative industry
- Internationalization
- Innovative public procurement
- Green growth
- Social innovation



#### Monitoring and Evaluation

- "Följeforskning" and on-going evaluation
- External experts, peer reviews and OECD Territorial Reviews
- National quality assessment of research and education



#### Strengths of Nordic Regions

- Cooperative governance strong tradition of triple helix collaboration, e.g. RIS, RDP, ERDF
- A broadly defined concept of innovation e.g. user driven innovations, public sector innovation and green innovation
- Regional analysis and evaluation established methods for analysis within regional contexts, e.g. SWOT
- National support for prioritisation, e.g. clusters, SRA, global challenges
- Avoiding lock-in effects cross sector, cross regional and cross disciplinary collaboration

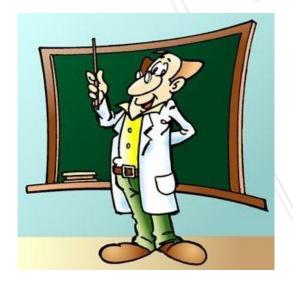


#### Smart Strategies in Värmland















#### Nordic Challenges

- Identify potentials in relation to *other* regions
   nationally and internationally
- Incentives for Quadruple Helix Collaboration
- Involving non-traditional sectors
- Dialogues between levels local-regionalnational-international
- RIS3 at what level?
- Participation in global value chains and EU research programs (Horizon 2020)
- Securing long term processes!



#### Foray et al, 2011

"Smart specialisation is a policy concept that has enjoyed a short but very existing life! Elaborated by a group of academic "experts" in 2008, it very quickly made a significant impact on the policy audience, particularly in Europe. Such a success story in such a short period of time is a perfect example of 'policy running ahead of theory'."

Source: Foray et al (2011) Smart Specialisation. From academic idea to political instrument, the surprising career of a concept and the difficulties in its implementation, MTEI WP 2011-001

