

The European Commission's science and knowledge service

Joint Research Centre



Governing RIS3 in a centralised country: Experiences from Bulgaria

Elisa Gerussi

Territorial development unit

SMARTER Conference

26th of September, Seville

Why to study Bulgarian S3 governance?

- Previous study case on Severen Tsentralen: what conclusions from the **regional level?**
- Centre – periphery relation as a core dimension of **territorial cohesion**
- **Multilevel governance (MLG)** as a tool for a sustainable approach
- Need of looking deeper at the S3 approach against **different contexts**

What do we explore?

- *Is the existing RIS3 governance reinforcing the **fragmentation** of the development system in Bulgaria, the latter including both stakeholder/stakeholder and stakeholders/institutions relations?*
- *Is there the risk of a **vicious cycle** of development, with further distance between the capital region and the rest of the country?*

RIS3 in Bulgaria

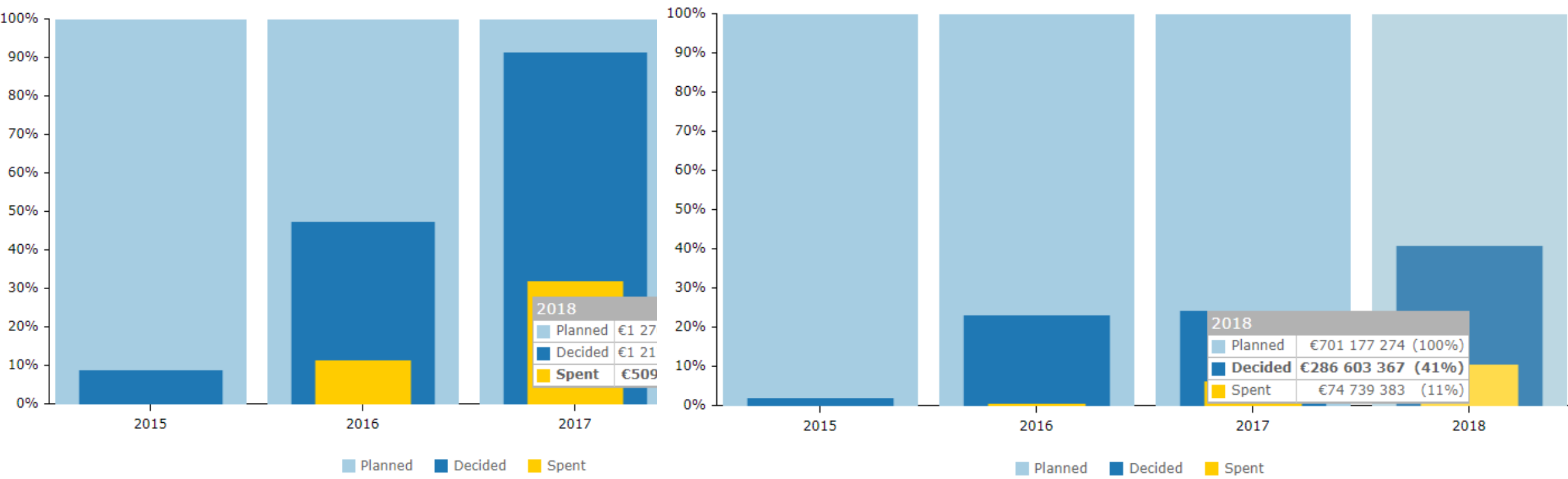
State of the art RIS3

- National strategy (last revision 2017)
- A few regional strategies not representative
- 2 Operational Programs OI/SESG
- Undefined calendar of calls → below potential
- EDP: discontinuity in time and space
- Monitoring system formally established

Challenges

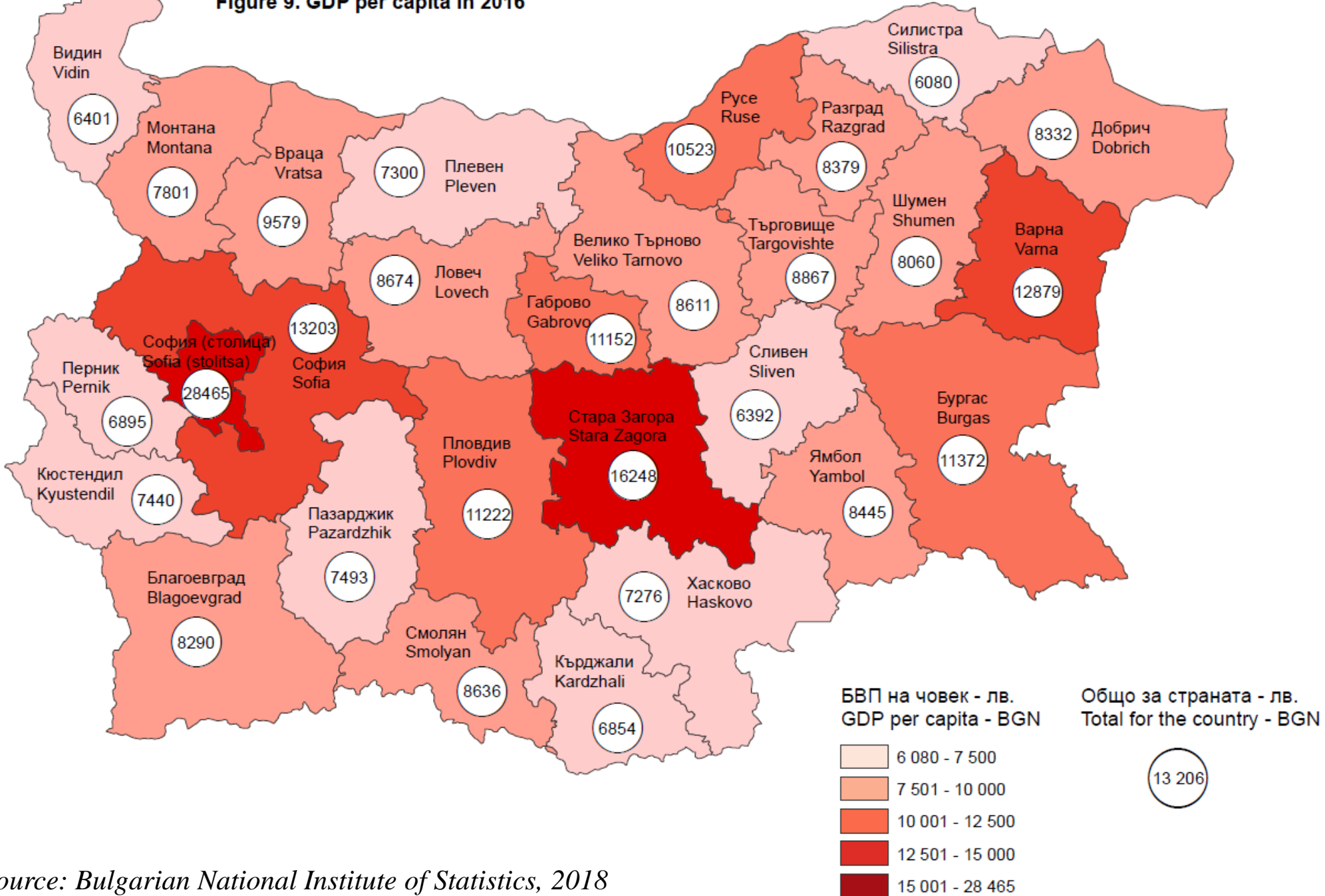
- National RIS3 –potential of the national territory
- Overcome spatial planning issues
- Role of municipalities and enhancement of local authorities responsibilities
- Make the RIS3 governance operative
- Foster continuous EDP
- Connect the 2 OPs and close the gap with territories (needs/distribution of funds)
- Raise the awareness both at local and national level

ERDF OP IC and SESG: implementation of the finances available

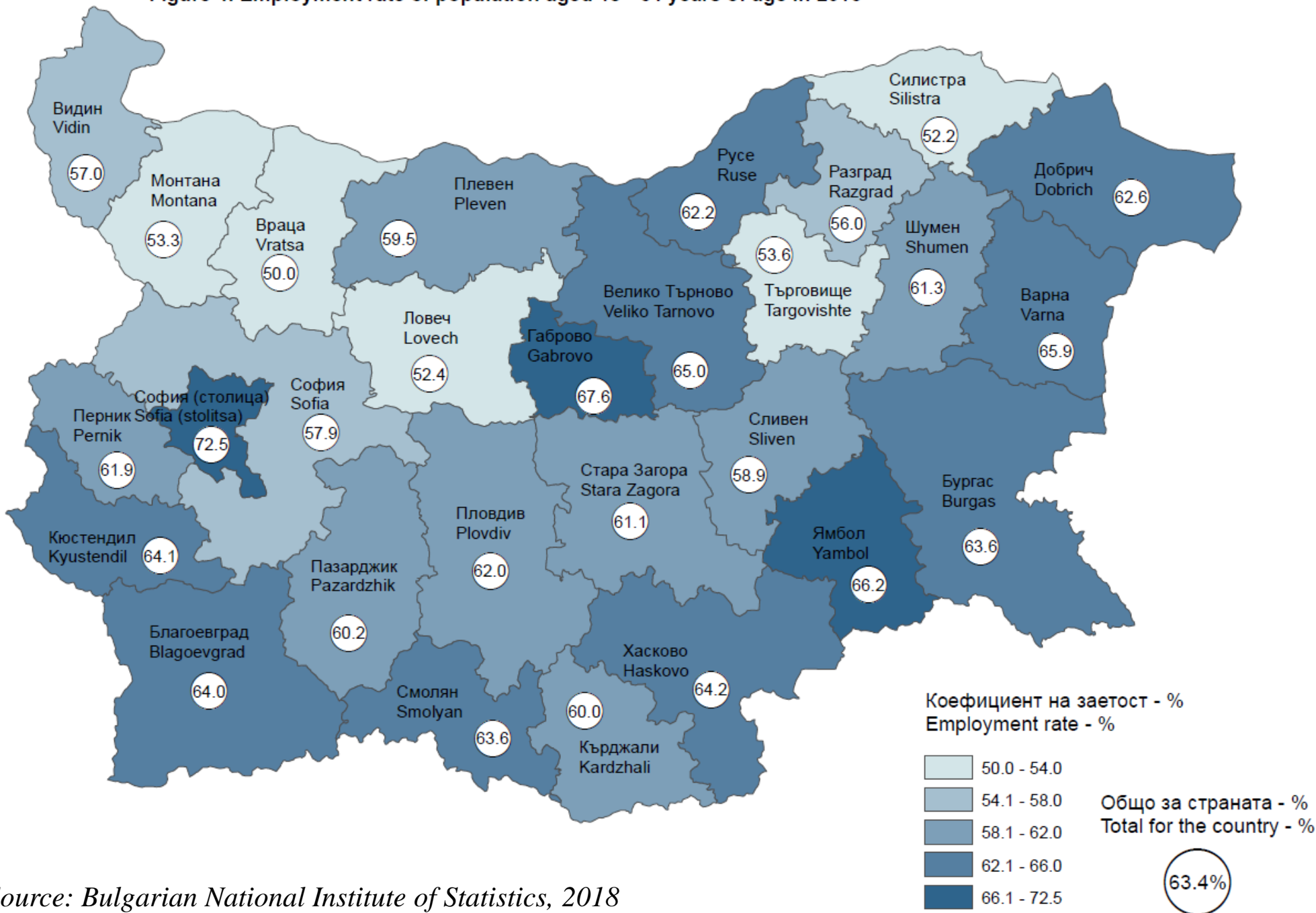


Source: cumulative data from European Commission Cohesion dataset, 2018

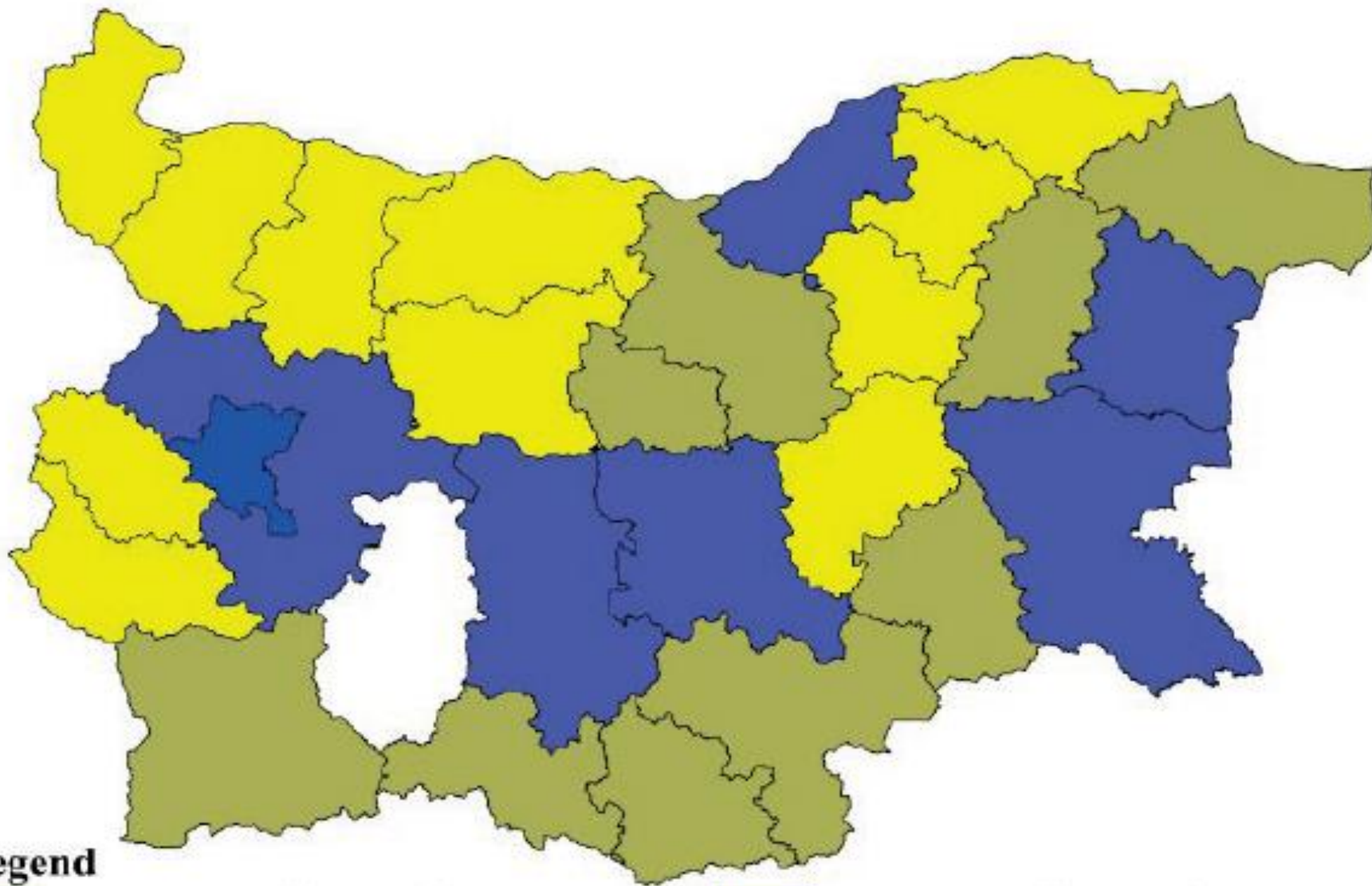
Фиг. 9. Брутен вътрешен продукт на човек от населението за 2016 година
 Figure 9. GDP per capita in 2016



Фиг. 4. Коефициент на заетост на населението на 15 - 64 навършени години през 2016 година
 Figure 4. Employment rate of population aged 15 - 64 years of age in 2016



Source: Bulgarian National Institute of Statistics, 2018



Legend

- Most competitive region
- Competitive regions
- Moderate competitive regions

- Less competitive regions
- n/a

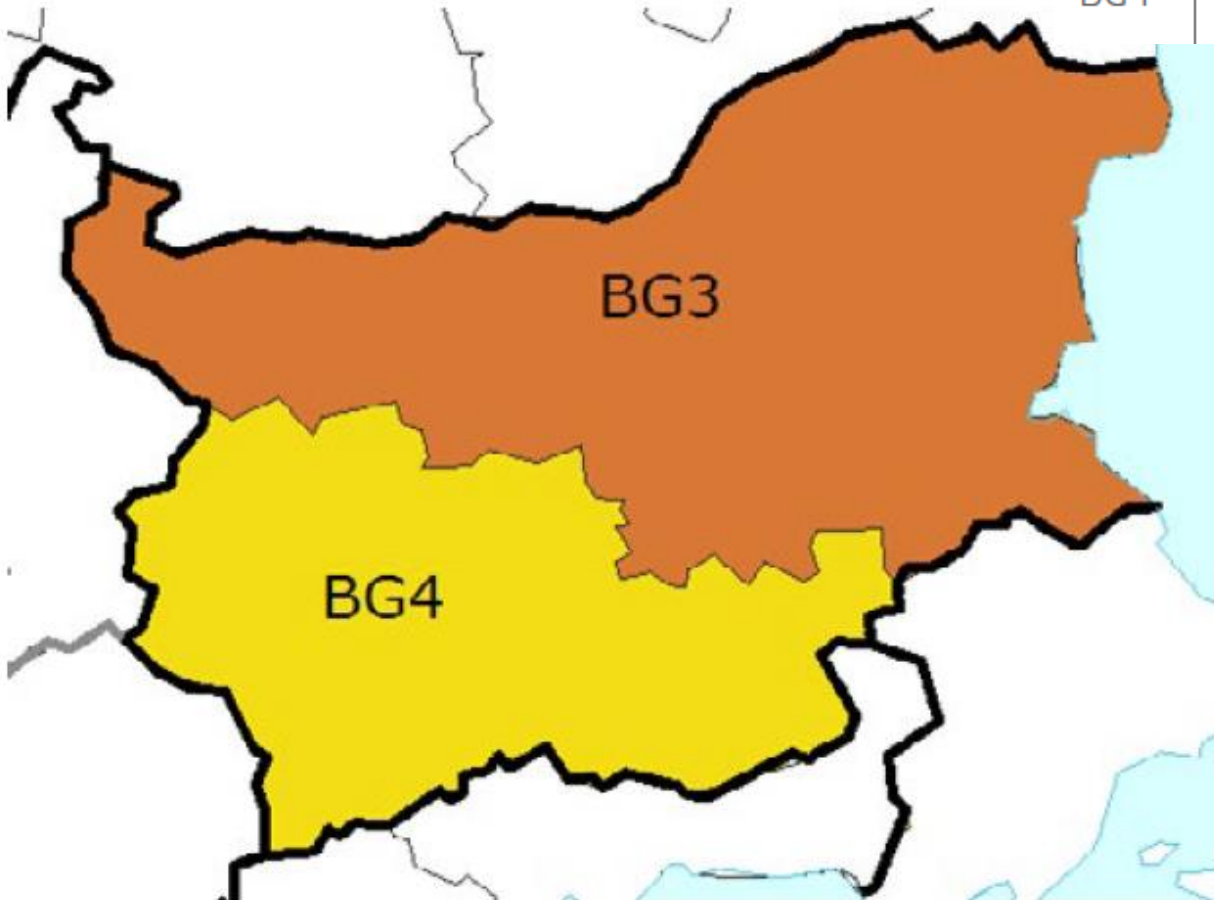
Source: Regional Competitiveness Index 2016 by NUTS3 level (district) from Ivanov (2018)

Innovation potential



BULGARIA

NUTS	Region	RII 2017	Rank	Group	Change
BG3	Severna i iztočna Bulgaria	39.3	211	Modest	-0.7
BG4	Yugozapadna i yuzhna tsentralna Bulgaria	51.3	194	Moderate -	2.3



Regional performance groups

Modest -	Strong -
Modest	Strong
Modest +	Strong +
Moderate -	Leader -
Moderate	Leader
Moderate +	Leader +

Data: Regional Innovation Scoreboard 2017



European
Commission

Governance vs Multi Level Governance

- Levels of Governance based on decision making processes (Duit and Galaz, 2008; Bruszt, 2007)
- Evolution of institutional context and social/political factors (Stubbs, 2005)
- Distribution of authority and territorial decentralisation
- Role of institutions: the embedded state (Bugge et al., 2017)
- Institutional capacity (Karo and Kettel, 2014)
- Innovation systems and technological frontier (Radosevic; Karo)

Starting from the national potential...

STRENGTH

- Sofia: emergent, innovative economy
- Other poles of innovative growth: Stara Zagora in the south, and Ruse – Varna – Gabrovo in the north of the country
- ICT sector dynamically growing
- Strong manufacturing sector
- Recipient of FDIs
- Funding for Centres of Competences
- Small country, good for a centrifugal approach



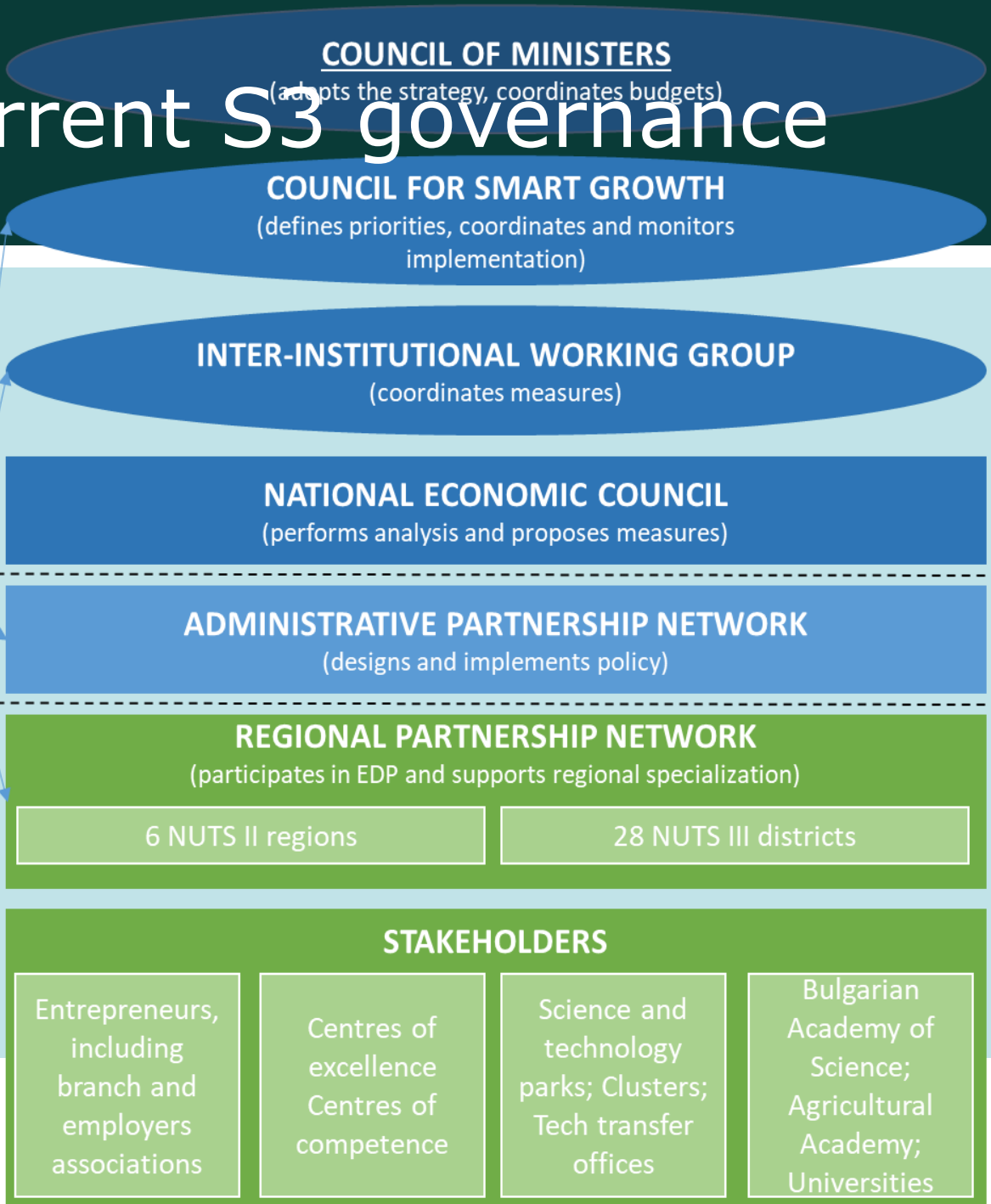
...and current prospects



OPPORTUNITIES

- Interest of the MA and hints of reforms (Implementation Agency for Operational Programme “Science and Education for Intelligent Growth”)
- Acknowledge of stakeholders and local authorities about main shortcoming in EDP
- Ongoing activities to connect peripheries
- Increasing business interest
- New approach to local S3 to be explored → BG as a pilot
- EU framework and support measures
- Consolidated relationships with some peripheries
- EU Presidency 2018

Current S3 governance



Strategic bodies

Technical bodies

Bottom-up bodies

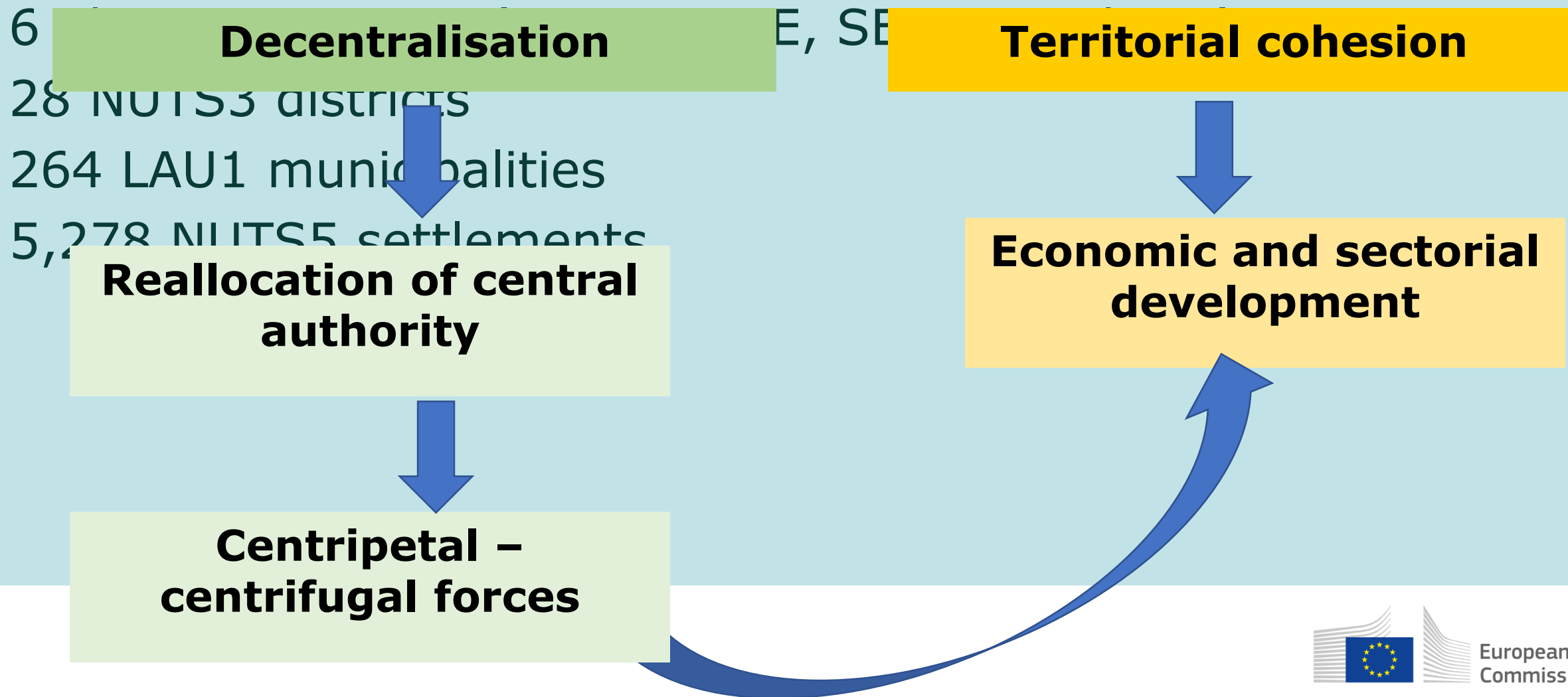
Ongoing reforms

- Split of the Economic Policy Promotion directorate
- Implementation Agency for Operational Programme “Science and Education for Intelligent Growth”)
- Promotion Agency for Research and Innovation (PARI), (Policy Support Facility)
- Meetings in the priority areas for the revision of S3

Main bottlenecks of S3 MLG

- Overlapping responsibilities and unclear processes
- Centralisation of the strategy
- Low involvement of local stakeholders in the decision making process of development strategies
- Fragmentation of the system
- No relevant role of the Ministry of Regional Development and Public Works in S3 management
- Lack of intermediary agencies
- Lack of a shared vision of development
- Lack of integrated policy instruments (RIO2017)

The role of decentralisation



Transition and S3 development

- Institutional building reforms → **weak innovation governance**
- Role of state and role of knowledge-intensive firms → **vertical network**
- Informal/formal constraints coexistence → **lock in contexts**
- Higher education and R&D system → **limited connection**

Determinants of future change in S3 approach

- **Intermediary institutions** (innovation and development agencies)
- **Role of towns:** S3 as a tool for overcoming financial constraints
- **FDI and role of foreign companies** to boost demand-driven innovations and internal capabilities
- **Territorial ecosystems** as alternative to regional administrative units
- **Policy mix**, regulations and measures that foster higher education, increase of absorptive capacity, and institutional change

Conclusions

- ***Fragmentation:*** S3 governance simply replicates the silos and division of Bulgarian innovation and research policy
- ***Distance centre/periphery:*** combination of both territorial administrative reforms and the revision of the S3 governance while enhancing the role of municipalities

**Design, tools for stakeholders' engagement, and:
What about: implementation of S3 policies?**

Thank you!

Elisa.gerussi@ec.europa.eu