

2018 Smarter Conference on Smart Specialisation

*Meeting new governance challenges in less developed regions:
insights from Extremadura and Puglia*

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Introduction

Common traits

Less-
developed

Administrative
competences

Financial crisis

S3: political
consensus and
stakeholders
engagement

Lines of comparison

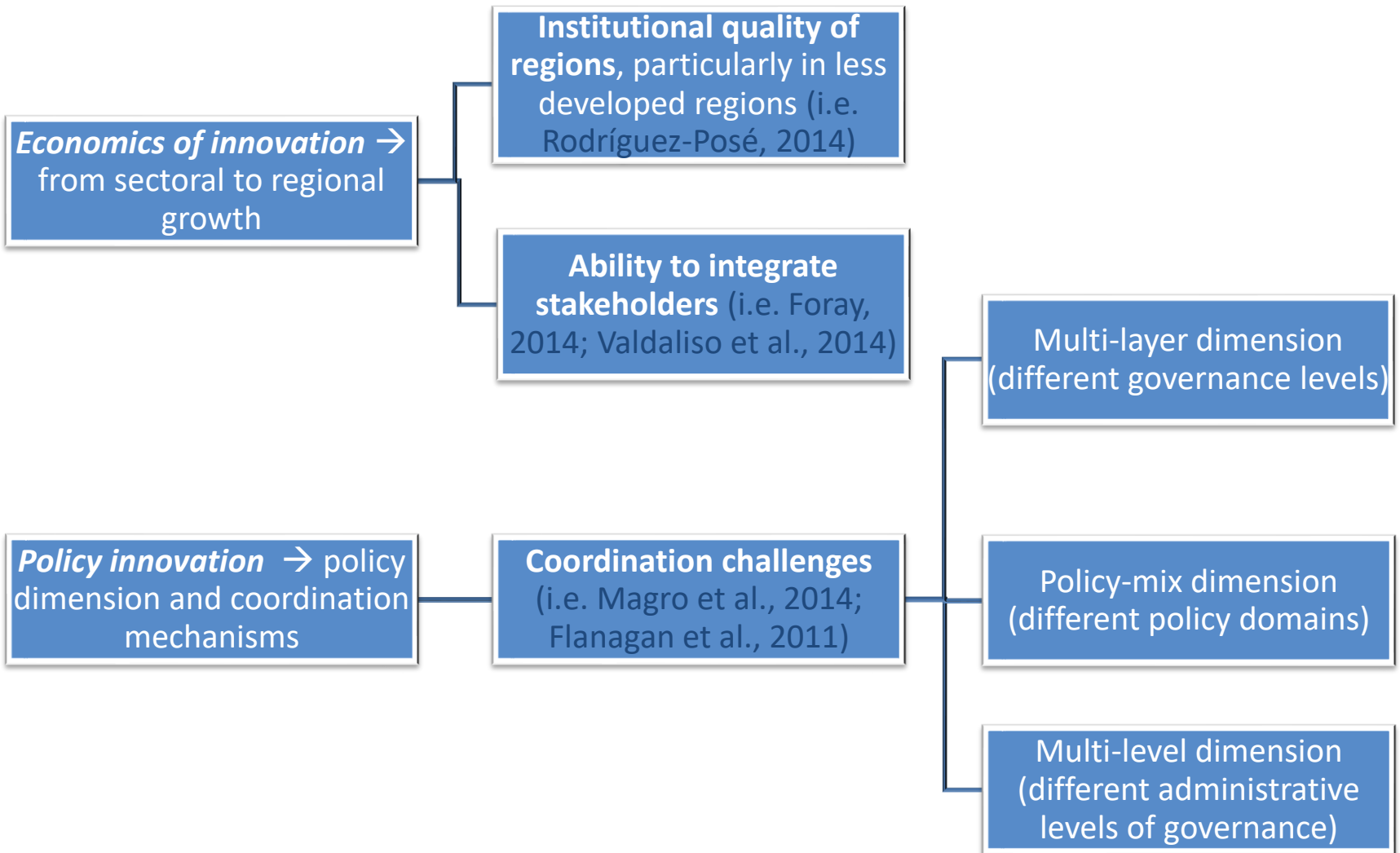
the organisation of the
governance system

- S3 strategic governance
- S3 technical management
- S3 bottom-up engagement

the interaction between
bodies/stakeholders

- Continuous stakeholders involvement.
- Intra-regional interaction
- National-regional interaction

Theoretical background: Insights from two streams of literature



Methodology

Desk analysis

In-depth interviews

- first half of 2018

Interviews for each region

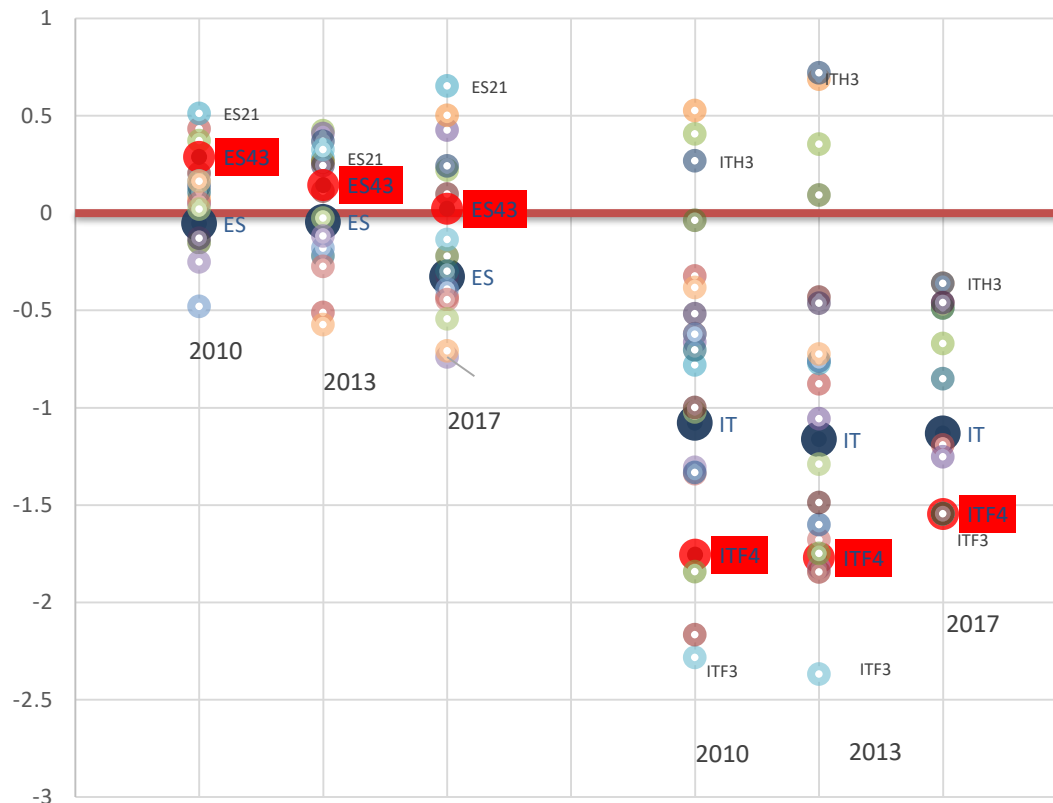
- 2 strategic responsibilities from the public sector
- 2 technical responsibilities
- 2 stakeholders (private and research sector)
- 1 from national governance system for RIS.

Criteria for interviewees

- (1) of “high responsibility”
- (2) of “engagement and informative value” (for stakeholders)

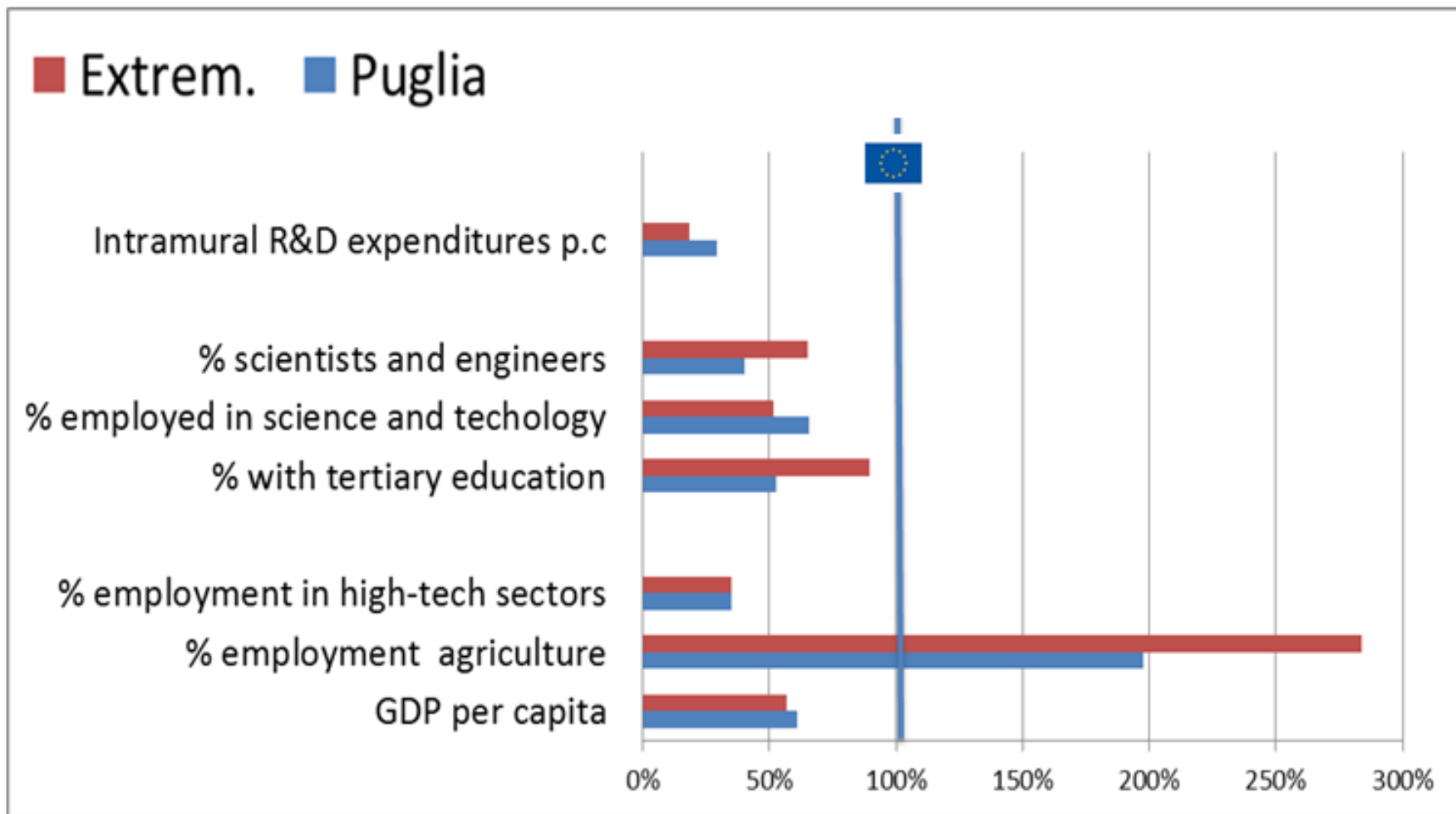
Comparing Puglia and Extremadura key characteristics

Quality of Government (EQI) Spain and Italy
2010, 2013, 2017



Source: own elaboration with European Quality of Government (EQI) data based on the Quality of government (QoG) data from the World Bank's "World Governance Indicators" (WGI) (see more details about EQI data in Charon and Lapuente, 2018).

Comparing Puglia and Extremadura % of EU avg



Extremadura R&I System



The R&D investment level

- **0.8% of total Spanish GERD** in 2016.

Research infrastructures :

- UEx <2000 research personnel - >21,000 students + UNED units
- Public Research Bodies (PRB), the Health Service of Extremadura (SES) and other private Technology centres.
- Foundation FUNDECYT-Parque Científico y Tecnológico de Extremadura.

Division of competences:

- State - exclusive competence on RDTI **general coordination**
- Regions & State: **promotion and financing of RDTI.**

S3 specialisation areas

- **Agro-food, Clean energies, Tourism, Health, ICT**

Financial framework

- Plan for Research and Innovation (2017-2020) - €844mln,
- TO1 in the regional ERDF - €138mln

Puglia R&I System



R&D investment level (2015)

- 1% of regional GDP (715.6 million euros) - 3.2% of national GERD
- Higher education approx 50% ; business enterprise 36.8%; Government 11.9%

Research infrastructures :

- 4 public Universities and 1 private University;
- Public research centres: CNR, ENEA, INFN, CREA.

Division of competences

- Competences for universities are at national level
- Research competences shared

S3 Priorities (with two levels of sub-priorities)

- Sustainable Manufacturing; Human and Environmental Health; Digital, Creative and Inclusive Communities

S3 financial framework

- The S3 has a budget of around € 1.1 bn
- coming largely from ESIF - TO 1 (€ 672 mln.)



Strategic governance

Multi-layer dimension (political)



EXTREMADURA

Three actors:

- **The Commission of Science Technology and Innovation of Extremadura**

Design and implementation of policy measures on R&I

- **The RIS3 Technical Committee**

Representatives from the regional government and from the University of Extremadura (Uex)

- **The Advisory Council for Science Technology and Innovation**

Politicians, top-civil servants, stakeholders.

The responsibility of the S3 is of the “regional ministry” (Conserjería) of Economy and infrastructures

S3 strategic governance:

- Nested in broader STI governance.
- Participatory

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•Ambidextrous Model for innovation – MAIA” characterized by 2 elements:

- *exploitation capacity*: Department for Economic Development, Innovation, Education, Training and Jobs
- *exploration capacity* : Regional Agency for Technology and Innovation (ARTI)

•**The President of the Puglia Region is responsible for S3**
He is accompanied in its strategic decisions by the Regional Ministry for Economic Development and the President of ARTI: definition, implementation and revision of the RIS3.

•The strategic governance level offers limited and **ad hoc opportunity to discuss with other actors** of the regional innovation system (such as universities and enterprises).

S3 strategic governance strongly linked to OP management.



Technical governance

Multi-layer dimension (administrative)



EXTREMADURA

Formalised

RIS3 Management Team includes:

- General Secretariat of Science, Technology and Innovation (*strategic level*)
- RIS3 Technical Office (*management level*)

→ **Hybrid body**

Head Director of FUNDECYT-PCTEX also a member of The RIS3 Technical Committee

RIS3 Technical Office implemented through “Oficina de la Innovación”

Limited interaction with other regional government departments (i.a. Agriculture; Health, etc.)

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Not Formalised

- **S3 Team:** It includes staff from:
 - the Service for Industrial R&I (3 people);
 - the Management Authority of the ROP (3People);
 - ARTI (5people)

ARTI is provided with high-skilled human resources and is responsible for:

- promoting the Regional Innovation System
- providing analytical support
- RIS3 monitoring and evaluation activities.
- Sustained and regular exchanges with stakeholders.

The **Regional Evaluation Unit** provides analytical support for programming and evaluation activities.

Limited interaction with other regional government departments (i.a. Agriculture; Health, etc.)

Bottom up level

Multi-layer dimension (operative)



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Implemented

- Quadruple Helix approach. Key agents classified into four group
(knowledge providers; Knowledge and innovation disseminators; public sponsors of innovation; and final users)
- Input provided through the different phases of S3 around 5 thematic groups
- Toolkit of methodologies (feedback 1280 people)

Challenges:

Firms involved but public sector is dominant
Civil society not really involved

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In development

Design phase: large involvement of all the relevant stakeholders through **six thematic working groups**

ARTI: in-depth analysis to decide whether to organize the 6 working groups **around KETs or RIS3 priority-areas.**

Challenges:

- **To reach the innovative firms** (generally not much contact with the PA)
- To reach firms with an **innovative potential** but not showing an explicit **innovation demand.**

Confindustria Puglia new project: creating some **“mediators”**



Interaction between national and regional level

Multi-level dimension



Relationship between the national and regional level is very different in the two countries

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Good-cop vs Bad-cop

Main coordination actors:

Red IDI: peer learning

Two main aspects:

- MA at national level → “rigidity” and bureaucratisation of the implementations mechanisms of ERDF
- Distribution of competences across governmental administrative levels → potential competence

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Synergies, Monitoring and Capacity Building

National mechanisms supporting coordination of regional S3: NOP & ROP

S3s National Monitoring System (common understanding of the different S3s)

Capacity Building: “Supporting S3 monitoring and implementation ”

Main coordination actor:

National Agency for Territorial Cohesion

Final considerations: insights from Extremadura and Puglia

Path dependence

S3 governance is integrated in a R&I system, building on **previous existing bodies**

High-skills dedicate to S3;
Governance more closely linked to the **ROP management**

Multi-layer dimension

Coordination Mechanism

- “**hybrid technical body**” at strategic-management level

Informal Coordination Mechanism

- clearly identified actors/entities → **flexibility** but → **vulnerability** to unexpected changes

Multi-level dimension

MA at national level → **administrative OP** management (State Aid regulation) and **conflicts on competences**

Coordination and synergies with national S3, and NOP and ROP

Final considerations: Policy implications at the EU level

S3
governance
to be
understood
in its broader
STI setting

Different settings -> different "weight" of S3

If ESIF main funding source OP management prevails

Realism : acknowledge
administrative constraints

Regulations and financial
incentives determine much of
decision making

Future EC
proposal:
identify S3
governance
body

Good but...

a clear definition of its role in
relation to the MA is necessary

Thanks for your attention