

# Mainstreaming Smart Specialisation

CPMR Baltic Sea Commission Energy Working Group  
Meeting

3<sup>rd</sup> March 2020  
Brussels

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Friends of Smart Specialisation<sup>®</sup>  
(FoSS)*

# Introduction

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### The Green Deal and Smart Specialisation

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(Friends of Smart Specialisation)

Version 4, 20 February 2020<sup>1</sup>

This paper has been produced by the 'Friends of Smart Specialisation'<sup>2</sup> and is intended to be a 'rolling document' that encourages and stimulates dialogue on what will be a key issue for Europe over the next decades. Comments are therefore welcome.<sup>3</sup> This paper will be updated following any comments received, discussions with a variety of stakeholders, and the analysis of the strategies promised in the Green Deal Communication such as the revised EU Industrial Strategy.

#### EXECUTIVE SUMMARY

The European Green Deal is the **new growth strategy for the EU**.<sup>4</sup> The Communication introducing the Green Deal admits that this unprecedented transformation will 'require a strong policy response at all levels' and significant investment efforts. However, the Communication says little on how the strategy will be delivered at the local and regional level and does not refer to smart specialisation strategies as a possible delivery channel. This paper argues that a successful implementation of the Green Deal can only be achieved with a smart governance mechanism. Smart Specialisation has been a new policy approach for targeted investments prioritising new directions in the economy for more than 10 years.<sup>5</sup> Therefore, it is arguable that the European Green Deal can ill afford to ignore the demonstrated potential of smart specialisation to mobilise place-based innovation efforts for transformation goals.

# Who are we?

- **Friends of Smart Specialisation**

An initiative from an independent group of experts and practitioners concerned for the future directions of S3

Started by Dimitri Corpakis, Jan Larosse, Richard Tuffs and supported by Alasdair Reid, Vladimir Cvijanovic and Christine Neve from EFIS, the European Future Innovation System Centre

Mailing list of +150 policy experts, Social Media presence

*The European Future Innovation System (EFIS) Centre is a not for profit policy research lab and think tank to promote an enhanced understanding of the performance and future development perspectives of European, national and regional innovation systems, particularly in response to societal challenges...*

<http://www.efiscentre.eu/>



# Mission

- The group's goal is to support the **mainstreaming of Smart Specialisation** as an instrument for strengthening the **multi-level European innovation system**.
- Smart Specialisation can play a leading role in European policy development and offers an opportunity to **align innovation policies** at different levels (regional, national, European) to **support systemic transformation** by co-investment.
- Smart Specialisation can therefore support the development of a **common reference framework** for aligning forces to tackle common challenges and opportunities underpinning EU innovation policy with **targeted investments**.
- See our Mission Statement <http://www.efiscentre.eu/portfolio-item/friends-of-smart-specialisation/>

## *Friends of Smart Specialisation*

### Mission Statement

(July 2019)

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The *Friends of Smart Specialisation* is an informal group of **independent** innovation policy experts, set up in Brussels in 2018. ¶

The group's goal is to enhance the smart specialisation approach as an **instrument** for strengthening the multi-level European innovation system. The group therefore aspires to be a **resource** for policy makers and shapers at all levels. ¶

The following 10 principles are proposed to guide the further work of the group towards **mainstreaming** smart specialisation in a coherent way: ¶

In the group's view, Smart Specialisation: ¶

- is a key feature of **multi-level governance** of innovation and

# Activities so far

- Policy Labs – interactive learning spaces with regional/EU policy shapers
  - Policy Lab – Brussels – December 2018 (launch of FoSS)
  - Policy Lab – Leuven – April 2019
  - Policy Lab – Brussels – June 2019
- Presentations at Conferences / Webinars
  - Triple Helix Workshop St Mary's University (June 2019)
  - Special Session at the European Regional Science Association Lyon Congress (27-30/8/19)
  - ERRIN S3 Working Group (24/10/19)
  - Regional Studies Association (RSA) Winter Conference (London, 14-15/11/19)
  - Smart Regions 15/11/19)
  - Forum on "A New European Industrial Strategy" at the European Economic and Social Committee, 04/12/19
- Policy papers
  - August 2019
  - February 2020: **Green Deal and Smart Specialisation**



# August 2019 Policy Paper



## Challenges

- Smart specialisation is increasingly becoming part of the policy discourse in Europe but has it found its right position? Should it not play a **more influential role in policy making?**
- In order to become a driver for transformative policies throughout Europe it **must break away from its attribution as an ‘enabling condition’ only for accessing ERD Funds in Cohesion Policy.**
- **How can we convince other policy domains and levels of the advantages of smart specialisation for their own domains and benefits of S3 as a central feature of innovation policy at large?**

# Need for mainstreaming S3 across EU transformation policies

- Still predominantly silo approach (Research and Innovation, Cohesion, Industry, Agriculture, Energy, Transport, Environment...)
- Convergence paths still unclear...
  - Synergies? Missions? Value chains?
  - New Commission portfolios: towards a better coordination?
  - Do regions/countries develop strategic capabilities?
  - Connecting sectors and territories, a clear challenge
  - **Smart Specialisation could become a catalyst and an integrating force for wider change**

# Key directions towards mainstreaming

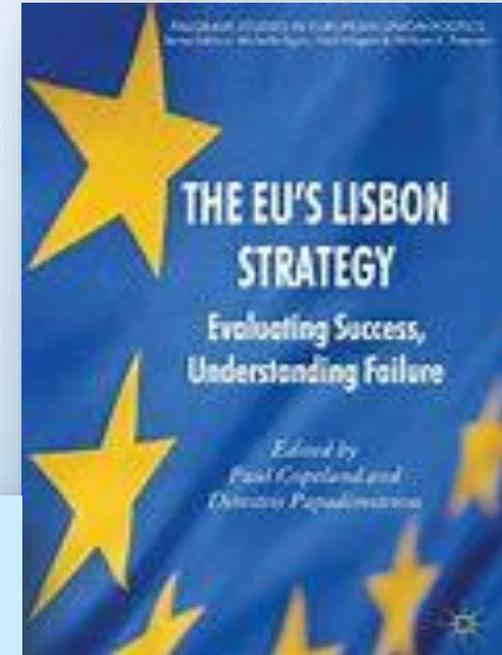
- S3 must be part of all EU transformation strategies integrating the concept of place-based regional innovation ecosystems
  - S3 should be outward-looking building on **complementarity and coordination**, not just own competitive advantage (see new *Interreg (ETC) Component 5* and *Clusters Internationalisation*)
  - S3 needs (and can stimulate) improved multi-stakeholder governance and leadership in **making choices**
  - S3 lends itself to story-telling and narratives and can encourage citizen engagement for **common futures**
  - S3 should strengthen **policy mixes** with educational and training policies and digital transformation
  - S3 priorities should be more strongly linked to and supported by **EIT KICs**
  - S3 must be firmly linked to **Integrated Territorial Investment** strategies.
  - S3 should become part of the **EU semester** policy monitoring of transformation policies.

# The Green Deal and Smart Specialisation

- **Green Deal** – new growth strategy for the EU which aims to...  
*transform (the EU) into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use*
- But – little information on how the strategy will be delivered at regional and local level.
- No reference to ‘smart specialisation’

# Smart Specialisation and Green Deal

- Need a strategic discussion on the *evolving role of smart specialisation*: from a Cohesion Policy instrument to an overall governance tool for European transformation.
- Or...risk failure as in the case of the Lisbon Strategy



## 2.7 2000s: Lisbon strategy

- Concern for Europe's slow growth and high unemployment were present from 1990s
- 1990s saw European employment policy
- 2000 Lisbon Strategy launched with the ambitious goal of making the EU the most competitive and dynamic knowledge-based economy by 2010. Objectives in terms of growth and employment to be achieved by that date.
- Use of Open Method of Coordination
- Unsatisfactory results in a mid-term review of the Lisbon Strategy in 2005 leads to review of strategy

# How Smart Specialisation can help the Green Deal (i)

- 1. Transformation:** Smart specialisation is not looking at comparative advantages of the past but at *competitive positioning in the economy of the future*.
- 2. Interdependency:** Smart specialisation can therefore be restyled as *smart complementarity to highlight this interdependency*.
- 3. Alignment:** We need to align resources as effectively as possible based on *place-based entrepreneurial opportunities triggered by a shared European vision*.
- 4. Co-opetition:** The mechanism of smart specialisation is based on *identification of (mutually beneficial) opportunities*.

# How Smart Specialisation can help the Green Deal (ii)

5. **Clusters:** The smart specialisation strategies (expressed in earmarking public innovation and transformation funding) are linked to *unique cluster capacities (innovation eco-systems) in territories with their own historic and geographical identities.*

6. **Place-based:** This place-based policy must be implemented by all (regional, national and European) policy levels that have competences that can *support these places/clusters to use their potential for the pursued transformation.*

7. **Integrated approach:** Smart specialisation is contextual and requires tailored policy mixes and policy integration. It stimulates *integration of innovation policy in the broader set of education, training, regulation and infrastructure policies to make it work.*

# How Smart Specialisation can help the Green Deal (iii)

8. **Top-down and bottom up:** The combination of policy levels and policy domains is making smart specialisation a multi-level European style policy. It combines a *European common vision with decentralised decision spaces*.

9. **Investment:** The entrepreneurial discovery process (EDP) is an appealing methodology enabling *a smart role for public policy in the co-creation process of strategic clusters of the future*. Political commitment is key for strategic investment policy, but a lot of policy innovation to structure the EDP is still ongoing.

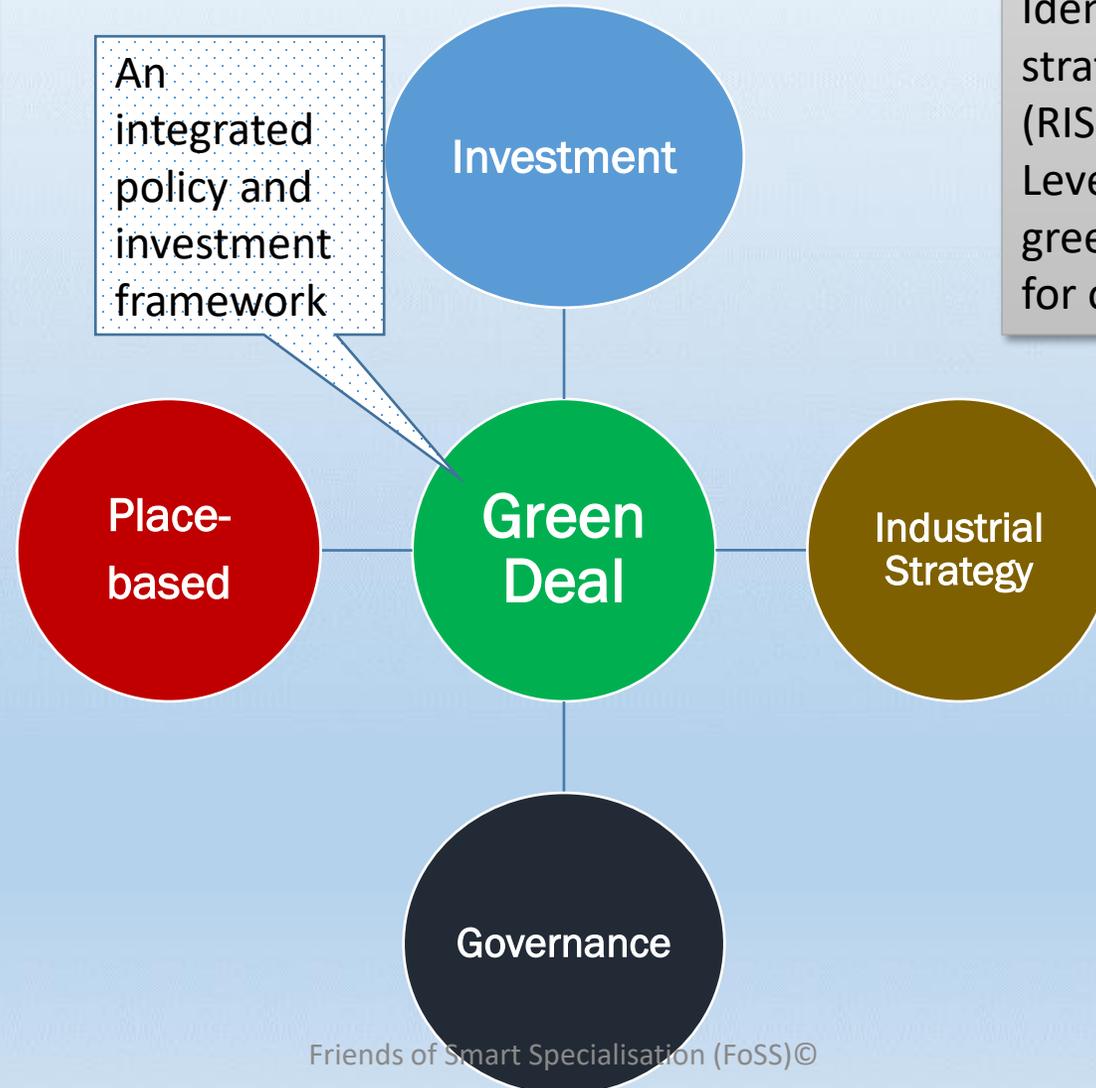
10. **People:** In smart specialisation the role of people that can share trust in the future is crucial. *People-centred policies are based on valorisation of talent and on adjustments to labour market needs in a quickly evolving society, leaving no one behind*.

# Smart specialisation – domains of action

Align investment strategies in all regions with the greening of the European growth model:

- prioritising own (nat/reg) resources comes first!
- European additionality on top

Strengthen the unique local cluster capabilities in RIS3 2.0 to breed new business and societal value for Green Growth in a decentralised way



Identify smart complementarities in strategic European value chains (RIS3 partnerships linked to High-Level coordination), for co-creating green opportunities, as spearheads for overall economic modernisation.

Combine RIS3 2.0 assessment with the EU Semester and other European mechanisms for green directionality, to promote co-investments across regions

# Conclusions

- If the Green Deal is not to suffer the same fate as the Lisbon Strategy, it needs to incorporate both the policy and governance learning available from smart specialisation and address the Green Deal as an ambitious but achievable *new European growth strategy*.
- *Mainstreaming smart specialisation* for all transformation policies and especially for the Green Deal's encompassing system approach should be considered *a high priority for Europeans in all institutions* that care for the future of the European vision. This means enlarging co-ownership of the smart specialisation policy approach, as *a federative European approach, ready to play its role in the successful implementation of the Green Deal and its future policies and actions*.
- *Smart specialisation has to move-on to RIS3 2.0 (outward looking, complementarity seeking investment strategies), supported by synergy rewarding funding*.

# We want to hear from you!

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