

Thirty years of regional innovation policy: what have we learned?

Kevin Morgan
Cardiff University

Week of Innovative Regions in Europe Conference
Iasi, Romania
26-28 June 2019



This project has received funding from the European Union's Seventh Framework Programme for research, technological development and demonstration under grant agreement number 320131.

SmartSpec

Overview

- Regional innovation policy (RIP) is 30 years old next year – what have we learned?
- RIP = a big challenge for Regions, Member States and the European Commission
- RIS3 (Smart Specialisation) is the latest phase of RIP and 3 of the biggest challenges to date are –
 - **empowered governance structures**
 - **effective knowledge exchange networks**
 - **robust monitoring & evaluation systems**



Challenge of RIP

- RIP creates big challenges for all concerned
- It's a big **absorption challenge** for Less Developed Regions (LDRs) in every member state
- It's also a big **political challenge** for the EC and Member States to demonstrate the efficacy of RIP and Cohesion Policy generally
- After 25 years of Cohesion Policy “the evidence of its effectiveness is so inconclusive” (Bachtler et al, 2015)



The (multi-level) governance challenge

- The MLG concept implies that the **VERTICAL** axis (EC – Member State – Region) is the key axis, but there are 2 problems with this view:
 - the **HORIZONTAL** axis is equally important if we want to design policies that are integrated across multiple policy domains (but policy silos make this difficult)
 - the **REGIONAL** level is also important because it is the level where policies are actually implemented (or where they fail to be properly implemented)
- Poor policy integration and policy implementation help to explain why Cohesion Policy has been so inconclusive



Governance – the regional dimension

- Sub-national levels of governance are becoming more and more important because RIP needs to be implemented in **place-specific** contexts
- Regions in centralised member states (eg Greece and Romania) face the biggest policy challenge because
 - they have the **knowledge** about what needs to be done
 - but they are not **empowered** to act on their knowledge



Knowledge exchange networks

- The Triple Helix (business, universities and government) concept represents a triumph of rhetoric over reality
- The metaphor itself is problematical because the 3 actors “**constitute separate *corners of a triangle*, not strains in a dynamically active helix**” (Bonaccorsi, 2009)
- Aligning their interests requires at least 3 key ingredients:
- **Time** – building cooperation is a time-consuming process
- **Trust** – the key ingredient that has a value but no price
- **Leadership** – place-based leadership is needed to craft a collective sense of purpose

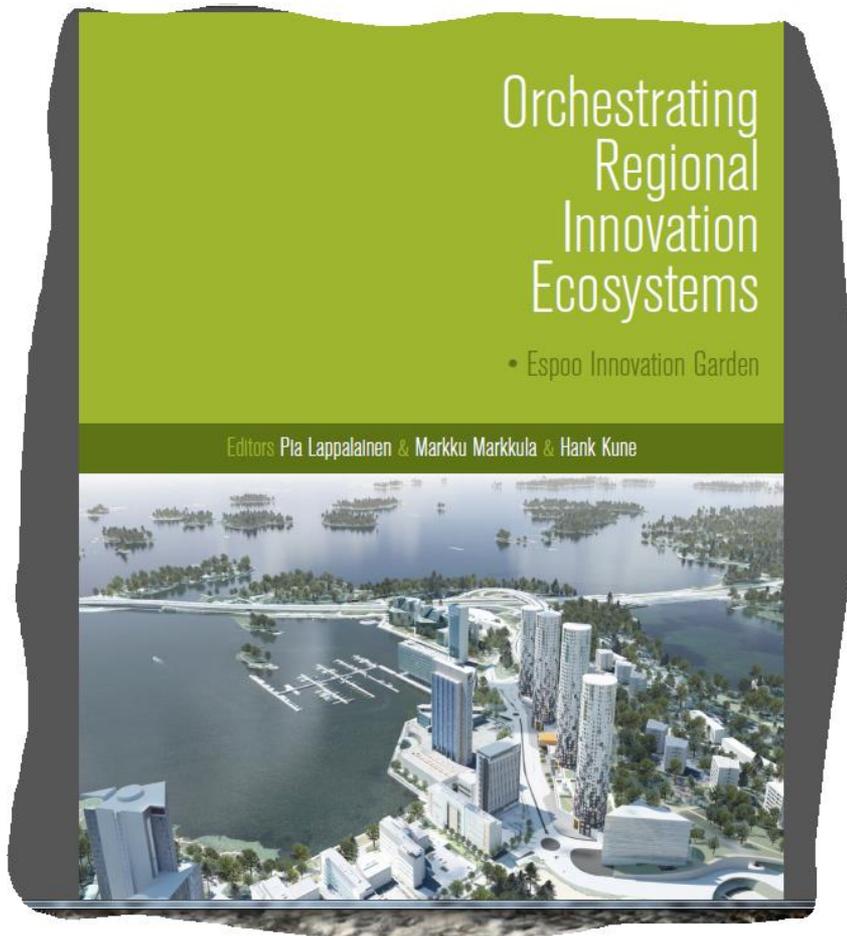


Understanding universities

- All the actors in the Triple Helix have their own interests and their own cultures and we need to understand each of them
- Of the three actors, universities may be the least understood
- Universities in less developed regions can help to catalyse innovation so long as we remember that:
 - **Universities are complex and self-referential institutions and need incentives/reasons to engage regionally**
 - **Universities do not have the skill sets to commercialise their research**
 - **Regions need to nurture regional innovation ecosystems to connect knowledge generation (universities) with knowledge exploitation (firms)**
 - **Regional innovation ecosystems need to connect with cross-border value chains (eg Vanguard Initiative)**



Nurturing regional ecosystems



- Markku Markkula and his colleagues have produced a very good guide as to how a regional innovation ecosystem was nurtured through place-based collaboration in Espoo, Finland



Nurturing regional ecosystems

- Other good examples of regional innovation ecosystems are **South Moravia** and the **Basque Country** and we need to share these experiences through better peer-to-peer learning networks
- The key feature of a regional innovation ecosystem is **connectivity** (in and beyond the region) and this requires good relationships based on trust
- Trust is a **unique asset** – it has a value but no price, so it has to be earned by discharging our commitments to our partners



Monitoring and evaluation

- A robust monitoring & evaluation (M&E) system is the only way to discover what works where and why
- But M&E systems have suffered from low political status for the past 30 years
- The rationale for M&E is also mis-understood:
 - **it is too often seen in purely negative terms as a compliance tool for auditing past policy**
 - **when it should be seen in positive terms as a learning tool to create evidence-based policy for the future**



Questions for the future

- Looking to the post 2020 period, RIP needs to address the challenges of governance, knowledge exchange and M&E
- Do **Public Administrations** in the regions have the right skill sets for these challenges?
- Are **Member States** empowering their regions to rise to the challenges?
- Should the **European Commission** do more to persuade Member States to devolve decision-making authority so that regions are empowered to act on their knowledge?

