THE REALITIES OF RIS3: IMPLEMENTATION GAPS BETWEEN MORE AND LESS DEVELOPED EUROPEAN REGIONS

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Outline

■ The RIS3 challenge

■ Challenges of implementation

■ Analysis of implementation rates for EU regions and countries

■ RIS3 in practice

■ Future work
The RIS3 challenge

- RIS3 has been described as “the largest innovation policy experiment in the world” (Radosevic et al, 2018)

- It places huge demands on the public sector, in both the design and implementation stages

- It is intended as an experimental policy tool, but operates within a rigid regulatory environment
Challenges of implementing S3

- The national/regional context is important when assessing the RIS3 experience – as such there is no absolute metric or yardstick by which to measure progress or good practice.

- Implementation is not a passive process in which local agents faithfully and unerringly deliver the grand designs of higher level and more knowledgeable policy makers.

- Implementation is a highly contingent and contested process
  - *problems unforeseen at the design stage have to be acknowledged and overcome through a learning-by-doing process of trial and error*
  - *solutions have to be constructed rather than delivered through a linear policy design*
  - *But are all regional authorities prepared to deal with these demands?*
# Implementation rates

Planned investments with EU funds in the categories of intervention most relevant to RIS3 according to categories of region in 2017 (in million Euros)

<table>
<thead>
<tr>
<th>Category of region</th>
<th>Planned EU amount (€)</th>
<th>Implementation rate</th>
<th>Spend rate</th>
<th>Co-financing Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less developed</td>
<td>33,669</td>
<td>62.00%</td>
<td>10.00%</td>
<td>77.33%</td>
</tr>
<tr>
<td>Transition</td>
<td>7,475</td>
<td>42.88%</td>
<td>9.88%</td>
<td>62.59%</td>
</tr>
<tr>
<td>More developed</td>
<td>12,272</td>
<td>52.07%</td>
<td>11.69%</td>
<td>50.70%</td>
</tr>
<tr>
<td>Total</td>
<td>54,384</td>
<td>56.28%</td>
<td>10.29%</td>
<td></td>
</tr>
</tbody>
</table>
Implementation rates

- No statistical correlation between development of the region or the nation and implementation rates

- However strong correlation between level of development and co-financing rates

- This suggests that less developed countries-regions are more dependent on cohesion funds and therefore have less opportunity to experiment with policy initiatives
RIS3 in practice - challenges

- Major challenges:
  - Low capacity in the public sector
  - Limited demand in the private sector for strategic investments
  - Regulatory complexity
  - EDP dominated by insiders
  - Lack of monitoring mechanisms
RIS3 in practice - achievements

- Arguing the case for place-based development policy

- It set out a process of analysis and reflection which, if supported by continuing efforts, could shape policy frameworks

- Broadening our understanding of what counts as innovation and putting a renewed emphasis on issues such as skills development, process innovation, technology transfer

- EDP processes which have become ongoing consultation boards
RIS 3 in practice – future development

- Need to combine short-term assessment with long-term thinking and allow the system to learn and adapt

- Need to continuously reinforce the place-based nature of Cohesion policy – Foster ecosystems for researchers, innovators, industries and governments; avoid potential negative effects of mission-oriented R&I investments

- The post-2020 EU R&I programme should be open to experiment with new ways of calling for and evaluating proposals and supporting projects, for example through innovative blending of grant, loan and equity-based forms of investment.

- Mission-oriented, impact-focused approach to address global challenges - open to all actors in the research and innovation cycle, such as cities and regions, which could act as “innovation laboratories of change” in piloting new ideas and concepts.

- Synergies and simplification
Future work

- Analysis of limitations in public sector capabilities through case study analysis in Southern European and Central and Eastern European regions

- Analysis is dynamic, since public sector capabilities are influenced by overall functioning of the economic ecosystem

- Understanding that political processes shape policy outcomes, especially in countries where public sector has limited autonomy
Thank you for listening

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