The European Commission’s science and knowledge service Joint Research Centre
The governance of Smart Specialisation – Empirical challenges

*Elisabetta Marinelli et al.*

SmarTer Conference 2018, Seville
Governance of S3 – Why?

True love is like ghosts, which everyone talks about and few have seen.

Francois de La Rochefoucauld
Governance of S3 – Why?

True S3 governance is like ghosts, which everyone talks about and few have seen.

François de La Rochefoucauld
Elisabetta Marinelli
S3 governance – What should it do?
S3 governance – Yes but...
The only true wisdom is in knowing you know nothing (…including S3 governance)

Socrates
(Elisabetta Marinelli)
Audience poll

3-ple helix

Thematic objective 1

European Regional Development Fund - ERDF

European Social Fund - ESF

Managing Authority

Ex-ante conditionality?

ESIF Regulations

State Aid Regulations
The road to today...

Two role-playing games
• Elisabetta Marinelli

Case studies
• Federica Bertamino
• Elisa Gerussi
• Hugo Pinto
Squaring the circle
lessons from the role-playing exercises on S3 regional and multi-level governance

Elisabetta Marinelli, PhD
SmarTer Conference 2018, Seville
Role playing for policy learning

Origins: Military training

Modelling vs Gaming: Prediction vs learning

Advantages
- Real life situation without real-life pressures
- Non-reversible decisions
- Communication among conflicting stakeholders

Key elements
- real system
- real stakeholders
- roles
- rules
- scenario
Two role-playing games

**Intra-Regional Governance**

- Politic.
- S3 Technical Body
- 3-Helix
- ESF MA
- ERDF MA

**Multi-level Governance**

- National S3 Technical Body
- DG REGIO
- S3 Technical Body – Capital Region
- S3 Technical Body – Peripheral Region

**Intra-Regional Governance**

**Multi-level Governance**
Intra-regional governance scenario:

**Background**
- Less developed, rural region – **large agricultural sector**
- Incipient innovation system (1 Univ. 1 PRO)
- Young researchers more active in TT
- Large presence of SMEs;
- Strong potential in dairy and oil.

**Key weaknesses**
- Lack of demand/skills for innovation
- Lack of a strategic research-plan to valorise leading products
- Limited RTDI collaboration

**Preliminary proposal**
- To invest in vocational/professional training
- To invest in Industrial PhDs, especially in leading products
- To invest in vouchers for innovation services
- To invest in collaborative research grants
- Instruments currently used but not all under the S3 umbrella.
**Intra-regional governance scenario – Rules of interaction**

<table>
<thead>
<tr>
<th>Objective</th>
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<tr>
<td>• Renegotiate S3 policy mix for Agrifood and start discussing for 2021-2027</td>
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<table>
<thead>
<tr>
<th>Roles</th>
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<tr>
<td>• MAs: focus on administrative and legal constraints (take-up of funds; coming mid-term evaluation; State Aid, etc).</td>
</tr>
<tr>
<td>• Regional politicians: Next electoral cycle</td>
</tr>
<tr>
<td>• Stakeholders: support is insufficient and fragmented</td>
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<th>Rules</th>
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<tr>
<td>• S3 Technical body to negotiate with MAs and Stakeholders</td>
</tr>
<tr>
<td>• S3 to draft proposal to politicians</td>
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<table>
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<th>Process</th>
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<tr>
<td>• Each group has detailed instructions + information (i.e. monitoring, regulations, etc.)</td>
</tr>
<tr>
<td>• In-built asymmetric information and trade-offs</td>
</tr>
<tr>
<td>• Moderator + Rappourteur</td>
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Intra-regional governance scenario: key issues

- Type of engagement
- Trust
- Role of political support
- Principal-agent dilemma
- Short vs long term
- Rigid vs evolving
- Training (ESF)
- Innovation (ERDF)
- Operational programme vs S3
- Coordinate Policy
- Policy and political cycle
- Role of stakeholders
- Type of engagement
- Trust
Intra-regional governance: results

**OP vs S3**
- MAs evaluate new instruments in terms of:
  - Spending speed
  - State Aid
  - Programme objectives (ESF≠S3)
- No to narrowing priority
- Openness to pilot initiatives

**Policy Coordination:**
- Rules and objectives: ESF ≠ ERDF
- Human capital for S3 – Regulation gap
- Common incentives and objectives
  - Burden of proof on S3 T.B.
  - Understand skills demand.
- Interesting misunderstanding
  - ESF MA open to work with ERDF, but technical body did not realise it!

**Policy and political cycles**
- Align results with re-election in 2021
- Link S3 to electoral promises
  - Export and employment growth
  - Stir towards environmentally friendly Agrofood products

**Role of stakeholders:**
- Stakeholders are insightful
- Need policy to connect
- Monitoring as a tool for engagement
- Several proposals-> none-accepted (OP agnostics!)
Multi-level governance scenario: background 1

Task 2: Technical assistance

Negotiation of a potential technical assistance project for peripheral region, financed by DG REGIO.

Task 1: Capacity building programme

Definition of a capacity-building programme for S3 coordination at the national and regional level.
Multi-level governance scenario: background 2

<table>
<thead>
<tr>
<th>Economic &amp; Administrative situation</th>
<th>S3 and ERDF</th>
<th>Objectives of National Capacity Building Programmes:</th>
<th>Objectives of DG REGIO technical assistance to peripheral region</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 country 2 less developed regions</td>
<td>1 National OP &amp; S3 + 2 Regional OP &amp; S3</td>
<td>Coordination of: calls state aid S3 revision</td>
<td>Complement, if needed, national programme</td>
</tr>
<tr>
<td>Activities concentrated in capital city</td>
<td>Inefficiency and delays in issuing calls</td>
<td>Design governance structure</td>
<td></td>
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<tr>
<td>Regional STI competences National formal checks</td>
<td>Limited take-up of funds, especially from companies</td>
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Multi-level governance scenario: key issues

Co-ordination of S3 functions at the national and regional levels.

Developing a shared understanding of S3, across levels.

Characteristics of a functioning multi-level governance structure
Multi-level governance: results

National-regional coordination:
- Collaboration necessary and possible when capabilities unequally distributed
- Coordinating calls: essential but virtually impossible

Developing a common understanding of S3
- DG REGIO = OP not S3
- No technical assistance
- Unexploited potential in DG Regio
- Un-targeted support opportunities (TAIEX, online tools) of limited value

Governance as capacity building
- Need to empower S3 Technical bodies – at least formal consultation
- National-regional coordination as learning opportunity
Conclusions

Policy conclusions
- Current ESIF framework not suited to S3
- Set realistic expectations against administrative complexity
- EC Regulations 2021-2027
  - Skills for S3, entrepreneurship and industrial transitions -> good!
  - Governance body in ex ante conditionality: need to clarify links to OP MA

Methodological conclusions
- Role playing good for learning and exchange
- Very cumbersome to prepare
- Strike the balance between interesting and difficult

Thanks
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