Smart LEADER: challenging Smart Specialisation in the scope of Rural Development

Martina Pertoldi
Joint Research Centre, European Commission
Martina.Pertoldi@ec.europa.eu

Mariangeles Muriel González
TAGUS
mamuriel@tagus.net

Joaquin Mª López Muñoz
TAGUS
joaquinl@tagus.net

Changing Patterns of Territorial Policy: Smart Specialisation & Innovation in Europe.
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Structure of the presentation

1. Smart specialisation in the context of territorial development.

2. How EU policy is approaching innovation in rural areas.
   • Rural development/agriculture
   • Research/ innovation
   • Local innovation within CLLD/LEADER
   • Smart specialisation: policy framework and RIS3s


4. Emerging research questions.
Europe 2020 supports a better relationship between economy and nature (sustainable), society (inclusive) and knowledge (smart).

Research and innovation strategies for smart specialisation (RIS3) are integrated, place-based economic transformation agendas aiming at investing more and better in research, innovation and entrepreneurship as part of Europe's response to the present economic crisis and as crucial elements to address all the Europe2020 objectives.

A place-based development policy (Barca Report, 2009):
• a long-term development strategy whose objective is to reduce persistent inefficiency (underutilisation of the full potential) and inequality (share of people below a given standard of well-being and/or extent of interpersonal disparities) in specific places;
• through the production of bundles of integrated, place-tailored public goods and services, designed and implemented by eliciting and aggregating local preferences and knowledge through participatory political institutions, and by establishing linkages with other places;
• promoted from outside the place by a system of multilevel governance.
Local dimension
Smart specialisation “when appropriately translated to an explicitly spatial regional context, give guidance to design and articulate local development policies” (McCann and Ortega-Argiles, 2012; McCann, 2015).

“critical elements of the development process [...] are significantly related to the aptitudes of local and regional decision-making [and to] the strategic capability implementation at the local level” (Scott & Garofoli, 2007).

"the Smart specialisation concept is essentially a local knowledge and learning enhancement concept" (McCann & Ortega-Argiles, 2012).

From an industry to a territorial development strategy
"Smart specialisation should support and be linked to territorial development projects", which are not based on specific industries, but on territorial capital (Capello and Kroll, 2016)
How EU policy is approaching innovation in rural areas

H2020

• H2020 multi-actor projects
  Attempts to steer agriculture-related Horizon 2020 projects towards models of greater collaboration and multi-disciplinarity not necessarily originated in basic research (EU SCAR, 2015).
• Issue of absorption capacity; entry barriers.

EIP on Agricultural Productivity and Sustainability (EIP-AGRI) – EAFRD/H2020

• multidisciplinary operational groups around specific projects.
  Research contribution is expected from related Horizon 2020 initiatives.
• Interactive multi-actor dynamics but no focus on local and regional coordination/integration.
  Innovation as a traversal aspect of proposals rather than a directed action area
How EU policy is approaching innovation in rural areas

Rural development/agriculture
Research/ innovation

CLLD/LEADER - EAFRD

- CLLD/LEADER programme (Liaison Entre Actions de Développement de l'Économie Rurale) Local innovation and experimentalism as an integral element of its activity. Born in 1991 as a response to criticism on individual project approach and lack of project coordination.
  Good examples – LEADER approach promoted across EU policy through CLLD. Mobilising endogenous potential and empowerment of local communities.
- Lack of a clear guidance and absence of innovation-specific eligibility criteria. Interpretation of innovation left to Local Action Groups (LAGs). Innovation remains peripheral within LEADER (Dargan and Shucksmith, 2008)
  Mainstreaming of LEADER in RDPs: grant providers instead of innovator agency. Issues of financial resources and skills at the local level (Dax et al., 2015)
How EU policy is approaching innovation in rural areas

2 500 Local Action Groups (LAGs) covering over 54% of the rural population in the EU and bringing together public, private and civil-society stakeholders in a particular area.
Smart specialisation has the potential to radically change the approach of public policy towards innovation in rural areas:

- addressing the wide range of innovation activities already emerging in rural areas, still not fitting the more common and core-constructed definition of innovation, and

- supporting scientific knowledge in the valorisation of endogenous resources.

“The most important factor when it comes to valorising potential natural resources is knowledge.”
(Bengt-Ake Lundval, 2015)
RIS3s priorities: the potential role of rural areas

Source: S3 thematic platform, on Agri-food, Eye@RIS3 (online S3P tool), 2015

1,260+
The number of priorities encoded in the Eye@RIS3 database

Many RIS3 priorities are linked to several such categories

3 in 4 regions selected an Agro-Food related priority
1 in 5 Agro-Food priorities focus on new technologies

EU priorities

- KETs (23%)
- Health (17%)
- Energy (15%)
- Creative (4%)
- Transport (3%)
- Agro-Food (23%)
- Digital Growth (12%)
- Social Innovation (2%)

(new) Technologies (23%)
- Tourism related (20%)
- Higher Added Value food (13%)
- Aquaculture, Maritime (12%)
- Eco-friendly production (7%)
- Others (26%)
Smart LEADER: the case of TAGUS

TAJO-SALOR-ALMONTE

EXTREMADURA

TAJO-SALOR-ALMONTE

- 2,345 km²
- SPARSELY POPULATED
  - POP 28,258, 12.05 people / km²
- NATURAL AND PATRIMONIAL ASSETS
- INDUSTRIAL FRAGMENTATION: SERVICES
- MAINLY PRIMARY SECTOR
- HIGH UNEMPLOYMENT RATE
Main steps in TAGUS smart specialisation experience

• Analysis of regional RIS3
• Identification of territory’s competitive advantages
  • With an eye towards alignment with RIS3
• Selection of Tajo-Salor-Almonte specialisation focus
  • La Torta del Casar cheese
• Design of a specialisation profile around La Torta connected with regional RIS3 domains
• Setup of extended governance model with knowledge actors
  • Fundecyt, CTAEX, University of Extremadura, etc.
• EDP with local actors towards design of innovation action plan
• Shared elaboration of first innovation action plan version
  • As a component of LEADER local development strategy (LDS)
• Creation of tools for the promotion of the innovation culture within the territory (innovation ecosystem)
• Scouting for external funding sources to implement action plan
• Initial steps towards an evaluation and monitoring plan
• Experiment, experiment, experiment
  • First actual projects within weeks of experience start
TAGUS smart specialisation experience: projects

Holistic shepherding

• Optimize sheep feeding
• Satellite to monitor pasture nutritional value
• Working to become an operational group with public/private governance
• UEX (Horizon 2020) + Eagroup R&D + Actyva sc + Cooprado + Town councils + TAGUS
TAGUS smart specialisation experience: projects

Shepherding school

• Not enough supply during demand peak season
• The School will increase supply
• EDP: strong civil society involvement
• University & technology centres bring excellence to the profession
• Coleadership: cooperative + University + CiCYTEX + TAGUS + CRDOP Torta del Casar
SMART LEADER

CONNECTING AND MATCHING S3 INNOVATION FEATURES WITH LEADER

IMPROVING LEADER GOVERNANCE MODEL

LAGS' GOVERNANCE MODEL

QUADRUPLE HELIX GOVERNANCE MODEL (RIS3)

COPARTICIPATION CORRESPONSIBILITY

COLEADERSHIP

TERRITORIAL GOVERNANCE

- PUBLIC ADMINISTRATION
- ASSOCIATIVE/CITIZENRY
- BUSINESS NETWORKS
- RESEARCH AND KNOWLEDGE CENTRES
A methodology for the promotion of innovation in the rural environment based on smart specialisation and a new territorial governance model for the inclusion of knowledge agents into CLLD/LEADER.

- **Selection of comparative advantages**
  Through local EDP
  Elements for eligibility
  Match & refine with regional RIS3

- **Specialisation profile**
  Connection with other economic territorial activities (related variety), related KETs in regional RIS3

- **Smart+ governance model**
  Inclusion of knowledge actors into traditional LEADER Triple Helix
  Co-participation, co-leadership, co-responsibility

- **Action plan**
  EDP through piloting
  Shared vision, mission, challenges
  Temporal plan

- **Innovation ecosystem**
  Give tools to the territory in order to enhance innovation culture

- **Evaluation and monitoring**
  Smart LEADER methodological proposal in a nutshell

Regional RIS3 / Smart LEADER “match & refine” correspondence.
The connective power of Smart LEADER

- Competency acquisition critical to project rural territories outside local realm
  - This is about changing mindsets, too
- A strategy makes sense of otherwise scattered initiatives
- Within EU policies
  - Synergies with EIP-AGRI Operational Groups
  - Multi-actor H2020 projects
  - Territory as best sandbox for innovation testing
- Vertical connection with regional RIS3
  - Same vocabulary helps understanding
  - Match & refine
  - LAG as stakeholder for RIS3
  - Win-win relationship
- Within LEADER
  - Innovation plan as a booster of traditional development initiatives
- Multi financing
  - Innovation and entrepreneurial culture allows the territory for greater outreach to alternative financing sources
Emerging research questions.

The capacity of rural decision-makers and rural actors varies across Europe:
Is the experience of TAGUS and the conceptual proposal replicable by other LEADER LAGs?
Are LAGs able to understand the transformative objectives of S3?
Do they have the human/financial/institutional capabilities?

How to assess the value added of the territorial approach to smart specialisation?
Should other intermediate territorial bodies considered for leading such a process in the scope of smart specialisation?

Is Smart LEADER able to initiate a new trend in the current EU rural policy as innovation-led rural development?
Thank you!