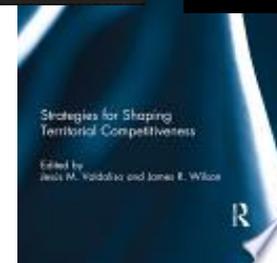
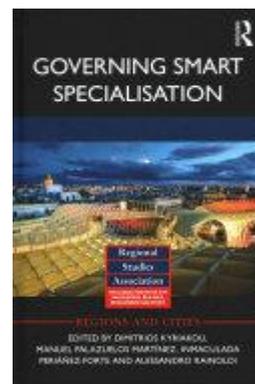
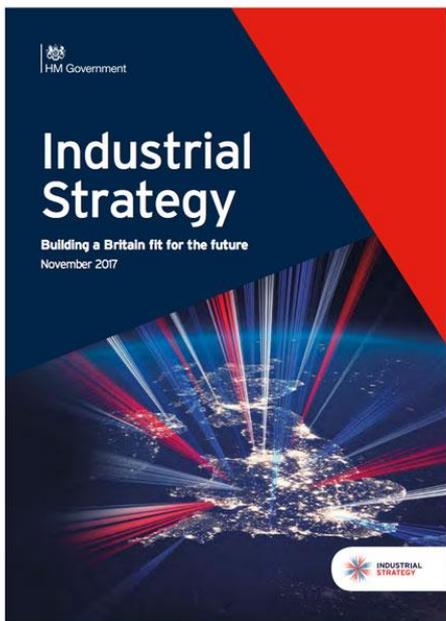


# REGIONAL INTELLIGENCE FOR REGIONAL STRATEGY

**Dr. James Wilson**

*Orkestra and Deusto Business School*

# 'Boomtime' for Regional Strategy

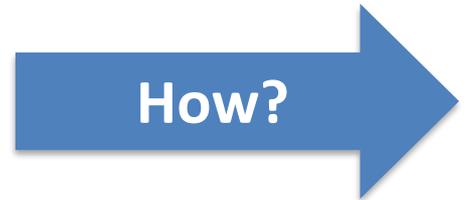
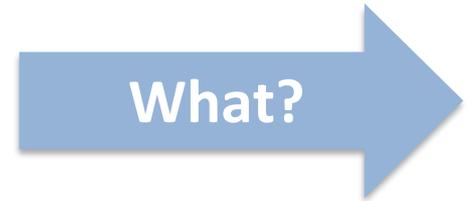


- The emergence and growing popularity of concern with 'territorial strategy' over recent years brings together various elements:
  - Recognition of the importance of place-based policies
  - Structural transformation of economies through 'related variety'
  - Emergence of 'new industrial policy' (or industrial strategy)
  - Concern with innovation being driven by societal challenges
  - A return to 'mission-oriented' innovation policies

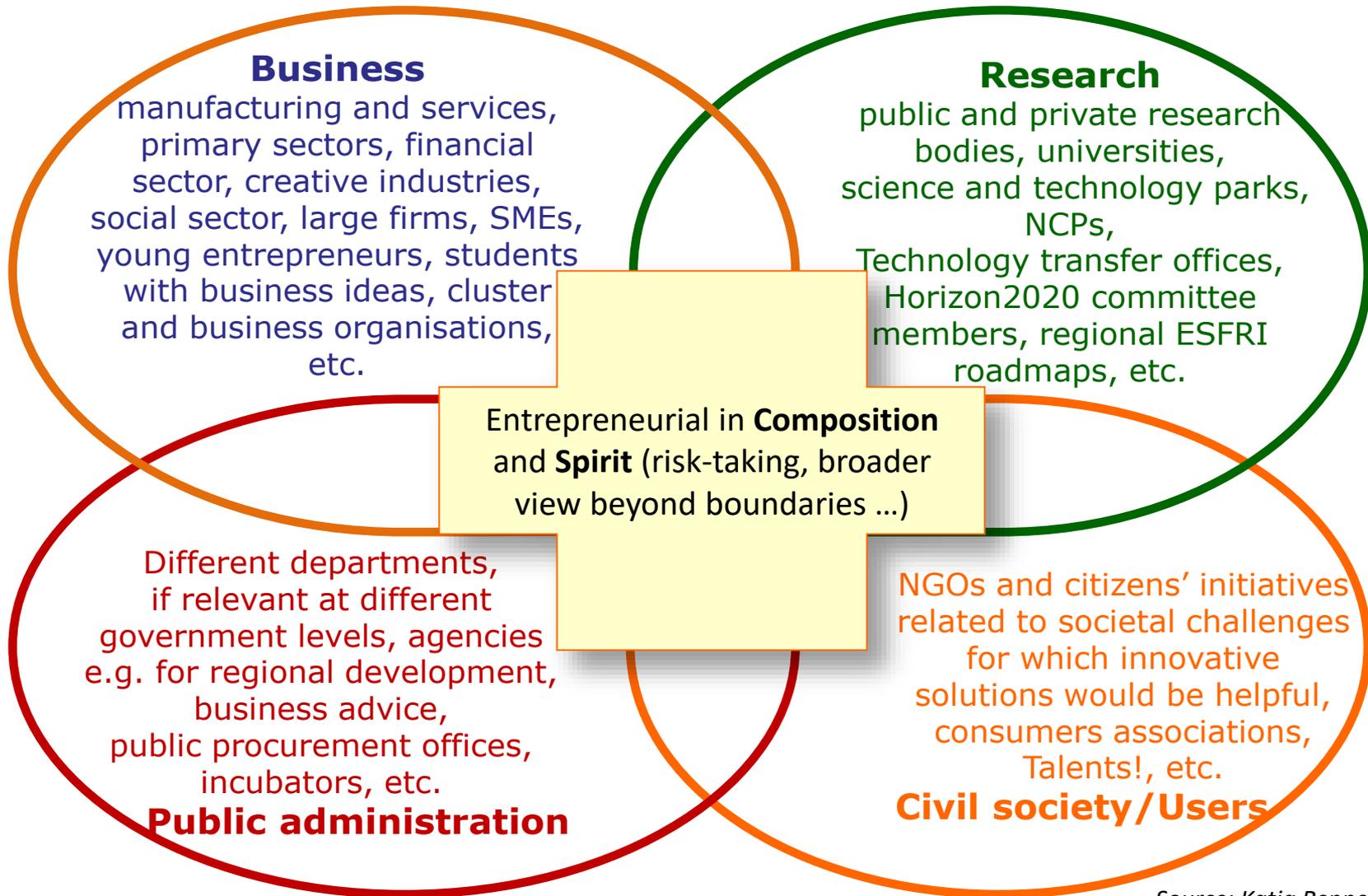


# Key Elements of Smart Specialisation Strategies

1. **Prioritise** investments in research, development and innovation
2. Do so through a process of **discovery**, integrating knowledge of relevant agents
3. Generate **smart structural transformation** in the economy and respond to **societal challenges**



# RIS3: Entrepreneurial Discovery



Source: Katja Reppel / DG Regio presentation, January 2014

A continuous process, present from initial identification of priorities, through the strategy implementation (where priorities are refined) Marinelli & Perianez Forte (2017)

## Entrepreneurial discovery & regional intelligence

- Regional entrepreneurial discovery difficult to put into practice because it requires engagement of multiple stakeholders
- Academic literature far from clear on what a regional entrepreneurial discovery process should look like and how it should be operationalised, but generally accepted that it:
  - Should have a strong analytical component and evidence-base for selecting and refining priorities;
  - Should be strongly participative;
  - Should combine elements of *bottom-up* and *top-down*; and
  - May have different stages with different characteristics (e.g. initially establishing fairly broad priorities, and then increasing the granularity to 'dig deeper' into more specific paths within those priority areas).

Clear that regional entrepreneurial discovery requires sophisticated and dynamic injection of strategic intelligence

## Example: Basque Country S3

- Basque S3 formally set out in the *Science, Technology and Innovation Plan 2020*, published at the end of 2014
- Not a radical change: builds on stable & consistent approach to industrial development policy over 30 years



1980s

- **Industrial Restructuring**
- Response to economic crisis
- Investment in key STI infrastructure

1990s

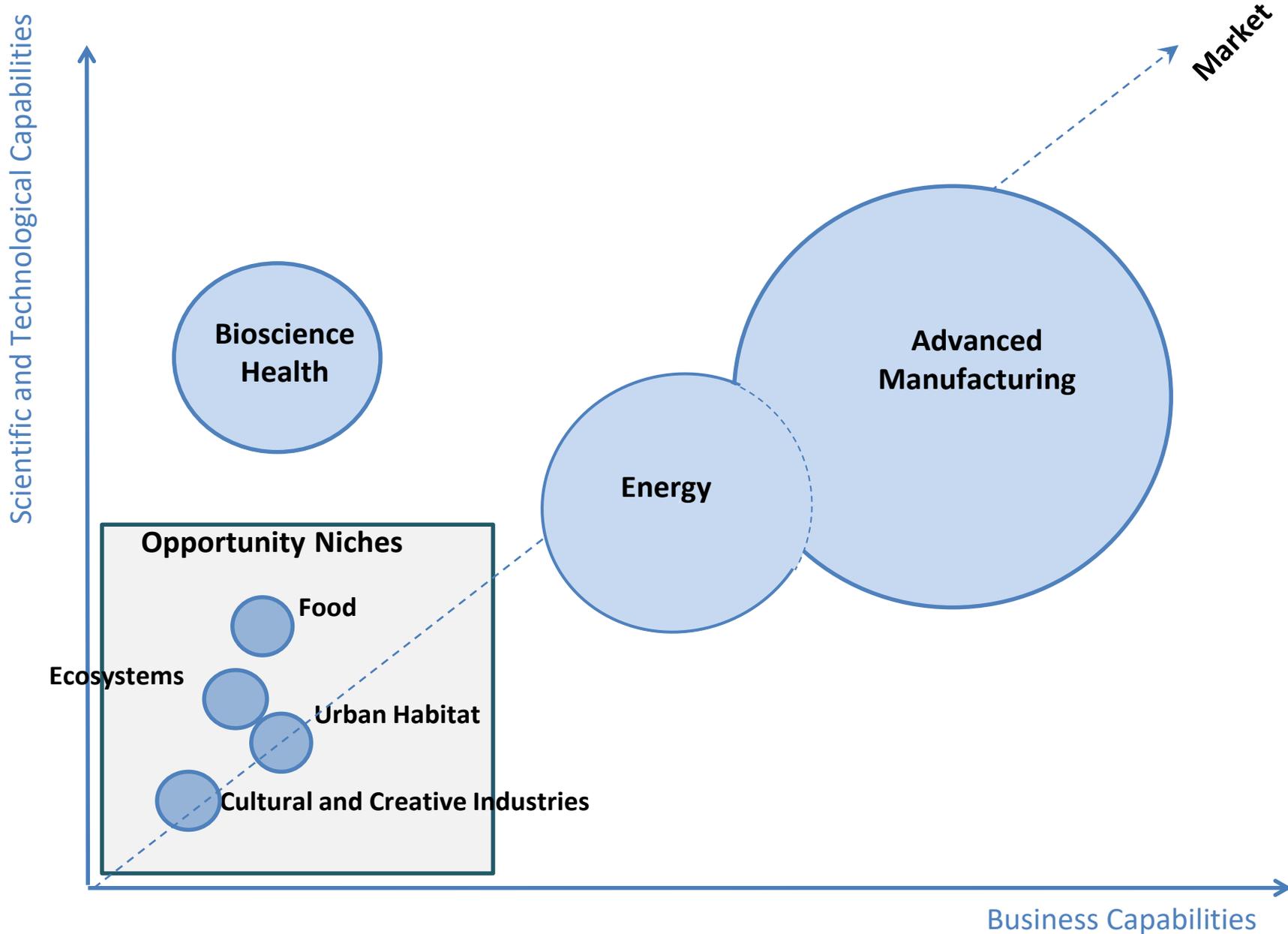
- **Efficiency**
- Focus on efficiency-driven competitiveness
- Proactive policy to improve business environment
- Clusters

2000s

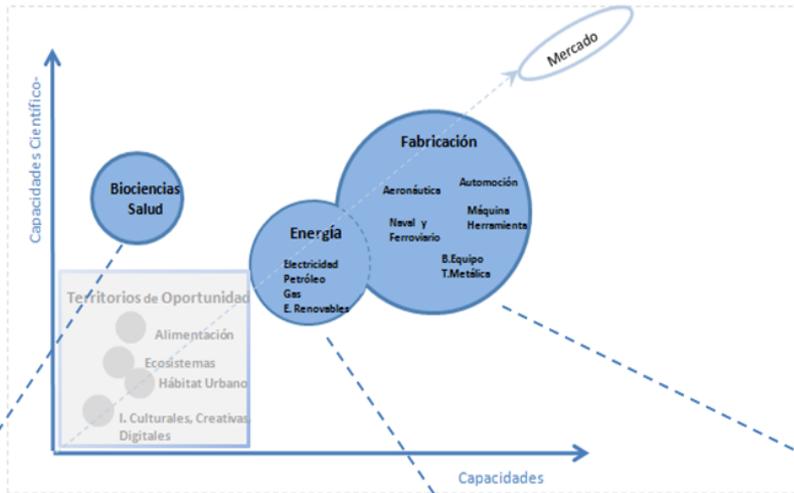
- **Innovation**
- Evolution of cluster policy
- Diversification attempts based on R&D
- Foundations of S3

Key novelty of RIS3 has been a more systematic approach to entrepreneurial discovery alongside changes in governance and institutions

# Basque RIS3 Priority Areas & Opportunity Niches



# Facilitating Entrepreneurial Discovery Processes



Creating the spaces to foster distributed leadership: **a steering group model** with involvement from existing **cluster organisations**

## Strategic Priorities



### BIOSCIENCES - HEALTH

- New therapies and treatments (biopharmaceutical products, regenerative medicine)
- New diagnostic, monitoring and prognostic systems
- Advanced medical devices and healthcare products
- Development of medical equipment, instruments and supplies (incl. software)
- Healthy ageing (development of personalised products and services)
- E-health (telemedicine, preventive management, patient self-management and follow-up care)



### ENERGY

- Solar Thermoelectric
- Oil & gas
- Wind (off-shore) and Marine (Wave)
- Smart Grids
- Electric traction
- Energy Storage (T)
- Power electronics (T)
- Energy Efficiency in Industry (T)



### ADVANCED MANUFACTURING (BASQUE INDUSTRY 4.0)

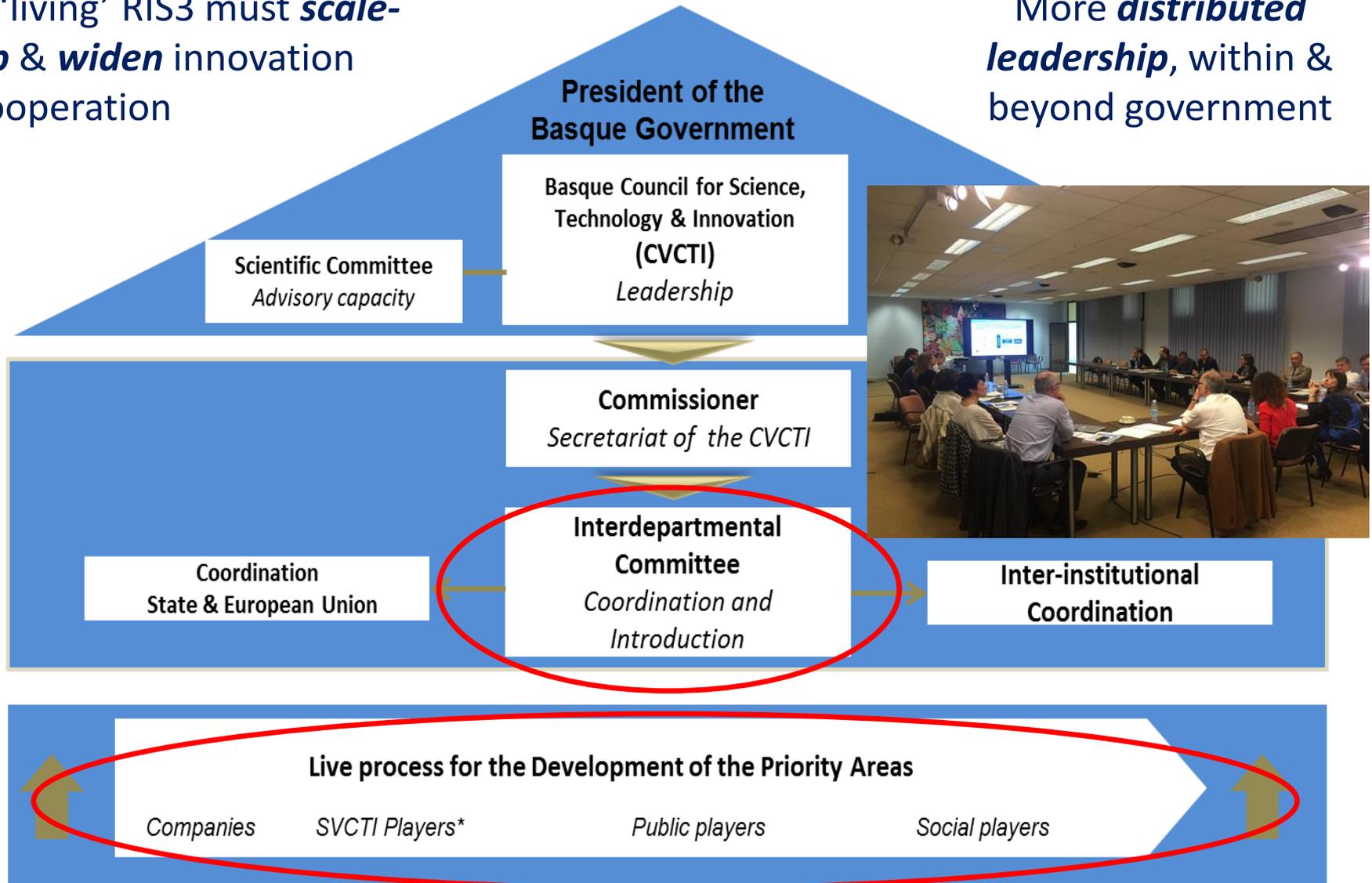
- Smart, flexible machines and systems
- New materials and their manufacturing processes
- Collaborative robotics
- Additive manufacturing
- Cyber-physical systems. "Internet of things"
- Artificial vision and augmented reality
- Cloud Computing. Distributed manufacturing and remote management
- Big Data

# Basque RIS3 Governance 'House'

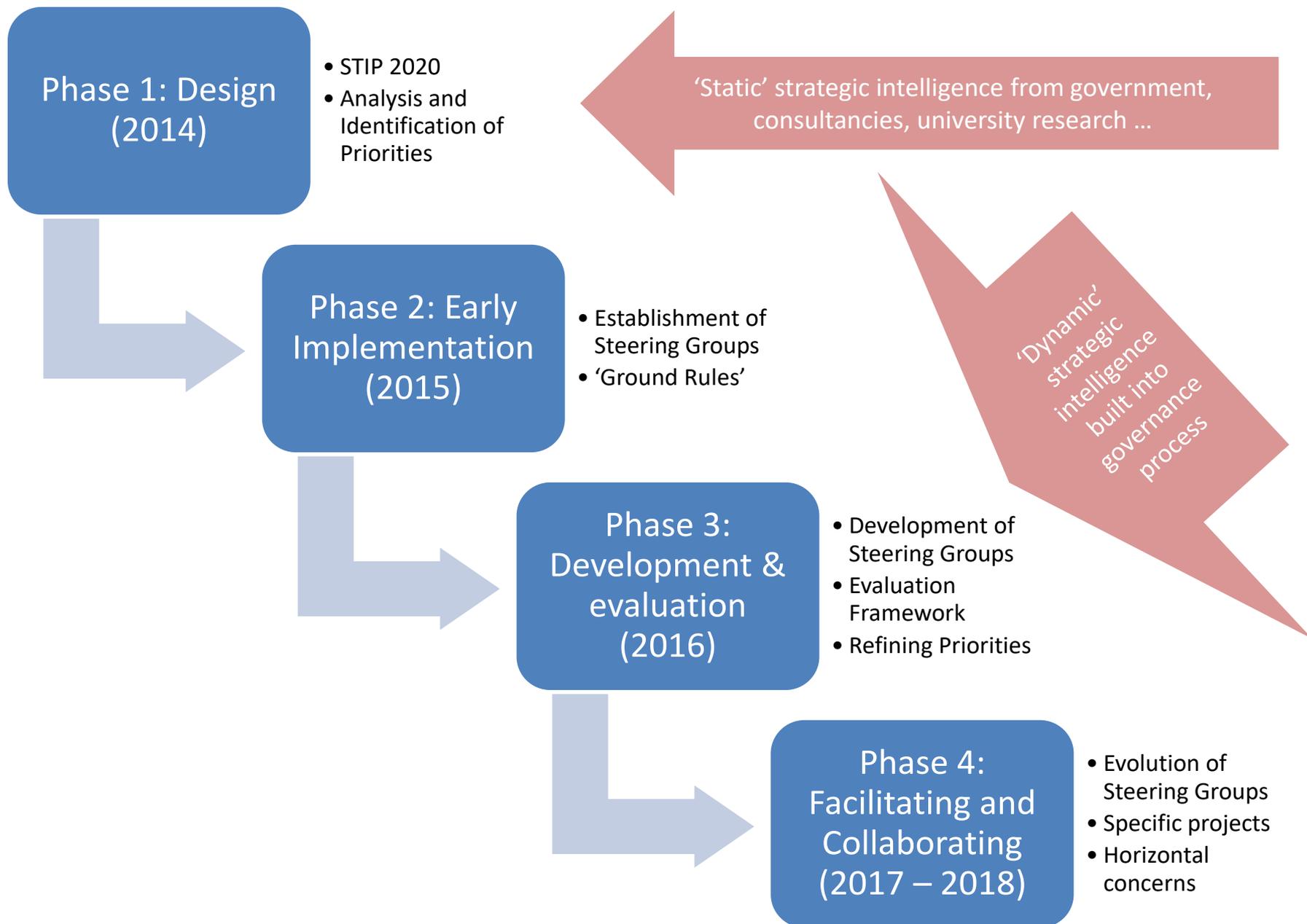
- Basque Country characterised by complex governance & high institutionalisation

A 'living' RIS3 must *scale-up* & *widen* innovation cooperation

More *distributed leadership*, within & beyond government



# Phases of Basque RIS3



## Questions for group discussion

- How might this relate to the South Australian context?
  - What intelligence is needed to design a territorial strategy?
  - What intelligence is needed to implement a territorial strategy?
- Who can/should/could contribute to the process of generating strategic regional intelligence?
- What are the barriers to their involvement?
- What is needed to break down those barriers?
- What (existing or new) governance mechanisms could be used to facilitate the generation of strategic regional intelligence?