RESEARCH AND POLICY ENGAGEMENT IN PRACTICE: WHAT DOES IT TAKE?

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Entrepreneurial Ecosystems Creating Jobs Symposium
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New demands on academia

• Importance of knowledge for socioeconomic development in a globalisation context is placing new demands on academia
  • Knowledge flows are global and local: strong place-based elements
  • Academia asked to play more strategic roles in actively shaping regional socioeconomic development

Generating a lot of research on the role of universities and academics in regional socioeconomic development
Advocating a more strategic role in shaping regional development takes us beyond the traditional focus on science & technology knowledge transfer or the broad economic impacts of universities. Specifically, it highlights the significance of *policy research* and *policy engagement*.

But what does this take in practice?

- Personal reflection on a 10-year learning journey with a research centre created with a specific mission to support regional competitiveness
  - Background and characteristics
  - Examples of specific research–policy engagement
  - Reflections on organisational evolution
  - Challenges and lessons: what does it take?

The Basque Country

- 2.2 million people
- GDP per capita in top 5% of European regions
- An old industrial region
- 22% manufacturing share of GDP
- High level of policy autonomy
- Complex institutional structure
- Successful economic transformation over last thirty years, based on a strong regional innovation system (OECD, 2011)
- HBS case study on regional economic development strategy (Porter et al., 2016)
Orkestra

- Founded in 2006 in cooperation between Deusto University and a range of regional stakeholders
  - Example of “institutional entrepreneurship” led by individuals with a vision of something different
  - **Mission:** To support through research, teaching, prospection, technical assistance, evaluation, discussion and participation in international networks of excellence, the activity of the public administration, socio-economic agents and all the universities of the Basque Country in fields related to competitiveness

Orkestra – Basque Institute of Competitiveness

At the beginning of 2007, 400 years after the discovery of the Basque Country, and also coinciding with the 100th anniversary of Deusto University, the Basque government decided to support the proposal of researchers from Deusto University for the creation of the Orkestra Institute of Competitiveness.

The Orkestra Institute of Competitiveness is the result of the commitment of the Basque government to support scientific research on competitiveness. It is an example of “institutional entrepreneurship” led by individuals with a vision of something different.

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A shared project

Orkestra is an initiative of the University of Deusto, that seeks synergies and collaborates with its faculties and initiatives.

Since its creation, the Institute has been supported by Partners (public entities and private benchmark companies) that provide security to the project by participating in its governing bodies, the development of projects, and through funding. Currently they include Global Partners, who support the institute as a whole, participating in the Board of Directors; and Partners, who support specific areas of activity or Chairs (e.g. Energy).

Additionally we promote projects with different Institutions and Collaborating Firms apart from those that form part of Orkestra’s governing bodies.

We carry out networking projects with different firms and agents who complement and enrich the applied knowledge, and the results and impact of our activity.
Orkestra today

**ORKESTRA FIGURES AT A GLANCE**

**PEOPLE**

- 33 Total
- 19 PhDs
- 18 Women
- 15 Men
- 6 Nationalities

**NETWORKING PROJECTS**

- 44 Projects in collaboration with 86 institutions
- 40% International
- 60% Basque Country + Spain
- 16% new collaborations

**SCIENTIFIC PRODUCTION**

- 54 Publications
- 37 Academic Communication papers
Transformative Research Labs

- **Spaces** that facilitate fluid *engagement* of researchers and stakeholders (government, firms, cluster associations, civil society organisations, etc.) around inter-related *territorial competitiveness challenges*

- Alive and evolving, in terms of:
  - The challenges being analysed
  - The academic knowledge and methodologies being employed
  - The specific projects underway
  - The stakeholders and researchers who are engaging
• Foray (2015): Smart specialisation “is a new word to describe an old phenomenon: the capacity of an economic system to generate new specialities through the discovery of new domains of opportunity and the local concentration of resources and competences in these domains”.

• A smart specialisation strategy or policy “involves putting into place a process whereby such a dynamic of new speciality development … can be facilitated thanks to punctual and targeted governmental intervention in order to support in a preferential way the most promising new activities”.

Example 1: Smart Specialisation
Basque Smart Specialisation Strategy Priority Areas

Scientific and Technological Capabilities

Market

Business Capabilities

- Bioscience Health
- Advanced Manufacturing
- Energy

Opportunity Niches
- Food
- Urban Habitat
- Cultural and Creative Industries
- Ecosystems
Basque Smart Specialisation

Phase 1: Design (2014)
- STIP 2020
- Analysis and Identification of Priorities

Diagnostic analysis
- Advisory role

Conceptual awareness raising

Phase 2: Early Implementation (2015)
- Establishment of Steering Groups
- ‘Ground Rules’

Implementation analysis

Emerging Issues:
- Multi-level Clusters
- Inter-regional SMEs ...

Phase 3: Development & evaluation (2016)
- Development of Steering Groups
- Evaluation Framework
- Refining Priorities

Implementation analysis

- Evolution of Steering Groups
- Specific projects
- Horizontal concerns

Key Features of Research-Policy Engagement
- Bridge with EU/academic debates
- Not constant engagement: ‘stepping in and out’, but long-term approach
- Facilitate engagement of other actors through different research projects
Emergent multi-level governance of RIS3
The ‘umbrella’ RIS3 and examples* of subregional strategies

No formal and ex-ante design but emergent governance following experimental process

- Support for the competitiveness of SMEs
- Analysis of sectorial specialisation by zones

**BASQUE GOVERNMENT**

**RIS3**
Basque Country
(umbrella strategy)

**DONOSTIA/SAN SEBASTIÁN**
RIS3 in KIBS

**PROVINCIAL COUNCIL GIPÚZKOA**
Etorkizuna Eralkiz

**PROVINCIAL COUNCIL BIZKAIA**
Bizkaia Orekan

**BILBAO**
iBilbao 2020 (RIS3 in Creative and cultural industries, KIBS and Digital Economy)

**PROVINCIAL COUNCIL ARABA**
RIS3 Infrastructures

**VITORIA/GASTEIZ**
RIS3 in Cultural and Creative Industries

Support for smart specialisation infrastructures

Industry 4.0 in all SMEs with between 20 and 100 employees

Including European programmes such as: Interreg (Competitiv’eko and Manumix), Urbact (InFocus), Urban Innovative Actions (AsFabrik) or H2020 (ex. funding for projects emerging from EDPs)

*The examples most cited in the preparatory workshop for...*
Example 2: Policy governance

- **2014**: Analysis of competitiveness of Bizkaia → cohesion an issue
- **2015 – 2016**: Scoping of problem & policy engagement focused on introducing useful academic concepts → design of new policy governance framework (4 zones)
- **2016 – 2018**: Ongoing ‘live experimentation’ with new governance framework → policy changes and academic results (PhD, papers)

**Bizkaia Orekan**
A research-policy collaboration generating place-based policy experimentation through ‘soft spaces’ of cooperation, learning and articulation between relevant actors
Example 3: Clusters & cluster policy
What does the future hold for clusters?

Global Trends Shaping Clusters
1. Technological change
2. Globalisation

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<th>Clusters</th>
<th>Cluster Policies</th>
<th>Cluster Initiatives</th>
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<tr>
<td>• Changes in the</td>
<td>• More sophisticated, context-specific policies</td>
<td>• Greater diversity of stakeholders</td>
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<td>boundaries of clusters</td>
<td>• Cluster policies supporting new territorial</td>
<td>• Key agents in territorial strategy processes</td>
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<td>(activity)</td>
<td>strategies</td>
<td>• Professionalization and changing skillsets</td>
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<td>• Changes in the</td>
<td>• Cluster policies supporting social challenges</td>
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Orkestra and SPRI-GV working in partnership around these challenges...

- New approaches to map clusters
- Clusters-RIS3 (clusters3)
- Cluster policy evaluation
- Clusters-Shared Value
- Basque Cluster Day Social Network Analysis
Organisation and culture: a long-term process

• New ‘missions’ of universities are static statements: their execution requires strategic actions to ensure development of more effective interaction with other agents

• Management literature on open innovation suggests organizational culture likely to be important
  • Need to transform solid organizational boundaries into a semi-permeable membrane
  • Also to change culture of individual academics to adjust to territorially-engaged research

• Auto-reflective analysis of the case of Orkestra illustrates the importance of cultural change (Alcalde et al., 2017)

• Creation of a new organisation with an explicit mission was not sufficient: organisational learning and change fostering a different working culture was needed
Three phases of cultural change

- 2006 – 2008: Creation & emergence of different approaches in different ‘departments’

- 2008 – 2012: Growth, restructuring & consolidation of different approaches in different ‘departments’

- 2012 – 2016: Organizational redesign around projects & (explicitly) trust-based management

Source: Alcalde et al. (2017), inspired by Linnenluecke and Griffiths (2010)
To be effective as a ‘change agent’ in regional competitiveness, certain challenges have been (and continue to be) critical.

1. Guaranteeing **continuity** (stable funding)
   - Diversity of stakeholders / challenge of communicating long-term value

2. Developing a **common language** shared between researchers and stakeholders
   - Role of training / events / communication / regular contact

3. Managing the **creative tensions** that emerge:
   - Between the different needs of stakeholders: independence critical
   - Between research & interaction (a time-consuming activity)
   - Between regional needs & participation in global networks

4. Developing **capabilities** of ‘social researchers’, able to facilitate change processes & reflect on them rigorously
   - A question of training, but also incentive structures and organizational culture
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