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From Smart Concept to Challenging Practice –

How European Regions Deal with the Commission's Request for Novel Innovation Strategies

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1 Introduction

As several studies have documented, evidence-based regional innovation strategies have been less than commonly available in European regions during the last two decades. Even where strategies were developed, they tended to be general in nature and developed limited impact on the actual policy mix deployed in the regions (Technopolis et al., 2012). While policy-makers became quite adept at analysing which instruments were deployed elsewhere, many of them failed to put sufficient effort and political commitment into an analysis of what was locally needed. Without a sound understanding of their regions' potentials and limitations, many policy-makers resorted to either an imitation of perceived "good practices" or a schematic orientation towards general structural funds provisions such as the requirement to somehow implement "cluster policies". As the result of this tendency towards "following policy fashions" (Technopolis et al., 2012), several researchers have observed an increasing "conformity [of] innovation policy research and practices" (Foray, 2011) across Europe that stands in stark contract to the continent's actual diversity in terms of innovative capabilities. In consequence, most regional innovation policy mixes displayed a worrying "neglect for the demand side" of the policy equation (Technopolis et al., 2012).

In line with this general trend, many ERDF co-financed interventions in the field of regional innovation policy were during the past support period characterised by an absence of strategic vision and international perspective, imitation, as well as an overlap of efforts. In many cases, the operational programmes did not sufficiently refer to what local economies needed, resulting in the creation of many less than inspired support actions or, more generally, the unproductive use of public resources. With a view to these multiple deficits, the European Commission decided that a new approach to structural funding was needed with a view to not only a requirement for new strategies as such but for a novel type of strategy that is grounded in a bottom-up consultation of those stakeholders that best understand the regional economy's strengths and weaknesses as well as credibly connected to the planned system of policy delivery, monitoring and evaluation (Sörvik, 2012).

Against this background, a sound, consultation-based analysis of the regional situation and a political commitment to regionally specific targets, labelled 'strategies for smart specialisation' have been made a formal 'ex-ante conditionality', i.e. a prerequisite for the further allocation of structural funds. For all regions that want to receive European funding, the development of well-founded regional innovation strategies is thus no longer an option but a legal obligation. To have their strategies acknowledged and receive approval for their operational programmes, all regions now have to comply with an at first sight challenging and very detailed set of "smart specialisation" requirements for strategy development, policy design, and monitoring.

Originally, "smart specialisation" was an academic concept developed by Dominique Foray and colleagues around 2009 (Foray et al., 2009). Quite rapidly, however, it became publicly endorsed by DG Regional and Urban Policy in 2010 and went through a number of stages of development with the aim of transforming it into a political tool (McCann, Ortega-Argiles, 2011). In the course of this process, many of its original, academically conceived notions had to be matched with political realities so that general objectives could be translated into more specific guidelines and legally binding requirements. As a result of this process, both the final Smart Specialisation Guidelines (Foray et al., 2012) and the corresponding European Commission regulations (European Commission, 2012) make fair provisions for the required strategy-building processes and the key aspects to be borne in mind during their realisation. Undeniably, however, these documents have maintained a somewhat abstract or academically inspired nature that is perceived as challenging by many practitioners.

2 Background and Objectives of the Study

According to Sörvik (2012) the key aim of the European Commission's RIS3 agenda can be summarised as re-orienting future political interventions on regions' actual needs for knowledge-based development. Further, these needs are to be identified based on a sound analysis of regional strengths that gives sufficient credit to all forms of innovation, not only technological ones while at the same time maintaining a sober, outward looking perspective. Most importantly, it shall be based on the comprehensive involvement of stakeholders. New strategies must not be drafted on the blackboard but shall be based on the opinions of those entrepreneurs and industrialists who represent the region on the world markets. Finally, regions will be asked to establish more comprehensive monitoring systems. On the one hand, all these are laudable ambitions. On the other hand, asking for all of them at once appears as asking for a substantial sea-change in a system which, by the very same group of academics, has until very recently been characterised as misguided and ineffective across the board. While the agenda's ambition is clear, it is evidently far less clear how it can be accomplished.

In practical terms, the first and foremost challenge perceived by most regions right now is to submit any acceptable strategy for smart specialisation that will technically be accepted as a suitable basis for operational programming for the 2014-20 support period – lest they want to be denied access to funding. In that respect, meeting the ex-ante conditionality poses a twofold, at times conflicting challenge to the regions. Firstly, many have to develop their first innovation strategy ever, often in the absence of any suitable administrative framework. To create this basis and make their efforts sustainable, the set up of robust, practice-oriented governance structures within the administration will be required.

Secondly, they still have to do so in a way that lives up to the ambitious set of methodological requirements for smart specialisation. Even where new governance structures are set up, this can in many cases not realistically be realised from within the administration in the short term, but will require external assistance. At the same time, much of the current academic debate prompted by the new policy agenda already runs far ahead, focusing on the question whether it can analytically be sensible or not to "specialise regions", and gauging the RIS3 policy agenda according to whatever conclusion the authors may come in this regard (Asheim et al., 2011; Asheim, 2013; Boschma, 2008; Fornahl, 2013; Kiese, 2013; Morgan, 2013; Thissen et al., 2013).

Not denying that these are crucial issues to raise, this paper will seek to question if such a factual "techno-economic specialisation effect" can at all be considered a likely outcome of the new policy agenda in the short and, actually, even the long term. In any case, we suggest that it might be commendable to – for the time being – focus on other, more immediate aspects of the new policy agenda's potential impact.

In this regard, we pursue two major "avenues of doubt".

Firstly, some of the RIS3 national assessments commissioned by DG Regional and Urban Policy cast severe doubt on the ability of some countries' policy and governance systems to meaningfully fulfil *any* of the mentioned criteria in the first place. In their study on Greece, Reid et al. (2012) deplore not only a "largely closed and inward looking" innovation system" with "extremely low technological innovation potential" but also a "fragmentation of programmes and funds and little in the way of a coherent strategy", a "significant gap between regional [...] and national priorities", agencies with "very low" credibility responsible for RTDI policy and a consequent large-scale "failure of past regional innovation policy". With a view to recent developments, moreover, they find "a relatively weak understanding of the concept of smart specialisation", "preparatory studies [which] consider specialisation from a macroeconomic perspective" and a situation where "at the regional level, a process for entrepreneurial discovery […] has not been undertaken". Against such a background, the expectation of any imminent structural changes to the economy as a result of the RIS3 agenda stands in contrast to common sense.

Secondly, however, several regions have build notable capacities in R&D policy for decades and more or less lived up to the stated criteria long before RIS3 strategies were first called by that name (Baier et al., 2013; Kroll, Meyborg, 2013). In these, "much is present already and [the current task] is mostly about a continuation of existing processes and about developing them further" (Deffaa, 2012). In view of the new requirements, these regions' policy-makers tend to raise concerns that the European Commission is imposing new, rigid requirements that in fact will make little difference to already effective processes

such as: *"In general, it is useful and positive, that the EU works toward a strategic framework for innovation and other activities. The concrete statements, however, are often very academic and the respective officers do not seem acquainted with the factual implementation of measures", "There is the impression that the Commission aims to decree strategy processes, [which] does not work, at least not in the regions that have [already] completed their [own regional innovation strategy] years ago".* Again, common sense suggests that while many of these regions are in principle capable of fulfilling the ex-ante conditionality with relative ease, doing so will make little immediate difference in the way of changing their economic structure.

Beyond corroborating a general scepticism, however, the existence of these two very different anecdotal perspectives appears telling. Apparently, both the main obstacles that the smart specialisation agenda faces and the leverage that it may promise notably depend on the socio-economic and governance framework that it is directed at. Evidently, moreover, there is a "middle ground" of regions between the very experienced and the structurally problematic in which the new agenda may unfold yet other potentials and face a further set of specific challenges. Even there, however, an immediate, transformative effect would appear surprising.

Against this background, our study will seek to find evidence for the following statements.

1. *The launch of the new policy agenda has prompted less than far-reaching factual changes in regional innovation policy with a view to both strategy and implementation.*
2. *At the current stage, implementation is likely to remain lagging behind strategy.*
3. *The changes to strategy processes will not in all cases be in line with the RIS3 guidelines, as the aims are set quite high for many regional and national governance systems.*
4. *In times of austerity as well as due to the lack of innovative capacities in some countries, many regions' policy-makers will have limited options for strategic choices.*
5. *The opportunities and challenges that the RIS3 provides will be highly contingent on the nature of the region and its governance system.*
    a. *The responsible institutions will display a different degree of organisational capacity,*
    b. *There will be different levels of experience with regard to strategy development,*
    c. *There will be a tendency to consult the same range of stakeholders than before.*
6. *The regulations and guidelines issued by the European Commission display a high degree of complexity and abstraction and will thus in many cases not be considered as helpful.*

7. *The setting of priorities will be politically contested and it is unlikely that new policy programmes will be drafted in a way that actually excludes certain fields from funding.*

3 Empirical Approach

So far, little information is publicly available both on the overall status quo of RIS3 processes in European regions. While the JRC-IPTS' S3 Platform has reached a coverage that allows for a broad-based reflection on RIS3 related issues there have not yet been any standardised surveys of the platform members. While there are several in-depth case studies and reports (cf. e.g. Reid et al., 2012) these cannot to provide a comprehensive overview of the diverse framework conditions under which the RIS3 agenda unfolds in various Member States.

To remedy this current lack of information with regard to both the overall status quo of the RIS3 agenda's development as well as the individual, characteristic sets of opportunities and challenges encountered by different regions in different countries this study draws on a mix of quantitative and qualitative methodologies.

Firstly, a broad-based survey was conducted with most managing authorities and other relevant policy-makers across the European Union. The main objective of this survey was to establish a first geographically comprehensive overview of the state of play of the RIS3 process against which further in-depth studies can be conducted.

Secondly, these in-depth analyses of the process and challenges related to the drafting of RIS3 regional innovation were conducted through a range of in-depth case studies. Information was compiled on the basis of qualitative, semi-standardised interviews that allowed us to gain deeper insights into the regionally specific processes, their characteristics and implications.

3.1 A Survey of Relevant Policy Makers

Structure of Sample and Response Rate

To gather an impression of the state of play with regard to the spread of S3 related activities and the involved administrations' current assessment of the RIS3 agenda, a Europe-wide online survey was run using Questback's EFS survey tool during a three month period from early July 2013 to late September 2013. To make access for potential respondents easier, the online questionnaire was made available in English, French, Spanish, and German. While this left certain gaps with regard to e.g. Italian or Eastern European

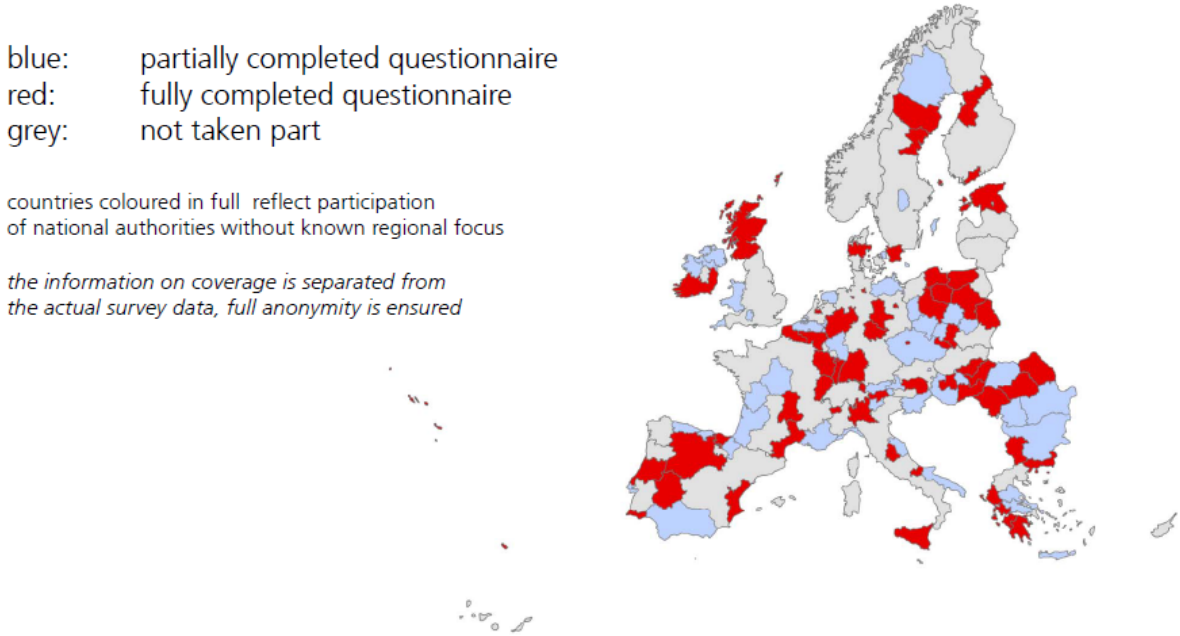
languages it turned out that this was not a major inhibition threshold to participation for addressees from these countries (see below).

Initially, our intention was to address all managing authorities as listed on the *Inforegio* website (European Commission, 2013). In the process of establishing the sample, however, it became obvious that this approach would not be sufficient as even in Member States known for strong and autonomous regional administrations, such as Spain, there was technically only one managing authority at the national level. Consequently, our first choice was to address relevant regional innovation policy-makers, drawing on information from the RIS3 platform (European Commission, 2013) and diverse regional government sources. In exceptional cases, such as for some Eastern European countries, the circle of addressees was extended to consultants known to closely assist their national government in the RIS3 process. While the identification of potential respondents thus proved somewhat more complex than expected it turned out feasible and more than 500 potential respondents could be included in the sample. In theory, our flexible approach could be expected to introduce a certain bias into the survey in terms of respondent's openness. In practice, however, no such bias was obvious in the findings outlined below. Possibly, it was either alleviated by the fact that the survey was anonymous or by policy-makers' comparative openness to speaking out against an agenda not directly designed by them. More importantly, allowing for this certain degree of heterogeneity among respondents was the only approach that enabled us to address those with a sufficiently comprehensive degree of knowledge to meaningfully answer our questions across different Member States' governance systems.

In total, more than 130 of the targeted addressees answered some parts of the questionnaire, 60% in English, 14% in French, 14% in German, and 12% in Spanish. More than 70 completed it in full. A detailed analysis revealed that these fully completed questionnaires had been received from 64 regions so that the number of duplicates can be considered limited. Another 49 regions were covered through the remaining 60 incomplete answers, a somewhat less optimal ratio in part known to result from internal co-ordination with one questionnaire briefly opened and another one fully completed by the responsible colleague. 54.6% of the answers came from managing authorities directly while 43.6% were returned by policy- makers otherwise in charge leaving a negligible rest of 1.8% to external consultants. Overall, the survey's coverage can be considered significant with a view to around 230 "standard" regional operational programmes which are co-ordinated by even fewer managing authorities. 43 questionnaires were returned from Central Europe (DE, FR, BE, NL, LU, AT), 10 from Northern Europe, 25 from Southern Europe (ES, PT, IT, GR), 22 from the New Member States, leaving a certain gap only with regard to the mere five answers from Ireland and the United Kingdom, where mostly the devolved governments responded (cf. figure 1).

Unsurprisingly, moreover, regions with "very limited" autonomy were underrepresented among the respondents with only 11 questionnaires, while the distribution across regions with "very high" (28), "high" (32), or "limited" (19) autonomy was about equal. With a view to the former's limited institutional capacities, this did not really come as a surprise. Finally, a certain bias can be identified with a view to a participation that originated to about 70% from regions under the RCE objective. Nonetheless, 27 answers came from regions with budgets from € 250 million – € 1 billion and 21 from regions with > € 1 billion. In fact, regions with budgets between € 50 million – € 250 million (21) or below € 50 million (11) were thus somewhat less represented.

Figure 1: Overview of the regions covered by the survey



Source: Own survey, ESRI ArcMap

Results

As table 1 summarises, the RIS3 agenda has so far apparently not prompted a sea change in regional policy making. Only 21% of the surveyed respondents report a completely new policy process, while, with 40%, many refer to "adaptations". Remarkably, nearly more than 40% report that there have not been any notable changes at all. With a view to implementation, only 10% report envisaged "fundamental changes" in policy measures and a further third refers to at least "substantial adaptations". More clearly than with regard to strategy processes, however, more than half (56%) of the respondents stated that the new policies implied either no (22%) or minor adaptations (36%) to the current policy mix. Even of those that reported notable adaptations to the policy mix, only

about a fifth (17%) stated that those would lead to "substantial shifts in allocation". The majority, in contrast, assessed the currently foreseeable re-allocation of funding as "some shifts" (60%) or "limited adaptations" (23%) within an overall similar pattern. In terms of cross-tabulation across regional characteristics these findings do not notably differ among target categories, while there is a certain indication that regions with very limited autonomy have less often launched completely new processes or designed completely new policy mixes than others – possibly due to a lack of capacity. Furthermore, highly autonomous regions display an above average tendency to not adapt their existing policy mix at all – likely because it was often already well established before.

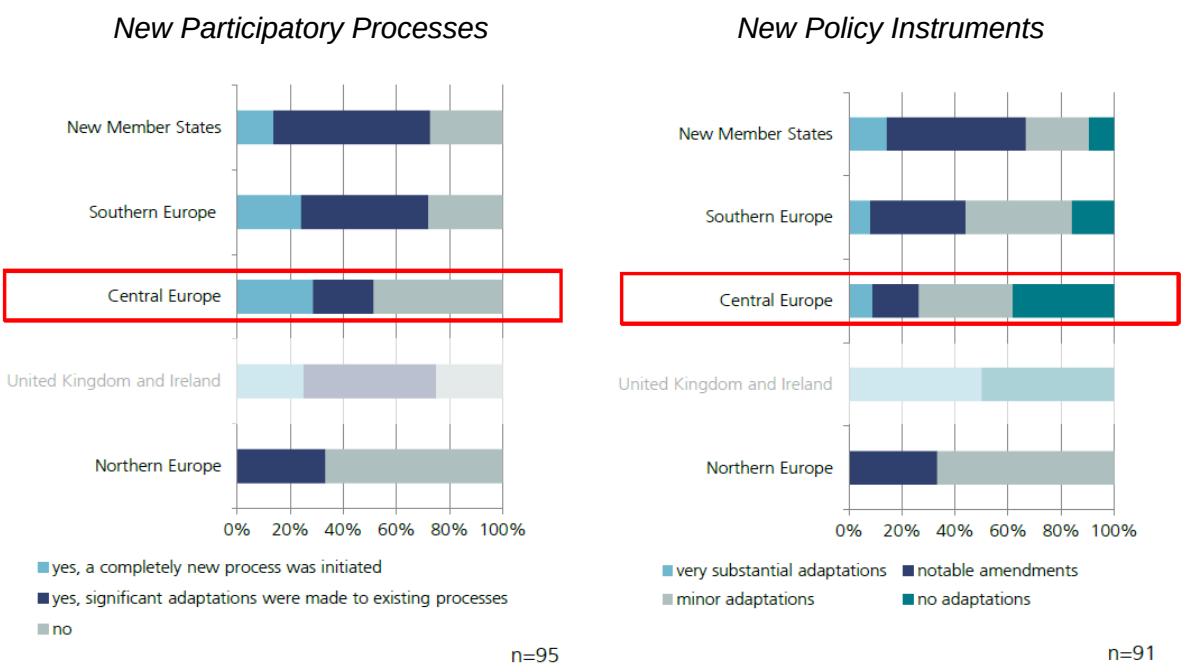
Table 1: Factual policy changes with a view to strategy and implementation

Changes in Strategy Process			**Changes in Policy Measures**		
Completely new process	20	21%	Fundamental change	9	10%
Significant adaptations	38	40%	Substantial adaptations	29	32%
No adaptations	37	39%	Minor adaptations	33	36%
			No adaptations	20	22%
	n=95			n=91	

Source: Own survey

With a view to the distribution of the RIS3 policy agenda's effects across different groups of Member States, we find that Central European regions are both most commonly reported to not have changed their existing strategies at all and to have launched completely new strategies. This, however, is only in its negative aspect reflected with a view to implementation as substantial adaptations to their policy mix remain rare across the board, despite the high share of novel approaches to strategy building. Respondents from Southern Europe and the New Member States, in contrast, more commonly report changes that are notable, but not substantial in the sense that something in either the consultation process or the policy process has been completely revised. On the other hand, they are also less likely to report "no changes" than their Central European counterparts – regarding both strategy and implementation. Generally, minor adaptation also seems characteristic for the situation in the Nordic countries, but regional coverage (n=9) remains too limited to really tell. In summary, the picture seems to reflect one of an ambiguous attitude towards implementation of the new paradigm in the Central European high-performers – with a particularly high tendency to report "no changes" among those completing the survey in German. The "moderate innovators" or "innovation followers" of the European Union's South and East, in contrast, display some more momentum across-the-board but as yet, not in all cases follow it through consequentially.

Figure 2: Factual policy changes by different groups of Member States



Source: own survey, *numbers for UK/IE too low to allow for judgement*

In a second set of questions, the survey analysed the RIS3 policy agenda's impact on the process of consultancy currently in place, asking which new groups of actors had been integrated into the process as a result of the new requirement.

Table 2: New stakeholders and new techniques of consultation used

Type of Stakeholders Involved	
stakeholders from the research sector	*58.3%*
stakeholders from the enterprise sector	*60.0%*
stakeholders from public administration	43.3%
organised interest groups	38.3%
individual citizens / civil society	18.3%
invited experts	*58.3%*
other stakeholders	18.3%
no additional stakeholders	16.7%
	n=60
Techniques of Consultation Used	
Foresight	30.9%
Roadmapping	32.7%
Working groups / focus groups	*78.2%*
Expert hearings	*60.0%*
Public consultation / discourse processes	*54.5%*
other techniques	9.1%
	n=55

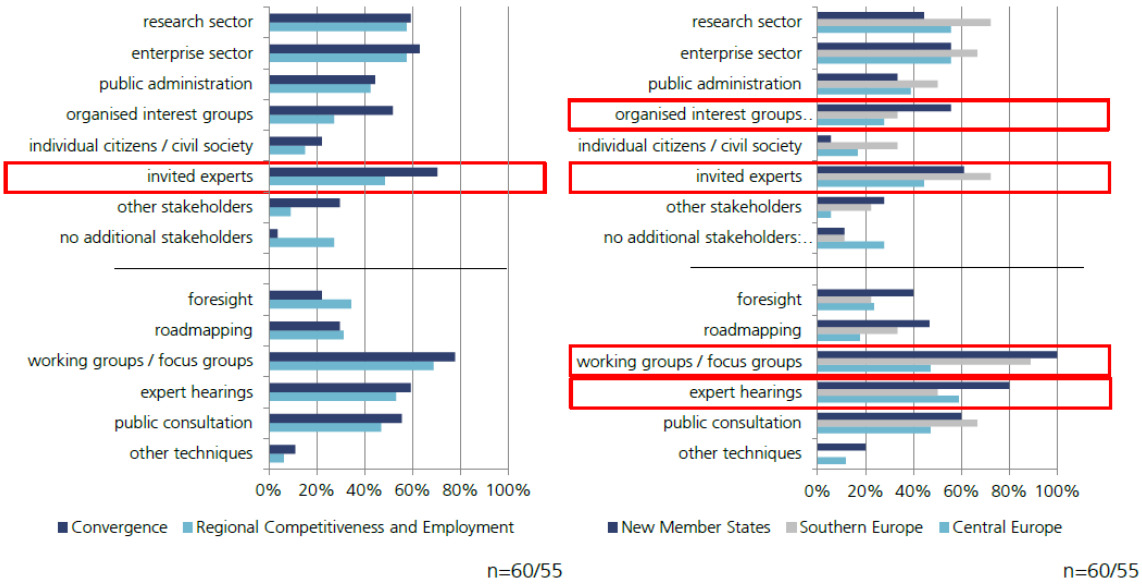
Source: own survey

As table 2 illustrates there has been a balanced involvement of additional stakeholders from both the research and the enterprise sectors – as well as a strong reliance on external experts. Additional consultations of individual citizens and civil society, in contrast, have remained limited. Nonetheless, it seems remarkable that less than 20% reported that their new or amended strategy process did not involve any new stakeholders. As Table 2 demonstrates further the new or adapted processes of consultation are often organised in a down-to-earth manner, building on established and proven techniques like working groups, focus groups, expert hearings and public consultations. More elaborate and ambitious techniques like foresight and roadmapping are reported as being used by about a third of the respondents. In summary, it seems that the new momentum emerging in processes of regional consultation is well in line with the specifications of the RIS3 guidelines. Interestingly, most activities in this context seem to address the S3 agenda's 'new', conceptually complex requirements by means of 'old', proven methods.

With a view to their distribution across target categories (figure 2) it is no surprise to find that some more amendments are apparently being made in Convergence Regions. In particular, their policy-makers more commonly invite external experts and consult further interest groups. Even more interestingly, as less expected, is a different prevalence of certain activities by type of Member State. In general terms, it seems that Central European regions only amended their processes slightly, their respondents most commonly reported that no additional stakeholders were consulted. Southern European regions, on the contrary, reported an additional engagement of stakeholders from a broad range of backgrounds, including individuals and experts. Regions from the New Member States, finally, displayed the highest tendency to work through organised interest groups, potentially due to their overall still less established systems for broad based consultation. Remarkably, however, respondents from those regions most commonly reported the use of sophisticated techniques such as foresight and roadmapping – although their main focus of activities, as in all other regions, lay elsewhere.

Figure 3: Changes in the consultation process by different groups of Member States

By Target Category *By Member State Group*

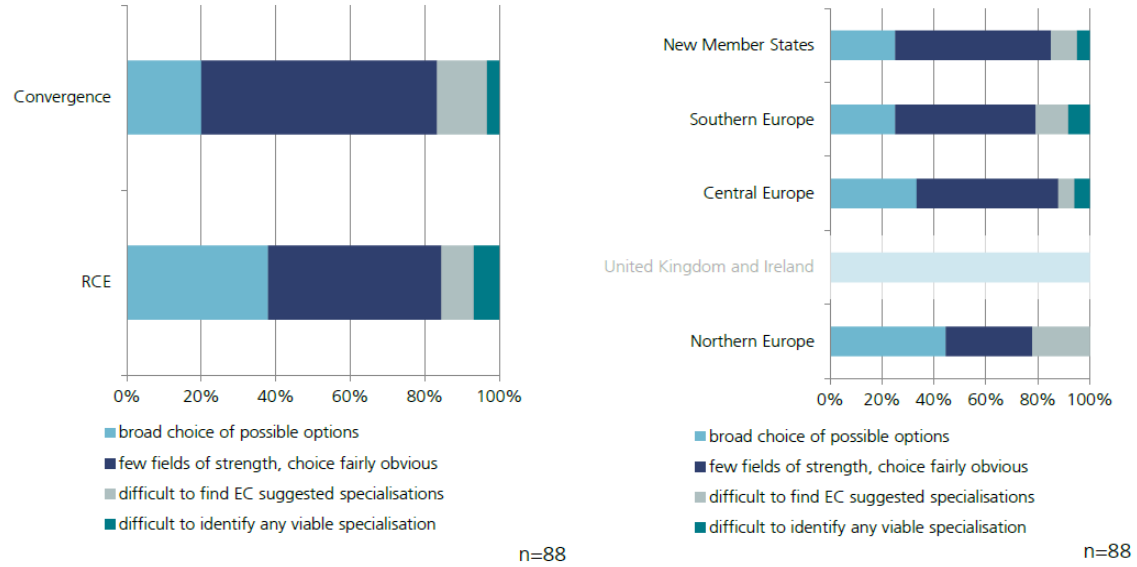


Source: own survey

Among the policy-makers surveyed, there was a prevalent perception that the intended changes to the actual policy mix are likely to result in a certain "thematic shift of emphasis" (66%), "changes in stipulations of existing" and "the launch of new programmes" (39% each). An overall shift in the target groups addressed or an increase in the overall consistency of the regional support system, in contrast, were less commonly expected (31%/28%).

Moreover, economic reality comes in as a strong moderating factor as around 52% of the respondents state that the choice for the region was "somewhat inevitable" against 32% that report a "broad choice of possible fields". Nonetheless, few respondents considered the stated requirements as unachievable, either. In sum, 10% stated that it was difficult to find regional specialisation according to the criteria specified by the European Commission while 6% found it hard to identify any regionally viable specialisation at all. Interestingly, this assessment varies less substantially across groups of Member States than could have been expected (figure 4) – while it does underline that the range of available options is systematically lower in Convergence regions.

Figure 4: Room for manoeuvre for policy by target categories and groups of Member States



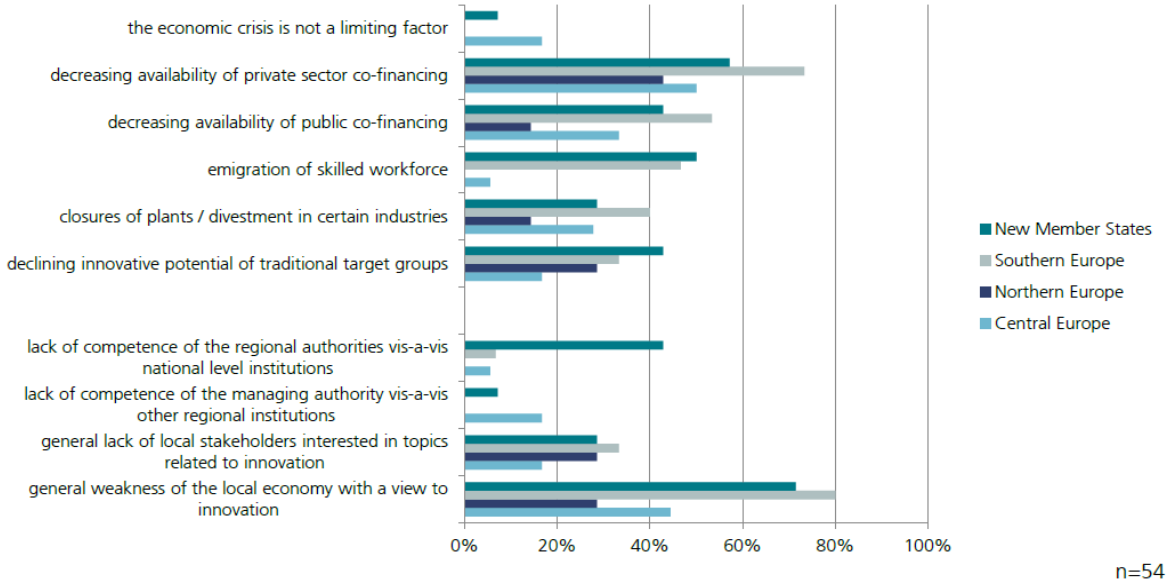
Source: Own survey

Arguably, the reason for this comparatively uniform distribution can be found in the fact that the most common limiting factor is the limited innovation capacity of single regions across different Member States. Asked what they perceived as the main reasons for the lack of choice they had stated, most respondents mentioned a "general weakness of region with view to innovation" (59%), followed by a "general lack of interested stakeholders" (26%). Issues with regard to administrative capacity and political competence, in contrast, were less commonly mentioned (7% for standing in region vs. 15% for standing in nation). With a view to current developments as a result of the economic crisis, an increasing lack of private co-financing was mentioned as the most relevant issue (57%), by far eclipsing even that of a lack of public co-financing due to budgetary restraints (39%). Other commonly mentioned issues included a "declining innovative potential of traditional target groups" (30%), "closures of plants / divestment in certain industries" (30%), and the "emigration of skilled workforce" (28%). Only 7% stated that the economic crisis was not a limiting factor.

As could be expected, however, these challenges were distributed quite unevenly across the (then) EU-27. Unsurprisingly, all statements that the economic crisis was not a limiting factor originated from either Central or Northern Europe. Likewise, respondents from those countries less commonly than others reported a general weakness with regard to innovation or a general lack of stakeholder interest, even though some such cases existed. Issues with regard to both private- and public-sector co-

financing, however, were not unknown to in particular Central European regions. In that sense, the above-mentioned outstanding importance of in particular private sector engagement can only be underlined further. In the meantime, both Southern and Eastern European regions have to deal with factual challenges to a similar, more intensive degree. On the upside, Eastern European regions seem somewhat less affected by closures of plants and divestment. On the downside, the survey mirrors that they face much more pronounced governance challenges in terms of the dominating influence (and interventions) of national institutions.

Figure 5: General and current challenges by groups of Member States



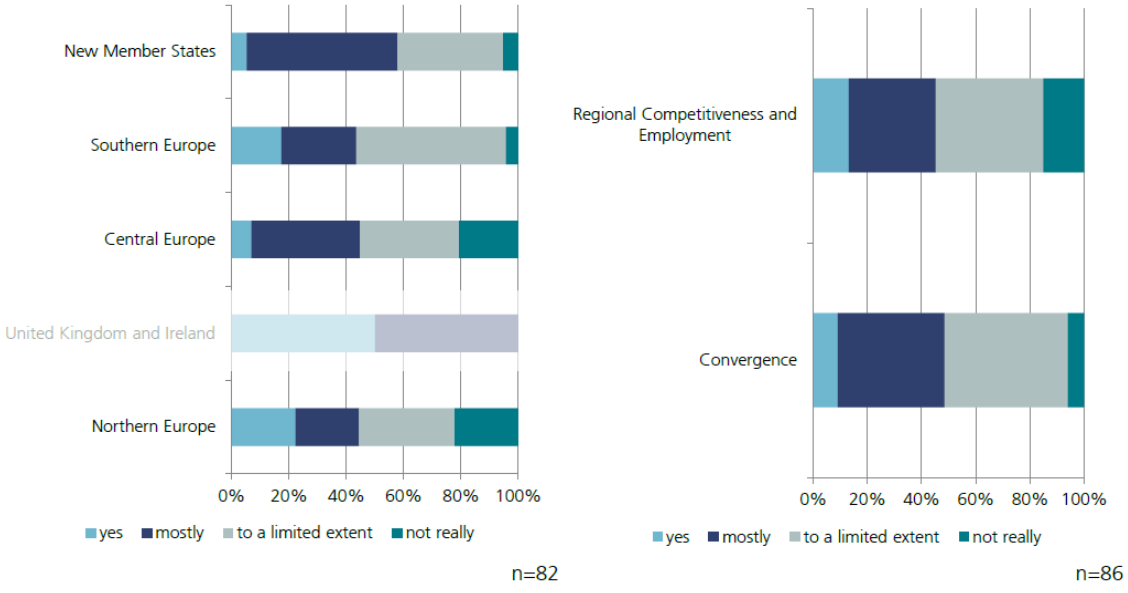
Source: Own survey

In general terms, the assessment of the European Commission's RIS3 guidelines' utility can be characterised as split in half. Of 82 respondents, 40 replied that they were either "satisfied" (10) or "mostly satisfied" (30), while 42 stated that they were either satisfied "to a limited extent" (32) or "not really" (10). For a newly introduced policy agenda that came with both a complex set of abstract requirements and strong budgetary relevance, this, in itself, appears to be a fairly satisfactory assessment.

As figure 6 illustrates, however, the guidelines and directives were somewhat unevenly received across the European Union. While the distribution of opinions does not vary much by target category (respondents from RCE are ambiguously both more positive and more negative), notable differences can be identified across groups of Member States.

Overall, the share of policy-makers who could not draw any inspiration from the process is highest in Central and Northern European countries, somewhat in line with earlier findings regarding those regions' activities. At the same time, there is also a notable share of distinctly positive reactions from the Nordic Countries, a characteristic not at all shared by the group of Central European regions. With regard to the more socio-economically challenged regions and Member States, the largest group of distinctly positive assessments can be identified in Southern Europe, while the prevalence of such very positive reactions is lower in Eastern Europe (the New Member States). Taking distinctly and moderately positive assessments together, however, the overall opinion among Eastern European policy- makers can be regarded as more favourable than that among their colleagues in Southern Europe. In any case, the share of adverse reactions is low in both groups. Despite the above-mentioned tendencies, it seems worth pointing out that the general distribution of positive vs. negative statements appears more or less balanced within all groups of Member States.

Figure 6: Degree of satisfaction by target categories and groups of Member States



Source: Own survey

With a view to advantages, most agreed that the available documents helped to illustrate practical implications, consolidate policy efforts, and, at times, leverage additional innovation potential. They were less able to contribute to leverage additional stakeholder interest. In terms of disadvantages most complained that their terminology was too abstract and that they were elaborated in an excessive degree of detail. Further, some regions lamented a lack of acknowledgement of existing efforts. It was stated

less, on the contrary, that the requirements specified in the guidelines were all-out unrealistic against the background of the actual innovation potential and stakeholder interest available in the regions.

Table 3: Advantages and Disadvantages of RIS3 regulations and guidelines

Advantages		**Disadvantages**	
helped leverage innovation potential	29.3%	unrealistic: lack of innovation potential	12.2%
helped leverage stakeholder interest	19.5%	unrealistic: lack of stakeholder interest	22.0%
adequate degree of detail	17.1%	excessive degree of detail	36.6%
illustrated practical implications	41.5%	terminology too abstract	56.1%
helped consolidate policy efforts	36.6%	little acknowledgement of earlier efforts	29.3%
	n=41		n=41

Source: Own survey

Furthermore, the respondents came to a surprisingly positive assessment of the new ex-ante conditionalities for monitoring. Of 61 respondents, 44% expected a positive effect on their practical work, a further 11% did not expect any effect, 28% little effect but an administrative burden, and only 16% a notably negative effect. Again, this at first mixed picture has to be seen in the context of a question which very often prompts negative responses. In line with this, 80% of the surveyed repondents are optimistic that they will be able to reach their to-be-defined targets, while only 17% are “rather" and 3% fully “pessimistic". At the time the survey was conducted, however, only 29% of the respondents reported that work on the new monitoring system had been started, while 64% stated that such activities were still at the stage of planning. Only 7%, however, believed that no such activities were envisaged.

As mentioned above, respondents came to different overall assessments regarding the utility of the European Commission's activities with regard to smart specialisation. To reduce distortion, "optimists" (i.e. those giving an overall positive assessment) were asked about "advantages", while "sceptics" (i.e. those giving an overall negative assessment) were asked about "disadvantages". Both were asked in a complementary manner using inverted ordinal scaling so their responses can be analysed in combination.

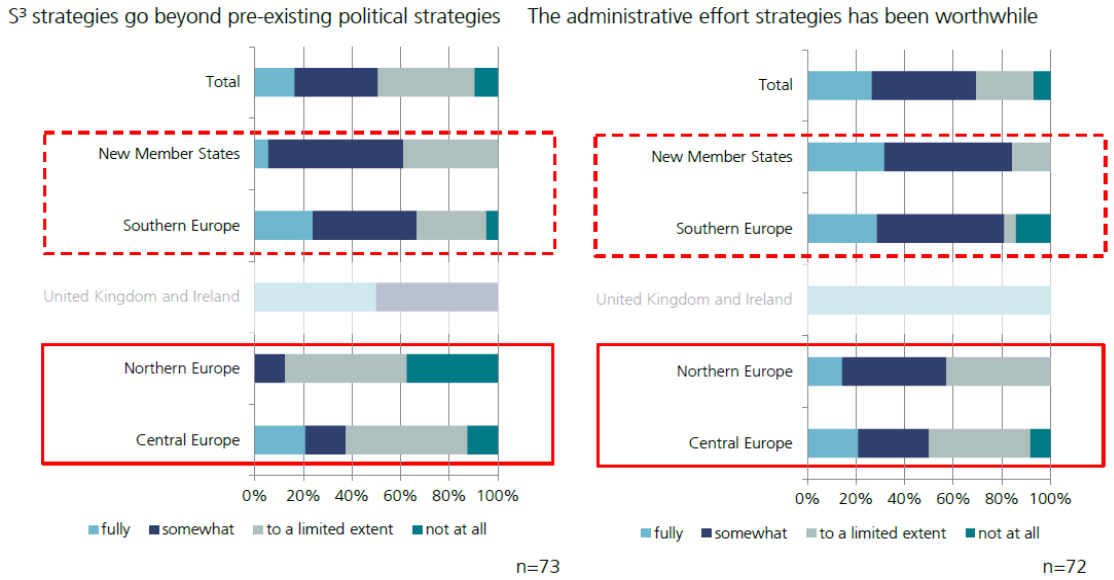
Many of the optimists "fully agree" that the RIS3 process has improved the exchange between regional stakeholders (17 of 41, 42%), and at least "somewhat agree" that the administrative effort related to RIS3 has been worthwhile (32 of 41, 78%), the requirements are fairly easy to fulfil in form and substance (28 of 41, 68%) and the resulting strategies go substantially beyond existing ones (23 of 41, 56%). On the downside, more than half of the sceptics "fully" or at least "somewhat agree" that the requirements

may be easy to formally fulfil – but that this alone does not make an actual difference (23 of 41, 56%). Further, most of them find that the new strategies do not substantially go beyond existing ones (23 of 41, 56%) and at least two fifths say that the administrative effort related to RIS3 has not been worthwhile (17 of 41, 41%). Yet, even most of the sceptics concede that the RIS3 process has improved the exchange between regional stakeholders (21 of 41, 51%), and the RIS3 guidelines are not in conflict with existing regional strategies (32 of 41, 78%).

In terms of regional distribution, a differentiation by groups of Member States (Figure 6, 7) highlights that the caveat that smart specialisation strategies do not substantially go beyond existing efforts is most commonly raised in the Nordic countries, followed by regions in Central Europe. As in general, Southern and Eastern Europe agree on a "somewhat" more positive assessment. most importantly, the share of negative assessments amounts to only two fifths as opposed to the more than 60% in Central and Northern Europe. Likewise, respondents from Southern and Eastern European regions share a more prevalently optimistic assessment of the administrative effort that comes with the new strategies. In both areas, around 30% consider it "worthwhile" and a further 50% "somewhat worthwhile", adding up to a total of 80%. In Central Europe and the Nordic countries, in contrast, only about half of the respondents come to such a positive assessment. Apparently, regions in which regional innovation policy is already far developed tend to react less positively to the new agenda.

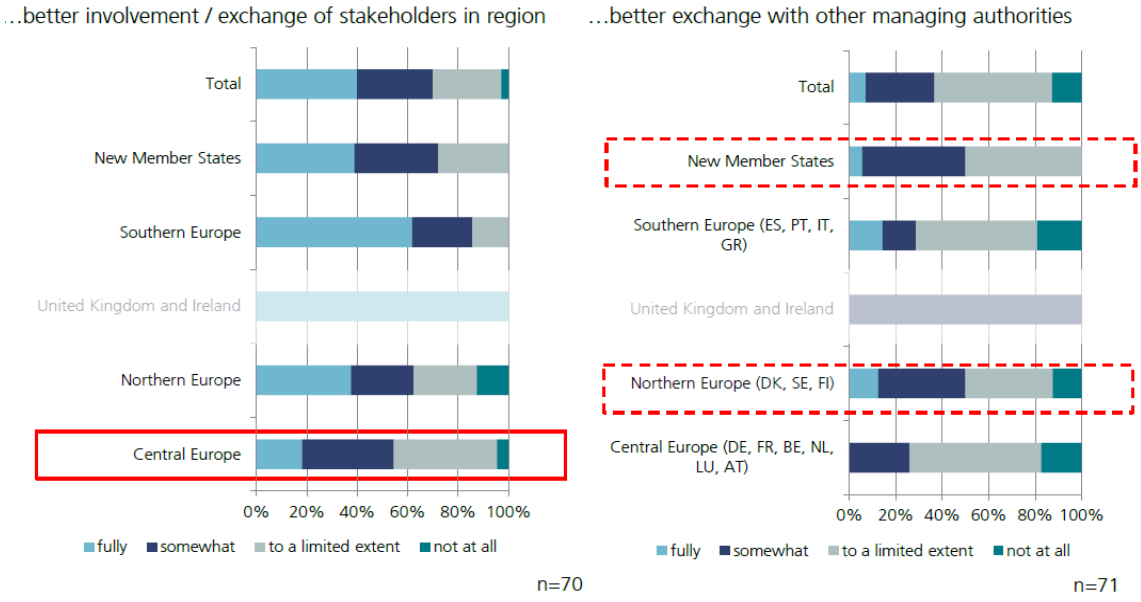
With regard to the better involvement of regional stakeholders, the detailed picture is even more clear-cut. From Southern Europe, more than 60% report progress, plus 20% that see at least some progress, adding up to around 85%. Even in the New Member States, the total figure amounts to only about 70%. In Central Europe and the Nordic Countries, positive assessments are given by about 60%, accompanied by more critical voices than elsewhere. Apparently, those known to possess a less developed background in terms of stakeholder consultation suggest that they are learning more during processes and activities prompted by the RIS3 agenda. With a view to the exchange between managing authorities, however, we observe an unusual grouping of positive assessments in both the New Member States and Northern Europe that remains yet to be explained. Possibly, regions in nations without a well established regional level of governance have certain things to gain from new processes whatever their other socio-economic characteristics may be. The one, positive, response from the UK resonates with that assumption as well.

Figure 7: Specific assessments by groups of Member States (I)



Source: Own survey

Figure 8: Specific assessments by groups of Member States (II)



Source: Own survey

3.2 Case Studies from across the EU27

To broaden the scope of the analysis and to add analytical rigour to the interpretation of the 'pure facts' collected through the online survey, qualitative interviews were conducted to develop a better understanding of aspects that the online survey could not

directly cover but which are key to the interpretation of the obtained data. In detail, those concern

The **regional framework conditions**, regarding

- Overall level of political support,
- Availability of sufficient human resources,
- Availability of sufficient professional capacity and experience in drafting strategies.

The **current level of achievements** with regard to the S3 process, regarding

- The fact whether a strategy will be delivered within the agreed time,
- The quality and nature of the stakeholder consultation process ('EDP'),
- The overall quality of the strategy, if any
- The question if new support measures or monitoring instruments have been launched,
- The level to which external assistance was needed to comply with the process.

To that end, case studies were selected following three main objectives:

- cover the breadth of main groups of European Member States (Central, South, East),
- cover differences within these groups with regard to governance systems,
- cover differences within those countries in which local governance systems differ.

In detail, the following case studies were selected on the following grounds:

From Central Europe:

- Austria: as an often quoted best-practice example for RIS3-related processes,
- Germany: as a federal state with a strong tradition in regional R&D policy,
- France: as a recently decentralised state with notable capacity in R&D policy.

From Southern Europe:

- Spain: as a state with autonomous regions with capacities in R&D policy,
- Greece: as a state with weak regions and limited capacities in R&D policy.

From Eastern Europe:

- Poland: as a state with strong regions but limited capacities in R&D policy,
- Bulgaria: as a centralised state with limited capacities in RTDI policy.

Information was collected in interviews based on semi-structured guidelines, each lasting between 45-75 minutes. Whenever possible, analyses were conducted at the regional level. When necessary, the focus was placed on the national level. Whenever possible, interviews were conducted with policy-makers directly involved in the process, though not necessarily with those who officially own it. When necessary, interviews were conducted with experts who work closely with the regional and national authorities of their country in the drafting smart specialisation strategies. In these cases, attempts have been made at triangulation.

In detail, the following interviews were conducted using a standardised questionnaire:

- Lower Austria: one policy-maker from the regional ministry.
- Germany (Baden-Württemberg): five policy-makers from the regional ministry,
- Germany (Thuringia): three policy-makers from the regional ministry,
- France (Alsace): two policy-makers in charge of RIS3 in the Région Alsace,
- France (Basse-Normandie): the main policy-maker responsible for the RIS3 process,
- France (Midi-Pyrénées): the main policy-maker responsible for the RIS3 process,
- Spain: two consultants tasked with supporting S3 strategy processes nationwide,
- Greece: one consultant in charge of supporting strategy processes in several regions,
- Poland: one university researcher and expert-consultant holding an advisory position in innovation and smart specialisation strategy-building,
- Bulgaria: three consultants tasked with different aspects of past and present strategy processes as well as the drafting of the OP ERDF for the coming support period.

3.2.1 Austria (Lower Austria)

Regional Framework Conditions

Lower Austria is regarded as a best practice example for establishing and implementing a smart specialisation strategy both by the European Union and other parties. As early as 1995, Lower Austria took part in an EU-project which led to establishing its first innovation strategy in 1997. Thus, Lower Austria was the first Austrian federal state with a regional innovation strategy built on the consultation of different regional players. It became clear that some of the same issues were handled by different agencies. The strategy helped to initiate a process of strengthening core competencies. Currently, the Economic Strategy 2015 is in place. The experience since 1995 has shown how important it is to talk to each other, especially to match offers with the expectations of the target group. Since then dialogue processes are an important element for strategy formulation. A main element is the steering committee which acts as a platform for communication. The steering committee is comprised of representatives from the government of Lower Austria, higher education institutions, research institutes, federal government, the Vienna region, social partners, chambers of commerce, and other organizations.

Other important elements to achieving a constant exchange between policy making and the economy are surveys among companies as well as enterprise dialogues on a regular basis with small groups of firms. The surveys are carried out approximately every 5 years. Important aspects are the innovation activities of firms and their needs regarding innovation support as well as their satisfaction with the existing offering. More in-depth information and assessments are gathered at the meetings with firms. In particular, these meetings aim at identifying new topics and issues. While in the first years external consultants were involved in establishing the strategy, their involvement has become more and more selective since 2005, e.g. to gather insights from other regions or for running surveys among companies.

First thematic foci were introduced in 2004, when Lower Austria implemented the Technopol Programm. Technopols are centers of technology and business which are established close to recognized educational and research institutes. They aim at bundling top-level education, research and business. Currently, four technopols remain operative in the region. Furthermore, Lower Austria promotes clusters. Currently, cluster promotion focuses on six clusters which were initiated between 2003 and 2010. Apart from the thematically focused initiatives, Lower Austria was among the first regions to pilot what was to become broadly known as the Innovation Assistant Program between 2002 and 2004. Innovation assistants are graduates aiming at raising the in-

novativeness of their employer companies by providing and transferring skills in the field of innovation management. The program encompasses not only subsidies for labour costs, but also a mandatory training for the innovation assistant.

In 2010, evaluation results confirmed the positive effect of the technopols. The quantitative analysis showed the contribution of technopols in terms of economic and scientific terms. In addition, to direct effects, indirect and induced effects on value added, employment, tax revenues and social security contributions could be identified. Thus, the technopols have contributed to structural change. The publication of these results fell into the time when the concept of smart specialisation was first discussed, explaining the broad recognition of the best practice status of the Lower Austrian approach.

What is more, Lower Austria implemented further good practice examples. In 2008, Lower Austria implemented a balanced score card (BSC) for monitoring and evaluation purposes. The overall BSC for Lower Austria is established from a set of very detailed BSCs for specific fields like cluster and networks or technopols. While the introduction of the BSC was initially seen critically, the results generated the provision of direct feedback on the work of the people in charge, so that now a positive assessment of the BSC prevails. However, it is important that the specific aims are reviewed on constant bases and adjusted if necessary.

Further elements of the regional innovation strategy approach in Lower Austria are insights from benchmarking with other Austrian regions and neighbouring countries as well as analyses on economic and innovation trends (for example based on CIS data).

Current Level of Achievements

As Lower Austria is already regarded as a best practice example for establishing and implementing a smart specialisation strategy by the European Commission, no major changes to the regional strategy will be required. Smart specialisation in Lower Austria can be regarded as a pyramid with thematically focused and research oriented technopols at the top, cluster promotion with the broader focus in the middle, and programs like the promotion innovation assistant forming the bases for promoting innovation potentials economy-wide.

The current Economic Strategy 2015 will be replaced by a subsequent strategy with a time horizon until 2020. Its development will start in 2014 based on the experiences Lower Austria has gathered since 1995. However, experimenting with policy tools will remain an important element. Thus, the current situation must not be seen as an end of a development path, but as a process in which Lower Austria will continuously aim to learn in order to promote regional innovation and development.

3.2.2 Germany

As the situation in Germany differs notably across the different federal states, two examples of German regions will be portrayed. For the purpose of illustrating diversity, those were selected to differ in terms of size, political culture and socio-economic framework conditions.

Baden-Württemberg, in the South-West of Germany is an example of a geographically large, economically prosperous region with strong and diverse innovation potential but also with a tradition of a non-interventionist, market-oriented innovation policy. In general, local SMEs are neither dependent on nor very interested in public support.

Thuringia, in the country's geographic centre is a geographically small, mountainous region characterised by towns rather than cities as well as a limited number of innovation potentials, even though some of them high-profile. As a former part of Eastern Germany's transformation areas, the region displays a greater need for public support in e.g. the SME sector that has in past years not least been provided from European structural funding.

Baden-Württemberg

Regional Framework Conditions

In **Baden-Württemberg**, innovation policy has a long tradition. Important steps were already taken during the 1970s and 1980s with the strategic view to build an effective transfer infrastructure to promote innovation among SMEs.

Stakeholder participation has been an important element of policy making for several years. With a specific focus on technology and innovation, in the mid-1980s, Baden-Württemberg implemented the discussion group "Business and Science" comprised representatives from the private sector and from applied research institutes to assess the technology demand of businesses, mainly SMEs. The implementation of collaborative research projects was among the recommendations. The exchange among policy, science, economy and society was deepened in the 1990s: In 1992, the region implemented the "Future Commission for the Economy 2000" which recommended the set-up of an "Advisory Council for Innovation". In the late 1990s, moreover, Baden-Württemberg implemented an Enquête Commission on the "situation and prospects of medium-sized companies, in particular family-owned companies". Although fostering innovation activities was only one topic among others, regional dialogue forums were held aiming at discussing issues related to SME support policy and business promotion institutions. Specific regional forums focused on "SME-networks and cooperation" and

"innovation, implementation of ICT and new technologies in SMEs". At the same time, expert hearings were organised to take into account best practices from other German regions and abroad. The results of the Enquête Commission lead to tangible changes in public procurement regulations and changes in the law on the promotion of SMEs. In that sense, "entrepreneurial processes of discovery" were first practiced in Baden-Württemberg decades before the term was coined. Further dialogue and or consultation processes were introduced in connection with the region's cluster policy in 2007. At the same time, Baden-Württemberg implemented the "Innovation Council" comprised of 50 persons from leading companies, scientific institutes, culture, sports, media, local districts, churches, trade unions, chambers of commerce, industry and handicrafts, and associations. The committee's main task was to efficiently advise the state government in its goal to secure the region's leadership as a national innovation engine. The recommendations, published in 2010, were well received by the government. They target the cooperation of economy and science as well as among companies as well as the transfer of knowledge and technology to promote innovation. The committee also recommended that innovation policy should focus on emerging markets and aim to diversify. These recommendations were backed by a report. The study described the economic and technological perspectives of Baden-Württemberg until 2020, thus it provided empirical evidence and also appraised previous expert assessments. The consultants recommended focusing on the following "future fields": sustainable mobility; environmental technologies, renewables and resource efficiency; health and care; and ICT. Later, as described in the coalition agreement, the "future fields" were complemented by the following growth fields: aerospace, creative industries, logistics and KETs.

Following a 2011 change in government, finally, the "dialogue-oriented policy approach" was explicitly made a central element of the regional economic and innovation policy of Baden-Württemberg, based on four lines of action: general economic dialogue, industry and branch dialogues (e.g., automotive, health, ICT, logistics), thematic dialogues (e.g. qualification, clusters), and regional dialogues. These activities show that Baden-Württemberg utilized strategic approaches to foster innovation activities for three to four decades.

Current Level of Achievements

Thus, when the smart specialisation requirements were made public, the main task for Baden-Württemberg consisted of making explicit existing processes of consultation and integrating existing elements into a coherent strategy. That accomplished, the Ministry of Finance and Economic Affairs in cooperation with the Ministry of Science, Research and Arts, the Ministry for Rural Areas and Customer Protection, and the Ministry for the

Environment, Climate and Energy Economy published the Innovation Strategy Baden-Württemberg in mid-2013 documenting the traditions of innovation policy, its aims, challenges, and instruments.

Beyond merely complying with the basic requirements, however, Baden-Württemberg has taken one step further to develop and implement strategic approaches towards smart specialization at sub-regional level. To this end, the competition RegioWIN was established. It calls sub-regions (i.e., functional regions at about NUTS 3 level) to develop bottom-up strategic approaches towards regional innovation. The competition is divided into two phases: During the first phase until autumn 2013, the regions are asked to develop a regional strategy concept. In case of a positive jury vote, the candidate regions shall further elaborate their regional development concepts and draft projects. After a second positive jury vote, concrete projects and support measures may be implemented from 2015 onwards. The so-called lighthouse projects may benefit from ERDF funding. In addition, other projects may be supported as well, e.g. within the framework of ESF depending on the specific content. Within the first round, 14 concepts entered the competition.

Thuringia

Regional Framework Conditions

Regional strategy processes are as such not new to the Thuringian government. In the most recent of these exercises, the 'Trend Atlas 2020' was prepared in co-operation with Roland Berger Strategy Consultants. Drawing on an evidence-based analysis it specifies eleven "growth fields" for which 16 overarching recommendations were defined. Moreover, Thuringia is a small region with a limited number of stakeholders in all fields so that next to all relevant experts are well known to the political decision makers. Drawing on these established circles of experts has been the regional government's policy for decades. As a German federal state, moreover, Thuringia disposes of ample human and professional capacities in its regional ministries and their subsidiary bodies. While not all processes of inter-ministerial co-ordination proceed smoothly, the region's different authorities have in the past displayed both their ability and, in the end, their willingness to handle matters of strategic importance jointly where the need arises. On a conceptual level, however, the benefits of smart specialisation are not self-explanatory for Thuringia. On the contrary, many argue that regional support policy has in the past profited from its main paradigm of technological openness that nurtures emerging industries and reduces vulnerability. While it would of course be possible to focus European allocation on the region's more successful clusters (or any other regional "growth fields") it may not necessarily be efficient. In Thuringia, as in other East

German regions, most of the successful clusters are well positioned to access high volumes of national excellence-based funding and do not necessarily need 'excellence-based' ERDF/ESF allocations.

Current Level of Achievements

When the 'Trend Atlas 2020' was submitted as a potential S3 document, direct approval was declined on the grounds of needs for improvement with respect to the underlying consultation process, the governance system for S3, and the monitoring of what?. Furthermore, the European Commission found that the strategies' existing recommendations were insufficiently binding. To develop the 'Trend Atlas 2020' further and meet these requirements, the regional Ministry for Economy, Labour, and Technology (TMWAT) initiated a public consultation process, the "Thuringian Discourse for the Future 2020". In detail, the responsibility for the RIS3 process has been given to an existing unit at the TMWAT that is mainly in charge of 'industrial policy and clusters'. With a view to specific tasks, the ministry is supported by the State Development Corporation of Thuringia (LEG Thüringen), a regional think tank and project management organisation. To amend the existing strategy's weaknesses as highlighted by the European Commission, a broad-based public consultation process on specific topics has been organised via the internet, and a number of public information and consultation events with more than 100 participants as well as through targeted expert hearings. To realise this methodologically demanding process, an external consultant was hired who will also be asked to provide assistance with drafting the strategy. The co-ordination between the ministries that are or will be affected by the strategy is organised on the basis of working groups. In general, different ministries contribute according to their respective fields of expertise. Nonetheless, all strategies are developed in consultation with all relevant partners from the beginning. Moreover, the neutral external consultant has accompanied the process from the outset and will participate in the development of the final, integrated document.

During the process, there was a certain feeling that the German regions with their relatively well established governance structures and routines for regional innovation policy conduct pioneering work and thus in some respects provide more conceptual input to the European Commission than they receive. Moreover, the regional administration had to act as an 'interpreter' for regional interest groups as e.g. "giving everybody a say" in a process means something entirely different in the language of local interest groups than it does in the terminology of the S3 agenda. At times, that raises wrong expectations and creates irritations. Opening up consultation fora with up to 600 participants proved a challenging task when many participants expected to really be able to take something home.

Main inputs for a first strategy were readily prepared by October 2013 when the public consultation came to a close. In the following, the draft document was submitted to internal, inter-departmental reviews and, finally, an external revision. At the moment, the process seems to develop towards the identification of a smaller number of overarching "key fields" that structure the existing "growth fields" under quite general headings of societal challenges and technological competences at the regional level. So far, regional policy-makers remain optimistic that the process will be successfully concluded during the first quarter of 2014 and a final strategy can be submitted to the Thuringian cabinet and to the European Commission.

3.2.3 France

Regional Framework Conditions

From an overall perspective France has a long tradition of centralised state governance and regional autonomy (the so-called "*décentralisation*") is a process which has been emerging progressively over the three past decades. At the same time, in terms of innovation policy, the French situation can be seen as very specific. Up to the 1980s and 1990s, the French innovation system was clearly marked by strong state involvement, corresponding to what could be described as an interventionist philosophy ('technological Colbertism', cf. Larédo, Mustar, 2001). In an attempt to broadly characterize French innovation policy today, it can be stated that the French innovation system is undergoing a profound transformation towards decentralisation, reflected in the establishment of new actors, regulations and frameworks as well as new ways of implementing strategic political priorities. Since France is at the crossroads between centralization and decentralization, its governance system has become very complicated and variable, involving several levels of regional and local actors as well as national and European institutions. Different from the situation in federal states, no clear legal distribution of roles and responsibilities has yet been fixed between French régions, départments and the central government, resulting in complex multi-level/multi-actor processes in the design and implementation of policies (cf. Muller et al., 2009). The principle of regional equity, if not equality, has also shaped a distinctive French response to the needs of a competitive, international knowledge-based economy. Networks and clusters of scientific excellence, rather than the concentration of resources per se, have become preferred policy tools, demonstrating equality of opportunity to compete for scientific resources, if not equality of outcome. This reflects a more gradual evolution in French policy towards equity rather than equality as a precondition for competitiveness: "equity represents a means of striving for equality within the reasonable limits of efficiency" (Baudelles, Peyrony, 2005: 109). Baudelles and Peyrony note a changing regional de-

velopment paradigm in which competition between territories is no longer seen as a zero-sum game, a position supported by the rejection of the notion of 'compensatory solidarity' by the most modern and progressive localities. The recent development of S3 strategies at the regional level in France must be analysed and understood in the light of this specific context.

Considering the heterogeneity and diversity of regional contexts in France, it was decided to conduct interviews in different French regions in order to better grasp the diversity of changes and challenges in the field of RIS3-related strategy processes. As in the case of Germany, we selected different régions (Alsace, Basse-Normandie and Midi-Pyrénées) that can be regarded as somewhat representative of the broad spectrum of French régions both with regard to their socio-economic starting conditions as well as their governance-related profiles.

Alsace is the smallest region in continental France in terms of geographical size. It is a diversified industrial region with a long tradition in chemical and textile sectors dating back to the 18th century. The mechanical industry developed on the base of these sectors in the 19th century. Alsace has today a very strong profile in science and fundamental research (three Nobel Prize laureates are working for the Université de Strasbourg for instance), nevertheless the production of technological knowledge and the rate of breakthrough innovations are rather modest, and the business sector's R&D expenses remain below 1 % of the regional GDP.

In **Basse-Normandie**, the region's economy is still heavily agricultural (for instance, the region is the leader in France in the sectors of butter, soft cheeses, cider apples, cider, etc.), the only other major industry being tourism. Science, technology and innovation-related activities are lower than the national average in Basse-Normandie.

Midi-Pyrénées is the largest region in France in terms of geographical size (exceeding that of Denmark or the Netherlands). The demographic and economic growth of the region over the last few decades cannot be seen in isolation from the historical path, followed by technological capacity in Midi-Pyrénées and from the changes affecting local research and innovation activities: Since the beginning of the 2000s, Midi-Pyrénées has been the top French region in terms of investment in research and development relative to the region's GDP.

Current Level of Achievements

In all three regions, the S3 guidelines did not prompt radical changes in policy actions at the regional level in terms of strategy and implementation. This can be explained that all French regions had to develop (at the instigation of Brussels) so-called *strate-*

gies régionales d'innovation (SRI) between 2006 and 2009. This process had to follow guidelines (designed as "*méthode Prager*" in the jargon of French regional authorities, following the name of the principal instigator[1]) which revealed to be a form of pre-stage for RIS3 processes.

Even in the course of these former strategy processes undertaken in the frame of the SRI, some real advances have been realised that can be considered much in line with the RIS3-agenda's requirements:

- changes in the stakeholders involved, i.e. more companies (in all three regions) and universities (in the case of Basse-Normandie, the academic world being already strongly associated previously in Alsace and Midi-Pyrénées);
- a much more precise and specific definition of what can been seen as strategic areas which gives us reason to think that the imperative of "specialisation" has been taken seriously;
- an inversion of the philosophy in terms of governance, the RISS3-related processes appearing as much more bottom-up than the SRI ones.

Concerning the room for manoeuvre regional policy-makers had in terms of their options for strategic choice, the two only limiting factors were:

- the (quite logical) necessity to define areas of specialisation coherent with the fields previously defined as strategic for the future according to the results of their SRI;
- the exigency of thinking in terms of emerging markets for companies and not only in broader categories (i.e. sectors of activity and/or techno-scientific fields).

This led to choices such as medical imaging (rather than life sciences and the health sector) in Alsace, cyber-security (rather than ICT) in Basse-Normandie or embedded flight or nautical electronics (rather than plain aeronautics) in Midi-Pyrénées.

The most decisive point for the future in terms of application will probably be the development – if any – of new policy tools and supporting measures. In this respect the respective regional situations seem to be very different: Basse-Normandie is expected to produce important efforts for developing new measures whereas Midi-Pyrénées so far considers its "tool box" as perfectly adapted to its new strategy. Alsace may be situated in an intermediate situation in this respect since new strategic developments may require some adjustments in the near future. These differences can be easily explained through the "starting situation", Midi-Pyrénées being for instance far more advanced

1 Cf. http://www.datar.gouv.fr/sites/default/files/datar/guide-innovation-region-2008.pdf

than Basse-Normandie in terms of innovation-related policy reflections and institutional settings.

More generally, turning to challenges and opportunities, the context of the economic and financial crisis constitutes for all regions which were investigated at the same time an obstacle and an accelerating factor. Interlocutors consider this as being true for their own region as well as for the whole country. As such, the RIS3 agenda is seen as the determining framework shaping the 2014-2020 support period for all investigated regions, indicating that this may probably apply to other French regions as well. Likewise, some differences can be found between the three regions with respect to perceived obstacles – that may again be easily explained through regional differences in terms of "starting situation". When talking about the key challenges in the current policy process, however, most regional actors tended to focus on national, rather than regional challenges and opportunities. For the moment, it seems, finding an adequate response to the challenging situation that France faces as a nation tends to be perceived as more relevant and more urgent than addressing regionally-specific issues.

In conclusion, it can be stated that apparently policies of Smart Specialisation emerged at the "right moment" in the case of French regions, keeping in mind that the emerging dynamics of a multi-level science and innovation system pose challenges to a traditionally centralized French state, with its commitment to balanced growth and regional symmetry (cf. Muller et al., 2009).

3.2.4 Spain

Despite the strongly decentralised and differentiated nature of the Spanish governance system, interviews were conducted on the national level. The intention to do so was to cover and gain an overview of the large variety of regional governance structures which, in responsibilities and capacities, are far less homogeneous than for example in Germany, Austria or France.

Regional Framework Conditions

The Spanish governance system for RTDI policy is complex, in principle the regions are in charge of strategy development, but the central government hosts the managing authority and has the prerogative to set deadlines and negotiate with the European Commission. While the national government insists on having one central managing authority, 40-60% of the available structural funds are nonetheless de facto allocated by the regional administrations. Technically, the regional authorities have to justify their allocation of structural funds to the managing authority in Madrid, they are to a large

degree free to design their own programmes and to decide the factual allocation of the funding. At the national level, however, neither innovation policy nor structural funding enjoy high priority in terms of resources and political backing, as currently, combating unemployment is the primary national priority.

In general, the starting conditions with regard to RIS3 are very different in Spanish regions. Some have a long tradition in RTDI policy and strong capacities, others not at all. Madrid has a mere 2 people working on innovation policy in the administration, while the Basque Country or Andalucía have large organisations, that employ 100-200 staff, tasked with regional innovation issues; many, like Valencia are somewhere in the middle with 20-25 people in the Regional Development Agency and some more in the administration. Some regional administrations have up to 14 people working on regional strategies. In general terms, technical capacity is therefore usually not a problem. Furthermore, many regions have seen earlier exercises including an arguably even stronger involvement of the private sector than today. In the Spanish context, the 1990s and 200os were a more optimistic time, firms were 'discovering' innovation and interested in participating.

Current Level of Achievements

According to the experts' assessment, some regions have a fairly good and advanced RIS3 process while others hit bad timing in terms of the electoral calendar with the result that a change in regional government stalled or delayed the RIS3 process. Consequently, one of the biggest current difficulties for many regions is an obvious delay. At the time of the interviews (September) some were trying to develop RIS3 strategies in?? less than two or three months. Although the regions were asked to submit draft strategies by the first week of November, some had not even started in earnest at the beginning of October. In the experts' view, few regions have so far understood that the RIS3 approach is not about standard sectoral policy, but about identifying 'technology for a purpose' and even fewer have sufficient professional capacity to draft and implement related strategies sensibly through ex-ante analyses and participatory approaches, or develop innovative support policies. In their view, this is why many regions currently seek external support from consultants. Those that do not do so often simply lack the necessary means to commission external studies but would in fact like to have them as well. Furthermore, it has become difficult to engage any businesses in the current, less optimistic times. As ERDF budgets will decrease anyway, most firms find it hard to see any direct benefit in joining the exercise. If they do come, they come for purposes of networking and lobbying with the regional government, not for the RIS3 process.

On the other hand, there is a rising recognition that the last decade's approach to regional policy making cannot be continued into times with much lower public budgets in most of the Spanish regions. For most regional administrations, this is the first time to engage in earnest with a strategy process that is relevant in budgetary terms. Likewise, there will have to be substantial changes with regard to support programmes, simply because there is no longer enough money to extend the full range of grants formerly available. Despite this being a gradual process, the experts felt that many have started to see that "what cannot continue, will not continue" and that RIS3 strategies can and likely will be a helpful tool to guide these changes in practice.

In that sense, the experts suggest that they come at a good moment in time for the Spanish regions. Nonetheless, it remains unknown how many regions will make a serious effort in that field as many policy-makers are traditionally hesitant to implement the proposed choices once evidence-based plans for specialisation are presented to them. Very often, there are efforts to re-broaden the focal areas, or to extend support to more sectors. Moreover, there is a worry that the increasing time pressure may result in "makeshift RIS3 strategies" based on classic support measures. In the end, it will be up to the individual regional governments if they intend to commit and how. Just like in the field of strategy building, some training and capacity building will inevitably be needed to enable administrations to implement the 'new generation of policy measures'.

3.2.5 Greece

Regional Framework Conditions

The current Greek regional authorities have only been set up in 2012 and did not exist before. According to the interviewed experts, their experience with any form of strategy development is close to zero. Even today, there are no specific units for innovation or R&D issues but only traditional regional planning units. Most of the authorities' staff has been taken over from the former regional administrations who as administrators in lower echelons of the central government know how to execute and implement policies but not how to design them.

Even for the national government, developing regional innovation strategies is a completely new, first-time challenge. While there were some strategy efforts in selected Greek regions in the 1990s and 2000s, their results were never incorporated in the actual policy process. Even the national government had never really thought about specialisation and competitive advantage seriously before, so far they pursued a somewhat trivial, generic approach to challenges like 'improving human capital', 'building infrastructure', 'increasing R&D in the company sector' without any clearly defined

intervention logic or aim in mind. Moreover, past regional and even national-level operational programmes allocated very small budgets to innovation and R&D anyway – there were e.g. a mere three R&D projects in the South Aegean. Hence, developing strategies with a focus on competitive advantages and innovation is a new concept to everyone in Greece.

Current Level of Achievements

In general, the experts perceived a lack of political leadership in the Greek RIS3 process on all levels. The authority formally responsible for the drafting of the design of RIS3 strategies is the Ministry of Development. In practice, however, their contributions have been unsystematic and lacking in substance. Due to this lack of action, the factual initiative has been taken by the General Secretariat for Research and Technology. On the regional level, the task of developing RIS3 strategies was delegated to the managing authorities, although these are already overworked. At present, most of them employ 10-15 staff, but have to spend most of their energy on allocating funds under the 2007-2013 operational programmes – a process in which Greece is lagging substantially. In consequence, a mere 1-2 people will on average find the time to work on the future regional RIS3 strategies on a part-time basis. Evidently, therefore the authorities in charge have neither the technical nor the professional capacities to perform a meaningful S3 process.

Consequently, the whole RIS3 process is very late. At the beginning, the national ministry did not commit much effort, resulting in a first, substantial time-lag on the national level. When first national guidelines were finally issued in March 2013, it was the regions who took some more months until they understood the seriousness of the request in both budgetary and methodological terms. When they finally did, it was immediately evident that they would need external support – and that the original deadline for the finalisation of strategies in July 2013 had thus become unrealistic straight away. First, it was moved to September, then to December 2013. At the time of the interview, even that goal appeared rather unrealistic.

According to the interviewed experts, a further practical problem is that Greek companies usually do not perceive regional authorities as entities that support their activities but as the old regional administrations which had no authority in business development but instead in various regulatory fields. Hence they are not known as enabling, but as limiting or restricting actors. Moreover, many Greek firms' business strategies are to a very limited extent based on R&D or innovation so that they care very little about RTDI related policies in the first place.

According to consultants seeking to support processes of strategy building, round tables and conference are usually of limited use to engage the Greek business sector, as companies would simply not attend. Hence, they have started to arrange bilateral meetings and interviews with companies on-site. In part quite significant samples of more than fifty companies could thus be contacted during the current process. Defining and negotiating specialisations on the level of regions is fairly easy and can politically be realised without friction, because most Greek regions are fairly obviously specialised in a certain field anyway. On the Greek Islands, the focus will likely be on the diffusion of mature technologies, agriculture and tourism, in Epiros, specialisations will likely be defined on the manufacturing of foods while in Central Greece some industrial potentials may be found in mining and metal processing. The only region where frictions are likely to appear is Attika where diverse universities and research institutions have to be consulted.

3.2.6 Poland (Wielkopolska)

Regional Framework Conditions

In Poland, responsibilities for regional development policy have been decentralised since the 2007-2013 Programming Period, and the voivodeships (regional level authorities) are now the relevant decision-making and implementation level in these matters. Regional policies are embedded in national strategies and follow the goal to efficiently use regional development potentials for contributing to the national long-term growth, employment and cohesion objectives. Roles and responsibilities of national, regional and locals levels are specified in territorial contracts. Generally, the majority of national development policies, including innovation policy, are implemented as part of EU policies; innovation policy planning, funds and implementation are directly linked to EU funds via the Operational Programmes.

Like some other Polish regions, Wielkopolska has a long experience with innovation strategy building that predates the 2007-2013 support period. The first "Regional Innovation Strategy" was conceived in the early 2000s and, in 2011, the current, more in-depth, "Regional Innovation Strategy for Wielkopolska 2010-2020" was adopted by the regional parliament.

In that context, the first broad-based consultation process involving large companies, clusters, and research institutes started in 2010. Furthermore, the region is active in various external networks (the Interreg project KNOW-HUB, national-regional coordination platforms, etc.) and its regular exchange with external experts promotes coordination and strategy-building processes. While strategy building and an outward-looking

perspective are thus not entirely new to the region, they were never directly connected to sectoral policies in the past and not all coordination processes needed for RIS3 were previously well established.

Current Level of Achievements

In the Polish region of Wielkopolska, three departments of the Marshal Office are engaged in the RIS3 process and the drafting of the operational programme: the Department of Economy (main responsibility for smart specialisation strategy), the Department of Regional Development, and the Department of Implementation of Regional Operational Programmes. In order to discuss and prepare the new strategies and Operational Programmes, an interdepartmental team within the Marshal Office was established. This process of initiating coordination processes was promoted through engaging external experts. These inputs as well as a newly-established interdepartmental office for strategy questions had positive effects on strategy building. Besides strategy coordination on the regional level, exchange processes between regional and national levels are important for aligning strategies on both levels. Two procedures which focus on coherence between national and regional strategies have been set in place: (i) the World Bank was engaged to assess S3 processes in Poland, and (ii) a working group comprising representatives of Poland's regions as well as of the key national ministries, the World Bank, the European Commission and further advisors was set up. Despite having started quite recently, this initiative proves to be very useful for boosting exchanges between the different governance levels.

With a view to content, the existing innovation strategy serves as a basis for the new RIS3 strategy; regional stakeholders are currently working on the new document and particularly on identifying fields for specialisation. The approach includes a comprehensive empirical analysis, consisting of a data-based statistical analysis on economic specialisation, a questionnaire-based analysis on innovation needs of regional enterprises, and a specialisation analysis for the science sector. Information of an Interreg IVc project, the RIS3 guide and inspirations from other regions were taken into account. Based on these elements, an expert team analysed regional challenges and potentials in “new economic sectors” and is currently matching the different fields. On this base, propositions on specialisation fields are formulated and presented to regional stakeholders, and will be followed up and further developed by working groups for each specialisation field.

Since the current process of defining areas for specialisation constitutes a new challenge for regional stakeholders, Wielkopolska initiated an advisory body on this issue, consisting of CEOs of important regional enterprises, 10 mayors of the largest cities in

the region and 10 chancellors or regional universities. Both the evidence-based approach and discursive processes on specialisation are new elements of regional strategy building. In the coming months, enhancing the management of the regional innovation system and thus further learning "how to do innovation policy" is perceived as both a chance and a challenge. Further aspects are to use internal competencies for efficient cooperation within the region, as well as the integration of civil society. Additional crucial points for the near future are to generate and enhance awareness and motivation for innovation, and, finally, to overcome foreign enterprises' focus on production and to motivate them to engage in R&D and innovation activities in the region.

3.2.7 Bulgaria

Regional Framework Conditions

In the early 2000s, all Bulgarian regions performed a so-called "RIS exercise". For many Bulgarian regional authorities this was the first contact with the topic of innovation. In the course of developing these strategies, consultants went to the regions, identified the top-10 sectors and at times consulted more than 120 sector-specific experts who delivered specific input. At the time, both municipalities and enterprises really appreciated this process and were very ready to respond. According to the consultants involved, this precedence suggests that processes of entrepreneurial discovery can work in Bulgaria as long as the interested parties go to the regions and do not expect the regions or stakeholders to report to Sofia in person. In the follow-up, however, the national government expressed no interest in actually doing this, and, in any case, it would have been difficult to overcome administrative restrictions impeding the transfer of parts of the national budget to the regions. Across the board, administrative capacity was highlighted as a major challenge. In the last support period, the lack of capacity was such that the first structural funds could only be disbursed 2-3 years after Bulgaria's accession to the EU. At the time, the administration was not able to draft and approve the necessary directives and to select projects in a manner conforming to EU regulations. The managing authorities had only just been created and were unable to deal with the workload. The now envisaged solution is a newly launched system of electronic proposal and report submission that has already been successfully established. Moreover, many feel that monitoring and evaluation will become a major issue as there is no evaluation culture, neither for organisations nor for policy programmes. Evaluations are normally not done by national experts but by international panels, and only if there is a pressing. Currently, most structural funds evaluations have to be externally procured to international consultants.

Current Level of Achievements

In line with this, the political decision has been that the new RIS3 strategy process shall be decidedly national and not connected to earlier regional exercises. To an extent, this decision can be justified on two grounds: First, the Bulgarian "planning regions" are set up for statistical purposes and are de facto defunct, the first 'real' level with any administrative capacity is the district (NUTS3) level. Regions are represented by R&D councils in which districts take a rotating 'presidency', but without ever investing any significant efforts in that field. Second, the national government argues that there is a critical mass issue. Bulgaria is a small, not very innovative country in which the utility of drafting innovation strategies for regions with less than one million inhabitants and very little innovative potential can indeed be questioned.

As the districts are lower echelons of the national government experts predict that they are very unlikely to develop any momentum if Sofia decides that there will be no regional strategies. In line with this, it would go against the established self-perception of many in the national government to "consult" the regions before taking decisions. The next relevant level on which there could be any bottom-up activities are the municipalities. Their small budget, however, limits their ability to address any local issues beyond the most obvious ones which, in Bulgaria, are rarely related to innovation policy. Hence, it will be one major challenge of the next support period how the regional dimension can be adequately addressed. So far, no answer to this question seems conceivable – even to the interviewed experts.

The national process of stakeholder consultation is focused on national level players such as industrial associations, universities, and R&D institutions as well as an international panel of experts. While RIS3 documents will be consulted with cluster organizations, these come in as national level players, not as representatives of their regions. In the context of preparatory work performed by the World Bank, some genuinely new impulses have been taken up from the business sector. On the side of the ministries, however, the whole RIS3 process including the consultative element is more perceived as a necessary exercise, the administrative planning logic behind the allocation of structural funding remains very strong. So far, the opportunity to install a new, more efficient instrument to allocate funding is not really seen by many in the administration and there is no real political or administrative champion at a sufficiently high level interested in the issue. To an extent, this may be due to the generally complex political situation in Bulgaria which suggests other priorities. In line with the nature of the Bulgarian economy, innovation is neither at the top of the political agenda nor so far in the focus of structural funds administration. Originally, the first draft of the national S3

strategy should have been submitted to the commission by late October 2013. At the time of the interview (November) the current state of affairs was not wide

ly known. Technically, there was a first draft which could be submitted as most of the formally needed political decisions had been taken. Still, some conceded that it was still of less than excellent quality. Nonetheless, the government by now have entered the phase of drafting Ops, defining measures and indicators, even before European Commission approval for the S3 strategy had been received. In short, there will be priorities on certain economic and innovation areas, but not exclusive, as that would not be politically viable. According to the interviewed experts, one can cautiously expect that, most likely, the methods of funding are going to stay very much the same in the next support period.

3.2.8 Overview

In summary, our case studies have illustrated that both the relevant framework conditions and the degree of achievements with respect to the S3 agenda differ broadly across the European Union's Member states. While the structure of the different case studies differs, several aspects have been addressed in many, if not all of them. Some of those had been explicitly raised by the interviewers based on the guidelines while others kept being mentioned without specific incitement.

In the area of *relevant framework conditions*, next to all interviewees mentioned the overall level of political support, the availability of technical capacities (most often human resources), and the level of professional capacities of those responsible for drafting the strategies.

With regard to the *current degree of achievements*, next to all commented on the adherence to the overall time-schedule set by the European Commission and/or their national governments, progress with regard to strategy, progress with regard to the consultation process, and progress with regard to actual adaptation in policies and measures. Finally, many of them elaborated whether the local authorities were performing the process alone or in collaboration with either external consultants or subordinate think-tanks.

Before we turn to addressing this study's overall hypotheses in the summary section, we would like to point out that, as a key finding from the case study approach, we feel that in terms of their dealing with the RIS3 agenda, three main groups of countries can be distinguished – as illustrated by Figure 9.

Figure 9: Framework Conditions and Achievements with relevance for the RIS3 Process

	AT	DE	FR	ES	PL	GR	BG
Framework Conditions							
Political Ownership	++	+/o	+/o	o	+/o	--	--
Technical/Human Capacity	++	++	+	+	+	-	--
Professional Capacity	+	+/o	+	o/-	-	--	--
Level of Achievements							
Process within Schedule	ahead of schedule	mostly in time	more or less	behind schedule	more or less	severely lagging	unclear
Consultation Process	++	++	+	+/o	+/o	o/-	-
Strategy Process	++	+/o	+/o	o	o	-	-
Implementation Process	+	+/o	-	o/-	-	--	--
Role of Consultants	limited support	some support	some support	strong support	strong support	leading role	leading role

Note: **++/+**= (fully) given/achieved, **o** = somewhat given/achieved, – –/– = not (at all) given/achieved

Source: own qualitative analysis of interviews

Firstly, countries with a strong tradition in regional innovation policy that may be sceptical about the exact nature of the new regulations but also command sufficient resources and have an intrinsic interest in implementing some sort of process. As a result, most have successfully done so, drawing on either internal resources or subordinate think tanks. In our overview, this group is represented by France, Austria and Germany.

Secondly, countries which have a comparatively strong regional echelon with respect to staffing and political authority but face a lack of competence with regard to strategy building as well as an at times challenging set-up of multi-level governance between central and regional governments. In these countries, regional administrations often seek assistance from consultants. In our overview, this group is represented by Spain and, to an extent, Poland.

Thirdly, in which the regional level is weak even in terms of staffing and politically relevant public consultation in innovation policy without precedence. In those countries, the strategy process will next to exclusively be performed by consultants, while efforts at the regional level (if any) concentrate on capacity building and implementation. In our overview, this group is represented by Greece and Bulgaria.

In all three groups of countries, political ownership of and interest in the process differs from region to region. Nonetheless, there is a general tendency that it will be lower in those contexts where S3-type processes are alien to the local tradition of government. Moreover, the political priority of such processes tends to depend on the overall challenges that a country is facing. In countries facing severe impacts of the economic crisis, attention will often be focused on an immediate response rather than long-term strategies.

4 Summary and Discussion

In summary, our findings suggest that the current efforts towards fulfilling the RIS3 ex-ante conditionalities are neither likely to trigger an immediate revolution in European regions' approaches towards innovation policy nor will they put an immediate or even rapid end to all the inherent challenges and contradictions of structural funding that have emerged and evolved across decades of past support periods.

With a view to *Hypothesis 1*, both the survey and the cases studies document a fairly low engagement in new strategy processes that can be interpreted as evidence that many regions either already had such processes or face difficulties to set them in motion. Moreover, it documents even more limited changes in many regions' policy mixes, which, however, should be understood against the background of the fact that many of the RIS3 processes are indeed running late as suggested by *Hypothesis 2*. As a result, many of them have remained at the stage of (first) strategic considerations at the time of the online survey as well as the interviews. Hence, it is only natural that few substantial changes to regional policy mixes could be observed.

Nonetheless, there is an overall tendency that those processes that are initiated at least formally comply with the RIS3 guidelines. In that sense, *Hypothesis 3* can be considered as partially refuted, although the case studies advise caution with respect to the actual depth of stakeholder consultation in many cases. Moreover, *Hypothesis 4* with regard to limited factual choice is confirmed so that the processes actual outcome remains less than certain.

Quite obviously, the RIS3-related push for the reconsideration and realignment of regional innovation policies have met very different "starting conditions" in both socio-economic and governance-related terms as suggested by *Hypothesis 6*. Consequently, the expected outcome of any S3 related process will differ substantially.

In brief, three types of frameworks can be distinguished and connected to likely benefits:

- Regions with a long-standing tradition in regional innovation policy, substantial prior experience in stakeholder involvement and notable regional innovation capacities. Many of them tend to regard the S3 process from a sceptical, yet informed perspective and perceive the potential utility of the process as gradual and of a technical nature. German, Austrian, French and Scandinavian regions are key exponents of this sub-group.
- Regions with some experience in regional innovation policy, stakeholder involvement yet limited regional innovation capacities – that have been further weakened by the economic crisis. Many of these regions tend to regard the S3 process as quite helpful in terms of supporting a consolidation of their regional innovation policy that, for fiscal reasons, is due anyway. Spanish, Portuguese and Italian regions are key exponents of this sub-group
- Regions or countries with a strong planning tradition and an often weak regional echelon of governance, notably in the new Member States but also in Greece. In many of those regions, the key challenge during the S3 process is the requirement of a process of in-depth stakeholders that comes as a novelty into local governance – or rather: government – systems in which it has no real precedence. In these regions and nations the key advancement of the S3 agenda may actually be of a processual, governance-related nature

In general, however, both quantitative and qualitative findings suggest that the RIS3 policy approach has been positively received in many regions across Europe so that *Hypothesis 7* can be considered partially refuted. However, there is a broader variance among the three categories. Despite the quite different added value that different types of regions can expect from it, the political decision to address the RIS3 agenda as either an opportunity or a burden seems as such mostly independent of regional framework conditions and in many different settings a politically contested process as suggested in *Hypothesis 8*.

Arguably, however, these results also underline the key, inherent strength of the RIS3 agenda: it was devised in an analytically ambitious effort yet implemented in a politically pragmatic way. While the early guidelines drafted by academics were undoubtedly perceived as too abstract, over-complex and unrelated to actual practice by many, the following process of exchange between regional policy-makers and European Commission representatives seems to have succeeded in building a common understanding of the in fact much more simple core intentions of the new agenda. Possibly, therefore, it is not despite, but because of the place-specific value added, that some merit is seen in the approach by many – different as their motivations and objectives may be. In the authors' view, this step of separating complex methodological guidance and non-negotiable, yet practice-oriented political requirements has contributed to broaden the acceptance for the process even in countries and regions that face

substantial difficulties in terms of implementation. Even though opinions on the optimal nature of the process may diverge for good reasons in specific cases, the European Commission's underlying ambition of ensuring that structural funding is responsibly spent in a publicly accountable manner is hard to dismiss in principle and shared by many.

In summary, our case studies suggest that after case specific negotiations, the following key principles are being imposed as hard requirements and – gradually, but to a large extent – accepted by most regions and Member States.

- Implementing a process that is credibly anchored at the regional level, lest the case can be made that the country is too small to justify strategic differentiation,
- Implementing a process consultation that credibly involves regional stakeholders beyond the "usual suspects" and considers their opinion,
- Submitting a strategy that documents a conscious, evidence-based review of the regional socio-economic situation – with a view to potential points of leverage,
- Submitting a strategy that documents a justification of the chosen priorities in spending, even if those were obvious to a certain extent before,
- Submitting a strategy that documents concrete, envisaged steps to fine-tune and improve the effectiveness of regional innovation policy.

Without doubt, even this remains an ambitious agenda for many Member States and regions to which consultation processes and dedicated priority setting – or even the involvement of regional level authorities – comes as a novel element. Against this background it appears remarkable that the main aspects of implementation that could be documented by our online survey appear well in line with the early conceptual guidelines presented by the European Commission. Even when some of the statements on methodology and stakeholder involvement may reflect the formal fulfilment of requirement, this would still allow us to conclude that the overall intention and thrust of the RIS3 approach has become more broadly and better understood than initially expected.

In sum, the concrete benefit of the S3 process cannot be understood as one-dimensional but as highly contingent on the regional context. For some, it may be useful in prompting a technical refinement of existing approaches, for others it may serve as a much-needed orientation during crisis-related consolidation, while in yet others it is an external stimulus to create precedence for place-based, consultation-based policy making in the first place.

5 Policy Conclusions

Despite all its obvious drawbacks, our findings suggest that the European Commission's policy with regard to smart specialisation has consequentially, even if gradually evolved from a highly abstract, academic approach into a practice-oriented effort to ensure the broader use of evidence-based methodologies and stakeholder consultation.

While it can thus be argued that the overall RIS3 agenda is well-designed in many respects, the actual challenges of implementation still rest with the regions and in many cases are just beginning to be overcome. Without question, sustaining the process and filling it with life will be a much more ambitious quest than merely forcing regions to submit strategies of a defined nature. As we have seen, a strategy document alone does not make for a viable and lasting change in policy. In most cases, the stated ambitions of the RIS3 agenda take the strategy process and the decisions of potential channels of implementation far beyond the remit of the managing authorities, in cases up to regional cabinet level. Hence, the desired serious and sustainable changes in regional policy will require changes in inter-agency co-ordination that will take time to develop if they shall be built to last.

In many contexts, therefore the RIS3-related policy process remains politically sensitive. Undoubtedly, both the survey results and the individual case studies document a substantial measure of scepticism reflecting the diversity of remaining challenges in socio-economic and administrative terms. Arguably, the concept could so far only be conveyed that successfully because it was communicated as seeking to develop policies within their regional framework and as being realistic and locally sensitive with regard to the requirements imposed.

Against this background, there is a strong case to beware of euphoria, despite our relatively positive findings. In more than one respect, there is a strong implication that processes of RIS3 strategies do not create anything new but, if at all, help to improve what there is. Although regions with a less robust background report higher expectations and relatively more substantial advances all regional policy making remains a cumulative process in which the huge gaps in governance quality and capacity across the Union will not easily be bridged.

Summing up, and coming back to DG Regional and Urban Policy's often presented picture, our analysis shows that the RIS3 agenda should be understood as good fertilizer but not as such as a new tree. So far, it would certainly be premature to speak of a new policy paradigm. If anything, our results underline that regions' political willingness to leverage local intelligence and experience will count to make the S3 agenda's ambi-

tions a reality beyond the immediate formal requirements. In different ways, this holds for all types of regions.

Consequently, it should be in the centre of the upcoming year's policy effort to help regions safeguard and improve what experience in regional innovation policy there is, rather than pressing them too strongly to reach for too much, too quickly. If existing systems can be consciously reviewed, focused and fine-tuned, much has been achieved. While there must be monitored pressure to improve, it should remain context sensitive with respect to the time that a reorientation of working structures within regional governments inevitably takes – even when they act in good faith. To create a lasting impact, it seems indispensible to safeguard regional policy-makers' surprisingly strong initial openness towards the new agenda.

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