Can policy transform regions into entrepreneurship and innovation hubs? Theory, evidence and practice workshop

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Theory and practice so far in setting up England's Smart Specialisation Hub

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RIS3 - From EU goals……

Europe is facing **major economic challenges** that require an ambitious economic policy for the 21st century. ……*Europe 2020 strategy,* ….**confronting our structural weaknesses** through :

1. **Smart growth, based on knowledge and innovation**;
2. **Sustainable growth**
3. **Inclusive growth**, fostering a high employment economy delivering economic, social and territorial cohesion.

Investing … in research, innovation and entrepreneurship
….a strategic and integrated approach to innovation ……

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To normative assumptions about how it happens…..

RIS3 Guidance page 44:

"Getting firms, universities, development agencies and regional governments to accept that innovation is a collective social endeavour ….is arguably the most important ingredient in the 'recipe' for purposeful entrepreneurial search."

From insights and experience to 6 step recipe

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The Theory according to RIS3 guidance: Steps to designing a Smart Specialisation Strategy

1. the **analysis** of the national/regional context and potential for innovation,
2. the set-up of a sound and inclusive **governance** structure,
3. the production of a **shared vision** about the future of the country/region,
4. the selection of a limited number of **priorities** for national/regional development,
5. the establishment of **suitable policy mixes**, and
6. the integration of **monitoring and evaluation** mechanisms

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Reality of local innovation policy and practice in England:

Local politics versus economic theory:

- Local Government
- Local Enterprise Partnerships
- Combined Authorities
- Central Government

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Three (complementary) approaches to addressing these tensions

1. **Local Enterprise Partnership Network**
2. **Venturefest Network**
3. **Smart Specialisation Hub**

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lep NETWORK

Local business led partnerships between local authorities and businesses … determining local economic priorities … to drive economic growth and the creation of local jobs.

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Local Enterprise Partnerships (LEPs)

England only – 39 LEPs replacing 9 Regions

Business-led

Bringing together:

- Business
- Local Authorities
- Universities and Research Centres

Working with Local Enterprise Partnerships (LEPs) in England

01. Black Country
02. Buckinghamshire Thames Valley
03. Cheshire & Warrington
04. Coast to Capital
05. Cornwall & the Isles of Scilly
06. Coventry & Warwickshire
07. Cumbria
08. Derby, Derbyshire, Nottingham & Nottinghamshire
09. Dorset
10. Enterprise M3
11. Gloucestershire
12. Greater Birmingham & Solihull
13. Greater Cambridge & Peterborough
14. Greater Lincolnshire
15. Greater Manchester
16. Heart of the South West
17. Hertfordshire
18. Humber
19. Lancashire
20. Leeds City Region
21. Leicester & Leicestershire
22. Liverpool City Region
23. London
24. New Anglia
25. North East
26. Northamptonshire
27. Oxfordshire
28. Sheffield City Region
29. Solent
30. South East
31. South East Midlands
32. Stoke-on-Trent & Staffordshire
33. Swindon & Wiltshire
34. Tees Valley
35. Thames Valley Berkshire
36. The Marches
37. West of England
38. Worcestershire
39. York, N.Yorkshire & East Riding

Local Enterprise Partnerships (LEPs)

Mandate to drive economic growth:

- Local Economic Assessment (Local Authorities)
- Strategic Economic Plan - SEP
- European Structural and Investment Funds – ESIF – Strategy
- Enterprise Zone
- City Deals
- Science and Innovation Audits

…..and now Smart Specialisation

LEPs and politics

Contested boundaries:

- Economic Geography vs. Civil Boundaries
- Overlapping LEPs
- Combined Authorities

Business-led vs. Democratic Mandate

- Devolution deals with ‘Combined Authorities’:
  - ‘Democratic’ Local Government
  - vs ‘Democratic’ Central Government
  - vs ‘business voice’ of the LEPs

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VENTUREFEST

NETWORK

Bringing together the three (innovation) tribes

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VENTUREFEST
NETWORK

KTN
the Knowledge Transfer Network

Network of 12 Venturefests each connecting great ideas from a range of sectors with local and national investment, skills and support.

Delegates leave with:

- **New Ideas**
- **New connections**
- **New sources of support**
- **New business opportunities**

Investors
Looking to invest in and learn about new technologies

Innovators
From a range of sectors looking for Investment skills and advice

Entrepreneurs
Looking for ideas and funds to grow into new business

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Lessons from Venturefest Network

- Franchise-like ‘freedom within a framework’ mobilises local engagement more than centrally defined cookie-cutter service
- Able to cope with changing landscape and policies, with confused and variable geographies and with uncertain funding
- Provides learning across the

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SMART SPECIALISATION HUB

Strengthening Local Innovation Ecosystems

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Smart Specialisation Hub for England:
Building on 5+ years work

2010: LEPs created

2013 - 2015: Venturefest Network developed

2013: LEPs draft Strategic Economic Plans

2013: Witty Review of Universities and Growth says Smart Specialisation Hub is needed

2014: LEPs draft ESIF strategies, Government consolidates into England programme

2015: England ESIF programme agreed including Smart Specialisation Strategy for England

2015: Managing authority puts projects out to tender

Nov 2015: Smart Specialisation Hub officially launched

Nov 2015: Science and Innovation Audits announced

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Initial reactions to Smart Specialisation

- You're late!
- Smart what!? Cities, meters, grids…..
- Over complicated and un-proven concept
- Over emphasis on measuring rather than doing:

Operational Approach: Fattening the right pig!

Understand: synthesise existing evidence and present clearly: Local, national and international benchmarks

Mobilise: raise awareness and gain involvement of appropriate stakeholders

Collaborate: Smart Specialisation Innovation Review Workshop. Review evidence – decide actions

Validate & Learn:

- Advise National Growth Board
- Advise local Smart Specialisation (Innovation) Strategies
- Support local innovation strategy and actions
- Capture lessons and best practice locally and EU-wide

Disseminate: share best practice

Smart Specialisation Hub

Best practice support to innovation

1 MOBILISE

- Local Innovation Ecosystem
  - LEPs
  - Universities
  - Businesses
  - Regional Networks
  - Innovation Clusters
  - Venturefest teams
- National Innovation Ecosystem
  - Smart Spec Hub
  - BIS
  - Innovate UK
  - HEFCE
  - KTN
  - NCUB
  - EEN
  - Catapults/RTOs

2 UNDERSTAND

- Awareness Raising
- Data Identification
- Data Analytics of regional and national context, governance and vision
- Develop Evidence Base
- Draft Reports & Infographics

3 COLLABORATE

Innovation Review Workshop:

- Advice & Navigation
- Evidence Collation
- Priorities
- Action Plan
- Metrics

4 VALIDATE & LEARN

National (ESIF Sub-Committee)

- National SS Compliance
- National Priorities Alignment

Local

- Local SS Compliance
- Local Strengths & Priorities
- Local Impact

Smart Spec Hub

- Shared Learning
- Good Practice
- Investment Toolkits
- SS Expert Panel
- SS Bid Review
- SS Networking

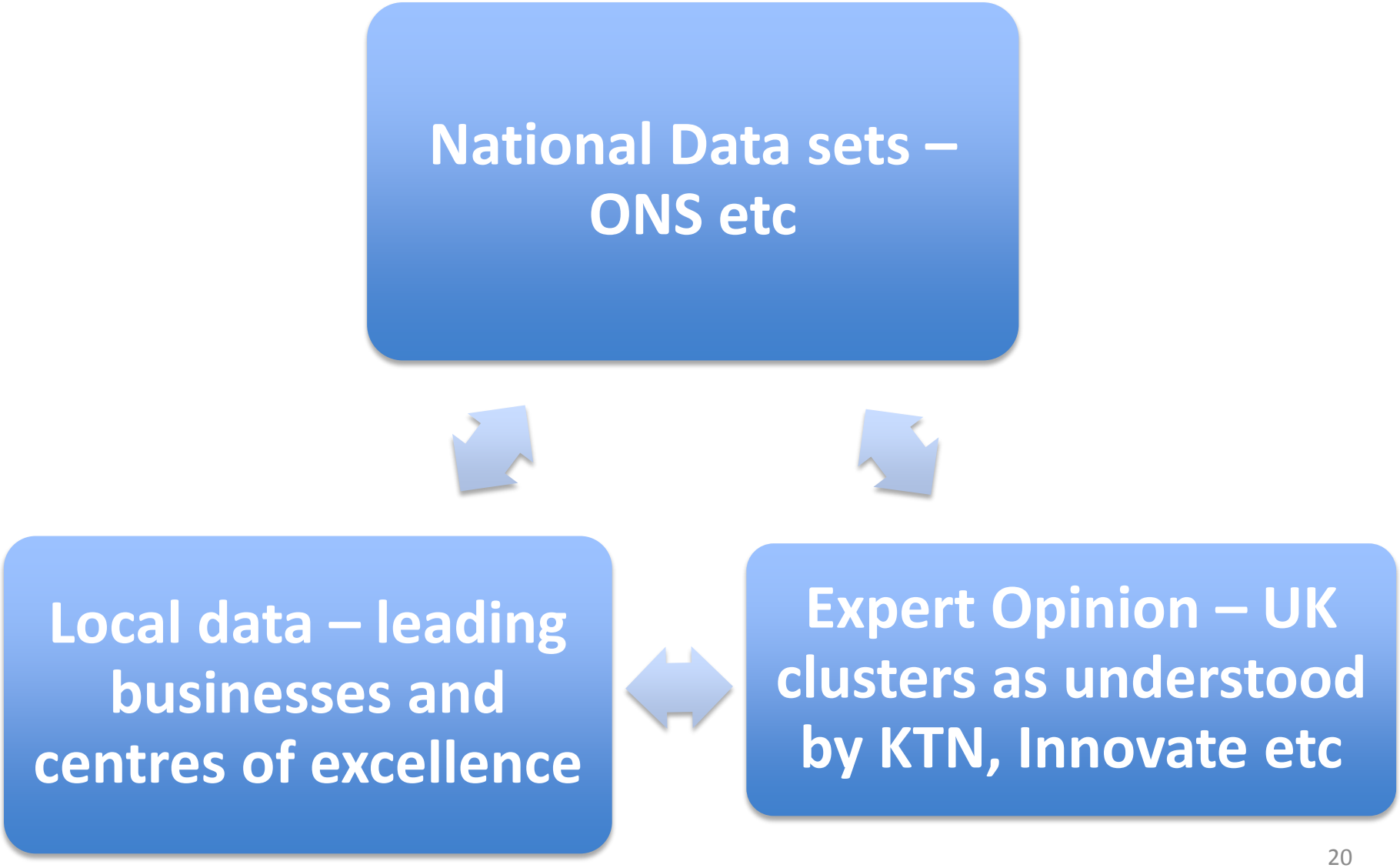
5 DISSEMINATE

Smart Specialisation Hub

- Observatory resources
- Newsletter
- Awareness Raising
- Sharing with EU and internationally
-

ESIF = European Strategic Investment Framework
KTN = Knowledge Transfer Network Ltd
EEN = Enterprise Europe Network

Triangulating evidence sources:



Internationally distinctive competencies

International benchmark evidence:

- Elsevier & Urban Innovation Network: Understanding Amsterdam's Competitive Advantage
- Other studies with international benchmarks?

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What would success look like*?

- Stronger innovation leadership & governance
- Useful tool kits developed and in use
- Better spatial, temporal and more granular mapping of economic activity
- Application of Smart Specialisation principles to all aspects of EU programming
- **Smart Specialisation as learning and capacity building process**

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Hub Deliverables

An independent centre supporting the process of Smart Specialisation:

- An 'observatory' to hold available evidence
- An enabling facility for sharing experiences
- Toolkits that capture 'good practice'
- Soft infrastructure of networks, special interest groups etc for learning between innovation eco-system players

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Regional Development theory: a confusion of models/fads: "Be like us and you'll succeed!"

Policies:

- Regional Innovation systems
- Learning regions
- Clusters
- Supply chains
- Smart Specialisation
- Global production networks
- Regional resilience

Theoretical frameworks:

- Regulationist
- Schumpeterian
- Institutional
- Network-orientated
- Relational
- Evolutionary

(**after Ron Martin** from University of Cambridge)

Smart Specialisation: one tool amongst many for promoting innovation ecosystems

“Total Place” & “Constrastive Analysis”

Circular and cumulative causation between:

- Evolution and history
- Geography
- Political economy
- Institutions
- Administrative and economic governance

….at different scales: local, national and international

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Conclusion:

- Use Smart Specialisation to have conversations with the right people about the realities of each place and how to respond……
- ….Let the strategies emerge from that and….
- ….Repeat!

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SMART SPECIALISATION HUB

Strengthening Local Innovation Ecosystems

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