

Spinning the wheel and switching on the lightbox Towards a novel evaluation for smart specialisations

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Abstract

To date, that meaning and the related concepts of spatial and territorial development has been dominated by a physical, geographic understanding of a defined ‘place’ – which has supported, for example, theories around proximity, central to the clustering concept - and a socio-economic understanding of ‘place’ as an economic system – a defined labour market with a set of local institutions and actors operating within that system. This paper suggests that a comprehensive approach should take in consideration a third criterion, embedding an organic and more holistic approach, encompassing culture, education, in one word, the local assets and needs. Such a complex approach, to be developed through an in-depth set of metrics and variables, can be visualised through a user-friendly metaphor to allow easy familiarisation amongst policy makers and stakeholders. It is therefore suggested that a “Sustainable Smart Specialisation wheel”, complementing the two traditional concepts mentioned above with a third one representing cultural aspects of place, may offer a simple and elegant conceptual framework, which has real potential to be further developed and operationalised as a dynamic, responsive and effective novel evaluation tool for Smart Specialisation Strategies.

Keywords: smart specialisation, strategies, place-based innovation, spatial dimension

1. Innovating Europe through Smart Specialisation Strategies

“If Europe dropped its mission to innovate, the blame would not lie with the world, but with ourselves.” (EC 2016). Robert Madelin’s rallying call sits at the heart of the ESRC’s recently published paper on the future of innovation in Europe. The paper wholly acknowledges the scale and complexity of the innovation challenge. Whilst recognising and re-stating the fundamental importance of science, research and funding, it pertinently reminds us that: ‘Innovation is more than science and technology. Social demand and needs-driven innovation matter more than ever.’ (EC 2016: 3).

Smart Specialisation remains central to the vision put forward for Europe’s innovative future, and its critical role in promoting multi-stakeholder discovery processes and in enabling innovation goals to be determined at a regional, ‘place-based’ level is cited and commended in the paper. Smart Specialisation is based on the principle of defined economic systems (predominantly regions) generating new specialisms through a process of discovery which builds on unique local assets and competences, and further enhancing competitive advantage through concentrating resources on the newly discovered specialisms. Smart Specialisation Strategies (S3) (Foray, 2015) translate the academic concept of Smart Specialisation into policy and allow regions to prioritise concentration of resources. S3 is based on five core design principles: entrepreneurial discovery, mid-level granularity, inclusiveness, progress (specifically in that priorities will not be supported forever) and promotion of experimentation and risk. S3 is now firmly established as a key feature in European policy, and since 2013 it has been a compulsory ex-ante conditionality requirement for EU member states and regions accessing EU funds to have an S3 in place. Within its wider programme of research (MAPS-LED 2016), an international research partnership, is further interrogating the relationship between S3 and innovation.

The rapid rise of S3 from academic theory to legal requirement has to some extent followed its own innate design principles, in that it is an experimental strategy which has made extraordinarily fast-paced and dynamic progress, benefiting from and contributing to a growing focus on both innovation and inclusion, and a movement toward regional, devolved and ‘place-based’ development. Its early adoption and roll-out whilst still effectively in its infancy has meant that much of the analytical discourse to date has focussed on what S3 is. Building strategy around the continually evolving and dynamic concept of Smart Specialisation implies the adoption of a delivery model which challenges, and in many cases

precludes, retrospective evaluation. “Complete knowledge and maximisation of control”, as Van Mierlo et al (2010: 145) observe, are replaced by continuous learning”.

Defying easy definition presents a further challenge. Khan (2013) cites Geoffrey Moore in expressing “the challenge of scaling the adoption of a new innovation beyond the early adopters to the early majority – beyond niche to standard”. Khan goes on to express frustration with quantifying social impact, which is, he says “not the same as valuing it. It is simply managing the financial impact and accepting whatever social impact happens along the way”. Kleibrink, Gianelle and Doussineau (2016) identify a similar frustration amongst stakeholders in regard to the limitations of statistical data, survey and –in particular - financial audit as a monitoring tool for S3, highlighting audit’s (negative) association with regulation, performance management and compliance. They express the need for a better and leaner model of performance measurement, which reflects S3 as experimenting with new approaches to strategy making and implementation and (citing Mintzberg, 1994: 85) which goes «beyond mere ‘numbers games’» (Kleibrink et al: 5).

As it matures into its third decade of development, S3 requires a monitoring and evaluation mechanism which meets all of these challenges; one which can keep pace not only with the innate dynamism of S3 and innovation, but with the rapidly changing economic, social and political environment in which it must perform.

That environment – implicit in the level of granularity required, and reinforced by the 2009 Barca report (and recently restated by McCann, 2015) is place-based. The paradigm of ‘place’ has had a similarly exponential rise in policy-making and, as observed in recent work by the Royal Society of Arts is «incompletely developed (...). The critical issue is identity. What does a place mean to its population and in what way can that meaning be articulated, shaped and manifested?» (Taylor & Devaney, 2014: 6). In the Barca report, a place-based policy is defined as “a long term strategy aimed at tackling persistent underutilization of potential and reducing persistent social exclusion in specific places through external interventions and multi-level governance”. Whilst there is clear synergy between the regional focus of S3 and the place-based approach put forward in the Barca report, as the 2013 report to European Commission from the independent group chaired by Ketels observes “Smart Specialisation Strategies...were initially developed from an a-spatial concept (and) have needed to be reworked and redefined in the context of regional analysis”. S3, evolving at the same time as the place paradigm has, as such, been able to respond to and absorb a deepening understanding of what ‘place’ means.

2. Towards a novel evaluative approach for Smart Specialisations

To date, that meaning and the related concepts of spatial and territorial development has been dominated by a physical, geographic understanding of a defined ‘place’ – which has supported, for example, theories around proximity, central to the clustering concept - and a socio-economic understanding of ‘place’ as an economic system – a defined labour market with a set of local institutions and actors operating within that system. Evaluation tools for S3, such as those described by Kleibrink et al (2016), are largely based on financial audit, mapping, surveys, demographics and statistical data, and respond predominantly to those spatial and social considerations as two fairly static criteria related to “place”.

Currently, a gap in the evaluative tools still exists, thus undermining the effective assessment of assets and potentials and the full exploitation of genuinely place- based strategies.

This paper suggests that a comprehensive approach should take in consideration a third criterion, embedding ‘a deeper, organic, multi-faceted and multi-connected definition, firmly rooted in and driven by that particular place... bringing together culture, education, health, business and all aspects of local life in creating a unique DNA, an identity, a place’ (Taylor & Devaney, 2014: 12).

Such a complex approach, to be developed through an in-depth set of metrics and variables, can be visualised through a user-friendly metaphor to allow easy familiarisation amongst policy makers and stakeholders. It is therefore suggested that a “Sustainable S3 wheel” (Figure 1), complementing the two traditional concepts mentioned above with a third one representing cultural aspects of place, may offer a simple and elegant conceptual framework, which has real potential to be further developed and operationalised as a dynamic, responsive and effective novel evaluation tool for S3.

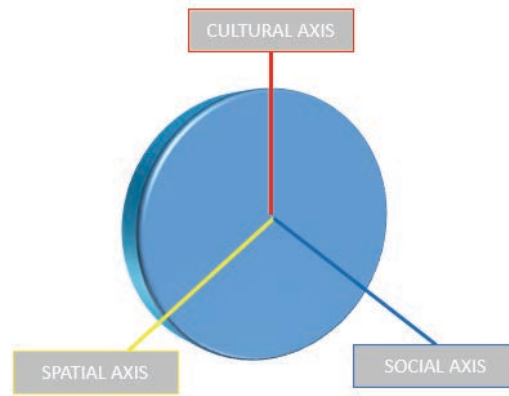


Figure 1 | S3 evaluation tool conceptual scheme: The sustainable S3 wheel
Source: author's elaboration.

In this dynamic new evaluation model, each axis represents a critical quality in successful S3 strategies. The first axis – the where – represents spatial factors, incorporating granularity, proximity and built environment considerations; the second axis – the who – represents social factors, incorporating inclusivity, participation and stakeholder engagement, recasting the role of people, as critical and pro-active stakeholders in the entire S3 and innovation process and the third axis, completing the spokes in the wheel, represents cultural factors – the what – those aspects of place such as heritage, identity and culture, that make a place distinctive and its S3 specialisms unique.

Foray's distinction between Smart Specialisation and S3 strategies is important here. Whilst progress, short-term risk taking and learning, and the associated regenerative shedding and re-definition of priorities is actively encouraged in the process of specialisation, in contrast, S3 itself should be supported as a sustainable strategy which can continue to catalyse place-based innovation in the long-term. This requires an evaluation tool which will support and promote its long-term relevance and application.

With regards to innovation, the wheel is conceived as a dynamic concept which, figuratively speaking, turns. Its cyclical movement mirrors the perpetual motion of innovation and the correlated interdependence between production and use. (Figure 2). In evaluating S3 as a tool to support and stimulate innovation - this represents the why.

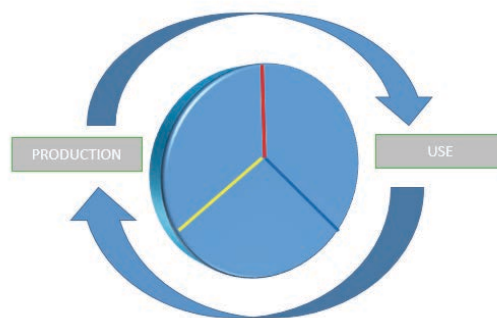


Figure 2 | Innovation – production and use cycle.
Source: author's elaboration

Taking the metaphor one step further, if we conceptualise the wheel as a spinning top, then the top requires an intervention - a catalyst - to make it spin. This is the how. (Figure 3)

S3's focus on local assets and competences tends to skew the understanding of 'place' toward a region's strengths, a bias which is also reflected in its application, monitoring and evaluation. The dynamic S3 'spinning top' might relate to the equally dynamic context of place, reflected here by a wider spectrum of indicators in which a range of degrees, gradations and inter-dependencies are incorporated (Figure 4).

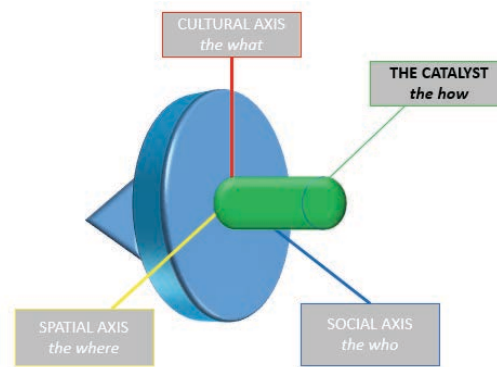


Figure 3 | The catalyst for innovation. Source: author's elaboration.

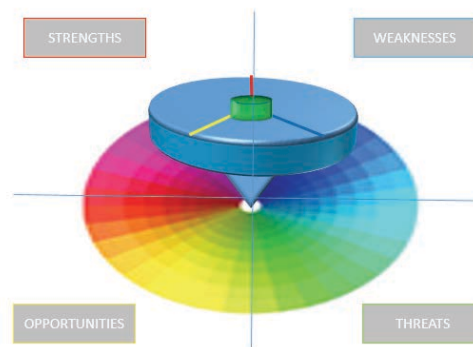


Figure 4 | S3 and place-based innovation. Source: author's elaboration.

Too often, the perception – and reality – of innovation sees overly-dominant production, with producers (such as universities and large corporates) working in isolation on the strengths of a place (and often in isolation on campuses and science parks). This tends to come at the expense of the application of S3 capacity in addressing place-based weaknesses or issues of need. By meaningfully involving stakeholders throughout implementation [6:19], successful S3 has the opportunity to bring a vast range of different actors together in addressing these collective place-based goals. Imagine our spinning top once again. As it spins, it generates kinetic energy and sparks of new ideas fly as the dynamic revolution cycle of innovation, production and use, continues to revolve and evolve. It glides across the lightbox of place, feeding off a strength here, spinning over a threat there, obliterating a weakness in its path here, embracing an opportunity here, and blending the primary colours of each S3 axis together as white light. This is entrepreneurial discovery in practice.

3. Conclusions

There is an unprecedented freedom of movement to this new evaluative paradigm for S3 and place-based innovation. In allowing the ‘spinning top’ to move freely, the concept redefines the notion of ‘territorial’ operation, and offers the opportunity instead to transcend boundaries – as light does – promoting, for example, urban-rural linkages, sharing of innovations between places.

The opportunity for S3 within this vision is to continue to be the strategic vehicle of choice for regions across Europe, and beyond, in stimulating and catalysing place-based innovation, and in achieving transformational local and global impact. Seizing this opportunity can only be achieved if S3 is supported by a dynamic and responsive model of evaluation and learning.

Let's spin the wheel and step into the light.



Figure 5 | Images from Light and Space Exhibition, Seattle Art Museum, July 2016. Source: Author's photographs.

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