



***Multi-level governance of Smart
Specialization Strategies: making it work***

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SMARTER Conference
Sevilla, 26-28th September, 2018

Rationale

- S3 was designed as a **multi-scalar** strategy not a purely regional strategy
- The role of multi-level coordination of the S3 process is widely accepted (Vanthillo and Verhetsel, 2012; Rodriguez-Posé et al. 2014; Saftescu et al. 2016; Kroll, 2017; Nawelaers et al. 2014; Rodriguez-Posé and Wilkie, 2017; Aranguren et al., 2016, 2017, 2018) but under-researched and poorly understood

Cities and other sub-regional levels remain unaddressed as potential managers/leaders/facilitators of S3 in an explicit way both in the literature and the main policy initiatives

- Regional and national governments have a limited capacity to work horizontally and vertically – but both dimensions are becoming more important to engage key partners within and beyond the region
- MLG capacity - that is governance that considers supra-national, national and sub-national (including local) actors – needs to be more robust if S3 is to be rendered more effective

Main context

Based on empirical data: action research processes in the Basque Country oriented to building multilevel governance within S3



Analytical framework on four main pillars (the how of MLG of S3)



Comparative case analysis:
Flanders and Six City Strategy
in Finland

*How multilevel
governance of
S3 can be
constructed?*

MLG of S3_Conceptual framework I

The need to redefine governance modes within the new innovation policy making approach proposed by S3

- Contributions of the local:
 - Multiply the capillarity of processes such as entrepreneurial discovery processes: staff with long-term trust relationships with stakeholders as SMEs (Estensoro and Larrea, 2016)
 - Avoid the hegemony of territorial 'kings' (Nissinen, 2017), 'giving voice to the voiceless' in EDP and avoiding promoting *a closed circle* within 'clubby' insiders (Kyriakou, 2017)

Conceptual framework

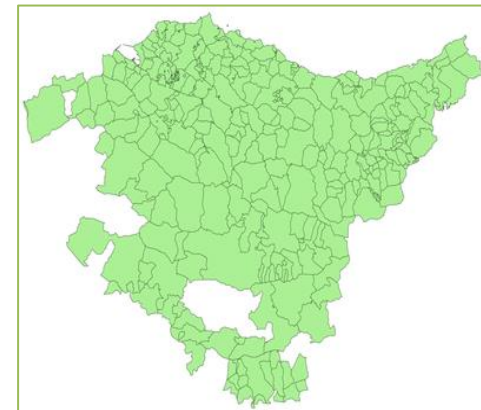
The relevance of embracing a place-based approach

- Policies draw on local knowledge and strengths as recommended by the place-based agenda (Barca 2009), while benefiting from the state or regional capacity that often only exists at higher levels of government (Marques and Morgan, 2018)
- The need to make explicit the territorial dimension of S3 (McCann and Ortega-Argilés, 2014)
- *Place-sensitive strategy – regional granularity* (Sotarauta 2018)
- S3 for territorial development, cohesion and competitiveness (Capello and Kroll, 2016; Bevilacqua and Pizzimenti, 2016)
- Extending the societal dimension of S3 to give it a long-term impact (Carayannis and Grigoroudis, 2016; Nissinen, 2017)

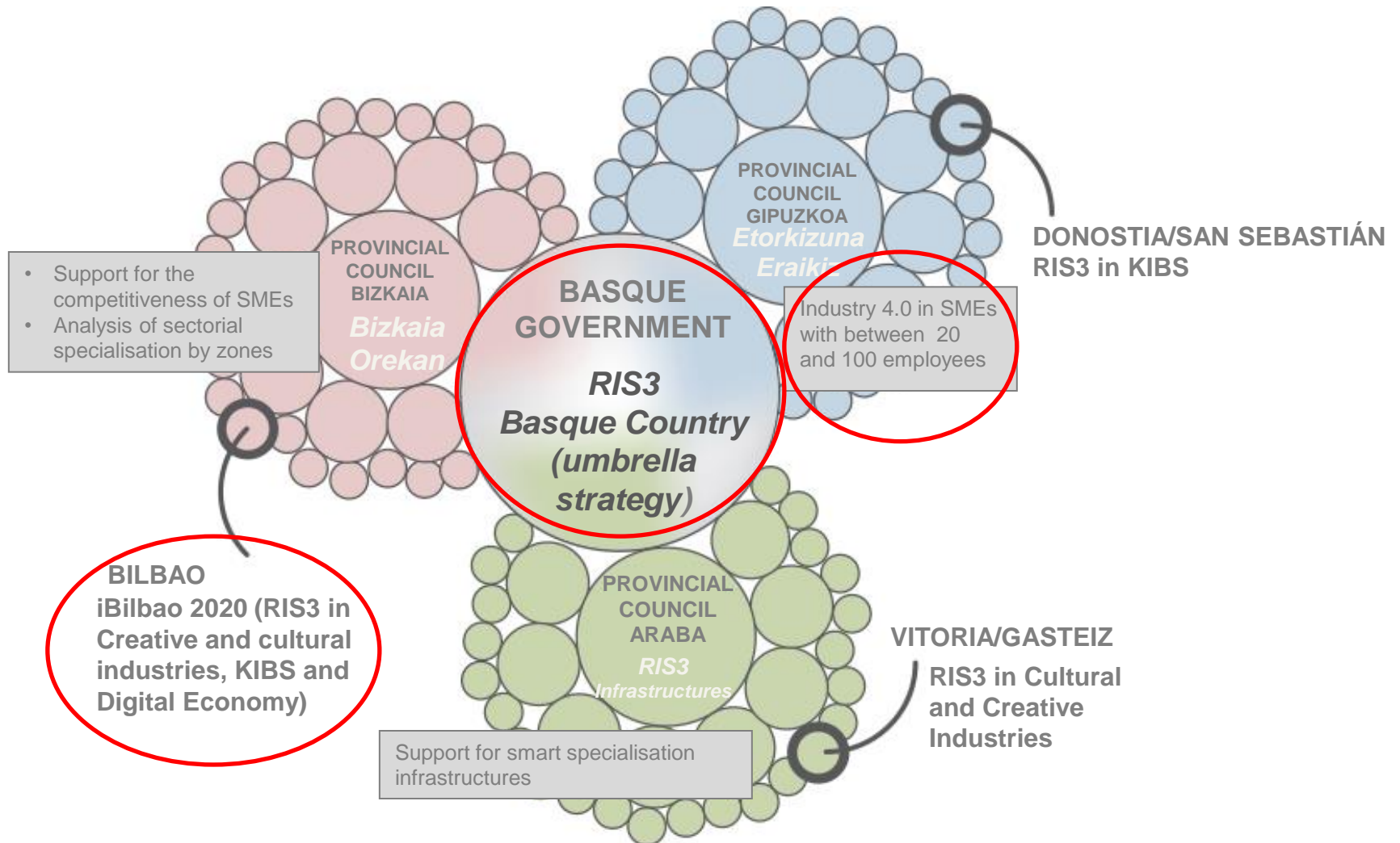
Basque complexity



- Basque government: core competences in industrial policy and science, technology and innovation
- Provincial Councils: complementary competences focused on innovation (mainly SMEs) and economic development
- Counties: no administrative or political competences; agencies use competences of municipalities for economic development
- Municipalities/cities: though formally recognized competences for territorial development, very limited budget for innovation in most municipalities



The Basque case: emergent multi-level governance of S3



Case1: Industry 4.0 in SMEs through MLG in Gipuzkoa



425 SMEs (from 527)
working in Industry 4.0

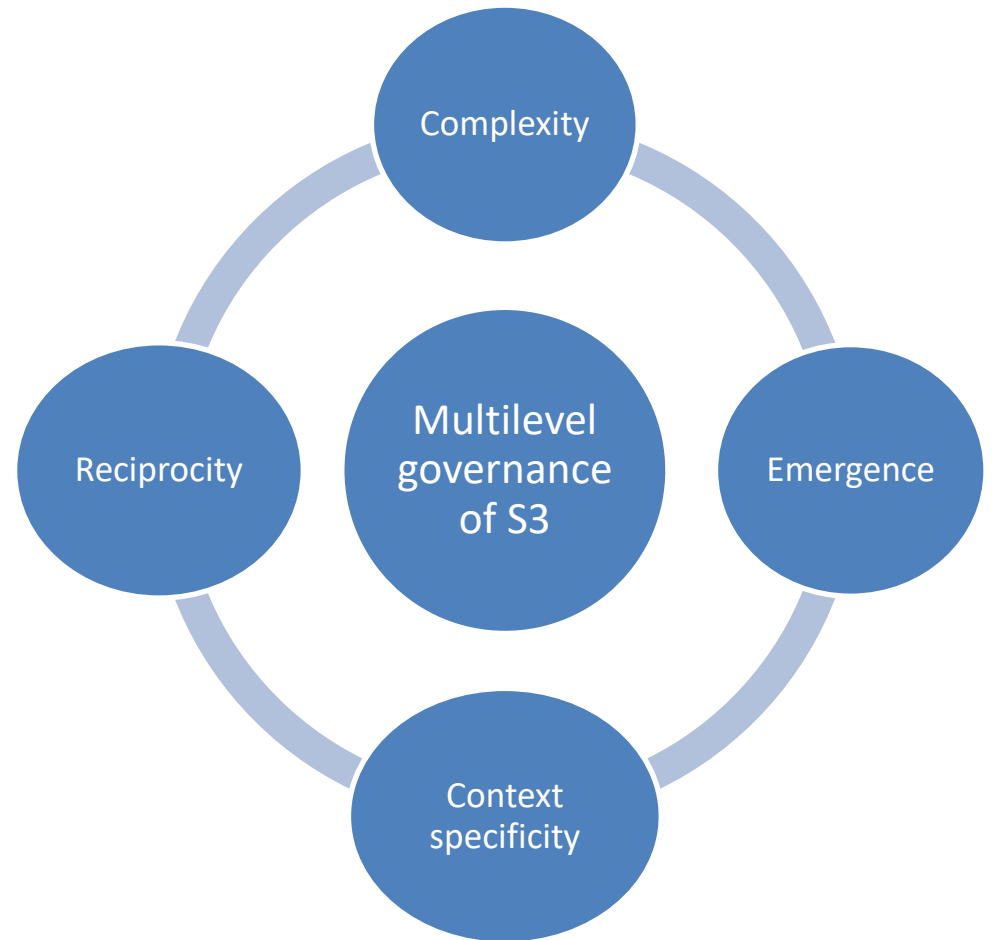


The collaborative governance integrates local (through county development agencies) and provincial governments and administrations. Links are being built with the Basque Government now.

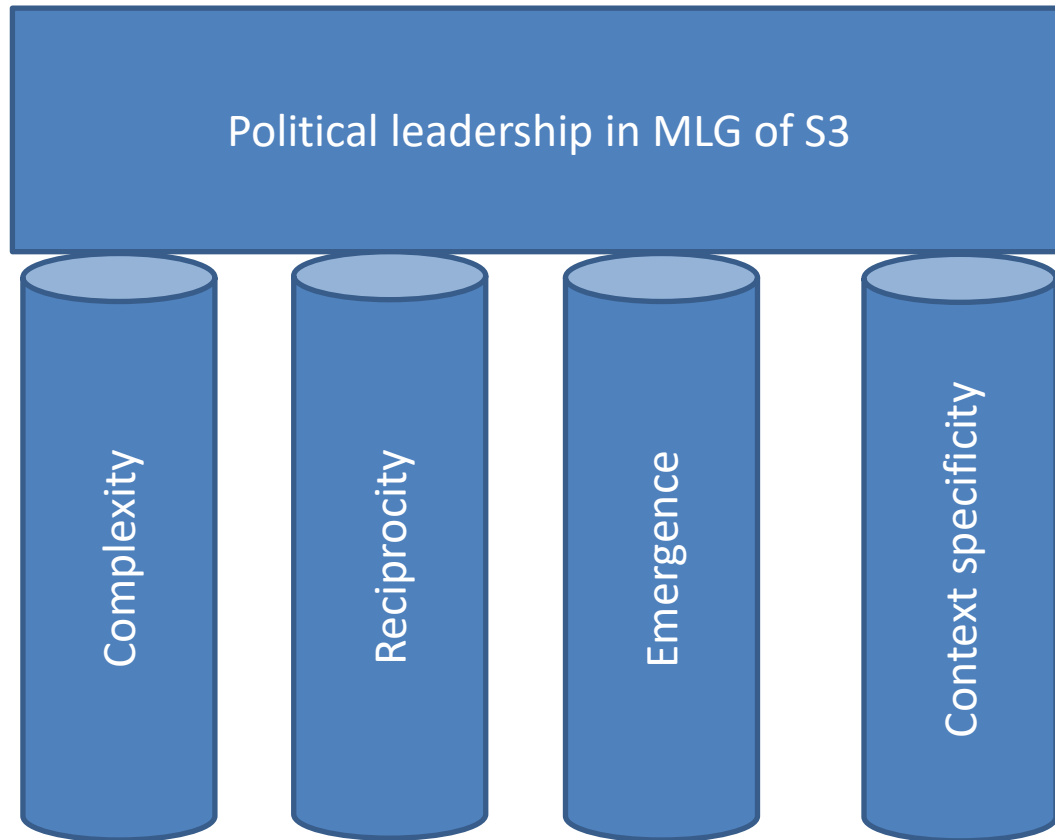
Since 2009! 2013: Intercounty Table and the Facilitators Action Research process; 2017: agreement signed by the Provincial Council and county development agencies; since 2017: creating right conditions for industrial companies from 20 to 100 workers in the territory to adopt Industry 4.0 strategies.

Analytical framework: factors that help multilevel governance to work in the BC

- The integration of complexity as a dimension of the strategy
- The consideration of the strategy as emergent
- The contextualization of the strategy in each level
- The acceptance of reciprocity between level



...including a reflection about leadership



MLG requires **relational or shared leadership**, that means:

a good relational leader of MLG needs to handle complexity, generate emergence, seek reciprocity and understand context specificity in diverse levels.



Gracias/Thanks!

