THE REALITIES OF RIS3: IMPLEMENTATION GAPS BETWEEN MORE AND LESS DEVELOPED EUROPEAN REGIONS

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Outline

- The RIS3 challenge

- Challenges of implementation

- Analysis of implementation rates for EU regions and countries

- RIS3 in practice

- Future work

The RIS3 challenge

- RIS3 has been described as "the largest innovation policy experiment in the world" (Radosevic et al, 2018)

- It places huge demands on the public sector, in both the design and implementation stages

- It is intended as an experimental policy tool, but operates within a rigid regulatory environment

Challenges of implementing S3

- The national/regional context is important when assessing the RIS3 experience – as such there is no absolute metric or yardstick by which to measure progress or good practice.

- Implementation is not a passive process in which local agents faithfully and unerringly deliver the grand designs of higher level and more knowledgeable policy makers.

- Implementation is a highly contingent and contested process
  - *problems unforeseen at the design stage have to be acknowledged and overcome through a learning-by-doing process of trial and error*
  - *solutions have to be constructed rather than delivered through a linear policy design*
  - *But are all regional authorities prepared to deal with these demands?*

Implementation rates

Planned investments with EU funds in the categories of intervention most relevant to RIS3 according to categories of region in 2017 (in million Euros)

Category of region	Planned EU amount (€)	Implementation rate	Spend rate	Co-financing Rate
Less developed	33,669	62.00%	10.00%	77.33%
Transition	7,475	42.88%	9.88%	62.59%
More developed	12,272	52.07%	11.69%	50.70%
Total	54,384	56.28%	10.29%	

Implementation rates

- No statistical correlation between development of the region or the nation and implementation rates

- However strong correlation between level of development and co-financing rates

- This suggests that less developed countries-regions are more dependent on cohesion funds and therefore have less opportunity to experiment with policy initiatives

RIS3 in practice - challenges

- Major challenges:

    - *Low capacity in the public sector*

    - *Limited demand in the private sector for strategic investments*

    - *Regulatory complexity*

    - *EDP dominated by insiders*

    - *Lack of monitoring mechanisms*

RIS3 in practice - achievements

- Arguing the case for place-based development policy

- It set out a process of analysis and reflection which, if supported by continuing efforts, could shape policy frameworks

- Broadening our understanding of what counts as innovation and putting a renewed emphasis on issues such as skills development, process innovation, technology transfer

- EDP processes which have become ongoing consultation boards

RIS 3 in practice – future development

- Need to combine short-term assessment with long-term thinking and allow the system to learn and adapt

- Need to continuously reinforce the place-based nature of Cohesion policy – **Foster ecosystems** for researchers, innovators, industries and governments; avoid potential negative effects of mission-oriented R&I investments

- The post-2020 EU R&I programme should be open to experiment with new ways of calling for and evaluating proposals and supporting projects, for example through innovative blending of grant, loan and equity-based forms of investment.

- Mission-oriented, impact-focused approach to address global challenges - open to all actors in the research and innovation cycle, such as cities and regions, which could act as "innovation laboratories of change" in piloting new ideas and concepts.

- Synergies and simplification

Future work

- Analysis of limitations in public sector capabilities through case study analysis in Southern European and Central and Eastern European regions

- Analysis is dynamic, since public sector capabilities are influenced by overall functioning of the economic ecosystem

- Understanding that political processes shape policy outcomes, especially in countries where public sector has limited autonomy

Thank you for listening

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