SMART SPECIALISATION:
FROM A GOOD CONCEPT TO THE REALITY
OF IMPLEMENTATION

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OUTLINE

- Trying to theorise for SSS in cohesion countries
- Issues on governance
  - What can we expect from entrepreneurial discovery?
  - Can stakeholder involvement be effective?
  - What is the most appropriate coordination mechanism?
- The notion of the EU ex ante conditionality
  - Can policy enforce a good SSS?
  - The “you get what you measure problem”
## TRYING TO THEORISE (MULTI-AGENCY PROBLEMS)

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What can we expect from entrepreneurial discovery?

More often than not the public sector end up short-cutting the entrepreneurial discovery process:

- the administration dreads government failure
- the “real” business people are not sufficiently interested/involved (companies committed to change matter)
- the business “representatives” are not business minded
- the administration considers that macro-analytics and (formal) stakeholder involvement make up for the absence of business interest
What can we expect from entrepreneurial discovery?

- Business people have limited time
- In cohesion regions business people typically do not trust the public sector (nor academia?)

As a consequence the best business minds are not interested in SSS let alone to become leaders (path dependence)

Unless trust can be built SSS will not succeed
CAN STAKEHOLDER INVOLVEMENT BE EFFECTIVE?

- Information dissemination about conclusions of analyses is not stakeholder involvement
- Business representatives may present agency problems

Design appropriate incentives to activate stakeholders
What is the most appropriate coordination mechanism?

- Too high level? Low likelihood of commitment
- Too low level? Low likelihood of influencing decisions
- Creating specialised committees for monitoring may be a solution but how they are empowered is also a critical issue

Design governance with competence and power
EX ANTE CONDITIONALITY

When facing difficulties administrations select shortcuts

- Using IUS for the vision
- Adopt good practices rather than experimenting with their own policy mix
- Select harmless indicators
- Never touch the balance of power
CONCLUSIONS

- Design incentives to eliminate multi-agency
- Prioritise trust building (in a reasonable time horizon)
- Real stakeholder involvement is different from formal stakeholder involvement
- Real public sector coordination is different from formal coordination
- Design governance with competence and power
- Ex ante conditionality can help (but is hard to implement)
The closer a region to “innovation leaders” the higher the likelihood SSS will succeed (the market forces and path dependence help)

Ex ante conditionality helps but can be circumvented (how far can the supra-national power go?)

SSS is not a panacea: it can prove valuable but it can also lead to disillusionments
Thank you