

Redefining the place-based approach: practice-based insights

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Background

Why this contribution

The place - based approach is one of the pillars of smart specialisation strategies.

The **motivation for the article is twofold**: realisation that (i) interregional collaboration results and implications tend to go beyond answering individual questions. They point to more comprehensive and strategic conclusions, which are especially impacting the place-based approach; (ii) there are not yet so many tools available: Regional diversification studies have primarily focused on regional capabilities, but neglected the role of interregional linkages (Ron Boschma (2017). Relatedness as driver of regional diversification: a research agenda. *Regional Studies* 2017, vol. 51, issue 3, 351-364. DOI: [10.1080/00343404.2016.1254767](https://doi.org/10.1080/00343404.2016.1254767); Adam Whittle (2020). Operationalising the knowledge space: theory, methods and insights for Smart Specialisation, *Regional Studies*, *Regional Science*, 7:1, 27-34, DOI: [10.1080/21681376.2019.1703795](https://doi.org/10.1080/21681376.2019.1703795)). The same is true concerning literature on new path development that paid little to no attention to interregional links (Trippel M., Grillitsch A., Isaksen (2018). Exogenous sources of regional industrial change: Attraction and absorption of non-local knowledge for new path development. *Progress in human geography* 42 (5), 687-705.)

—> Having said this, just to remind, our perspective is that of regional policy practitioners, whose objective is improving regions' performance and chances and this involves re-interpreting economic development contexts. It implies that the evidence-based approach has three dimensions: what is prioritised, legitimacy of perspective and approach, and tools to apply findings.

Profile

Joint contribution by two regional authorities in Finland (Regional councils of Helsinki-Uusimaa and Kainuu), their individual or joint experiences from interregional initiatives and the (expected or induced) impact of these activities on the respective RIS3:s.

Background

Research question

- Do interregional complementarities impact the way we understand and apply the place-based approach and the regional smart specialisation strategies (RIS3, S3)
- And, if yes, what are the policy (RIS3) implications?

Literature review

- The place based approach
- Identification and activation of interregional complementarities
- Value chains (as regional policy tools: promoting localisation of competitive segments and adherence to competitive value chains)
- The enabling framework

Background

Data collection

Case-studies of ten (10) initiatives aiming at reinforcing the effectiveness of RIS3 through interregional networks and initiatives were analysed and compared.

The ten initiatives

FRESH project, 2009-2012, Interreg IV C

SCIENCE LINK, 2011-2013, Baltic Sea Programme

BALTIC TRAM, 2016-2019, Baltic Sea Programme

BRIDGES project, 2016 - 2022, Interreg Europe

ClusSport S3, 2017 onwards

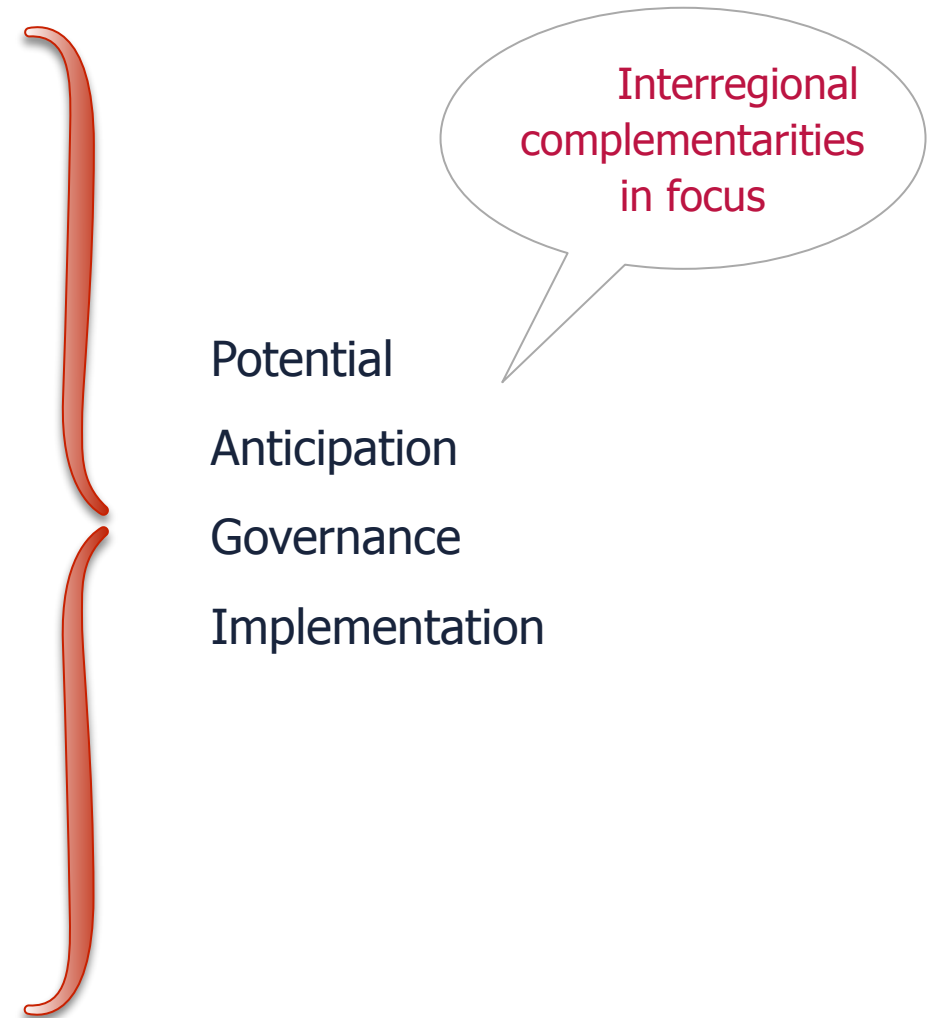
ELMO project, 2018 - 2020, industrial transition

Big Five, on going network 2018 onwards

Mining regions S3, 2018 onwards

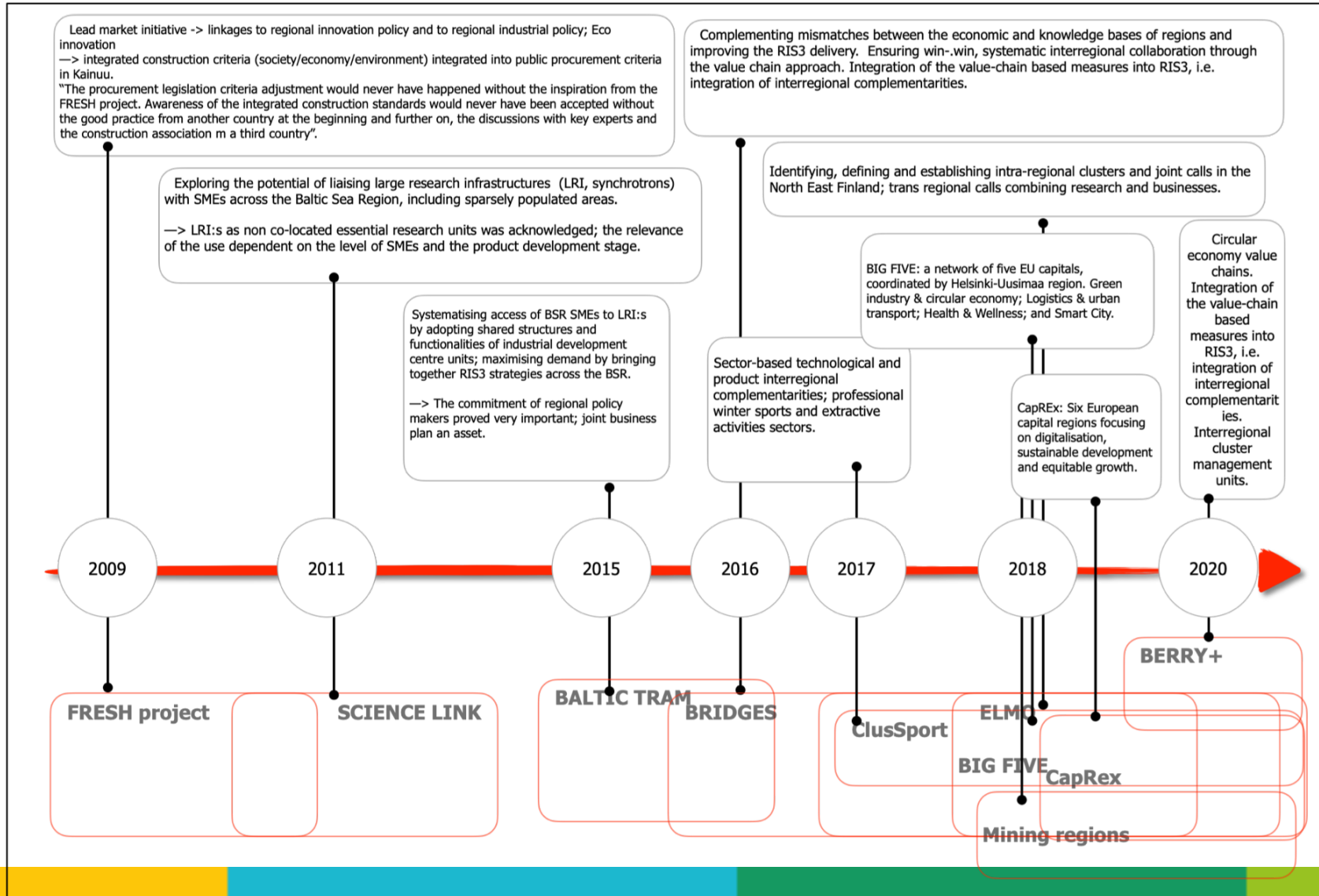
CapRex, on going network 2019 onwards

BERRY+ S3, 2020 onwards



Background

Figure 1 Ten initiatives liaising interregional complementarities to regional innovation strategies



Conclusions 1

- 1.- Analysis identified a shared space of insights and findings resulting from the 10 initiatives and relating to the need to re-interpret the place-based approach.
- 2.- This space is conditional on the frequency, depth, range and density of extraterritorial interactions defining an economy & research area, relevant to a region's RIS3, but territorially apart. This transcends the place-based approach to a larger space that could be called, potentially, 'extended RIS3 area' or 'extended innovation region'... .
- 3.- Conclusions are structured into two parts: **I. Objectives** and **II. Ensuring an enabling framework.**

Conclusions 2

I.- The objectives defining such a space need to be better understood.

The extended RIS3-territorial objectives might be about different types of activities, already acknowledged as priorities by other (e.g. national) development frameworks as well. What is conceptually new, additional is the notion of joint development.

Motivation	Objective
1 Closing gaps	Knowledge and technology transfer, case-by-case (FRESH, SCIENCE LINK, BALTIC TRAM, BRIDGES, CapREx, BERRY+)
2 Innovation system improvement	Orchestrated exchanges among comparable innovation intermediaries (SCIENCE LINK, BALTIC TRAM, ELMO, BRIDGES, Big Five, CapREx, BERRY+, CLUSSPORT)
3 Expanding knowledge and awareness for strategic decision-making	Advanced good practices to speed up strategic renewal (FRESH, SCIENCE LINK, BALTIC TRAM, ELMO, BRIDGES, Big Five, CapREx, BERRY+)
4 Complementary technologies for excellence-based growth (edge research)	Joint development (technological complementarities); project-based collaborations (BRIDGES, ClusSport, Mining Regions, ELMO, Big Five, CapREx, BERRY+)
5 Address joint development issues, joint development opportunities	Joint development; project-based collaborations (ClusSport, Mining Regions, ELMO, Big Five, CapREx, BERRY+)
6 Specialisation, economies of scope 7 Diversification, economies of scale	Value chain re-shoring & in-shoring, value chain near-shoring (BRIDGES and BERRY+) Identifying development niches, including and reinforcing EDP decision making (BRIDGES, BERRY+)
8 Market development	Transregional clustering (ELMO, BERRY+, CLUSSPORT)
9 Market access	Placement of innovative products, including re-localisations and interregional investments (BRIDGES)

Conclusions 3

II.- Ensuring an enabling framework

II.1 **Identification and activation of interregional complementarities.** Methodologies for the identification of interregional complementarities (we recommend two: through patent analysis, Balland&Boschma 2021; and /or by matching complementary competitive advantage).

II.2 **Value chains become part of regional strategy,** localisation (re-shoring, in-shoring) and interregional complementarities (near-shoring or off-shoring).

II.3 **Timing** Our finding is that the best is trying to anticipate the extended RIS3 space at policy planning or revision stages, rather than only later at implementation stage.

This would allow maximising their benefits at delivery stage, by concentrating on operations with the highest added value, alignment & synergy with regional initiatives. It also implies that funding provisions of interregional initiatives, dedicated to the extended regional innovation space, would / could be made at reduced risk.

Statistical data is required to implement this step. In our experience, this is sometimes challenging.

—> Presently we are testing through EDP sessions in Western Macedonia open to the participation of other regions, e.g. Helsinki-Uusimaa and Kainuu, with the purpose to diversify RIS3 industries.

Conclusions 4

II.4 **Funding (1)** The experience from the three S3 partnerships revealed funding options requirements: **baseline/coordination funding** for anticipating, identifying, planning, analysing, specifying the domains of interventions and quantifying their results.

Funding continuity is important. By the term 'continuity' we mean the option to have follow up initiatives within and across borders.

—> Recent literature on aligning funding initiatives is impressive. It contributes creating an ever more enabling overall framework. (For example: **Interact 2015**. The alignment of funding to support the EUSBSR: where do we stand? **European Parliament 2016**. RESEARCH FOR REGI COMMITTEE - MAXIMISATION OF SYNERGIES BETWEEN EUROPEAN STRUCTURAL AND INVESTMENT FUNDS AND OTHER EU INSTRUMENTS TO ATTAIN EUROPE 2020 GOALS. **European Parliament**, January 2021 event on Exploring synergies between Horizon Europe and regional policy, page 5, "Horizon Europe and Cohesion Policy funds are the two most important EU funding sources to support research and innovation. Synergies can be pursued at various levels, from design and strategic planning, to project selection, management, communication, dissemination and exploitation of results, to monitoring, auditing and governance. A comprehensive approach requires strategic complementarity between programme design and objectives as well as clear and compatible funding rules and processes". **Ireland, National Investment Office The Department of Public Expenditure and Reform, PROJECT IRELAND 2021: Assessing the alignment of the National Planning Framework and National Development Plan. fi-COMPASS 2021. Combination of financial instruments and grants under shared management funds in the 2021-2027 programming period. Factsheet May 2021. ERDF programme statement 2021, HEADING 1B: Economic, social and territorial cohesion, stresses under the place based approach "...3) better conditions for sound implementation of those investments on the ground through mobilisation of national, regional and local players" . https://ec.europa.eu/info/sites/default/files/about_the_european_commission/eu_budget/db_2021_programme_statement_european_regional_development_fund_erdf.pdf**

Our perspective is how to operationalise this potential and also how to take into account our "lessons learnt" from direct experiences.

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II.4 Funding (2)

Alignment of national, regional and trans-regional (includes cross border, transnational, interregional) funding mechanisms is needed. The need has been acknowledged by several institutions already (EC, Interreg programmes, some regions). For example, the BSR and the Danube programmes propose approaches, especially joint calls, or synchronised (coordinated) calls (source: DanuBioValNet project, Deliverable 4.1.2 Policy Benchmarking Report), co-funded by European Union funds (ERDF, IPA) through INTERREG Danube Transnational Programme. It was prepared by Gregor Svajger and Mikael Keller. ALSO: Meier zu Köcker, G., Dermastia M., Keller M. and Bersier, J. (2018). Proposal for a Cross-regional Scheme to Support the Development of Transformative Activities in the Alpine Space).

We would also propose complementarity calls, i.e. activities that are sequentially linked across regions and still form part of a joint initiative.

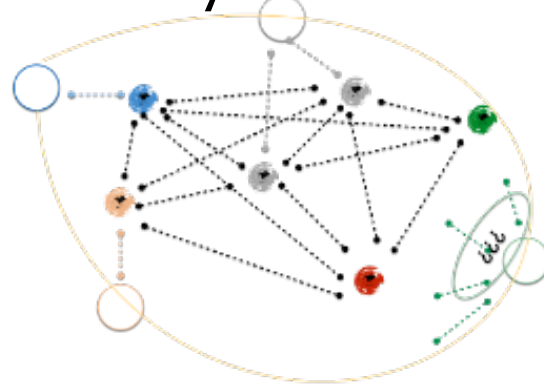
—> IMPORTANT The precondition under the Funding discussion, is that it has to happen under the Cohesion Policy principles of Concentration of resources: (/regional_policy/en/policy/how/is-my-region-covered/), Concentration of effort: targeting resources on policy objectives (/regional_policy/en/policy/how/priorities) for a more competitive and smarter Europe and for a greener Europe and Concentration of spending.

In the case of interregional complementarities, these principles must be ensured simultaneously for the participating regions. Our solution has been to promote 'win-win' collaboration schemes.

Conclusions 6

II.5 Interregional governance schemes and the resources to implement it. Several initiatives confirm this (Science Link, Baltic TRAM, ELMO, BERRY+, Mining Industries, Big Five, CapREx). Governance will shape and support the functionality of an institutionalised extended regional programme area. It would probably imply, inter alia, making use of a memorandum of understanding (MoU) or a joint venture agreement between and among concerned regions. This is not usual yet.

—> It is network theory.



However, to make it work, a first step is to establish, evidence, anticipated usefulness and confirming the feasibility of possible agreements and thereof ensuing activities.

Conclusions 7

II.6 An **implementation roadmap** is needed and its implementation would require that specific parameters need to be satisfied, for example:

(i) **legitimacy** (extended RIS3 space must be part of an overarching policy—> overall enabling framework; EU & national); currently fully satisfied

(ii) **institutionalisation** (integration into regional strategies, including the potential for governance arrangements); nominally satisfied (RIS3 is required to allow space for interregional innovation initiatives)

(iii) **anticipation and identification** (studies; which ones are important complementarities to consider, what tools for identifying them); currently developing

(iv) **feasibility confirmation** (financial, technological, economic, knowledge); not sufficiently addressed yet

(v) **operationalisation** (governance arrangements, policy measures and individual interregional initiatives); not sufficiently addressed yet.

Questions, comments

