



## The Urban Dimension of S3: insights from MAPS-LED



how knowledge, innovation and place  
work together to perform S3. . . . .  
Towards **Cohesion Policy** after 2020



- **The economist - Schumpeter** (Entrepreneurship theory – business cycle)
- *Why do entrepreneurs appear, not continuously, that is singly in every appropriately chosen interval, but in clusters? Exclusively because the appearance of one or a few entrepreneurs facilitates the appearance of others, and these the appearance of more, in ever-increasing numbers. ....finally the **innovation becomes familiar and the acceptance of it a matter of free choice.***
- **The philosopher – Foucault** (Space Knowledge and power)
- *I think it is not a matter of opposing things to men, but rather of showing that what government has to do with is not territory but, rather, a sort of complex composed of men and things. **The things, in this sense, with which government is to be concerned are in fact men, but men in their relations,** their links, their imbrication with those things that are wealth, resources, means of subsistence, the territory with its specific qualities, climate, irrigation, fertility, and so on ...*
- **The poet – Wendell Berry** (Home economics)
- *The local community must understand itself finally as a community of interest – a common dependence on a common life and a common ground. **And because a community is, by definition, placed, its success cannot be divided from the success of its place, its natural setting and surroundings** ... the two economies, the natural and the human, support each other; each is the other's hope of a durable and a livable life.*



# Smart specialisation strategies – a temporal perspective

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- The Smart Specialization Strategies (S3) has been designed in order to capture knowledge and innovation dynamics strictly connected with characteristics of context.
- The priorities of Europe 2020 find in S3 “the response in the challenges of innovation policy and regional development”.
- introducing smart specialisation in regional policy agenda allows at reinforcing territorial knowledge dynamics connected with place-based approach in designing local economic development.



# Smart specialisation strategies – a temporal perspective



2013  
2013

- The Regulation (EU) 1301/2013 of the European Parliament and of the Council of 17 December 2013 is a legal base which defines 'smart specialisation strategy'.
- The RIS3 ex-ante conditionality requires EU Member States and regions to **identify the knowledge specialisations** that best fit their innovation potential, based on their assets and capabilities.
- They must do this through a process of '**entrepreneurial discovery**'.
- Rather than being a strategy imposed from above, smart specialisation involves **businesses, research centres and universities working together** to identify a Member State or region's most promising areas of specialisation, but also the weaknesses that hamper innovation there
- EU Members States and regions **must have RIS3 strategies in place** before **their Operational Programmes supporting these investments are approved**.



# Smart specialisation strategies – a temporal perspective

A first monitoring process of RIS3 plans highlighted that:

- No real entrepreneurial discovery process , but number crunching & statistics and 'passive' consultation
- Silo-thinking between research & science ministries vs. enterprise / innovation ministries
- Short-termism and preserving public R&D subsidies instead of long term vision and transformation of scientific institutions and industrial landscapes
- No concept for synergies with Horizon2020

## Clusters and smart specialisation

- Identifying existing strengths, incl. cluster positions
- Concentrating public support/aid on higher value added/more innovation within existing clusters and at the interfaces of clusters of related industries





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# Smart specialisation strategies – a temporal perspective



2015  
2022



Cluster  
smart  
specialisation  
mapping



the U.S.  
national

high

# Smart specialisation strategies – a temporal perspective



- Smart specialisation strategies are key elements of a new, **more result-oriented Cohesion Policy** focusing on growth through innovation, which is now being implemented.
- **Clusters** and **cluster policies** can facilitate this process and help to maximise **the impact of the EUR 121 billion of European Structural and Investment Funds allocated to investment in research and innovation guided by smart specialisation strategies.**
- The implementation of these strategies promises to trigger industrial modernisation processes and create more productive, diversified and **resilient economies.**
- It should in particular contribute to providing small and medium-sized enterprises – the backbone of the EU economy – with better support and investment opportunities.

*Support new activities, in particular those being undertaken by groups or networks of related industries*

*Facilitate the growth of clusters by building upon existing strengths (i.e. implementing evidence-based policy by building upon a comparative analysis of regional strengths and ‘entrepreneurial discovery’)*

**Smart Guide  
to Cluster  
Policy**



# Smart specialisation strategies – towards post-2020 cohesion policy



- The Council, in its Conclusions of 24 June 2016, called on "a more R&I friendly, smart and simple Cohesion Policy and the European Structural and Investment Funds more generally", and recognised that "smart specialisation strategies could be **powerful instruments for contributing to tackling societal challenges**, and boosting **innovation, investment and competitiveness**, based on **socio-economic and territorial specificities**".
- The EU and its Member States will seek to boost the potential of **cities as hubs for sustainable and inclusive growth and innovation**, taking account of their wider rural communities and of balanced regional development. In line with the UN's New Urban Agenda, they will promote **sustainable land use planning, equitable management of land markets**, sustainable urban mobility and smart, safe cities that make use of opportunities from digitalisation and technologies. **They will promote inclusive, balanced, integrated territorial and urban policies, and multi-level governmental coordination, forging stronger links between rural and urban areas.**
- An important objective of the EFSI 2.0 is to enhance the geographical coverage of the EFSI and reinforce the take-up in less developed and transition regions.





# Smart specialisation strategies – maps led project

European  
 Commission  
 COM(2017) 240 of  
 10 May 2017



- Globalisation is not new but is changing fast: The core drivers of globalisation used to be trade in goods and capital flows. Today, spurred on by rapid technological change, it is increasingly knowledge driven.
- While the benefits of globalisation are widely spread, the costs are often **localised**. **Fundamental economic transformation happens at the local level, where industry and people interact.**
- The internal disparities have been accentuated (RII2017)

MAPS-LED project  
 2015-2019

"place" acquired a specific connotation in designing "tailored policy" for innovation and knowledge spillovers

## S3 - From a complex toolkit to a simple model

|                      |   |                     |   |
|----------------------|---|---------------------|---|
| Entrepreneur         | Entrepreneurial culture is local                        | Local Knowledge     | EDP                                     |
| Innovation           | Collaboration for commercialisation is local            | Innovation Dynamics | Cluster                                 |
| Economic development | Place-based approach: Asset-Based Community Development | PLACE               | Territorial<br>milieux –<br>Urban/rural |



# Smart specialisation strategies – maps led project

MAPS-LED  
project 2015-  
2019

- **Cluster** provides a conceptual framework to describe and analyse important aspects of modern economies of different territorial dimensions. Its role does not lie in defining a specific area, but in characterizing the specific geographic area in terms of innovation, specialization and capacity to activate competitive and comparative advantages (Porter, 2013).
- **Cluster** captures “the concept of dynamic location advantages” (Simmie, 2001:101) in which “... local efficiency factors, like geographical and organizational proximity, external economies promoting a sort of industrial atmosphere, are overcome by more dynamic spatial elements like dynamic synergies and collective learning which **explain innovation processes at the spatial level**”



The **spatialization cluster methodology** led to consider the cluster even with a physical configuration as proxy of **innovation concentration** because its occurrence is strictly connected to innovation, specialization, job creation

*“When specialised and highly innovative small and medium-sized firms cluster in a particular area of the city, (...) an interesting question emerges on whether the innovative activities of these firms is more influenced by dynamic urbanization economies, i.e. by the more traditional advantages stemming from an urban atmosphere, (...) or by milieu economies, i.e. by collective learning of specialized knowledge, by specialization process of local specialised human capital.*”



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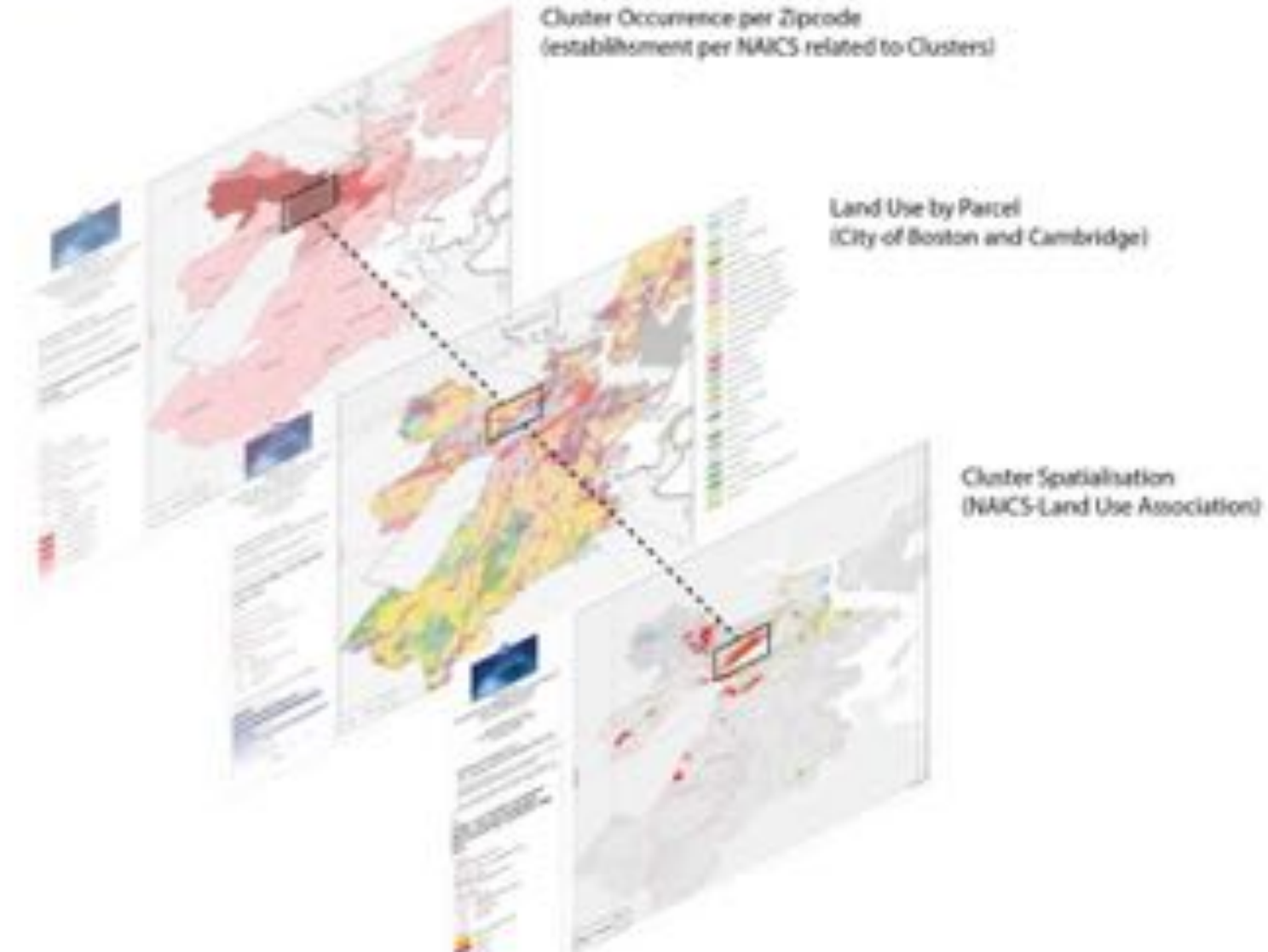


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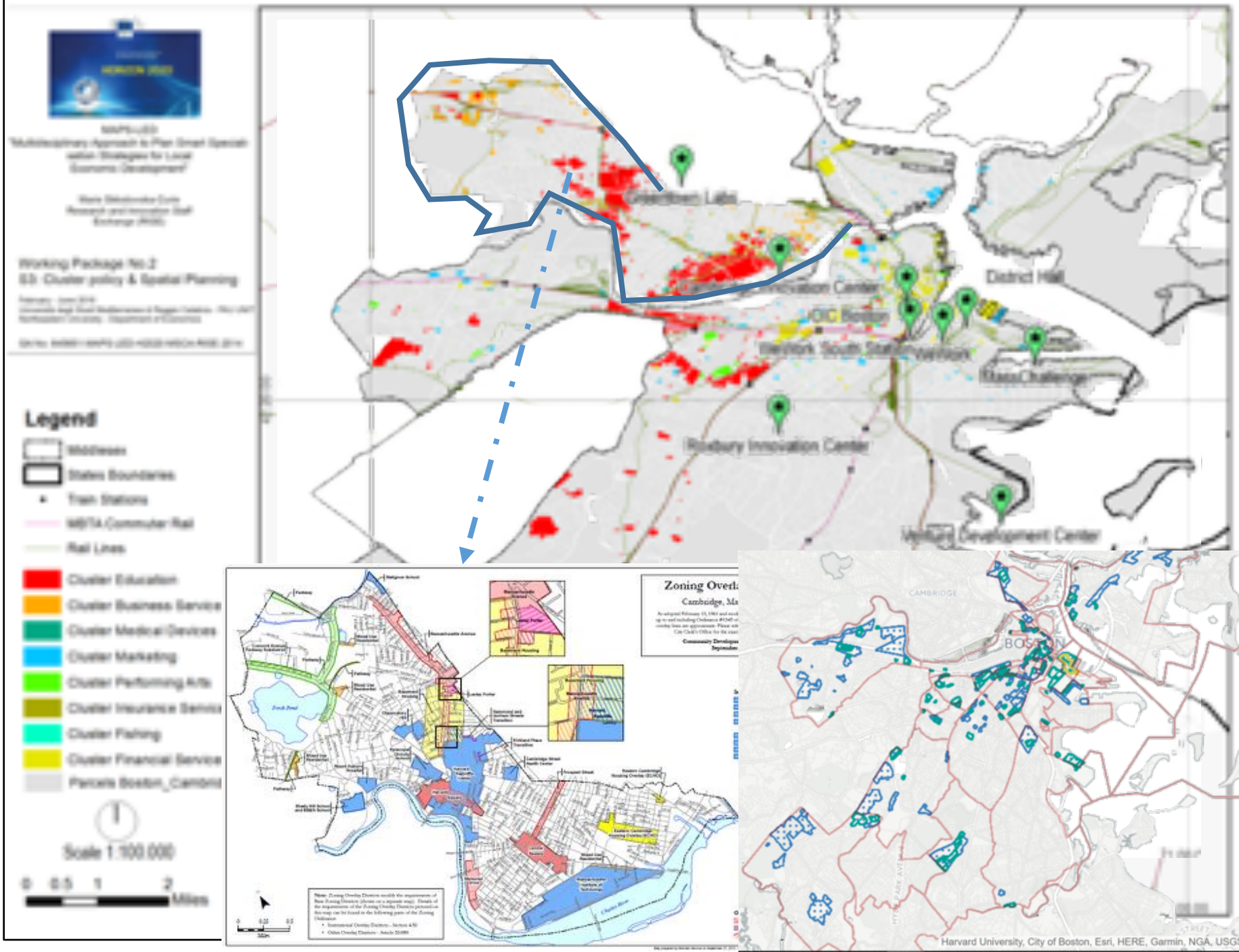
MAPS-LED project  
2015-2019



The MAPS-LED spatial oriented approach to US cluster highlighted the relevance of the urban dimension in concentrating knowledge resources and linking them to



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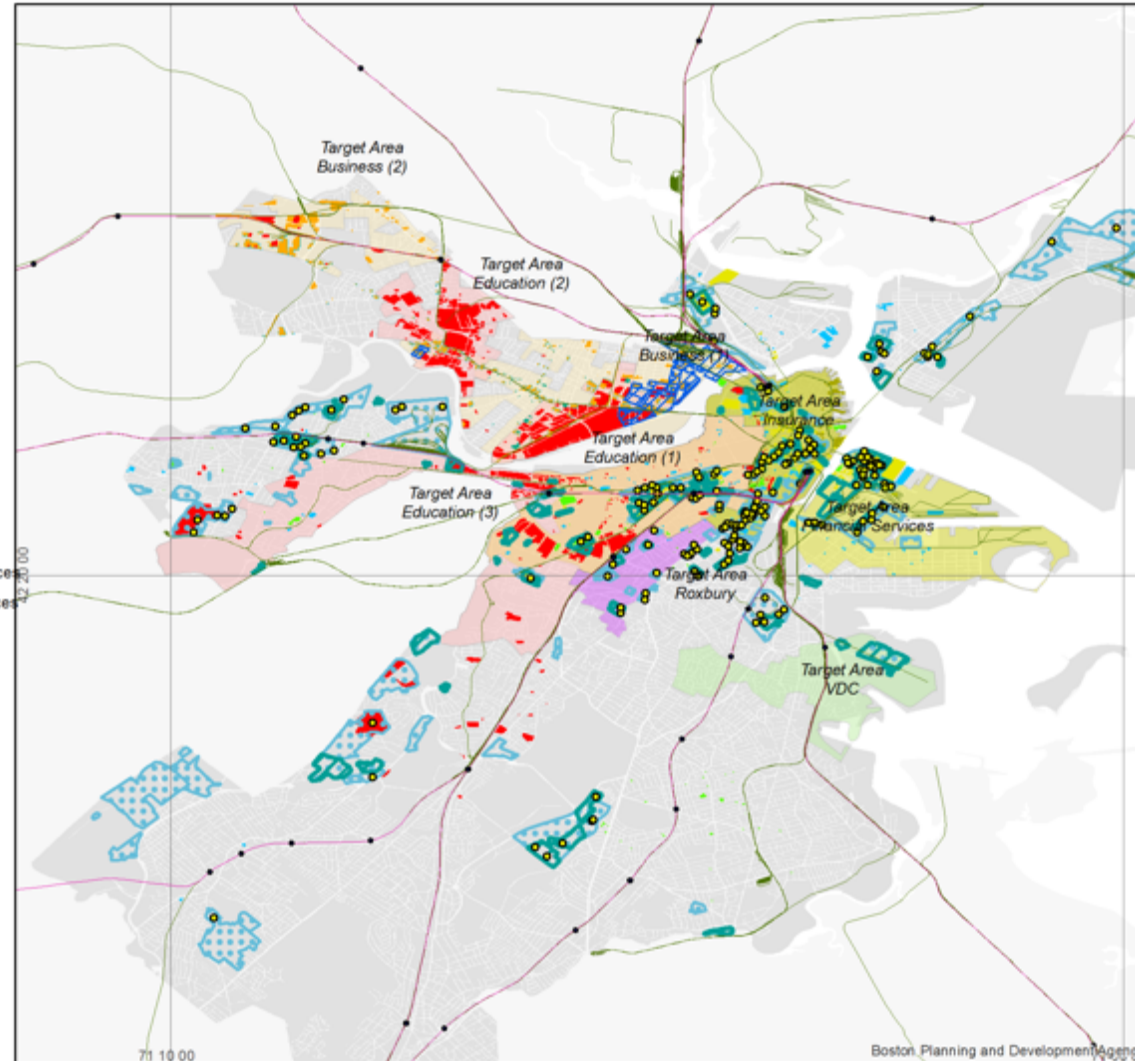


CLUSTER  
+  
TARGET AREAS  
+  
INNOVATIVE  
ORIENTED  
TOOLS  
(PUD/PDA)

**Legend**

- Train Stations
- MBTA Commuter Rail
- Rail Lines
- ▨ PUDs Cambridge
- Art80\_PDAs
- ▣ PDA
- ▣ Planned Development Areas - Permitted
- Target Area VDC
- Target Area Roxbury
- Target area Insurance
- Target Area Education
- Target Area Business Services
- Target area Financial Services
- Cluster Education
- Cluster Business Services
- Cluster Medical Devices
- Cluster Marketing
- Cluster Performing Arts
- Cluster Insurance Services
- Cluster Fishing
- Cluster Financial Services
- Parcels Boston\_Cambridge

Scale 1:100,000  
0 0.5 1 2 Miles

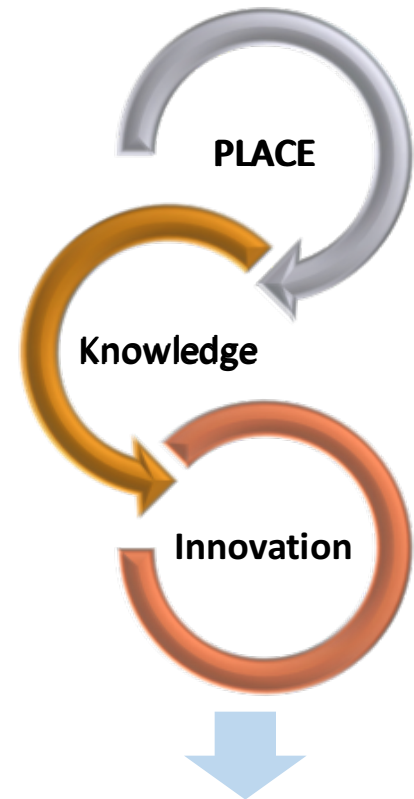


Boston Planning and Development Agency



# Cluster spatialisation at urban level and urban transformation

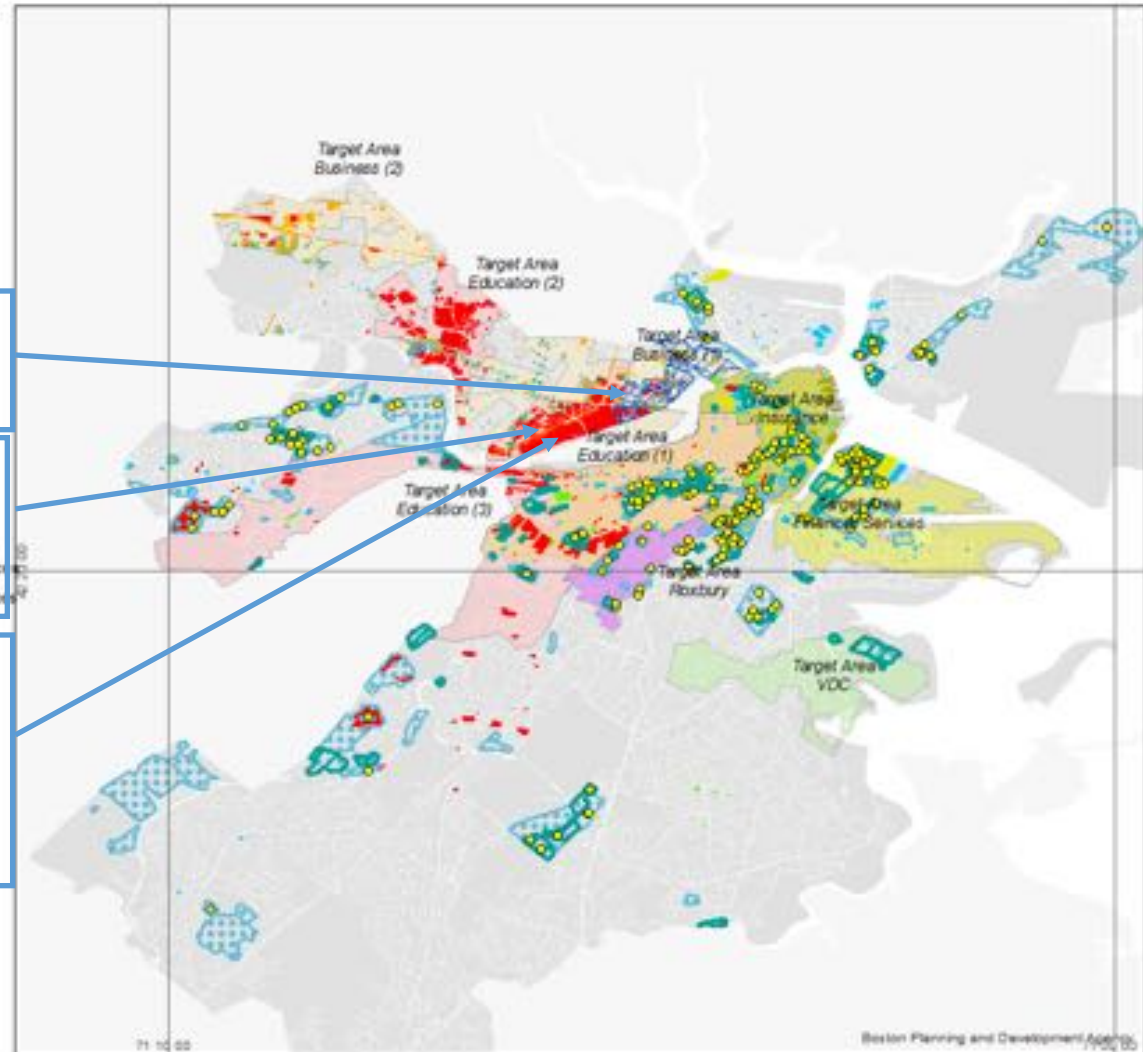
Cluster, innovation,  
competitiveness,  
knowledge convergence and  
city transformation



Urban Planning tools  
(city transformation)

Target Areas  
(knowledge convergence)

Cluster spatialisation  
at urban level  
(innovation and  
competitiveness)





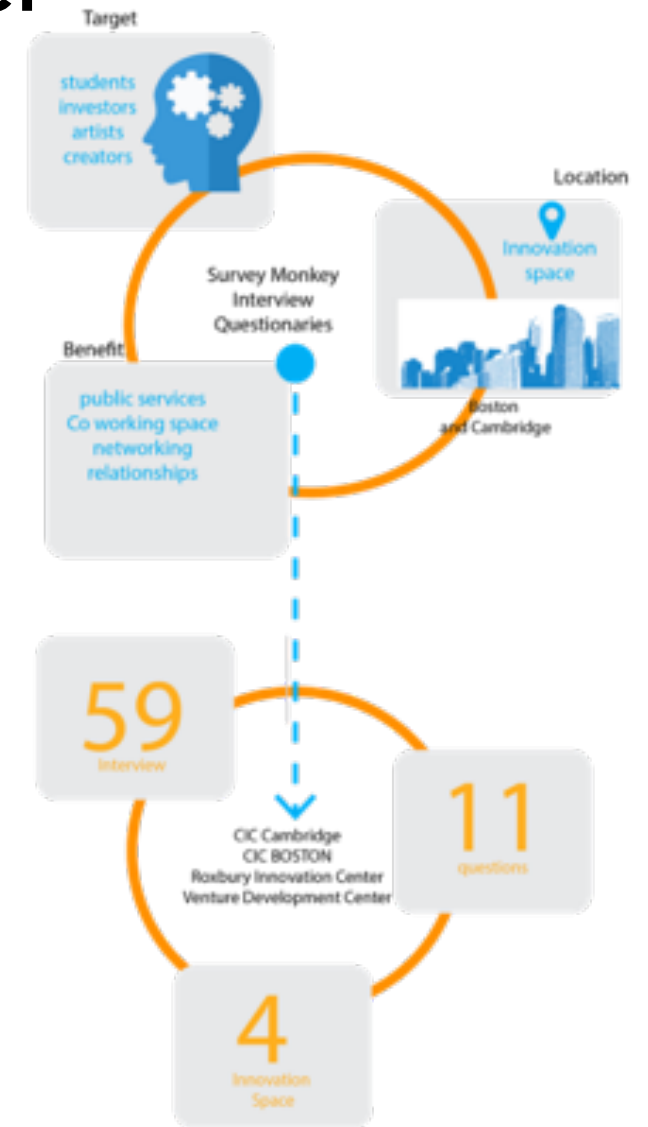
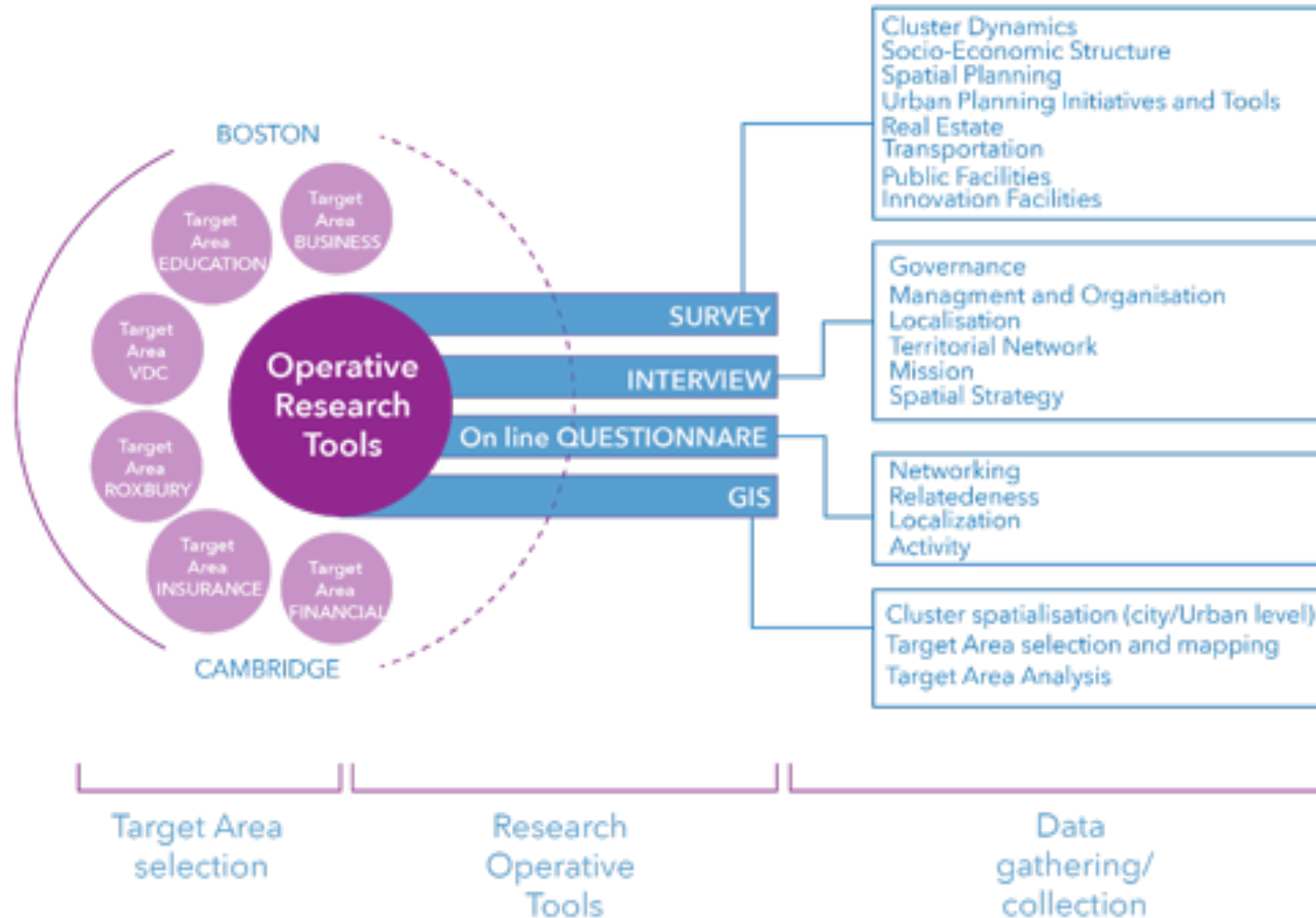
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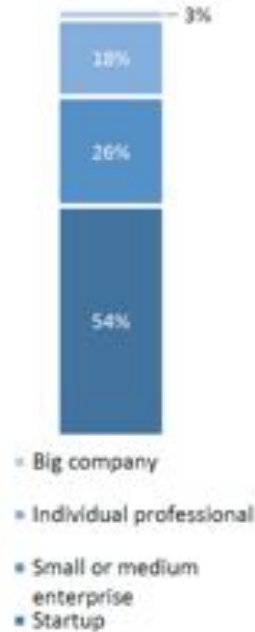


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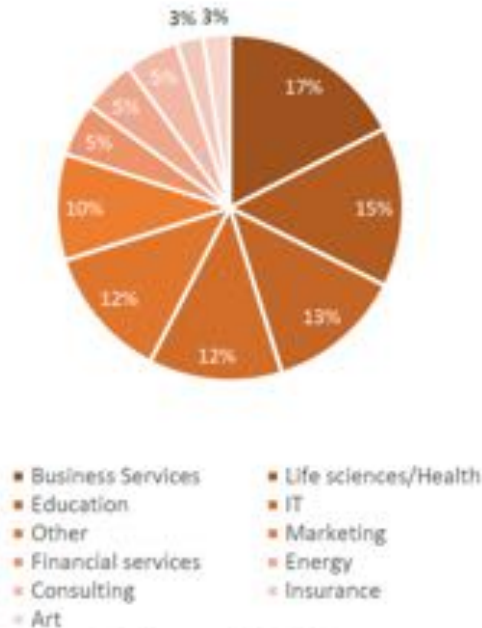
# Smart specialisation strategies – maps led project

a) In what type of company do you work?



Total respondents: 40/40.

b) In which business sector do you work?



Total respondents: 40/40.

c) What is the geographic scale that your company serves?



Total respondents: 39/40.

How does your company intend to be innovative and more competitive?



Total respondents: 31/40.



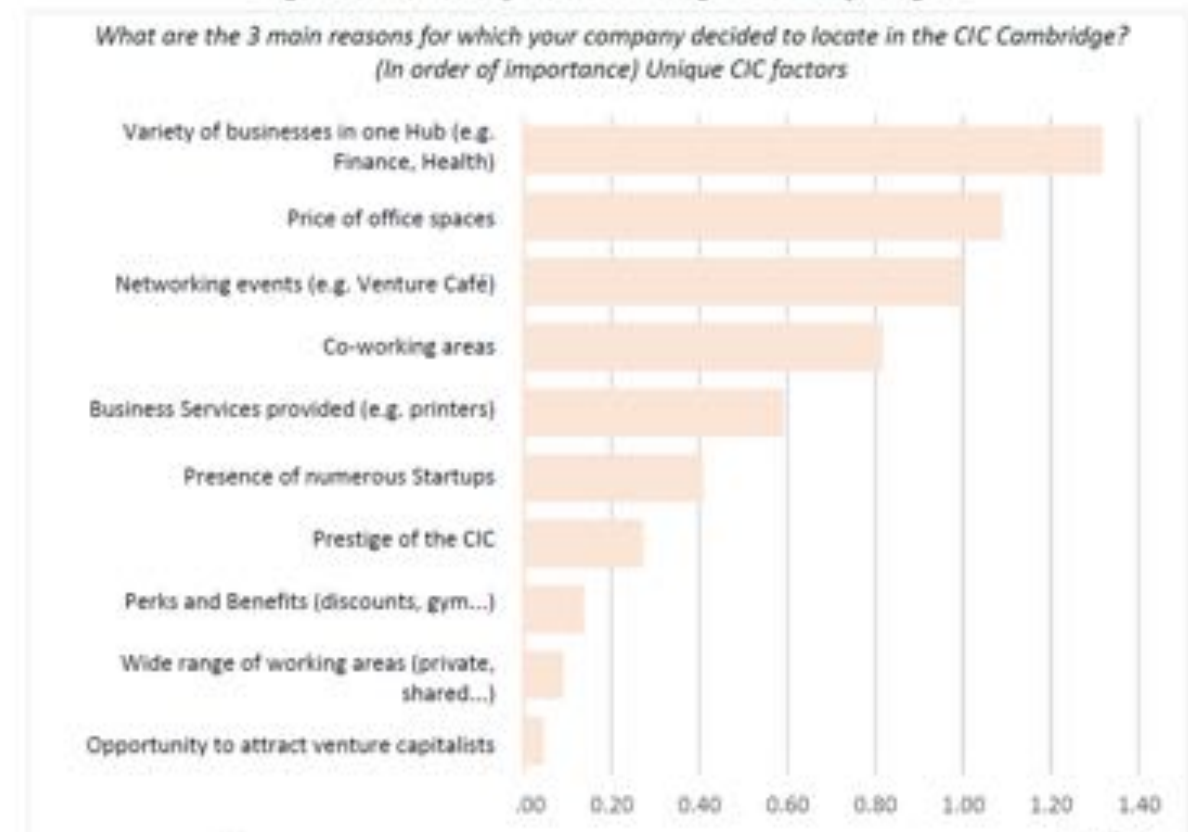
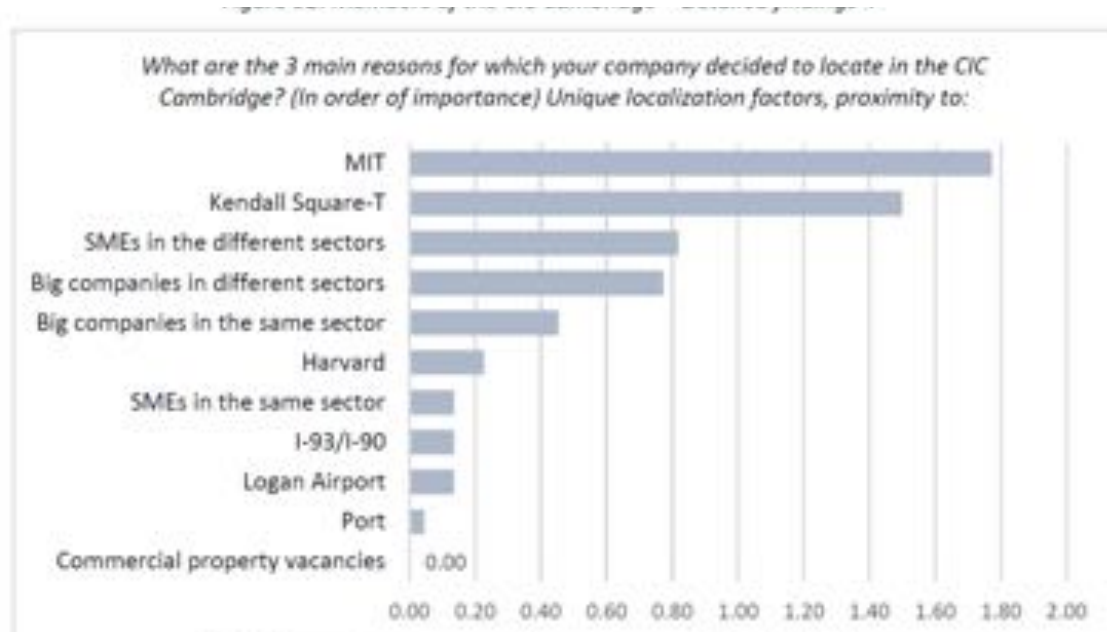
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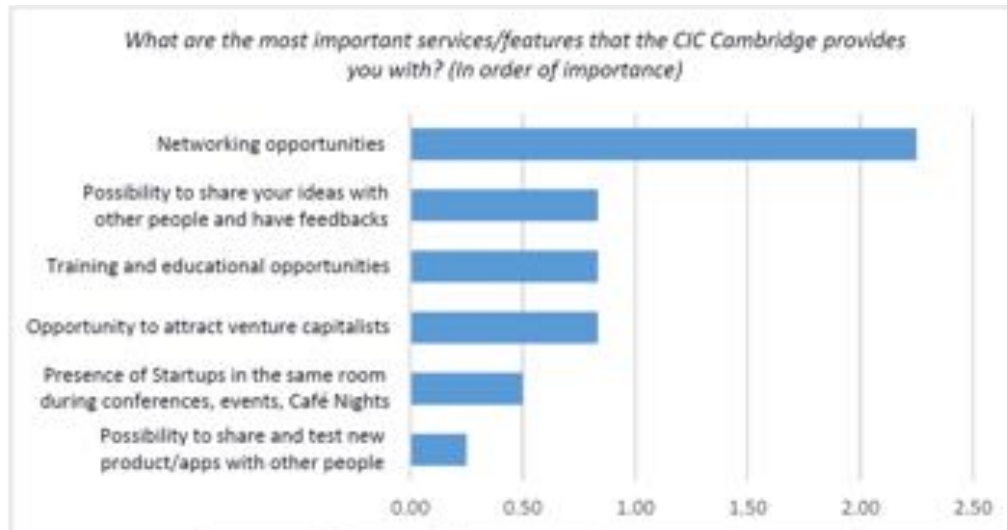
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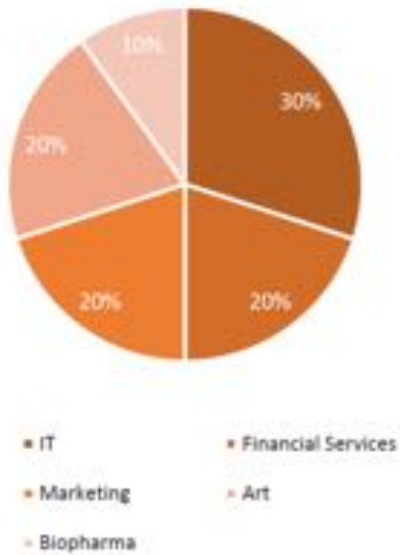
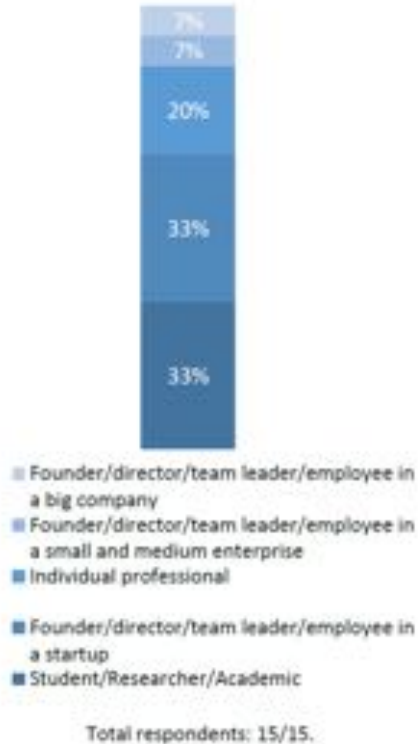
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a) Are you a ...

b) In which business sector do you work?



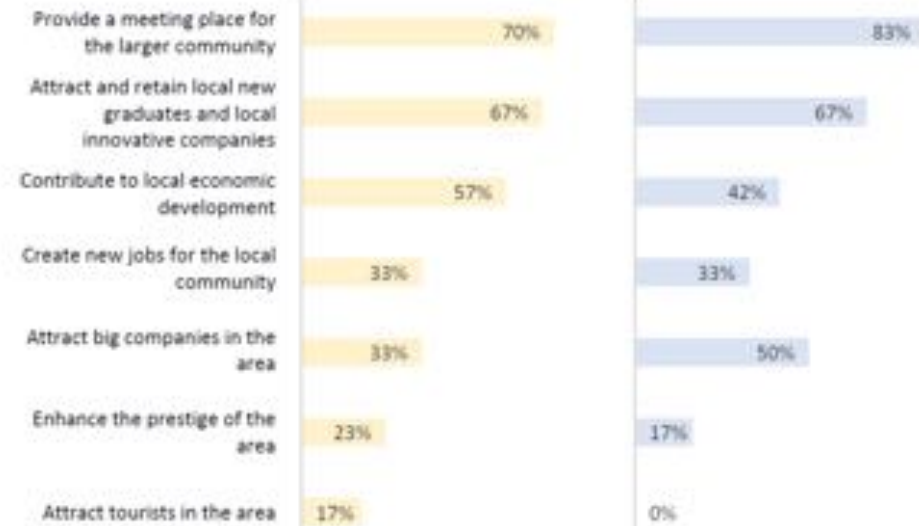
c) What is the geographic scale that your company serves?



In your opinion, what are the main contributions that the CIC makes to the local community?  
(max 4 answers)

Members

Visitors



Total respondents: 32/40.

Total respondents: 12/15.



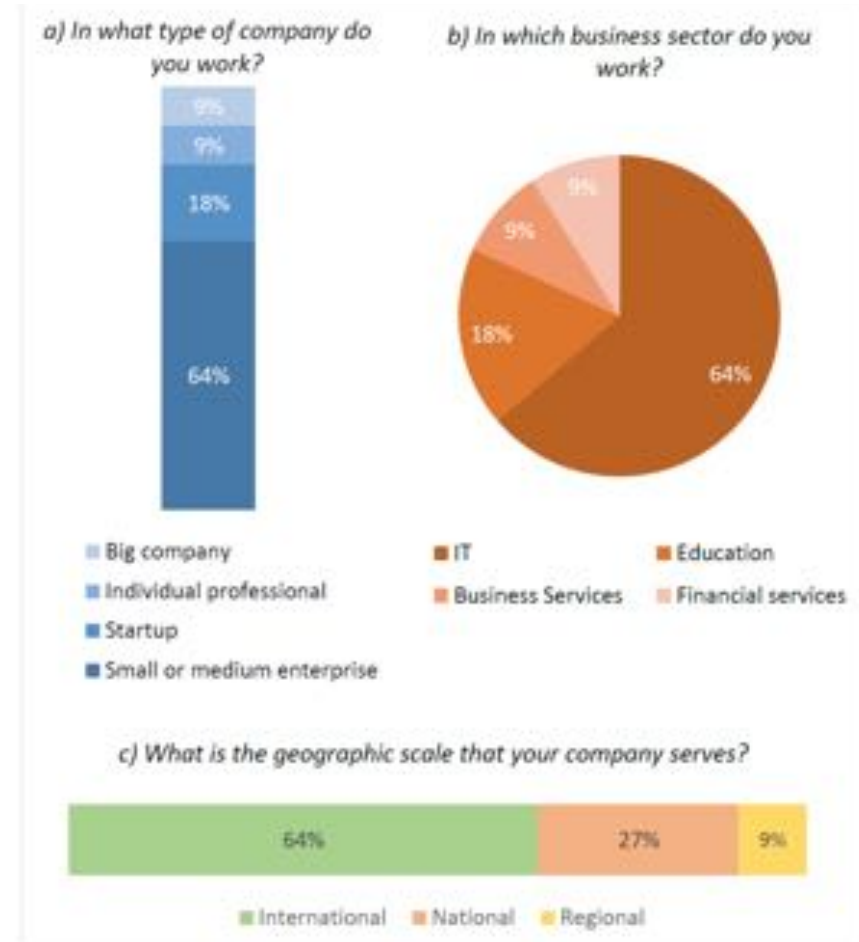
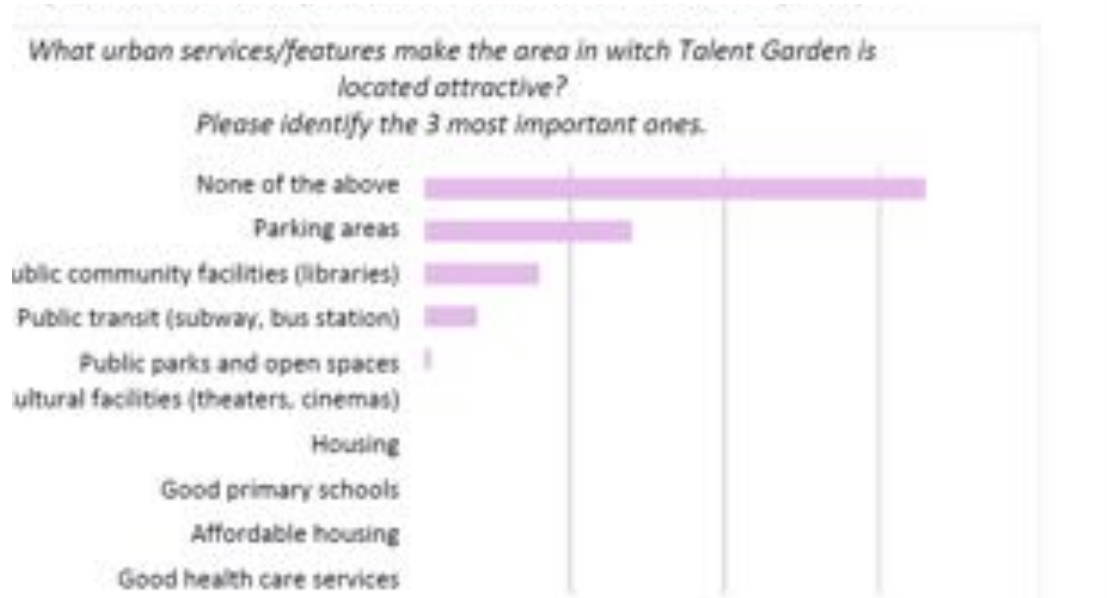
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# Smart specialisation strategies – maps led project





# Smart specialisation strategies – maps led project

- EDP is the medium to design tailored policy by acting on the relation among Knowledge Innovation Place.
- EDP shall be managed at local level and included in the urban development agenda to reinforce the connections urban-rural.
- EDP is activated by urban regeneration mechanisms and simultaneously expands innovation towards urban regeneration initiatives in deprived areas.
- the mechanism of urban regeneration allows setting public-private partnerships to filter the innovation.
- And allows to support the innovative financial instruments because:
  - Local audit, network effect management, advising the cycle of start up and cluster (need of different financial products – from equity to loans in each stage of their cycle – local credit access.)
- EDP in Europe and the Economic Gardening in US – the next



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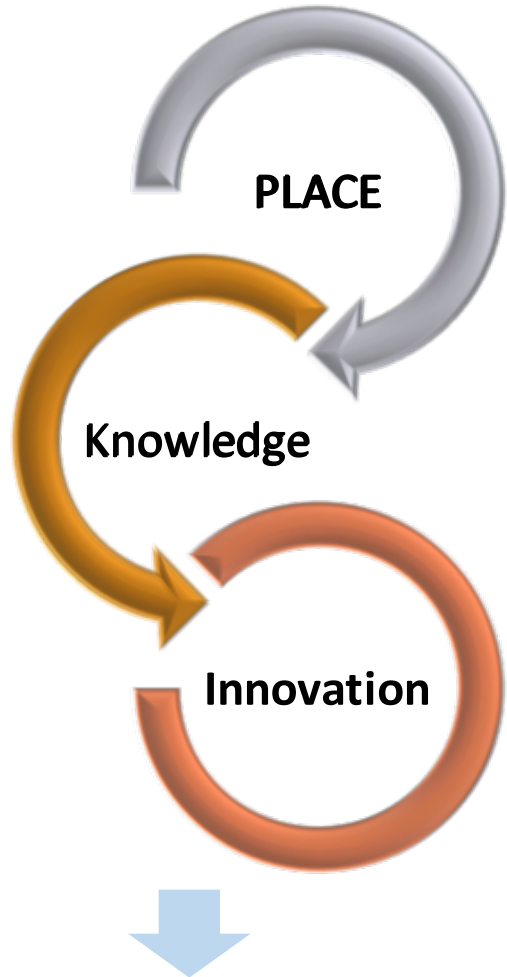
## CONCLUSION:

EDP: evidence-based and horizontal policy for smart specialisation strategies

The urban regeneration mechanism joint with Knowledge-Based Urban Development rationale

## EDP: evidence-based and horizontal policy for smart specialisation strategies

The urban regeneration mechanism joint with Knowledge-Based Urban Devel.



1. square meters of sites for innovation
2. New urban facilities
3. Innovative public service (i.e. outsourcing, wireless broadband availability and coverage)
4. Mixed used and mixed income (housing, public service (land capture) business, education,

1. Number of networking activities (events) based on multi-domain initiatives
2. Number of visitors/participants to the events
3. Availability of analysis with: big data, open data, data analytics
4. Availability of research facilities

1. Number of start-ups
2. Variety of business sectors (memberships and visitors)
3. life-cycle oriented Measures in Credit access (joining financial products risk, loan and guarantee)
4. Number of initiatives to avoid credit concentration

**EDP output indicators**

Entrepreneurial Discovery Process EDP

Joint venture (JV) arrangements, Start up-survival rates after 3 and 5 years , Multi-domain initiatives





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THANK YOU!

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