Making Smart Specialisation work for lagging regions

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Over the last decade, Smart Specialisation (S3) has been the mainstay of the European Union's Innovation programme. The basic idea of S3 is that public funding – usually via EU structural and Investment Funds – is used to support projects that develop new technologies and spur innovation.

This is achieved by nurturing the capabilities and specialisms that exist within regions. In many cases, this involves combining new General Purpose Technologies (GPTs) – such as ICT, robotics and digitalisation – with a region's existing industrial strengths. This can spur new growth trajectories. For example, Stoke on Trent's ceramics industry has begun to diversify into related technological fields such as materials science, where new market opportunities lie.

Yet despite its good intentions, the record of S3 in reviving lagging regions has been mixed. Indeed, since the Great Financial Crisis of 2008, Europe has seen widening regional inequities which has contributed to the so-called 'geographies of discontent' – the Brexit vote being a clear example. These divides, of course, run counter to the aims of EU Cohesion policy which seeks to promote greater regional balance and inclusive growth.

One of the problems with S3 is that it can inherently favour more dynamic and leading regions. These regions benefit from stronger business and innovation networks, and a dynamic pool of entrepreneurs, which are more likely to spawn new and exciting projects for S3 funding. In lagging regions these characteristics are generally sparse and so less opportunities arise.

So how might Smart Specialisation be better tailored to benefit lagging regions? This week, with colleagues from the Universities of Bath, Birmingham, Newcastle and Ferrara we will be launching a new

[book at the EU Joint Research Centre](#), in Seville that seeks to answer this question. The book uncovers some success stories from lagging regions across Europe, while highlighting inherent problems in the S3 policy framework.

It also makes key recommendations on how S3 can be adapted to boost lagging regions. In short, these are:

- Build upon [place-specific assets](#). Policymakers need to avoid trying to replicate policies that may have worked well in quite different places.
- Enhance the [Regional Innovation Eco-system](#). This requires policies that strengthen local institutions and regional anchors, such as public research centres and higher education institutes, and build strong network links with business.
- Invest in technological upgrading and make technologies such as 4G and 5G mobile telephony more widely accessible. Facilitate crossovers between manufacturing and services and knowledge transfer mechanisms.
- Strengthen extra-regional collaboration. EU policymakers could make more of building collaborative links between leading and lagging regions so the latter can benefit from technology and knowledge sharing.
- Embrace social innovation and the [Foundation Economy](#), in other words, the essential goods and services of everyday life which are the main economic activity in many lagging regions. Current innovation policy tends to focus upon a narrow set of advanced technology sectors, which largely reside in leading regions.

Revitalising Lagging Regions: Smart Specialisation and Industry 4.0' (Taylor and Francis) is published in association with the Regional Studies Association and more information is available [here](#).