

Swedish national conference on smart specialisation – What makes the places of the future particularly attractive?

Sweden's 3rd annual conference on smart specialisation was held in Luleå on 31st January – bringing together around 130 individuals from regional and national agencies, universities and companies – as well as international guests and the European Commission. The conference reviewed experiences with smart specialisation implementation in Sweden, the Basque Country, Finnish Lapland and Southern Denmark – highlighting key lessons and challenges to address in the future. The conference explored particularities with smart specialisation in sparsely populated areas, and how to develop attractive places. The conference concluded with a number of concrete points and suggested actions to develop smart specialisation going forward.

Sweden's 3rd annual conference on smart specialisation was held in Luleå on 31 January – hosted by the Swedish Agency for Economic and Regional Growth (Tillväxtverket), Region Norrbotten and the Ministry of Enterprise and Innovation. The conference gathered around 130 individuals from Sweden and across Europe, and engaged the audience through interactive discussions and the continual possibility to raise questions through the Menti website.

Tim Brooks (Tillväxtverket) and **David Sundström** (Region Norrbotten) introduced the conference by highlighting the importance of smart specialisation as a central concept for working with regional competitiveness in Sweden – and throughout Europe. The smart specialisation approach helps to prioritise efforts – using less resources more effectively. The approach to developing and implementing strategies for smart specialisation stress the involvement of stakeholders in the process – both within and between regions, even internationally.

In the first session on ***Smart Specialisation and Cohesion Policy – progress and future prospects***, **Isabel Poli** (DG REGIO, EU Commission) and **Lina Stanionyte** (S3 platform, EU Commission) presented their efforts to support regions' work with smart specialisation. **Isabel Poli** reviewed results from the most recent Regional Innovation Scoreboard which showed improvement in innovation performance (on average), but also growing disparity within and between member states. Driven by these results, the [Communication on Strengthening Innovation in Europe's Regions](#) outlined four main challenges that smart specialisation in a reformed cohesion policy will address:

- Boosting the innovation and competitiveness potential of European regions, as a basis for a sustainable growth model;
- Increasing interregional cooperation, which is a key element in globalised economies;
- Strengthening the focus on less developed and industrial transition regions;
- Improving and building on joint work across EU policies and programmes supporting innovation.

To begin addressing these challenges, the Commission has launched a number of pilots, including eight strategic interregional investment partnerships and industrial transition regions – where a

number of Swedish regions¹ are engaged. Lessons from these pilot activities will inspire new approaches and possible programmes in the next period (post 2020).

Lina Stanionyte, from the S3 Platform in Seville and the main contact point for Swedish regions, presented various tools,² documents, guidance and learning processes available to support regions in developing, implementing and strengthening the outward orientation of their smart specialisation strategies (S3). In addition to support to individual regions and thematic partnerships, the S3 platform also provides support to EU macro regional strategies. All regions were encouraged to leverage available support from the Commission, from the S3 Platform and from AMI Experts.

In the second session ***An Aerial View of smart specialisation in 21 Swedish regions***, **Cecilia Johansson** (Tillväxtverket) provided an overview of priority areas³ and a summary of key lessons from her dialogue with Swedish regions. Among others, lessons highlighted the importance of regional leadership and structures for collaborative multi-level governance; that priority areas are, most of the times, no longer scoped according to sectors, but rather are more thematic and/or cross-sectoral; and the need for strategies to acknowledge the broader context and enable international collaboration. The dialogue process has also highlighted regions' desire for clearer national steering and support to regional S3 processes, as well as a national forum for peer learning and strengthening interregional collaboration.

The third session provided an ***International Outlook***. **James Wilson** (Basque Country), **Kristiina Jokelainen** (Finnish Lapland), and **Dorthe Kusk** (Southern Denmark) each presented on their region's experience in working with smart specialisation. **James Wilson** elaborated on the evolution of the regional competitiveness strategy in the Basque Country, and highlighted two bigger changes that have come with S3: a more systematic focus on the entrepreneurial discovery process (EDP) to broaden engagement and scale-up innovation activities in priority areas and opportunity niches, and development of the governance (with a RIS3 governance house). Going forward, the Basque Country will be working to incentivize cross-fertilisation across its steering groups, promote a more active role of knowledge organisations, find ways to engage a more diverse set of firms, and improve connectivity and internationalisation of S3.

Kristiina Jokelainen explained how Finnish Lapland has been using S3 to mobilise RDI actors to develop a cross-cutting strategic approach to strengthen the knowledge base and offer new services to involve and increase the competitiveness of SMEs. In Finnish Lapland, the EDP is focused on emerging industries – using cross-sectoral interfaces and attracting new partners (cross-regional and international) as a breeding ground for new innovations. The region is applying a modern cluster approach – where the portfolio of clusters is used to develop the regional brand and to catalyse new collaboration within the region and with new partners outside the region/internationally.

Dorthe Kusk elaborated on the Region of Southern Denmark's focus on cross-sectoral collaboration and the Scale-up Denmark programme. Similar to the Basque Country and Finnish Lapland, Southern Denmark also views cluster organisations as fundamental to the way they advance work in each of their priority areas. As part of the Scale-Up Denmark programme, clusters are also used as hubs to attract and work with start-ups through 'elite training centers' offering development programmes tailored to the needs of each individual company. The Scale-Up Denmark programme provides a way

¹ Norra and Mellansverige and Värmland have been selected as one of the first five industrial transition regions.

² Including EYE@RIS3, ESIF viewer and a catalog of digital innovation hubs

³ The map of regions' priority areas will be available on Tillväxtverket's website and continually updated.

to attract businesses from all over the world, and to help Danish companies leverage innovation ecosystems located elsewhere in the country.

Some commonalities across regions (including Sweden) include:

- Importance of governance mechanisms to get “living” EDP and refinements of priority areas
- Use of clusters as an organizing and mobilizing element (and to brand the region)
- Focus on cross-sectoral linkages
- Desire to improve international linkages
- Challenges with broader SME engagement, coordinating action at different territorial levels, engaging and aligning research strengths/universities’ engagement in strategic priority areas

After lunch, the fourth session focused on **Smart Specialisation and Innovation in Sparsely Populated Areas**. **Jukka Teräs** (NordRegion) provided reflections from the OECD report on NSPA (Northern Sparsely Populated Areas) and on how the smart specialisation approach relates to these geographies. Jukka confirmed that S3 is an applicable concept to sparsely populated areas, but that special attention needs to be paid to critical mass. Given challenges in creating local buzz, these geographies need to pay more attention to accessing extra-regional knowledge and experts. At same time, regions are geographically so big, that “zooming in” and complementing S3 with local ‘niched’ initiatives can be important. Smart specialisation is a good tool to develop regional attractiveness. The key policy question is how to add value around the unique assets supporting factors that enable productivity growth, innovation and knowledge development.

In the next session, **Attraction for Northern Sweden and Europe**, **Håkan Ylinenpää** (Luleå University of Technology) introduced the session by facilitating reflection and interactive discussion on the concept of smart specialisation. Following this, a panel discussed how to work with making northern Sweden more attractive. Some highlights from the panel discussion include:

Erik Höglund (Luleå University of Technology) discussed the work with selling in the value of academics and developing specialized educations in order to attract new companies. “It’s not only about working with and improving what you have, but attracting new things as well...developing new competencies together.”

Camilla Bondareva (Swedish Lapland Tourist Board) stressed that development processes require a long-term perspective, and that companies (particularly SMEs) need support to engage. There is a benefit to working across national-regional-county and business levels.

Anne Graf (Hydro 66) highlighted the role that advanced infrastructure has played in attracting data storage centers to the region, but emphasized the importance of continually developing regional assets (not being satisfied with a strong current position) and adopting a mentality of “going after and taking new business” rather than waiting to receive.

Ulrika Nilsson (Region Norrbotten) discussed the importance of being in touch with industry needs and developing competencies/services to accompany physical infrastructure. Cooperation with other (Arctic) geographies is helpful both to build better infrastructure networks, and to build competencies/services. Parallel, regions need to be good with communicating their offerings to ‘buyers’ elsewhere in Sweden and in Europe. By being visible, regions are able to attract resources.

Lena Segerlund (Invest in Norrbotten) stressed that the outward-in perspective (attracting investment and talent) requires a close collaboration with local actors, and echoed Anne Graf's sentiments to "knock on doors and stay in touch with industry" to understand (future) demand.

Aurora Pelli (Invest in Västerbotten) also highlighted the importance of working more proactively with developing companies (through clusters) – and helping SMEs reach out internationally.

Håkan Ylinenpää (Luleå University of Technology) summed up panel discussions and how they relate to S3 processes in Norrbotten. "When we speak of regional development, we need to stop with inward-looking strategies and development processes (and strengthen collaboration with other regions/internationally). We also need to be good about attracting business not only by leveraging current assets, but more importantly by developing these assets towards future needs."

The final session of the day focused on input from the audience and from panel members on **The Way Forward** with "smarter" S3 in Sweden. The panel – comprised of **Göran Andersson** (Vinnova), **Regina Sumner** (Tillväxtverket), **Jakob Lindvall** (SISP), **Isabel Poli** (DG Regio), and **David Sundström** (Region Norrbotten) – outlined a number of concrete points to address going forward. Some highlights from the suggested actions include:

- Work towards revised government mandates (lifting regional perspective and innovation ecosystems) and improved national frames/steering in order to raise attention of the importance of S3 and improve support to the regional level.
- Work towards additional simplification of programming and financing (enabling more synergies between programmes).
- Strengthen efforts to couple strong environments at home to others internationally (including use of Article 70, and further development of the national S3 constellations).
- View S3 from a global perspective, taking advantage of opportunities to collaborate between innovation environments and leveraging "Invest In" functions throughout the country (and nationally) to "make the unknown, known and the complex, concrete" – strengthening geographical profiling and communication efforts.
- Strengthen efforts to work practically with developing related variety, enabling 'new stars' and supporting industrial transitions.
- Leverage existing innovation infrastructure (innovation offices, science parks, clusters, etc.) – where people/services and entrepreneurs are. These are regionally anchored, and where can easily develop further (without reinventing the wheel).
- Maintain a long-term perspective – with transparent strategies and structures (leveraging clusters) and longer-term financing (vs. project financing).
- Be careful about being too concrete on national level (national level priorities); rather, foster the unique qualities at regional level, and enable them to work together.
- It is good to have indicators and monitor toward results; at the same time, S3 processes need to be agile and allow experimentation (some projects must be allowed to fail).

Cecilia Johansson (Tillväxtverket) and **Per Erik Andersson** (Region Norrbotten) concluded the conference by highlighting the progress that's been made with smart specialisation in Sweden (compared to a year ago), and gathering key messages from the day.