

TERRITORIAL STRATEGY EVALUATION: BEYOND EVALUATING POLICY MIX

Edurne Magro and James Wilson
Orkestra and Deusto Business School



edurnemagro
jamierwilson

- ***Territorial strategy*** involves choices around the types of socioeconomic activities to be developed
 - Shaping sustainable competitive advantages from existing territorial resources
 - Asheim *et al* (2006); Porter (2008); Aranguren *et al.* (2012)
- It has recently been given prominent attention in debates around ***Research and Innovation Smart Specialisation Strategies (RIS3)***
 - Agenda driven largely from policy concerns at the European Commission
- The ***rapid translation to practice*** of theoretical ideas that are still in development has consequences
 - Opportunity to develop *theory in practice* rather than linear leap from theory to practice without ‘proof of concept’ (Cooke, 2007)



Accentuates the need for ***strategy evaluation***, to ensure both ***theoretical and policy learning***

- Roots in analysis of the EU-US productivity gap
 - European Commission ‘Knowledge for Growth’ expert group

In a nutshell, smart specialisation is about placing greater emphasis on innovation and having an innovation-driven development strategy in place that focuses on each region’s strength and competitive advantage. It is about specialising in a smart way, i.e. based on evidence and strategic intelligence about a region’s assets and the capability to learn what specialisations can be developed in relation to those of other regions.

DG Regional Policy, European Commission (2011)

- Evolved into ‘Research & Innovation Smart Specialisation Strategies’ (RIS3)
 - Foray *et al* (2012) – *Guide to RIS3*
 - Strong policy imperative driven by DG Regional Policy
 - **BUT** important practical issues remain around scope, process, role of government, regional heterogeneity and evaluation

- Until now the focus of debate and analysis around RIS3 has focused on the ***'headline' question of specialisation***
 - Around what vertical activities should regions specialise their STI investments?
 - Around what supporting horizontal areas should investments be targeted?
 - How should these activities be determined (both now and over time)?
- There has been little exploration of the ***link with innovation policy instruments*** in practice
 - How do innovation policy instruments break with in-built inertias and evolve to align themselves with emerging choices around specialisation?
 - In short, how do innovation policy instruments become a flexible and integrated part of a dynamic territorial strategy?

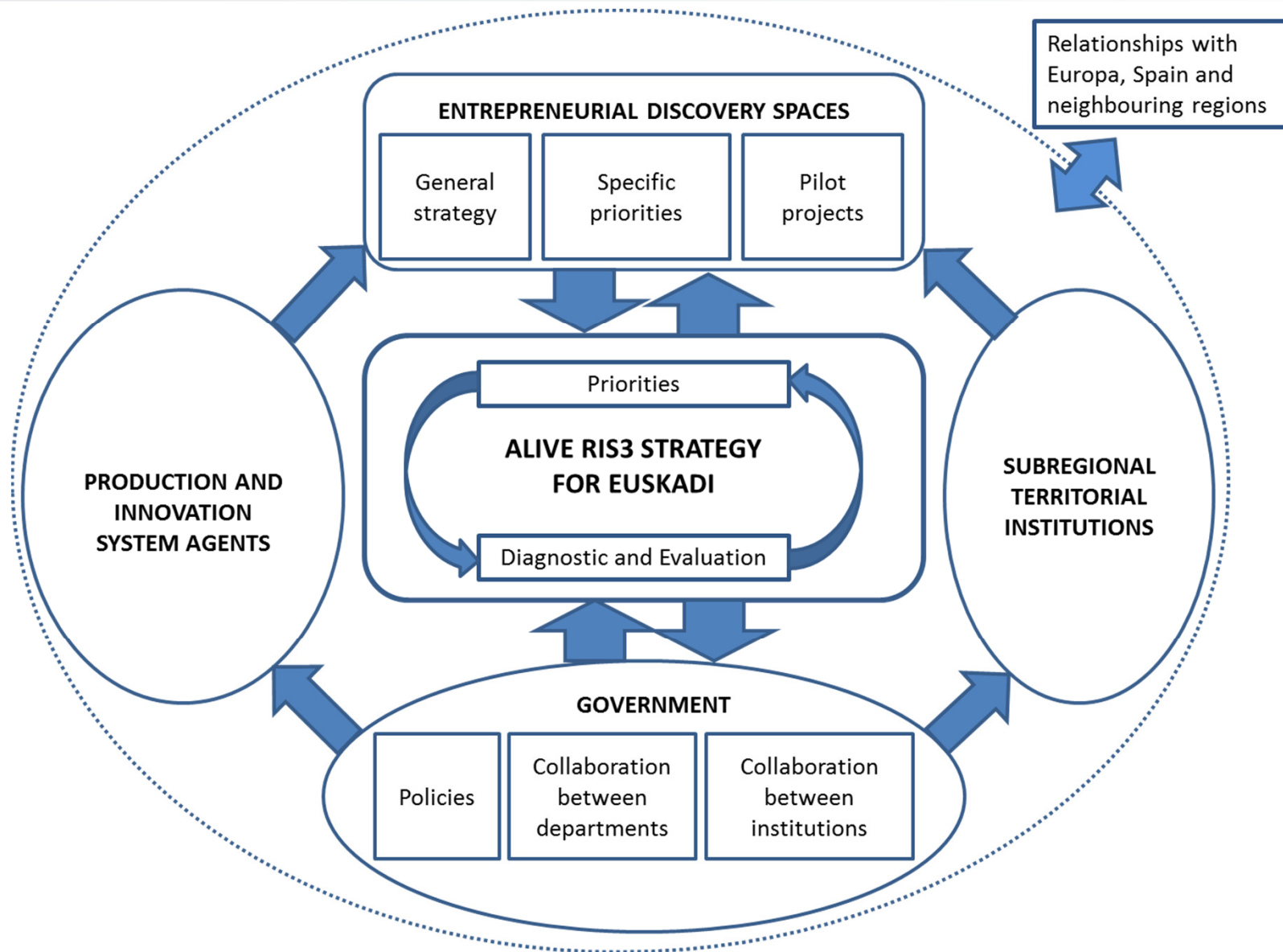
CLASSICAL approach

REGIONAL STRATEGY: “the result of a conscious process, formulated in a written document, called something like ‘strategy, plan, regional development or competitiveness program’. Then, the various actors made a commitment to the result of strategic planning and set about implementing it.”

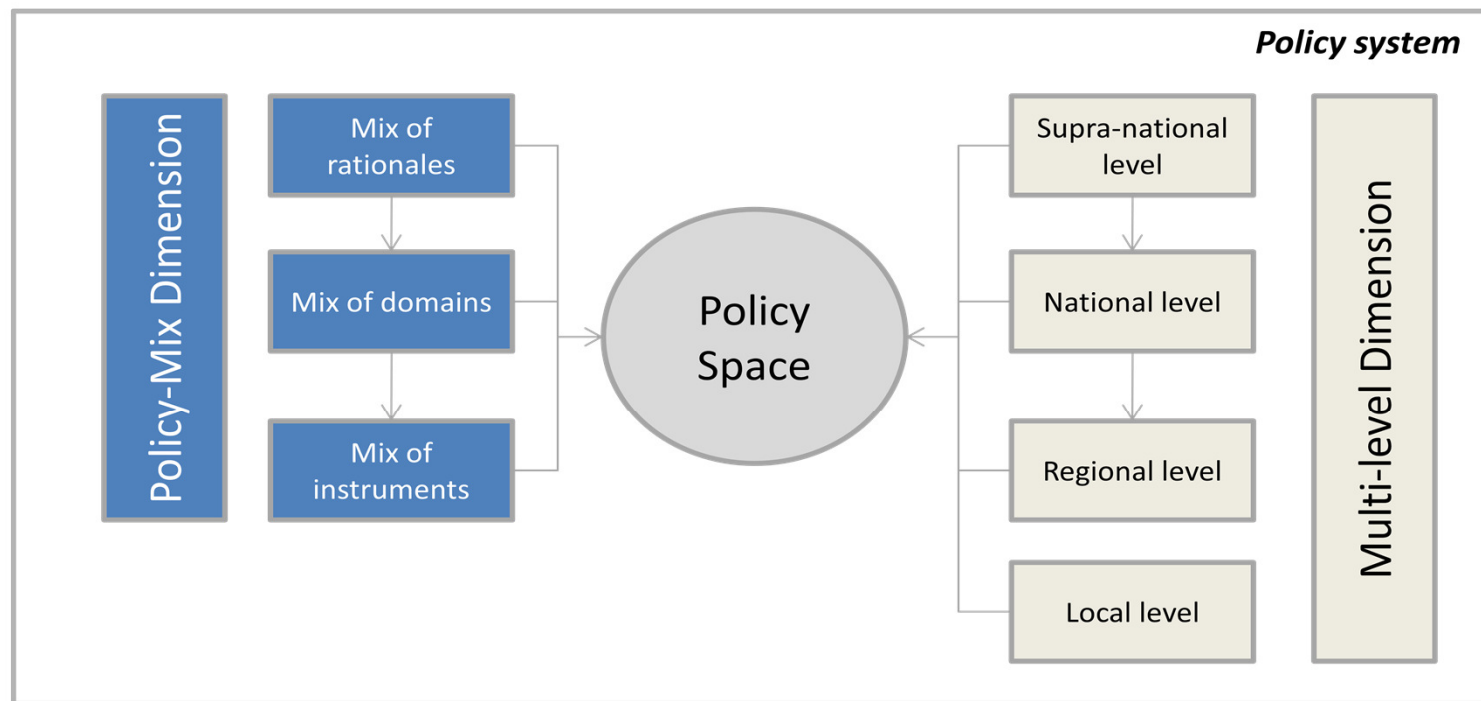
PROCESSUAL approach

REGIONAL STRATEGY: “*a communicative process, in which different aims and strategies of many actors are reconciled, and various interests balanced, and touching-points and concrete means between many objectives are constantly looked for and coordinated. During this continuous process, various goals and strategies of individual organisations are made as parallel as possible by communication and negotiation.*” Sotarauta (2004, p. 24).

Example: The Basque RIS3 Debate



- Typically focused on the evaluation of specific policies
- Fairly recent recognition of the importance of evaluating innovation policy mix
 - Flanagan *et al* (2011); Borrás & Edquist (2013); Magro & Wilson (2013)



Source:
Magro &
Wilson (2013)

BUT FURTHER BIG LEAP NEEDED TO EVALUATE STRATEGY

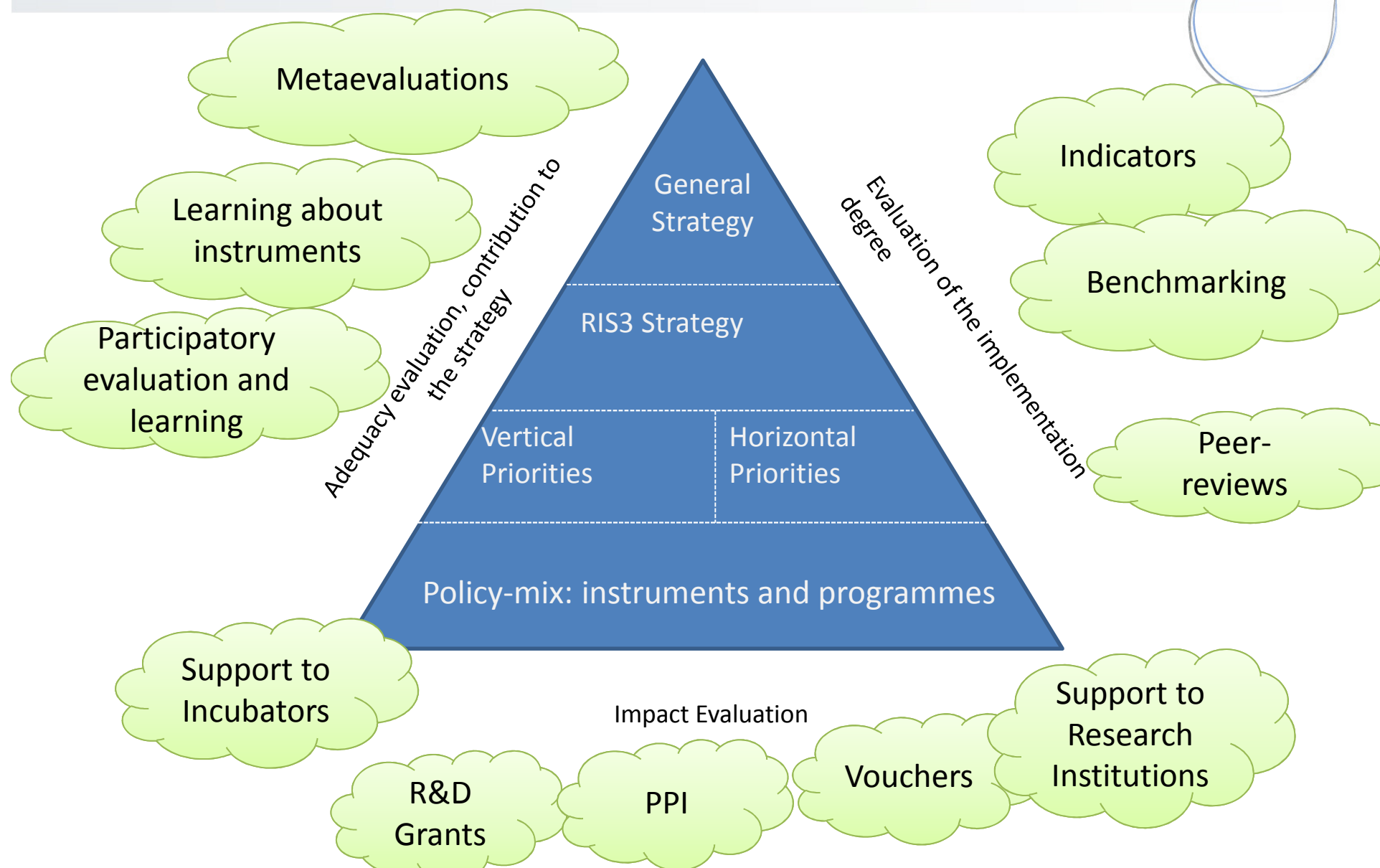
POLICY MIX EVALUATION

- Based on policy rationales
- Focus on the instruments (policy-mix)
 - what works / what doesn't work?
 - Why does it / does it not work?
- Is the policy process working?
 - Leads to policy learning processes, where mainly government learns

TERRITORIAL STRATEGY EVALUATION

- Based on strategic goals
- Focus on the achievement of strategic goals
 - Have we reached them?
 - How is the territory situated with respects to those goals?
- Is the strategic process working?
 - Leads to strategic learning processes, with learning among various actors

BUT they are fundamentally linked and a further key evaluation question becomes ***how well is the policy-mix contributing to strategic goals?***



Adoption of process
evaluation:
Oriented towards
learning rather than
accountability

Continuous evaluation
replacing evaluation at
discrete moments

Focus on strategic
contribution and
adequacy and not only
on impact assessment

IMPLICATIONS

- Different evaluation techniques?
- Different evaluators and different evaluator skills?
- Who is the owner of the evaluation?
- Process governance issues?

- Evaluation is acknowledged to play an important role within RIS3 process, but has been given little attention
- In practice policy evaluations tend to remain isolated & not well linked to the strategy process at territorial level
- There is a tricky link between policy mix evaluation and strategy evaluation that has not been clearly recognised
- Empirical research within live processes of RIS3 is required to better understand this link
- Needs to further conceptualised evaluation concepts beyond impact assesment

THANK YOU

edurne.magro@orquestra.deusto.es



[edurnemagro](https://twitter.com/edurnemagro)