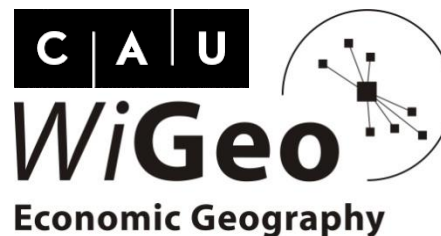
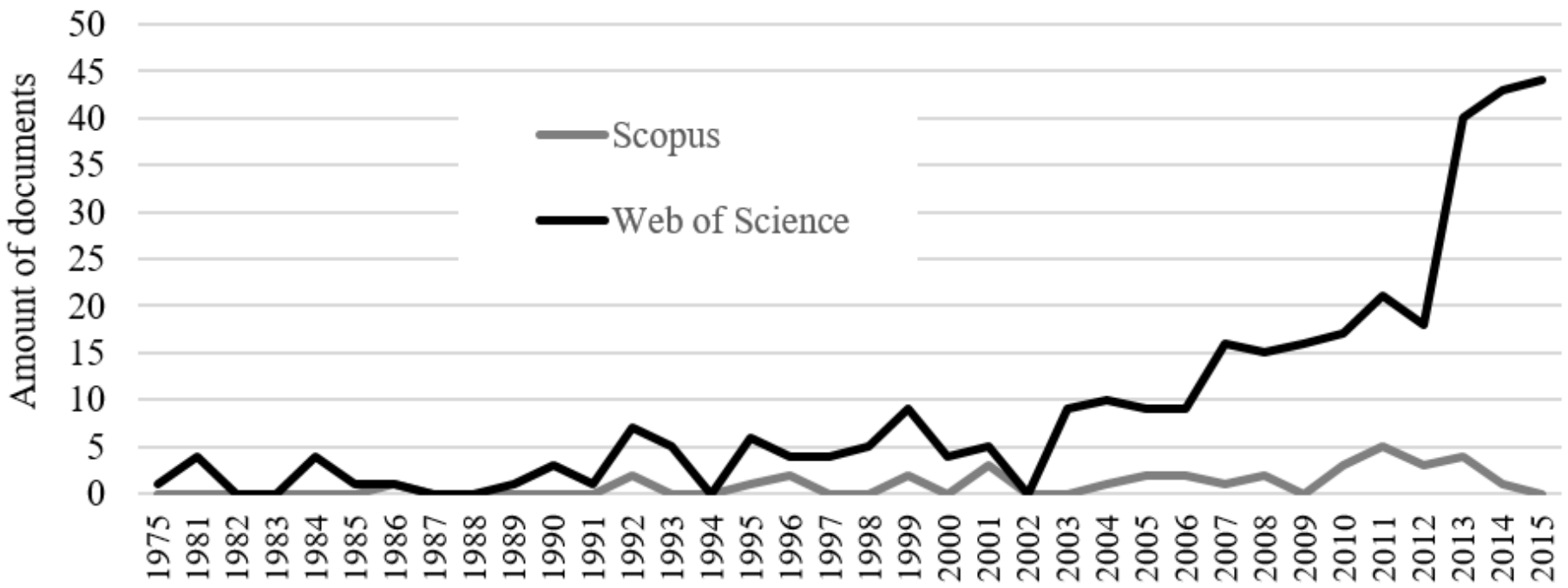


# Input to Workshop on International cooperation beyond EU

Robert Hassink

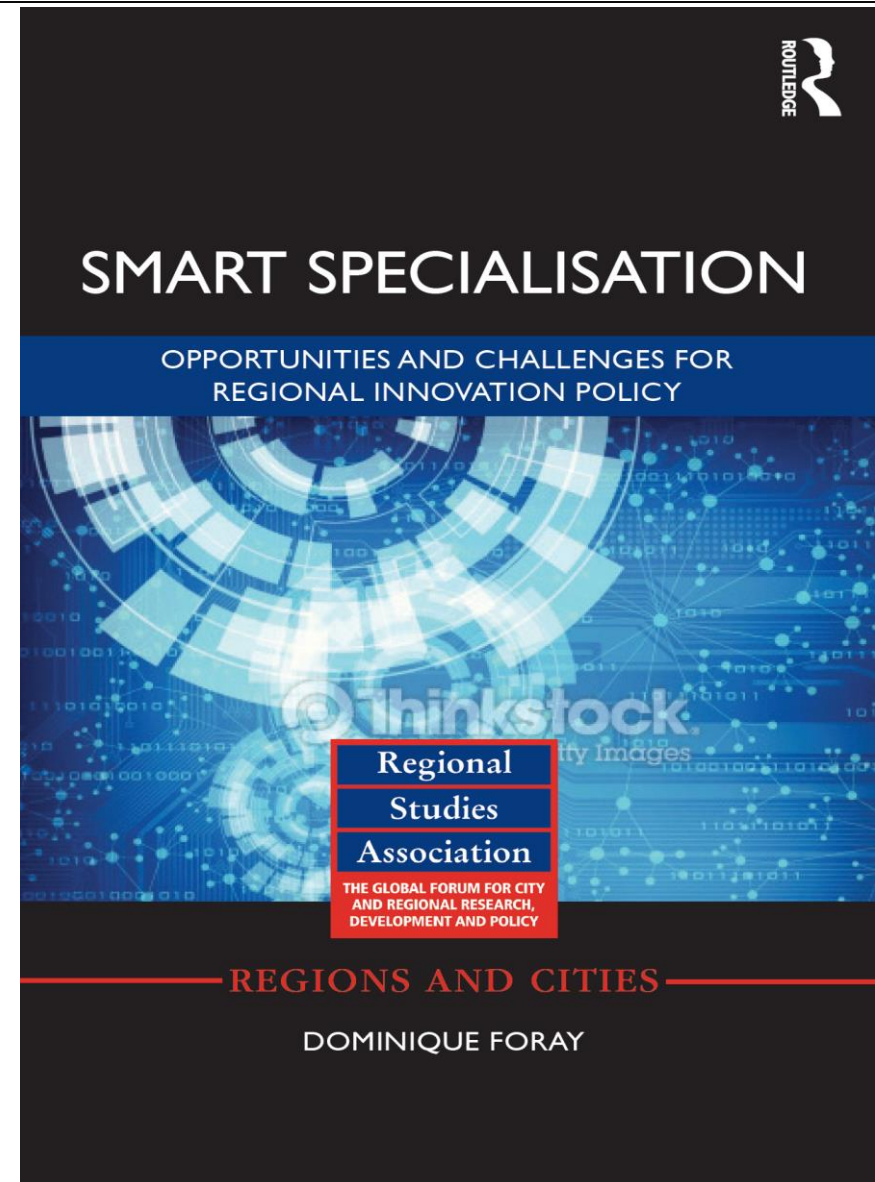
Dept. of Geography, Kiel University, Germany





Source: Fellnhofer 2018

- I. Introduction
- II. Smart specialization
- III. Critical Questions
- IV. Global value chains /  
production networks
- V. Conclusion

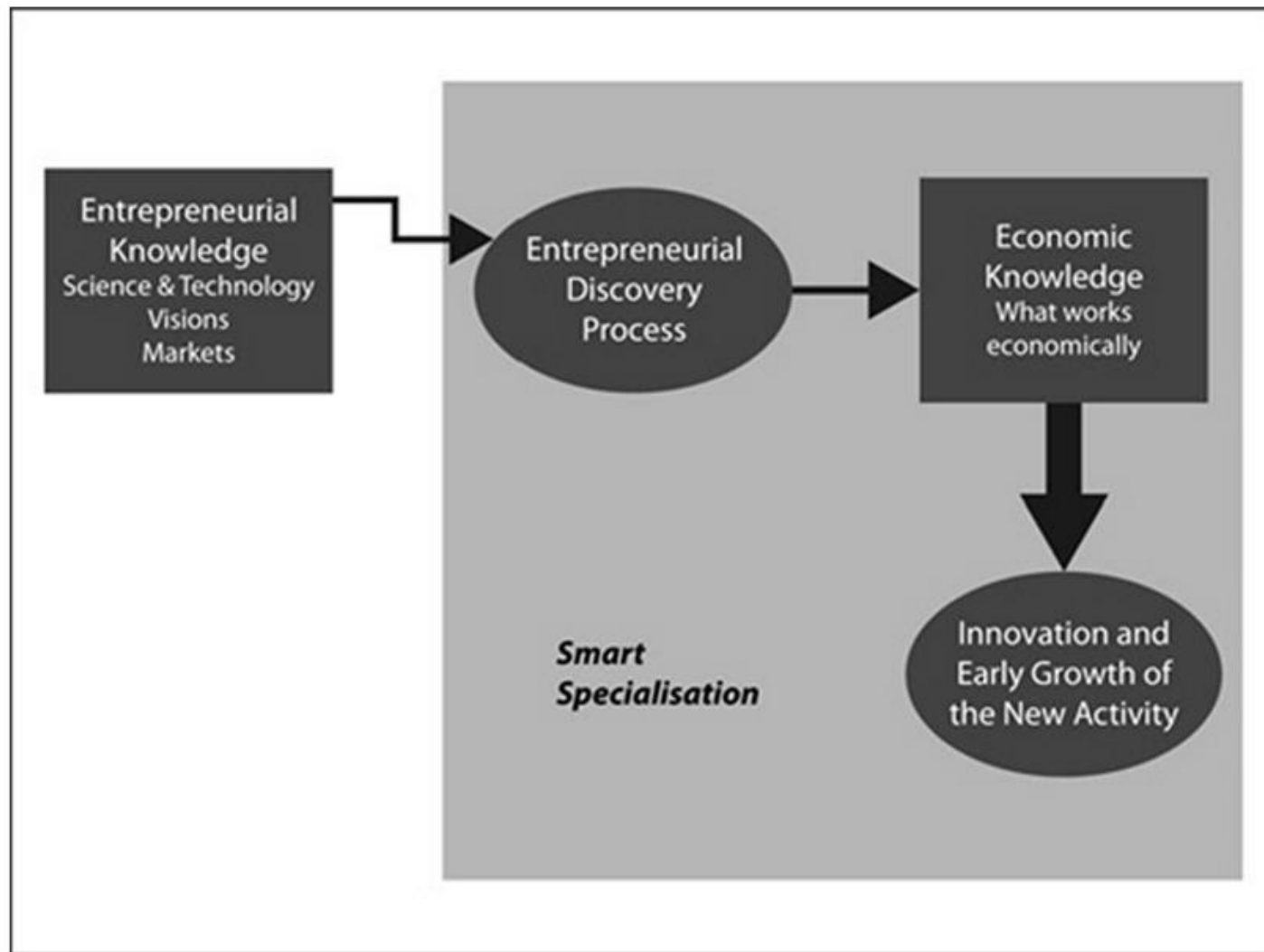


## II. Smart Specialization

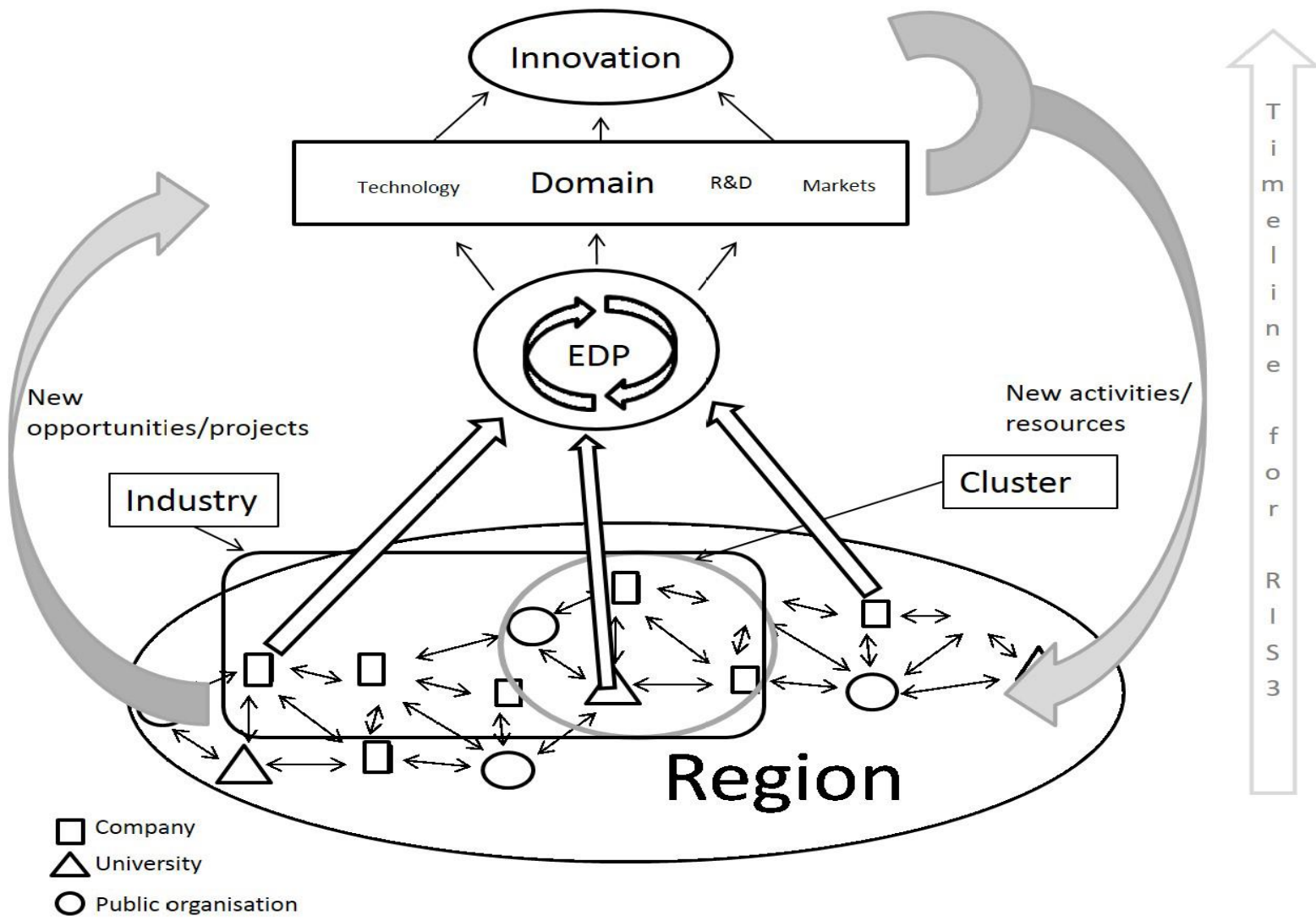
Definition of smart specialisation strategy:

“putting in place a process whereby ... a ... new speciality development, related to existing structures, can be facilitated thanks to ... targeted governmental intervention in order to support in a *preferential* way the most promising new activities in terms of discovery, experimentation, potential spillover and structural changes” (Foray 2015, 2).

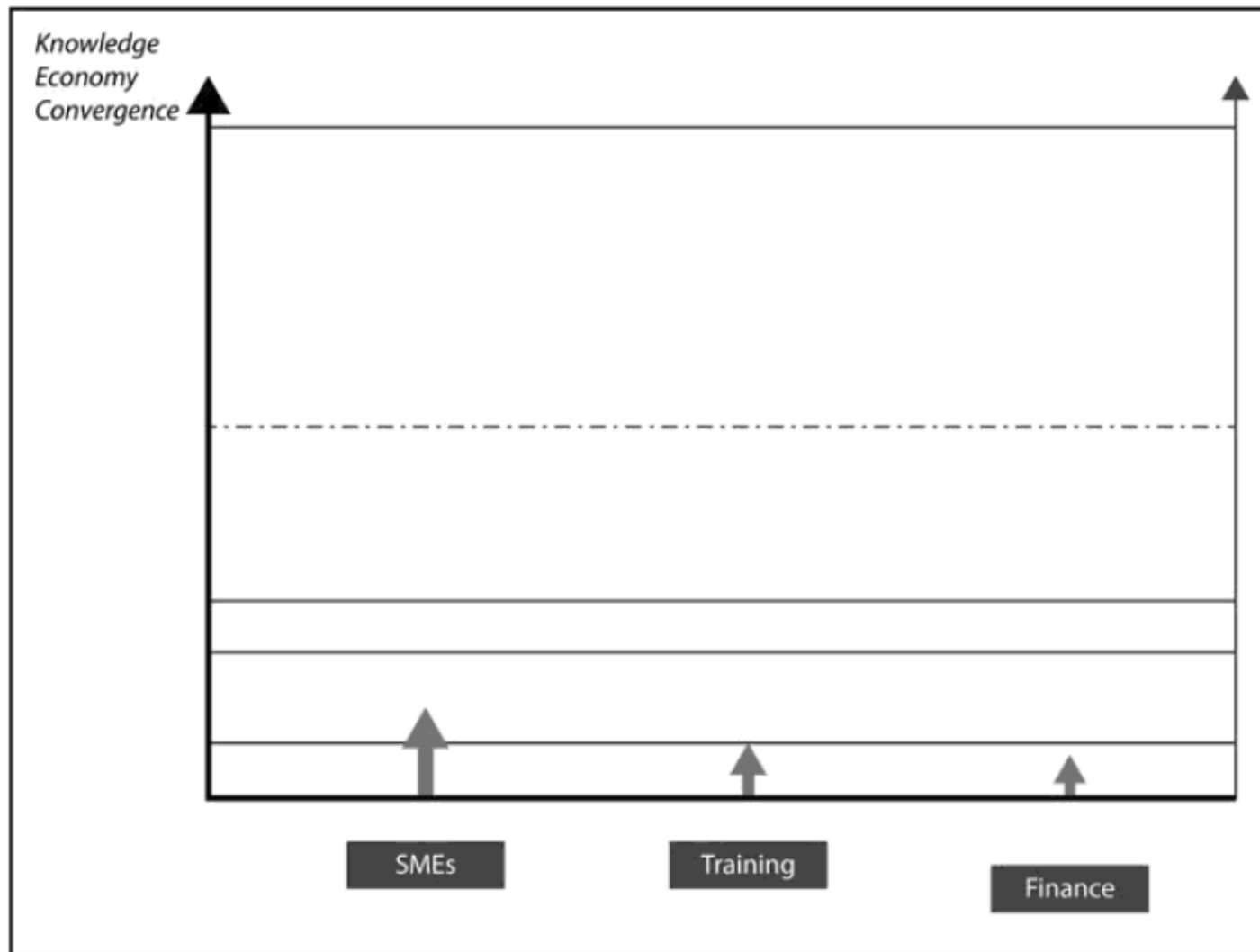
*Entrepreneurial discovery* is defined as a process in which entrepreneurial actors (both firms and non-firms actors, such as researchers at universities and public research establishments) in a region explore and discover new and innovative activities (domain) that should lead to a transformation of the regional economy



Types of knowledge and the entrepreneurial discovery process  
(Foray 2015: 25)

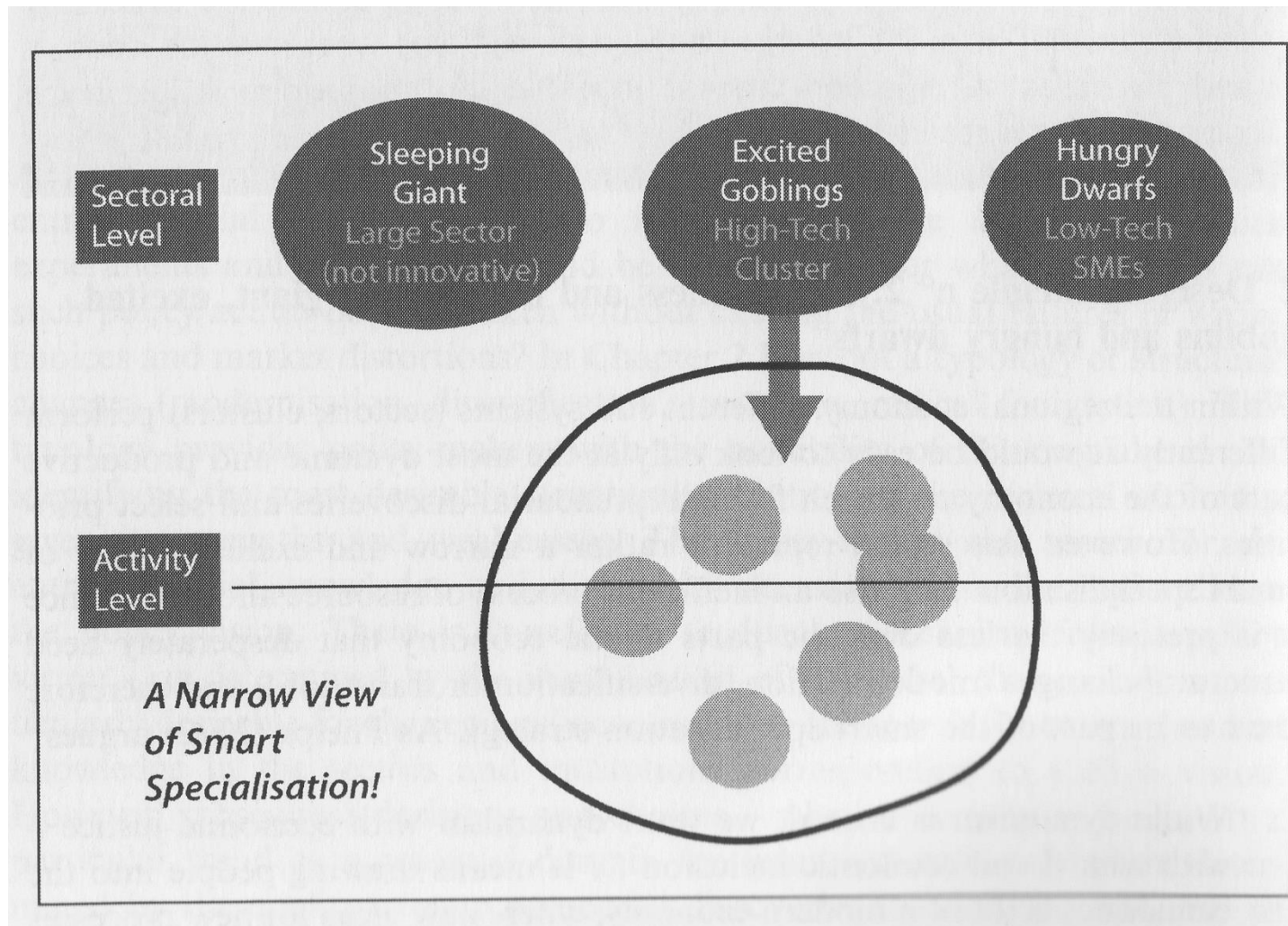


Source: Mäenpää and Teräs 2018

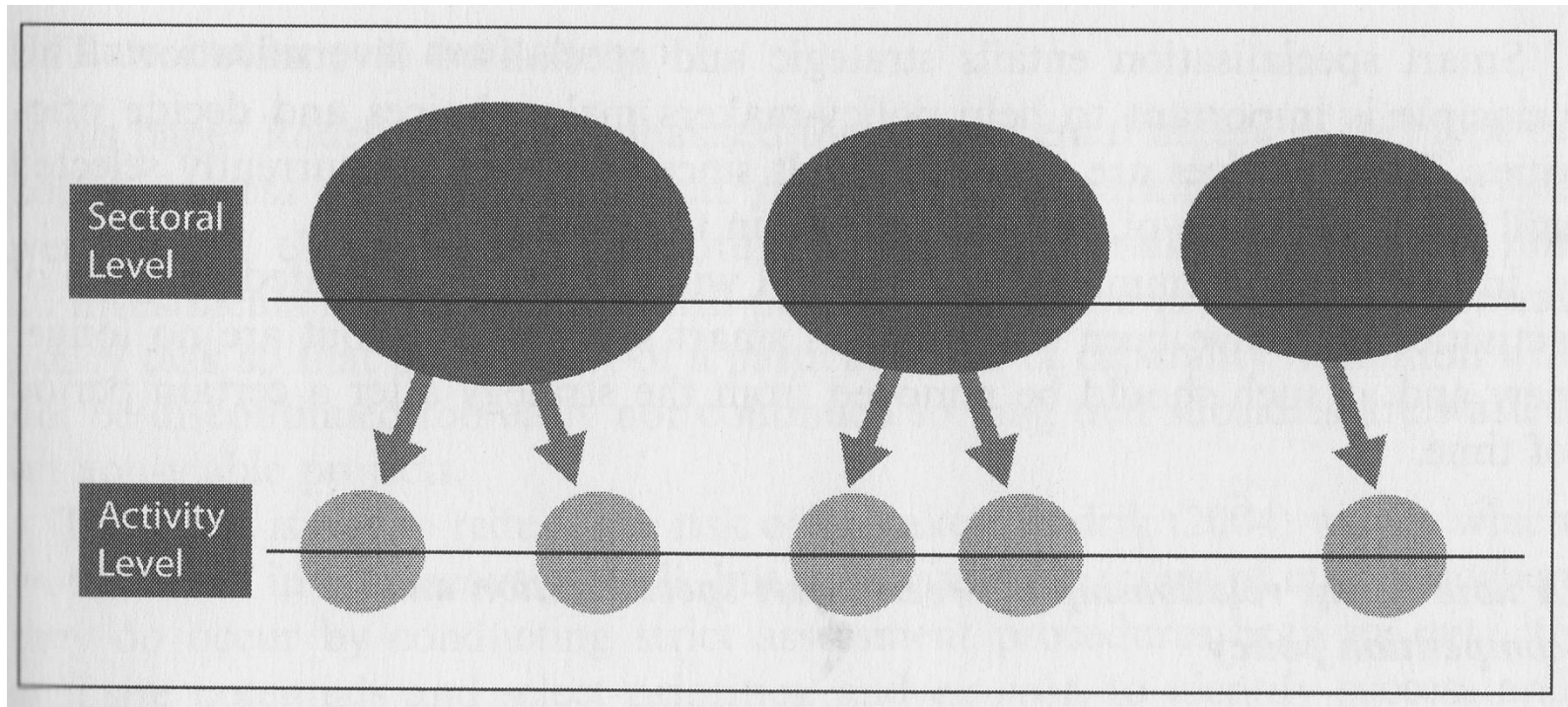


Horizontal policy in Region X (Foray 2015: 32)





An exclusive smart specialisation strategy (Foray 2015, 48)



An inclusive smart specialisation strategy (Foray 2015, 49)

### III. Critical Questions (see Hassink and Gong 2019)

#### ***1. From cluster to smart specialization policy: really something new or more of the same?***

Many regional policy-makers "...simply recycle cluster programmes" (Foray 2015, 82)

## ***2. Locking in or locking out through Smart Specialization?***

Lock-in: “... the combination of historical contingency and the emergence of self-reinforcing effects, steers a technology, industry or regional economy along one ‘path’ rather than another” (Martin, 2010, 3).

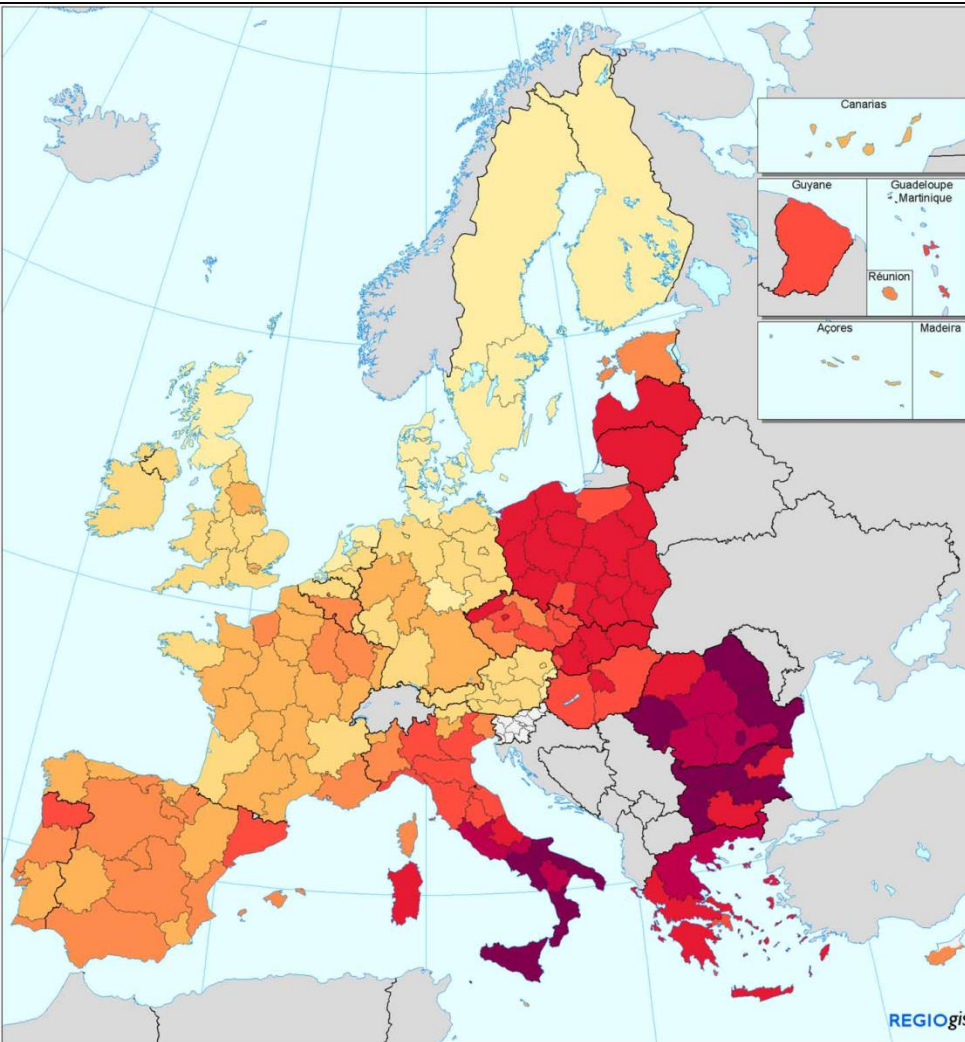
“picking winners, rent-seeking behaviour, corruption and lock-ins ... are typically associated with place-based policies, such as smart specialisation” (Grillitsch, 2016, 22)

### ***3. Do structurally weak regions also benefit from Smart Specialization?***

Two reasons to be skeptical:

1. Weak institutional capabilities and lacking strong horizontal measures





### European Quality of Government index, 2009

Standard deviation, range from poor quality (negative) to high quality (positive)



Note: EU = 0

Source: World Bank and regional quality of government survey

0 500 Km

© EuroGeographics Association for the administrative boundaries

Foray (2015, 86): „In many cases I have observed very poor administrative and governance capacities at the regional level“

Source: Rodríguez-Pose & Garcilazo 2015

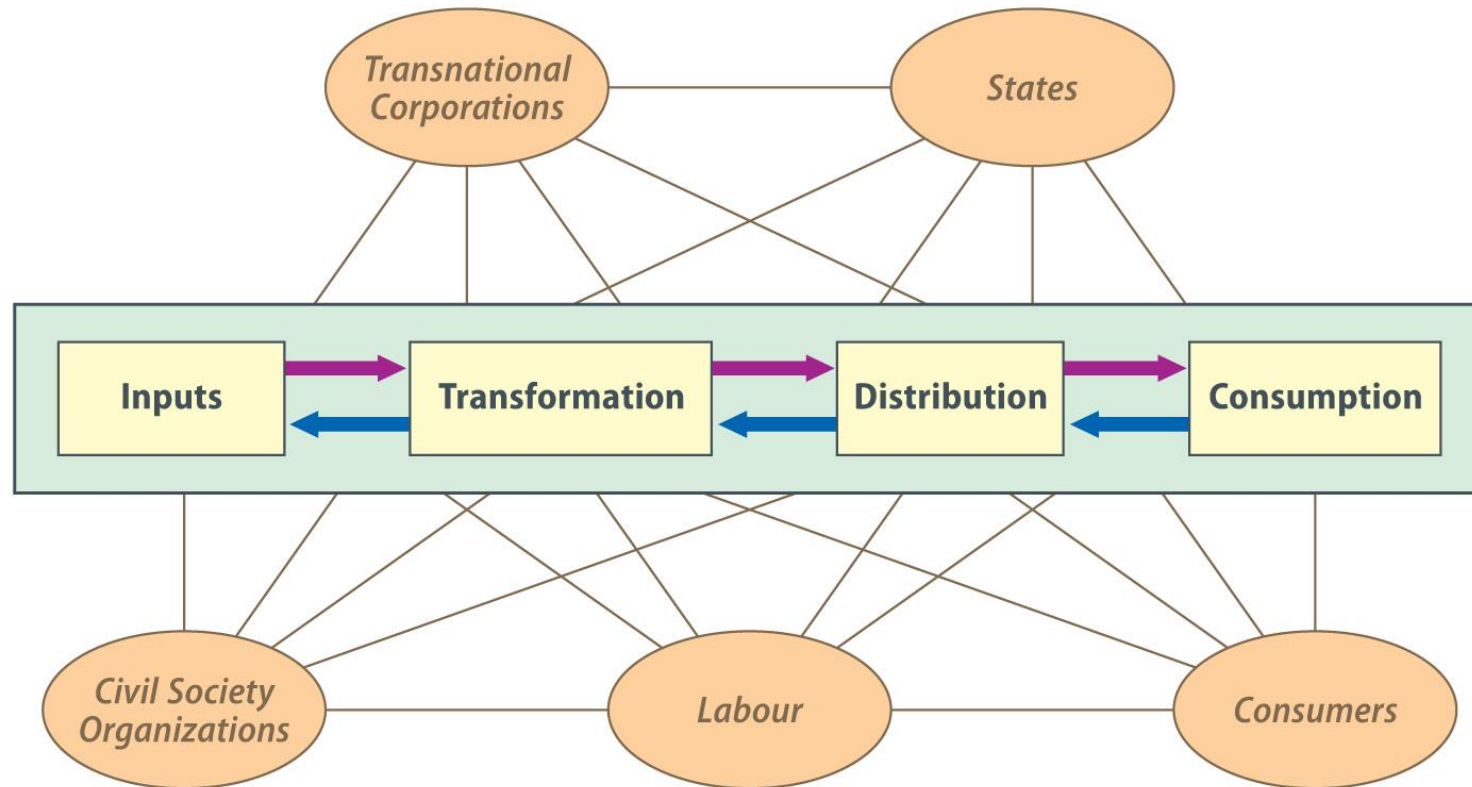
Degree of devolution in STI policy competences and resources		Federal countries	Countries with elected regional authorities	Countries with non-elected regional level/decentralised state agencies
Significant control of STI powers and/or resources by regions		Austria, Belgium, Germany, Australia, Canada, Switzerland, United States, Brazil	Italy, Spain, United Kingdom (Scotland, Wales, Northern Ireland)	
Some decentralisation of STI powers and/or resources to regions		Mexico	France, Netherlands, Poland, Sweden (pilot regions), Norway, Denmark (autonomous regions)	United Kingdom (English regions), Korea Sweden (except pilot regions)
No decentralisation of STI powers	Regional innovation strategies		Denmark, Slovak Republic, Turkey, Czech Republic, Portugal (autonomous regions)	Hungary, Ireland, Portugal (mainland)
	Innovation projects only		Chile, Japan	Greece, Finland, Luxembourg, Iceland, New Zealand, Slovenia

Source: OECD 2011

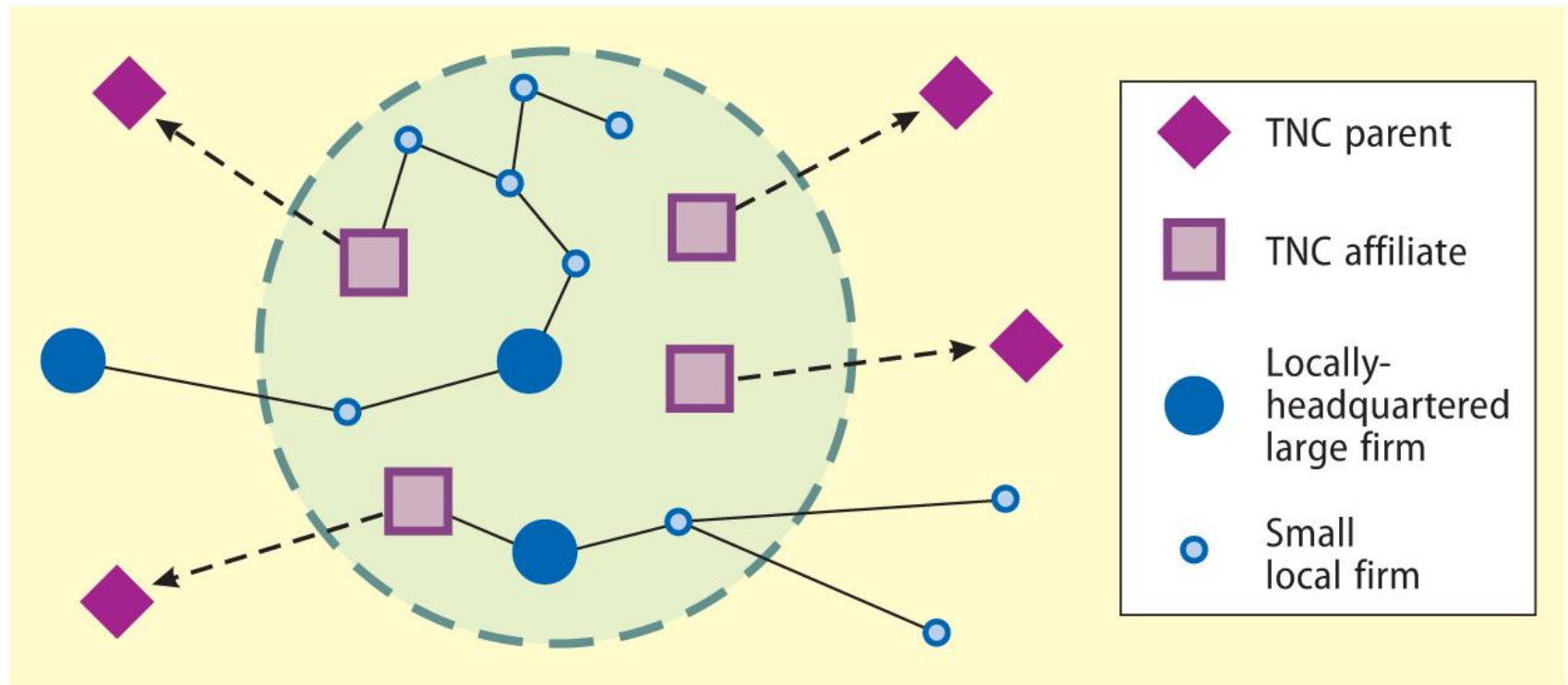
## 2. Endogenous potentials might be too weak



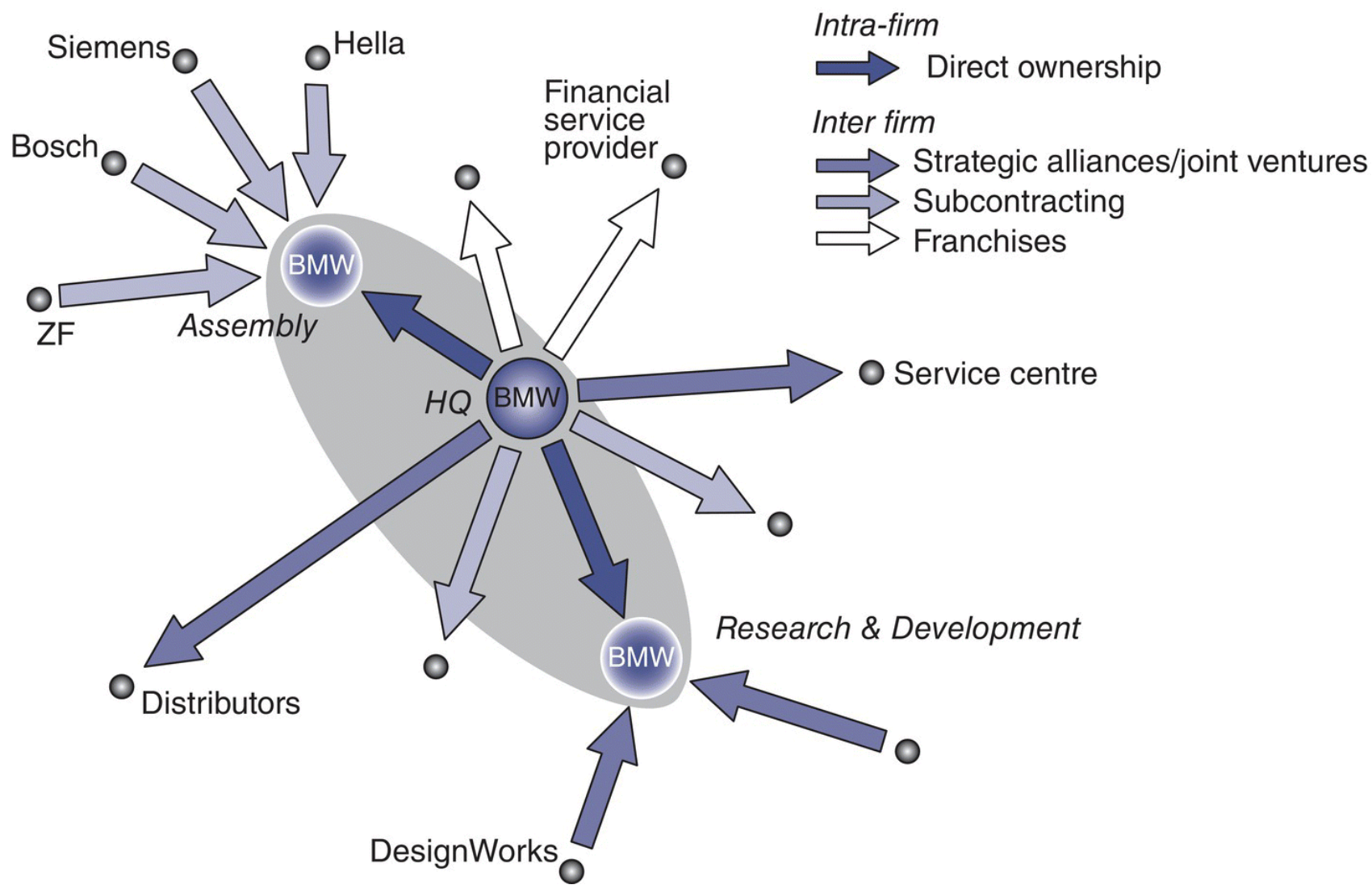
# IV. Global value chains / global production networks



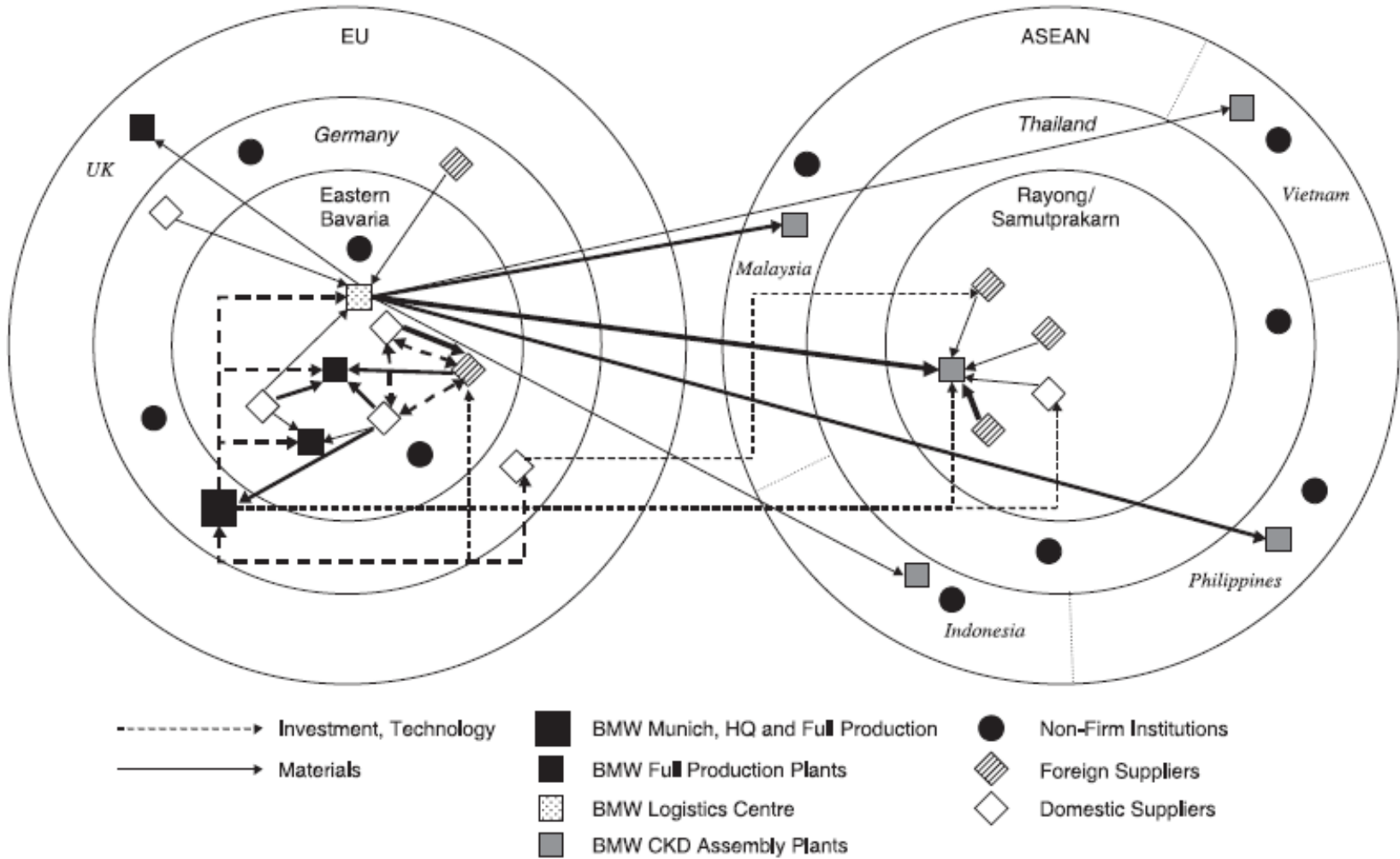
Source: Dicken 2015



Source: Dicken 2015



Source: Coe et al. 2020



Source: Coe et al. 2004

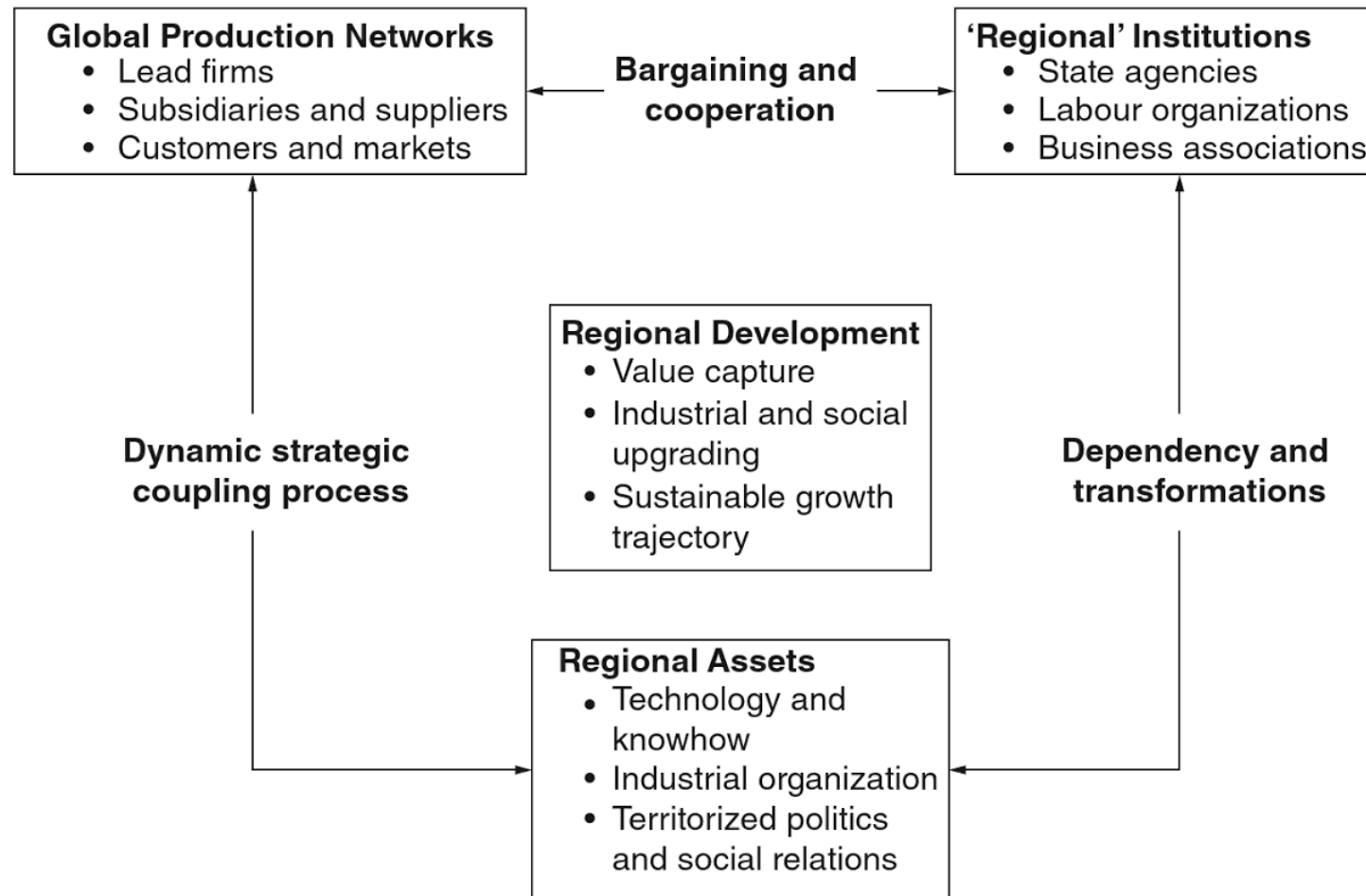


Figure 1.2. GPN 1.0: strategic coupling and regional development

Source: Coe and Yeung 2015

However, they are actually threatened by:

- trade wars
- industry 4.0
- sustainability (climate change)
- COVID-19

Zhejiang Province: Industrial Chain Governor Model:  
looking for local suppliers to become less vulnerable

This will further increase regional inequalities

## V. Conclusion

Strengths of smart specialization:

- Alternative to one-size-fits all approach
- Taking geographical context seriously
- Prioritizing and concentration of resources
- Bottom-up, inclusive approach

Critical issues:

- Role of vested interests in selecting priority areas
- Quality of regional government and institutions
- Weak endogenous potential in lagging regions

So what role could exogenous potential play?

- So far, little research
- Potentially attractive to regions in emerging economies, which are strongly embedded in GVCs/GPNs
- Strategic coupling could be a useful tool
- However, several recent developments hint at globalization in reverse, among others COVID-19 and trade wars



**Many thanks for your attention!**

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