RIS3 in macro-regional strategies:
tools to design and monitor integrated territorial development paths

Margherita Russo¹, Francesco Pagliacci²,
Pasquale Pavone³, Anna Giorgi⁴

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¹ University of Modena and Reggio Emilia, Department of Economics Marco Biagi and CAPP, Center for the Analysis of Public Policies
Address: Viale Berengario 51, 41121, Modena, Italy
E-mail: margherita.russo@unimore.it
² University of Padua, Dipartimento Territorio e Sistemi Agro-Forestali and CAPP
E-mail: francesco.pagliacci@unipd.it
³ Sant’Anna School of Advanced Studies, Department of Excellence, Economics and Management in the Era of Data Science (EM-beDS), and CAPP
E-mail: fpasquale.pavone@santannapisa.it
⁴ University of Milan, Leader AG1 EUSALP Lombardy Region representative, and Gesdimont Research Centre

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* Dipartimento di Economia Marco Biagi, Università degli Studi di Modena e Reggio Emilia, Italy, margherita.russo@unimore.it
^ Department of Excellence, Economics and Management in the Era of Data Science (EM-beDS), Sant'Anna School of Advanced Studies, Italy, pasquale.pavone@santannapisa.it
* Dipartimento Territorio e Sistemi Agro-Forestali, Università di Padova, Italy, francesco.pagliacci@unipd.it
• CAPP (Centro Analisi Politiche Pubbliche), Università degli Studi di Modena e Reggio Emilia, Italy
** Leader AG1 EUSALP Lombardy Region representative, and Gesdimont research centre, University of Milan, Milano, Italy
ABSTRACT

Building on the broad and diverse picture of strategic interventions on regions' research and innovation strategies for smart specialisation (RIS3) and on macro-regional strategies, this paper outlines a comparative framework to analyse regions' RIS3 priorities (to outline the intended development path that regions aim at) and socioeconomic conditions (to describe the structural features, as they emerge from Eurostat data). The paper integrates results developed in two companion papers, by Pavone et al. (2018) and by Pagliacci et al. (2018), thus providing a multidimensional perspective on similarity across regions. Identifying which are the similarities is essential in a comparative analysis that aims to measure and monitor the impact of integrated investments on the development of the territory across sectors. Implications of the methodology proposed in the paper are discussed with suggestions for policy makers.

KEYWORDS: Integrated territorial development; EU macro-regional strategies; RIS3; Data classification with non-supervised techniques

JEL CODES: R58-Regional Development Planning and Policy; Q58-Government Policy; C38-Classification Methods, Cluster Analysis, Principal Components, Factor Models

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1. INTRODUCTION

In the current debate on post 2020 European Cohesion Policy, it would be important to capitalize on two pillars of the ongoing policy programmes: the macro-regional strategies (MRS) (COWI, 2017) and the research and innovation strategies for smart specialisation (RIS3) (Foray et al., 2012; Foray, 2015; McCann, 2015; McCann & Ortega-Arigilés, 2015). If the EU macro-regions are considered as relevant territorial units to enhance bottom-up policy planning in support of development policies across sectors, how can be its integrated territorial development supported?

The EU Macro-Regional Strategies (MRSs), initially launched in the 2007-2013 programming period, align with the EU goals of inclusive and sustainable development, which would be obtained by enhancing synergies among neighbouring regions. So far, four MRSs have been designed for regions in the Baltic area (EUSBSR), along the Danube (EUSDR), surrounding the Adriatic and Ionian Sea (EUSAIR) and in the Alpine area (EUSALP), respectively approved in 2009, 2011, 2014 and 20151.

The core of all four strategies is to enhance complementarities and synergies among regions in the macro-region, with a bottom up regional policy design across the many countries involved (COWI, 2017). MRSs provide opportunities for cross-fertilizations across countries and domains of interventions, from education to health or social innovation. “The added value of macro-regional strategies is characterised by its cross-sectoral approach, its transnational dimension (including the participation of non-EU countries) and its contribution to better multi-level governance. But this is an ambitious concept that needs time to be consolidated and to bear fruit”2. With significantly different durations so far, the four strategies have experienced different levels of maturity in elaborating policy programmes. This appears to be a critical issue in the further implementation of the strategy in the next 2021-2027 programming period of the cohesion policy, which will aim at “investing in all regions” with "a tailored approach to reduce disparities and help low-income and low-growth regions catch up”, with “locally-led development strategies”3.

The development path of such policy design might leverage on the RIS3s elaborated by the regions, characterised by the identification of strategic areas for intervention, based both on the analysis of the strengths and potential of local economy and on an Entrepreneurial Discovery Process (Foray, 2015).

Building on this broad and diverse picture of strategic interventions at regional and at meso-level (i.e. the macro-regions), this paper aims to answer the following research questions. Is it possible to outline a comparative framework that could help policy makers and stakeholders in improving their innovative performance by learning from other regions? What can we learn from that comparative analysis in order to single out which synergies and complementarities can be enhanced within the MRSs?

1 Official documents are available on line at https://ec.europa.eu/regional_policy/it/policy/cooperation/macro-regional-strategies/
To answer these questions, we suggest to endow policy makers with a set of comparative tools, respectively on RIS3 priorities (to outline the intended development path that regions aim at) and on socioeconomic conditions (to describe the structural features, as they emerge from Eurostat data). Taken together, these tools, developed in two companion papers by Pavone et al. (2018) and by Pagliacci et al. (2018), help in addressing the multidimensional perspective on similarity across regions. Identifying which are the similarities is essential in a comparative analysis that aims to measure and monitor the impact of integrated investments on the development of the territory across sectors.

Given the limited space for a survey on the literature on RIS3 and on MRS, which we have presented in Pagliacci et al. (2018), the paper summarizes the tools and the results, respectively, on RIS3 data and on socioeconomic data, in Sections 2 and 3. Section 4 returns main results that combine RIS3 priorities and socioeconomic characteristics of regions, focusing on EUSALP area. Section 5 discusses the implications of the methodology proposed in the paper, with suggestions for policy makers.

2. CLASSIFICATION OF RIS3 PRIORITIES

Information about RIS3 can be accessed with the online tool: "Eye@RIS3: Innovation Priorities in Europe", EC-JRC (2018). Although it is not intended to be used as a source of statistical data, the broad coverage in terms of territorial entities and the large homogeneity of information at sub-national level suggest that information in the Eye@RIS3 platform can be treated as a collective effort to support a robust comparative analysis of RIS3s’ priorities across EU-28. Considering this information 5, Pavone et al. (2018) classify RIS3s’ priorities by using both the descriptions provided in free text format and the series of related codes of economic domains, scientific domains and policy objectives. With regard to regions, similarities are not identified by browsing the words in the descriptions entered in the database nor by the exact combination of codes: each category of descriptions refers to a statistically significant semantic domain, in which the words used by regions are associated to, and each category of codes embraces a statistically significant combination of the different sets of codes. The dictionaries associated to each category help in checking for nuances (but also in controlling for ambiguity and misinterpretation). As a result of this priority classification, we have not only categories and related dictionaries to name them, we are also able to automatically classify regions according to the identified categories of priorities.

The cross tabulation of the two classifications reveals that regions show a coherent attribution of codes to descriptions (Table 1). In particular, categories of codes in the cluster “Agrofood, forestry and tobacco” elaborate descriptions also in other related domains (such as: bio economy, tourism, leisure, sustainable energy), while categories in

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4  http://s3platform.jrc.ec.europa.eu/map. As stated in the website, "The tool has been fully upgraded in September 2018. Data are continuously updated based on inputs from European regional and national authorities and their stakeholders (also called the "entrepreneurial discovery process" in the literature on smart specialisation)."

5  In Eye@RIS3 platform, regions entered their own record descriptions, from a minimum of one to a maximum of 15 priorities.
the macro groups of codes referring to “Health & Life Science”, “New economy & Leisure industry”, “Logistic & Manufacturing” largely elaborate within the same domain of descriptions. In the case of the macro category “Bio Economy, Blue Economy & Energy”, these groups of records cross many diverse descriptions, with a significant overlapping with descriptions in the macro group of “Production & Transport, Manufacturing & Energy”\(^6\). In general, the results of cross tabulation provide hints on the specific priorities emerging both within and outside the overlapping of the same categories of descriptions and codes\(^7\).

Table 1. Eye@RIS3 records by category of RIS3’ priorities: descriptions and codes

<table>
<thead>
<tr>
<th>Categories of codes</th>
<th>Agrofood, forestry and tobacco</th>
<th>Health &amp; Life Science</th>
<th>New Economy &amp; Leisure industry</th>
<th>Bioeconomy, Blue Economy &amp; Energy</th>
<th>Logistic &amp; Manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agrofood</td>
<td>7.92</td>
<td>0.16</td>
<td>0.57</td>
<td>0.08</td>
<td>0.16</td>
</tr>
<tr>
<td>Healthy Food</td>
<td>1.22</td>
<td>0.16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>0.16</td>
<td>0.63</td>
<td>0.08</td>
<td>0.16</td>
<td>0.33</td>
</tr>
<tr>
<td>Life Science</td>
<td>0.08</td>
<td>0.57</td>
<td>0.08</td>
<td>0.98</td>
<td>1.14</td>
</tr>
<tr>
<td>Bioeconomy</td>
<td>0.57</td>
<td>0.33</td>
<td>0.41</td>
<td>0.33</td>
<td>0.98</td>
</tr>
<tr>
<td>Creative industry</td>
<td>0.08</td>
<td>0.65</td>
<td>0.08</td>
<td>0.33</td>
<td>0.57</td>
</tr>
<tr>
<td>Digital &amp; ICT</td>
<td>0.08</td>
<td>0.65</td>
<td>0.08</td>
<td>0.33</td>
<td>0.57</td>
</tr>
<tr>
<td>Fashion</td>
<td>0.08</td>
<td>0.08</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth &amp; Welfare</td>
<td>0.08</td>
<td>0.65</td>
<td>0.41</td>
<td>0.33</td>
<td>1.22</td>
</tr>
<tr>
<td>ICT &amp; Tourism</td>
<td>0.08</td>
<td>0.08</td>
<td>1.96</td>
<td>0.08</td>
<td>0.08</td>
</tr>
<tr>
<td>Tourism</td>
<td>0.08</td>
<td>0.08</td>
<td>0.41</td>
<td>0.33</td>
<td>0.49</td>
</tr>
<tr>
<td>Automotive &amp; Aerospace</td>
<td>0.08</td>
<td>0.08</td>
<td>0.08</td>
<td>0.16</td>
<td>0.73</td>
</tr>
<tr>
<td>Energy Production</td>
<td>0.33</td>
<td>0.08</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>0.33</td>
<td>0.08</td>
<td>0.65</td>
<td>0.08</td>
<td>4.24</td>
</tr>
<tr>
<td>Marine &amp; Maritime</td>
<td>0.08</td>
<td>0.08</td>
<td>0.08</td>
<td>0.08</td>
<td>0.41</td>
</tr>
<tr>
<td>Mechatronics</td>
<td>0.08</td>
<td>0.08</td>
<td>0.16</td>
<td>0.08</td>
<td>0.16</td>
</tr>
<tr>
<td>Optics</td>
<td>0.08</td>
<td>0.08</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Photonics</td>
<td>0.08</td>
<td>0.08</td>
<td>0.08</td>
<td>0.08</td>
<td>0.08</td>
</tr>
<tr>
<td>Sustainable Energy</td>
<td>0.08</td>
<td>0.08</td>
<td>0.08</td>
<td>0.08</td>
<td>0.08</td>
</tr>
<tr>
<td>Transport &amp; Logistics</td>
<td>0.16</td>
<td>0.16</td>
<td>0.16</td>
<td>0.08</td>
<td>0.16</td>
</tr>
<tr>
<td>Water jet cutting</td>
<td>0.08</td>
<td>0.08</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No Description</td>
<td>0.08</td>
<td>0.08</td>
<td>0.08</td>
<td>0.08</td>
<td>0.08</td>
</tr>
</tbody>
</table>

Data refer to 1225 records (covering 206 territorial entities), entered in the database Eye@RIS3, 01/10/2018. Source: Pavone et al. (2018).

Each cell of the cross tabulation of categorization of priorities descriptions and codes returns either no region or one or more regions associated with those priorities. Regions are characterized also by other features, but the ones summarized in the table may guide regions in exploring which other regions have similar priorities.

\(^6\) This result is due to the highest cut-offs in clustering the two classifications, the one referring to descriptions and the other one referring to codes: a similar set of macro groups emerges, but in the case of codes a better cut-off is with five macro groups, instead of four (as in the case of descriptions), with a split of “Bio Economy & Energy” from “Logistic & Manufacturing”.

\(^7\) For instance, in the case of NL2-Eastern Netherlands, the text description “development of robotics for transcranial Magnetic Stimulation” is classified as “Mechatronics” in Description Classification and as “Health & Life Science” in Codes Classification.
3. SOCIOECONOMIC COMPARISON OF REGIONS

Building on Eurostat data, Pagliacci et al. (2018) adopt both a principal component analysis to reduce the dimensions under analysis and a cluster analysis to single out groups of EU regions with relatively similar socioeconomic features. Their methodology returns a significant picture in terms of regional heterogeneity of socioeconomic features. They propose a classification of socioeconomic features of NUTS2 EU-28 regions\(^8\), grounded on a set of 31 input variables that cover three domains: Population and other demographic features (6 variables); Regional economy and the labour market (3 variables); Sectoral structure, by covering both sections (agriculture, industry, construction, wholesale and Trade) and division of the manufacture (22 variables).

As far as the four existing macro-regions are concerned, Figure 1 displays the maps of the resulting 19 clusters of regions.

4. FOCUS ON EUSALP

The application of cross tabulation with regard to EUSALP, in Table 2, is an example for supporting a comparative analysis of specific policy measures and projects implemented by regions within the same domain of priority. For instance, let us consider the "New technologies for health" (third category of codes on columns) that is relevant for 10 territorial entities in four countries, with a specific focus on health and life science, but also tourism. What matters in this comparison is the potential provided by comparing projects in these priorities, in regions with similar or different socioeconomic conditions. In learning from other regions, it is important to tailor policy interventions on the awareness of structural differences, as they emerge from socioeconomic benchmarking.

This tool would be of particular help, for instance, in Action Group 1, namely the group elaborating on actions “To develop an effective research and innovation ecosystem”. The ingredients for such actions are within the RIS3s already implemented by the regions in the MRS, some paths of orienting the activities are now at hand for starting a selection of projects and making progress on decisions for further implementation of smart specialisation strategy in the MRS.

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\(^8\) The analysis uses data at NUTS 2 level according to the EU classification. The authors are aware that, for some countries (e.g. the Baltic states), this level overlaps with the national one.
Figure 1. Maps of socioeconomic clusters of regions, by macro-region

North-Western EU regions
- Very-high income; financial centres; foreigners
- Very-high income; capital city-regions; diversified services
- Very-high income; large urban regions; high-employment; highly educated
- Very-high income; high-density city-regions; high-employment; highly educated, touristic
- Urban regions; high-income; poorer employment conditions; touristic
- Very-high income; manufacturing; population imbalances
- High-income; high-employment; low-manufacturing; services & public sector
- Medium-income; employment imbalances; low-manufacturing; services & public sector
- Medium-income; high-employment; manufacturing & private services
- Medium-income; high-employment; highly educated; manufacturing; mining & quarrying
- High-income; low-population density; tourism
- High-income; sparsely populated; public sector; highly educated

Eastern manufacturing regions
- Low-income; high-employment; manufacturing; no foreigners; very highly educated
- Very low-income; manufacturing; no foreigners; highly educated
- Very low-income; agricultural; manufacturing; textile; electric; transport; low-population density

Mediterranean traditional-economy regions
- Medium-income; employment & population imbalances; manufacturing; textile; basic metal; transp.; very-low educated
- Low-income; high-density; high-unemployment; agriculture; food & drinks; very-low educated
- Very-low income; agriculture; sparsely populated; very high unemployment;
- traditional services (G-I)
- Low-income; high-unemployment; touristic; food & drinks; traditional services (G-I); very-low educated

Source: Authors’ elaboration
5. DISCUSSION

This paper proposes an analytical framework of the several dimensions, characterising both socioeconomic features of regions in the EU-28 and their RIS3s' priorities. This multidimensional perspective has been adopted to highlight similarities across regions.

The resulting set of information can be used by local stakeholders interested in further implementation of their own RIS3s and to position their territory in a comparative perspective, finding potential partners for collaboration (EC-JRC (2018). To enhance an effective use of the two sets of results, on the priorities of RIS3 and on socioeconomic features of regions, their implementation in the Platform of Knowledge (EUSALP, 2018)9 as well as in the Eye@RIS3 platform (EC-JRC, 2018) is advocated.

In addition, this methodology may strongly support instances participating in the coordination and implementation of macro-regions (e.g., national coordinators, policy area coordinators, policy area focal points, thematic steering groups, action groups) in designing more integrated territorial strategies, which could take advantage from the capitalization of both intra- and inter-MRS multidimensional comparison of the RIS3s (the intended development path that the regions aim at) and socioeconomic conditions (summarising the current structural features).

As soon as that type of query will be implemented online, in the JRC platform or in the EUSALP Platform of Knowledge, regions within the same macro-region could start elaborating more focused analyses and a more effective dialogue on potential synergies or complementarities when considering same priorities, as they are outlined in the strategic documents of the regions.

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9  https://www.alpine-region.eu/p/dashboard
Table 2. Classification of EUSALP regions*, by RIS3 priorities and socioeconomic features

RIS3 priorities: categories of descriptions on rows; categories of codes on columns. Socioeconomic clusters highlighted by colours (see the legend below).

* 22 regions under analysis; no information in Eye@RIS3 platform for Switzerland and for Slovenian regions (only nation-level RIS3 is available for Slovenia).

Source: Authors’ elaboration on Pagliacci et al. (2018) data and on Pavone et al. (2018) data.
REFERENCES


