

# JOANNEUM RESEARCH Forschungsgesellschaft mbH



Interregional  
Innovation  
Policy in South  
East Europe:  
Past  
Experiences  
and Prospects  
for the Future

Christian Hartmann  
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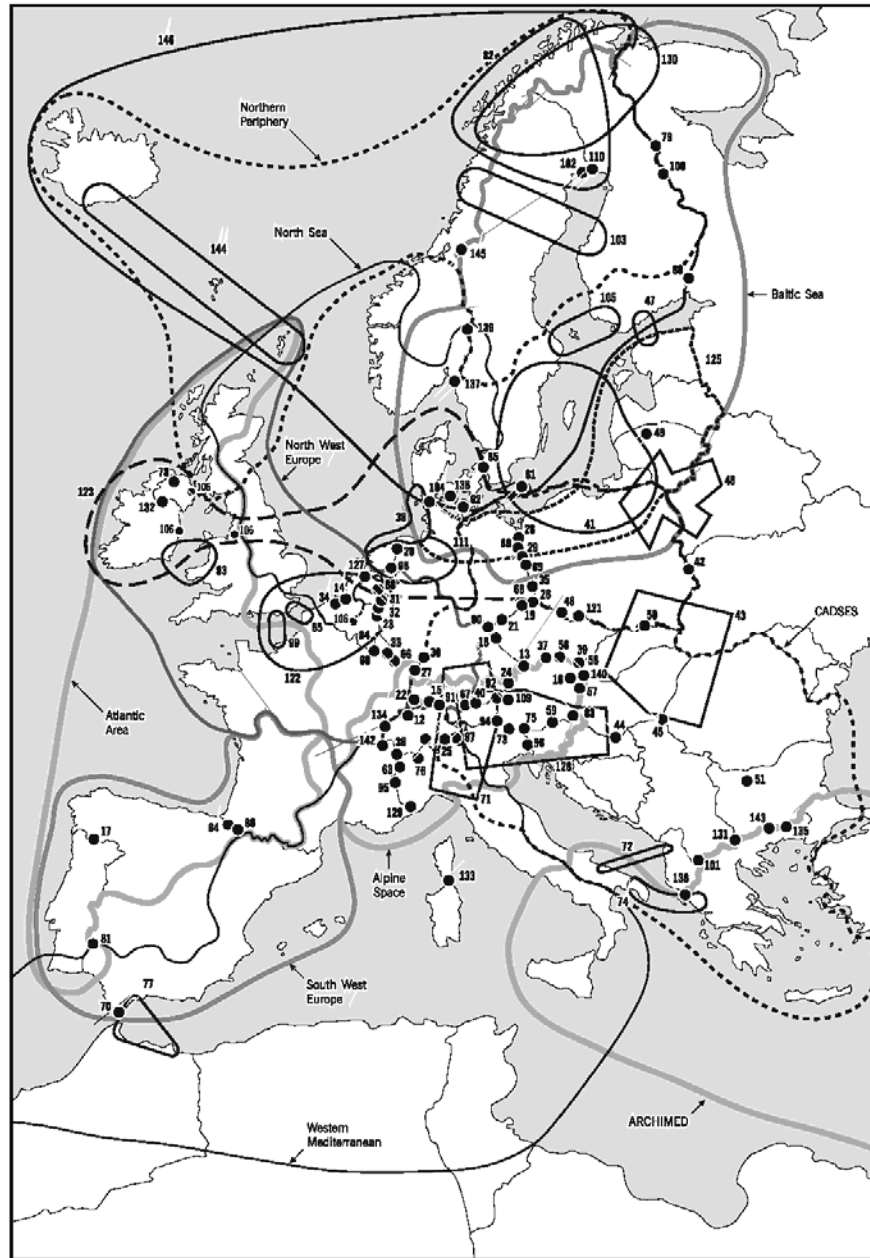


## Guiding Questions

- **Why does interregional innovation policy matter?**
- **Interregional innovation policy in SEE – what has been achieved so far?**
- **What issues need to be dealt with in the future?**

# Geography: A new varying Regional Geometry of Europe

The „new“  
Regionalism  
opens up ways  
for rethinking  
the  
geographical  
scope of  
regions



# Economy: Interregional Co-operation as an Answer to Globalisation



## ■ Economies of Scale

- Interregional co-operation can bring fourth critical masses
- Cost-advantages do arise
- Increased competitiveness as a result

## ■ Economies of Scope

- Interregional co-operation can combine complementary competences that are hard to copy
- Interregional value chains make incumbent firms more embedded and less footloose
- Increased competitiveness as a result



# Why does interregional Innovation Policy matter in South East Europe



- **Competitiveness of Countries is build upon temporary Comparative Advantages**
  - ➔ Low wage rates
  - ➔ Tax cuts
- **Good Endowment with RTDI Infrastructure but fragmented mosaic of Innovation Systems**
  - ➔ Lacking of large Agglomerations
  - ➔ Low Levels of National R&D Performance
  - ➔ Poorly developed Industry Science Links
- **Need to Develop positive Externalities through Networking**

# Interregional Innovation Policy in South East Europe

## Where did we start from in 2001?



- **Poor mutual knowledge about RTDI competencies beyond the borders**
  - ➔ Eight years ago only scattered and fragmented knowledge on RTDI infrastructures and specialisation patterns has been available
  - ➔ e.g. most Styrian enterprises were not knowledgeable about R&D partners like Institute Jozef Stephan or Rudjer Boskovic Institute
  
- **Poor mutual knowledge about RTDI Policies beyond the borders**
  - ➔ Eight years ago regional governments did not have much knowledge about innovation policy strategies and Instruments of their neighbours
  - ➔ E.g. regional cluster policy has been implemented in several regions without interregional co-ordination efforts

# Interregional Innovation Policy in South East Europe

## What has been achieved so far?



### ■ Development of better knowledge on Innovation Systems (i.e. actors and competences)

- Various project platforms have charted in the last years the innovation systems in SEE countries
- Now structured information about R&D capacities is available on the web, examples: West Balkan Research directory, CORINNA R&D Database

### ■ Development of voluntary interregional Networks for Innovation Policy

- ➔ Several Policy Networks have been established in SEE in recent years (e.g. SEE-ERA-NET, SCORE, ERA Westbalkan (+))



# What is necessary in the Future?

## Need for additional action to involve Enterprises

- **Demand Side: Need to promote absorptive capacity for new scientific and technological knowledge at firm level**
  - ➔ Public sector and intermediary institutions adapted faster to change than enterprises
  - ➔ Many SMEs with a technological problem neither know whom to consult nor what to do with potential advice given
- **Supply Side: Additional Regional Capacity Building on Technology Transfer in SEE Countries**
  - ➔ Some firms do already have interest to join technological co-operations, but...
  - ➔ ... regional capacities for industry-science relations still need development
- **Money: Better Adjusted Funding by EU**
  - ➔ SEE countries are still in need of funding assistance by EU in particular on the Interregional level
  - ➔ IPA funds that are available for interregional cooperation are very limited and unevenly distributed among countries