

BRIDGES project

The policy instrument improvement recommendations

Closing meeting
Helsinki, 27.9.2022

Starting point

In the BRIDGES project application we wrote: “... the purpose is to address mismatches between the knowledge and economic bases of the partner regions and increase the effectiveness and visibility of the RIS3 results”.

Such mismatches, are especially present in regions with critical mass challenges and / or research and innovation bases not fully aligned with the economy.

Our research assumption, our project argument: “the best way to address economic and research base mismatches is through systematic collaboration between less and more innovation advanced regions”.

During Phases 1 & 2 we identified and tested collaboration options touching programme and development priorities, -with positive results. During the additional activities ‘Phase 3’ we addressed the term ‘systematic’ through the value chain approach.

Additional activities

— REMINDER

The BRIDGES project started being planned in 2015 and was approved on 10.2.2016. 2016-2019: Phase 1, 2019-2021: Phase 2, 2021 - 2022: additional activities ('Phase 3'). The budget of the additional activities was 348 700€, 85% EU, funding came from the underspending of Phase 1. The partnership of the additional activities included 7 out of the initial 10 partners.

PP number	Partner	Country
LP/PP2	Regional Council of Kainuu	Finland
PP4	Regional Council of Helsinki-Uusimaa	Finland
PP5	ANKO	Greece
PP6	Socca Valley Development Centre	Slovenia
PP7	Pannon Business Network	Hungary
PP8	CEEI Burgos	Spain
PP9	CERTH	Greece

— OBJECTIVES

The BRIDGES project additional activities was planned in early 2021 with the purpose to increase regions' resilience challenged by covid19.

To increase regions' resilience through the value chain approach; to ensure interregionality insights; to reach policy instrument improvement recommendations.

The key objective of the additional activities was to research increasing regional resilience through value chains.

- The key objective was further broken down into three research questions (slides 4,5,6,7).
- Partners present individually their own approaches and suggestions.

5th call, additional activities

ASSUMPTION OF THE ADDITIONAL ACTIVITIES

The assumption we tested is that value-chain based policies allow focusing of funds on competitive advantage (re-shoring and in-shoring policies) and de-localisation of activities (near-shoring policies) within the EU of those segments that can develop elsewhere better and cheaper.

An essential parametre is that value chain segments remain linked through collaboration agreements. This is one reason why regions should look favourably at longer term collaboration paths.

Implementation approach

The implementation approach was based on three (3) questions

QUESTION 1. TRANSFORMATIVE GROWTH THROUGH VALUE CHAIN POLICIES

How can value chains be an agent of planned, sustainable transformative growth?

QUESTION 2. INTERREGIONAL COLLABORATION

Are interregional complementarities & collaborations inevitable? are win-win collaborations possible?

QUESTION 3. ECONOMIC MODEL

RIS3, by its operative principles, is a change instrument (critical mass, place based approach, concentration of funds, renewal of the economic base). To be effective, it needs to reflect creatively regional contexts. How could such an approach be conceptualised?

Findings

QUESTION 1, FINDINGS: TRANSFORMATIVE GROWTH THROUGH VALUE CHAINS SEEMS POSSIBLE AND PROBABLE

1.1 Transformative growth is about changing position and/or domain in the value chain smiling curve.

1.2 The smiling curve, given the experience of the BRIDGES project regions, and then the Covid19 effect, and the most recent effects of war, lead to a new reading of value-added as generated by the production chain, slightly modified from that of 2008.

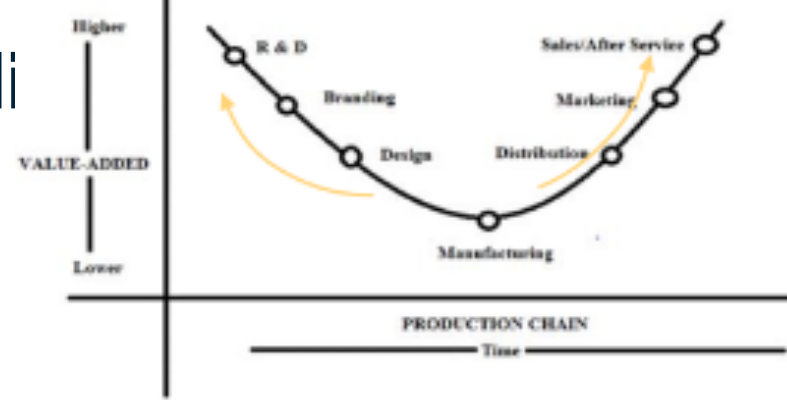
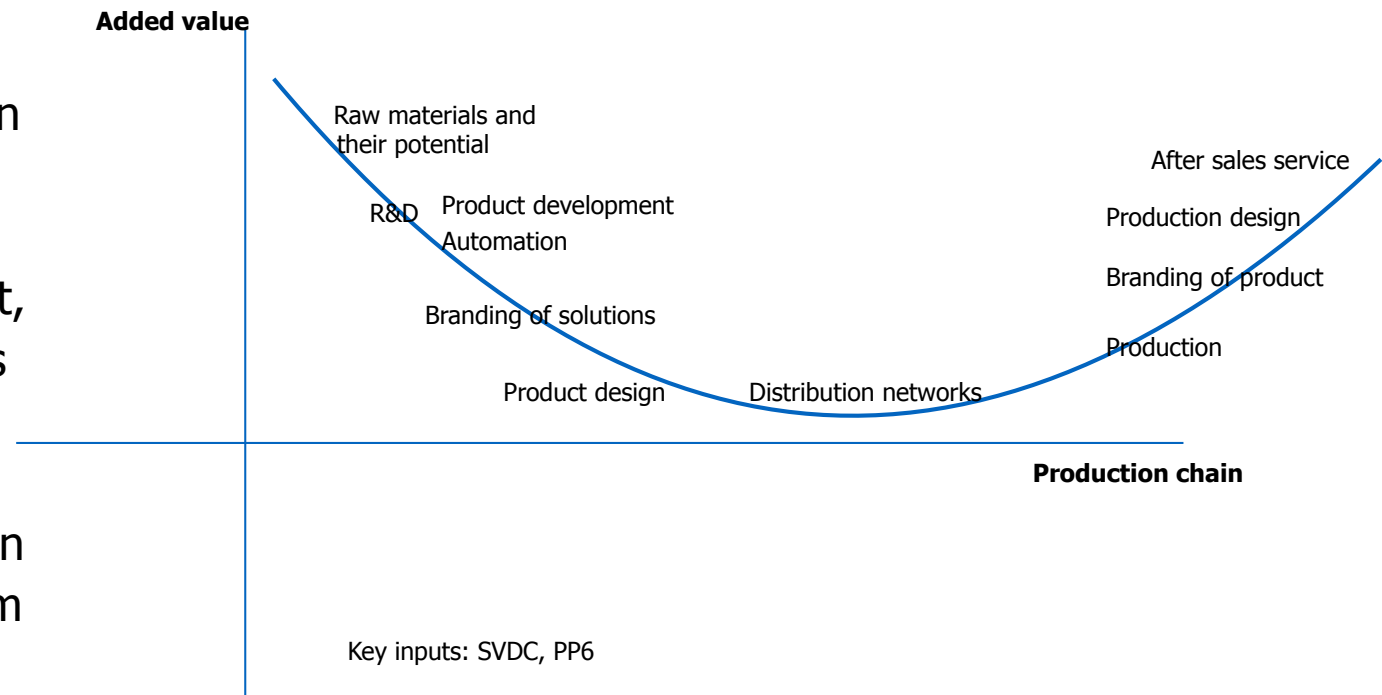


Figure 2. *The Smile Curve*
Source: Mudambi (2008)

Aggarwal, S. (2017). Smile Curve and its linkages with Global Value Chains. Page 4; https://mpra.ub.uni-muenchen.de/79324/v1/MPPRA_paper_79324.pdf



QUESTION 1, FINDINGS: TRANSFORMATIVE GROWTH THROUGH VALUE CHAINS SEEMS POSSIBLE AND PROBABLE

1.3 It requires adopting demand led approaches (market or science or both) mapped against regions actual and / or emerging competitive advantage.

1.4 The potential of actual and / or emerging competitive advantage relates to each region's economies of scale and economies of scope potential. It follows that it is always an issue of research-to-industry so far as it is linked to RIS3.

1.5 Regional contexts decide how research-to-industry is conceptualised and implemented. Each region is a different economic model, a different case; we need to 'read' regions, to (re-) interpret them.

Findings

QUESTION 2, FINDINGS: INTERREGIONAL COLLABORATION IS ESSENTIAL

2.1 Knowledge, concepts and language should be common: it is absolute must to have a shared and working understanding of value chains.

2.2 Completeness of an innovation system is a rare thing. Interregional collaboration is needed for renewal and new growth. Systematic value chain-based collaboration is a way to address incompleteness of regional innovation systems.

2.3 Value chain mapping tools and initiatives are essential. Integrating such tools in regions' RIS3 seems to be very relevant.

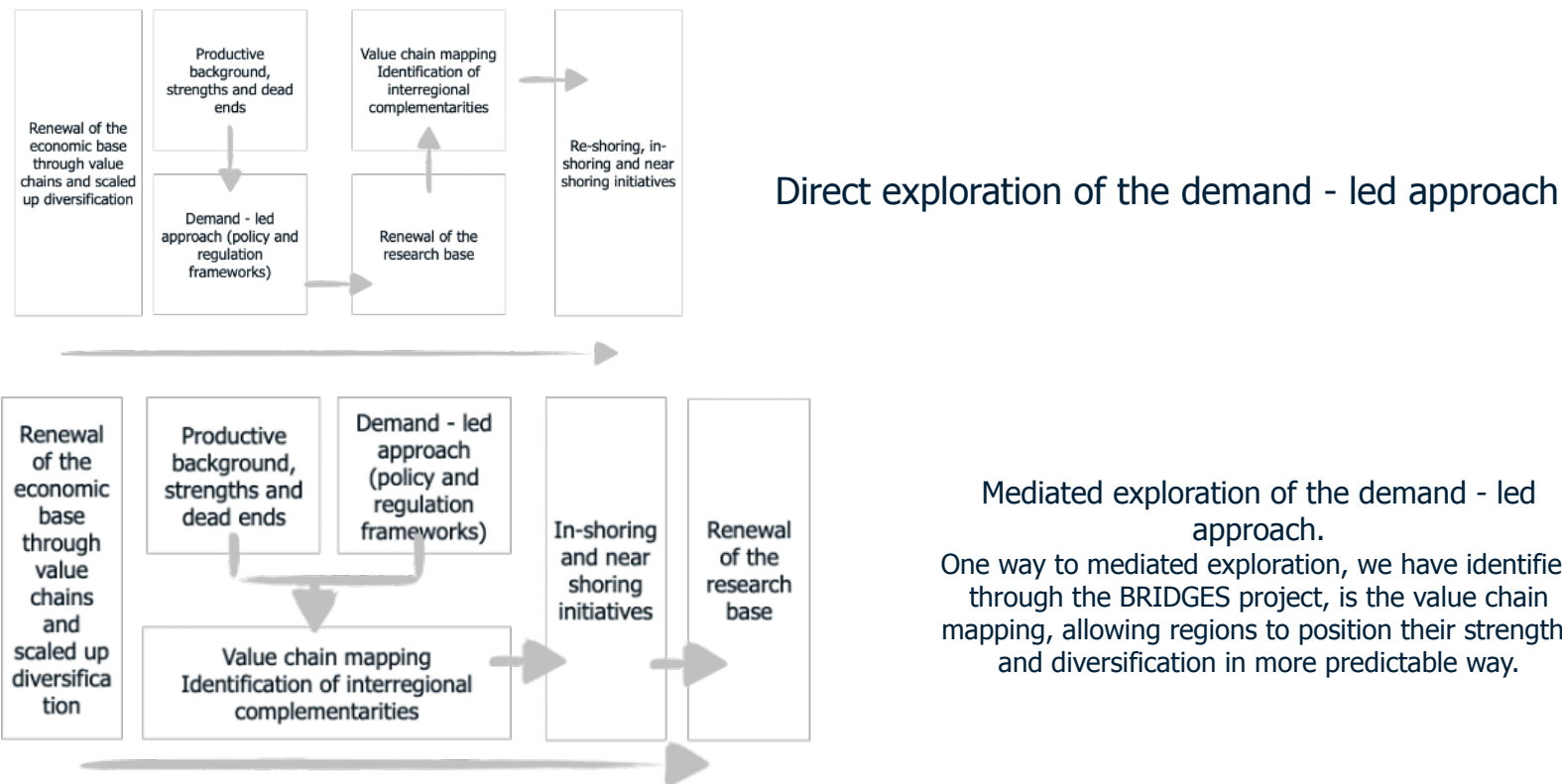
2.4 Is win-win collaboration possible? Yes, it is. It means joint development. It requires mapping and agreement on interregional complementarities, i.e. it requires some preparatory actions. Not all collaboration is equitable. Regions need to navigate but not exclude.

2.5 Measures responding to items 2.2, 2.3, 2.4 include in-shoring, re-shoring, and near-shoring of value chains. Such measures should be identified and included into regional development approaches including the RIS3.

Findings

QUESTION 3, FINDINGS: ECONOMIC MODEL IS CONTEXT-SPECIFIC

3.1 Exploring rather than complying to the demand-led approach (i.e. to science-based and regulatory dimensions) is a probable path (example from PP4). More advanced regions can benefit from direct exploration,



3.2 Regional contexts decide how research-to-industry is conceptualised and implemented. Each region is a different economic model, a different case; we need to 'read' regions, to (re-) interpret them. It is hard to imagine an economy of scope without some background of a related economy of scale. It implies that relatedness appears to be important in this domain.

QUESTION 3, FINDINGS: ECONOMIC MODEL IS CONTEXT-SPECIFIC

3.3 Maybe the most essential difference between innovation advanced and less advanced regions is that innovation advanced regions specialise by diversifying, while less advanced regions diversify by specialising. The latter seems to be often linked to radical diversification, including also inputs and exploitation of knowledge economy.

Knowledge economy needs to be made accessible, exploitable also by less innovation advanced regions, and therefore this is the reason why a mediated approach is needed.

Thank you

Questions welcome

For more information: please see the Policy Instrument synthesis report, at



On behalf of the BRIDGES project partners, Ninetta Chaniotou