

Smart Specialisation in the Western Balkans: the Wider Innovation Policy Context

When it comes to the most effective economic structure for growth, smart specialisation strategies suggest promoting specialisation not in narrowly defined industries but rather in economic activities or capabilities that are cross-sectoral and that span various industries.

The S3 concept provides a new policy approach to the six Western Balkan economies. It holds considerable [potential for knowledge-based economic cooperation](#) and can help these economies improve the innovative prospective of their private sectors and to do so in a collective way built on public-private cooperation.

Given the experience gained in EU Member States and their regions in applying the S3 approach, **Western Balkan economies can draw on a wide range of lessons learned as well as on the support provided by the S3 Platform of the European Commission's Joint Research Centre (JRC).**

Recent developments

In connection to the "Innovative Enterprise Week" held in June 2019 in Bucharest, the JRC together with the Romanian Ministry of Research and Innovation has organised a "[Conference on Smart Specialisation Strategies and Technology Transfer in South-East Europe](#)". Progress, results and challenges related to the development and implementation of successful smart specialisation strategies, innovation ecosystems and technology transfer capacities were the conference's main topics. South-East European countries' experiences in introducing smart specialisation strategies were presented, and information on Western Balkan economies' current efforts in preparing the smart specialisation strategies and developing the necessary underlying processes was given.

In October 2019, moreover a conference was organised in Belgrade to present the Serbia's Smart Specialisation Strategy (4S) ([presentations and recordings available](#)) together with the opportunities and challenges for sectoral specialisation of Science and Technology Parks (STPs), Accelerators and Incubators in the broader region of South-East Europe. The event served also for [a short overview of the Smart Specialisation strategies in the whole WB area](#). **Western Balkan economies are currently developing Smart Specialisation Strategies or preparing to do so.** As the frontrunner in the process of joining the European Union, **Montenegro has currently the chance to officially become the first non-EU28 country whose Smart Specialisation Strategy is verified at the international level.** Following the unofficial approval of the document by the European Commission in June 2019, [Montenegro has adopted the Smart Specialisation Strategy](#) at the national level and it underwent official [review](#) in Seville, on 29th October.

Governance is a crucial variable for effective and efficient S3 policies, it encompasses both vertical and horizontal structures and related linkages, institutional and non-institutional development players. **Actually, the setting for R&I ecosystems to work and S3 related policies to be effective rely on strong linkages on the territory.** The WBs, and the SEE in general, often show complex and non-flexible institutional infrastructures that prevent these conditions from taking place. For this reason, countries need to employ different approaches in order to reach and maintain quality governance for the process efficiency. S3 implies different models of implementation according to the regional or national context. At this year's European Week of Regions and Cities (October 2019, Brussels) a specific session was organised around the topic of smart specialisation in South Eastern European Countries (SEE): "[Challenges of S3 implementation in SEE: the relevance of governance](#)". The goal of the session was to identify main bottlenecks and opportunities for the governance process of smart specialisation in selected Southern Eastern European Countries (SEE) about the principles of S3 good governance.

[New paper: Smart Specialisation and the Wider Innovation Policy Context in the Western Balkans**](#)

Enhancing the innovation potential has been on the policy agenda of the Western Balkan economies for years. Hence, innovation policy-making has led to a number of policy documents and strategies that relate to economic and innovative

competitiveness. They provide a relevant context for ensuring the cross-sectoral character of Smart Specialisation Strategies.

The introduction of S3 in the Western Balkans happens indeed in an established policy context that has evolved over years. Assuring the consistency between eventual RIS3 and the existing policy context in Western Balkan economies will thus be crucial, and seizing the potential of S3 in encouraging cross-sectoral alignment of sectoral priorities by engendering an overarching vision of long-term innovation-driven growth requires a thorough analysis of the policy context.

An analysis of existing strategic frameworks and policy documents for the S3 approach and RIS3 development in the six Western Balkan economies was recently undertaken by national smart specialisation teams and summarised in a [Technical report](#) by the Joint Research Centre (JRC), the European Commission's science and knowledge service. This paper, as authors write, aims to provide evidence-based scientific support to the European policymaking process while suggesting conclusions for the further process of S3 implementation in the Western Balkans. Conclusions can be relevant not just for the Western Balkans, but equally for economies in the EU neighbourhood.

The report offers an overview of the main elements of the smart specialisation concept and surveys the existing strategic frameworks for innovation in the Western Balkan economies. The analysis addresses the relevance of these frameworks and policy documents for smart specialisation, and highlights the links between pre-existing strategic frameworks in a smart specialisation perspective.

After a brief overview on the state of innovation and innovation policy in the Western Balkans, the identified challenges to be addressed under the S3 process are discussed. Then, the paper focuses on the introduction of the S3 approach in the Western Balkans and summarises the results of the analysis of strategic frameworks and policy documents relevant for S3.

The analysis demonstrate that future RIS3 will play an important role in the strategic matrix of innovation policy in the Western Balkans. In particular, S&T strategies are significant, but it is important to consider that innovation can be non-technical and non-scientific.

According to the authors, the elaboration of RIS3 should be seen as an opportunity to complement S&T strategies by taking a broader view and exploring non-scientific sources and ways of innovation.

An example could be represented by the innovation potential of the services sector in each Western Balkan economy that could prove useful to discover possible innovation potentials currently untapped. The paper suggests that **analysing service value chains in the Western Balkans could provide important evidence to inform the Entrepreneurial Discovery processes (EDPs) in Western Balkan economies in this regard**. It is important to note that the ability to develop a realistic picture of the innovative potential of each Western Balkan economy comes with the evidence-based perspective of the smart specialisation approach, together with the outcomes of the comprehensive dialogue under the EDP. The set of strategies relevant to smart specialisation can provide a rich context that can enhance the outcomes of various stages of the smart specialisation process. In this regard, phases such as the qualitative analysis or the EDP can benefit from the results provided by the analyses of those strategies. Further, measures, indicators and instruments defined in those documents could serve for the elaboration of monitoring and evaluation mechanisms. Hence, it is important to cross-reference RIS3 and other policy documents relevant to S3.

The authors recommend referencing existing strategies in RIS3 and defining smart specialisation priorities based on priorities pursued under other and previous strategies. Given that **a number of strategies and policy documents analysed are close to reaching the end of their planned duration, the EDP could provide a forum for further developing the priorities set in previous strategies**, for example by considering links between them or by discussing the consequences of newer technological trends. Doing so is extremely important for the mentioned efforts of the Western Balkan economies to create additional links between RIS3 and industrial strategies. At the same time, the EDP provides an opportunity for openly discussing the outcome of these pre-existing strategies, and to learn from the experiences made.

In the report, **the authors eventually encourage discussing not only successes but also failures.**

>> To enable policy learning and enhance the effectiveness of RIS3 compared to older strategies, identifying and discussing those policy objectives that were not met and the reasons for failure should provide valuable insights.

In sum, the EDP provides an important opportunity to build on the existing policy context and to additionally strengthen innovation ecosystems in the Western Balkans by further developing innovation policy in a strategically aligned, cross-sectoral way. Keeping in mind this function of the EDP, **one of the goals of smart specialisation in the Western Balkans should be to maintain the continuity of the EDP during the implementation phase of RIS3, thereby making the EDP a permanent process.**

Read more [here](#)

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