

Regional transition and recovery through innovation

SMARTER 2020 Conference Connecting grand societal challenges with local goals in place-based innovation policy

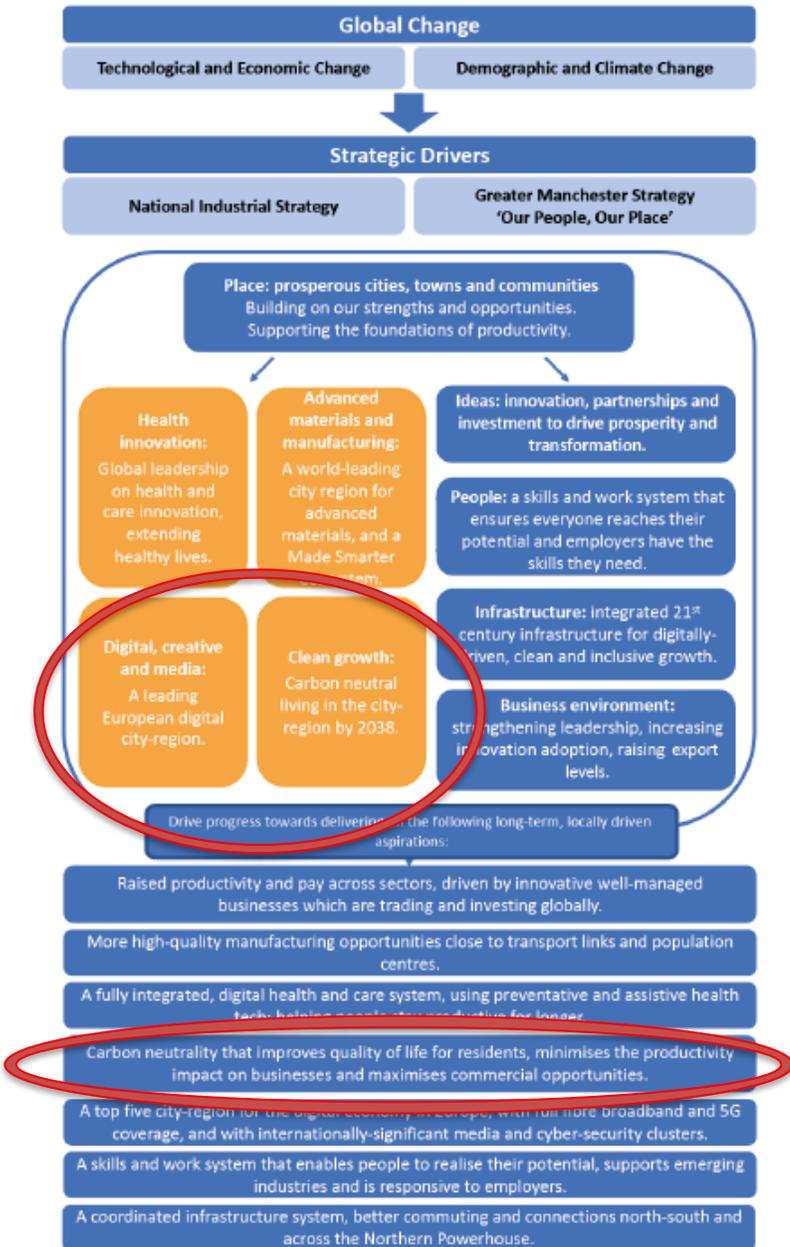
Webinar 02:
Smart Specialisation Strategies for Sustainability – opportunities for economic recovery and competitiveness

6 October 2020 09:30 - 11:30

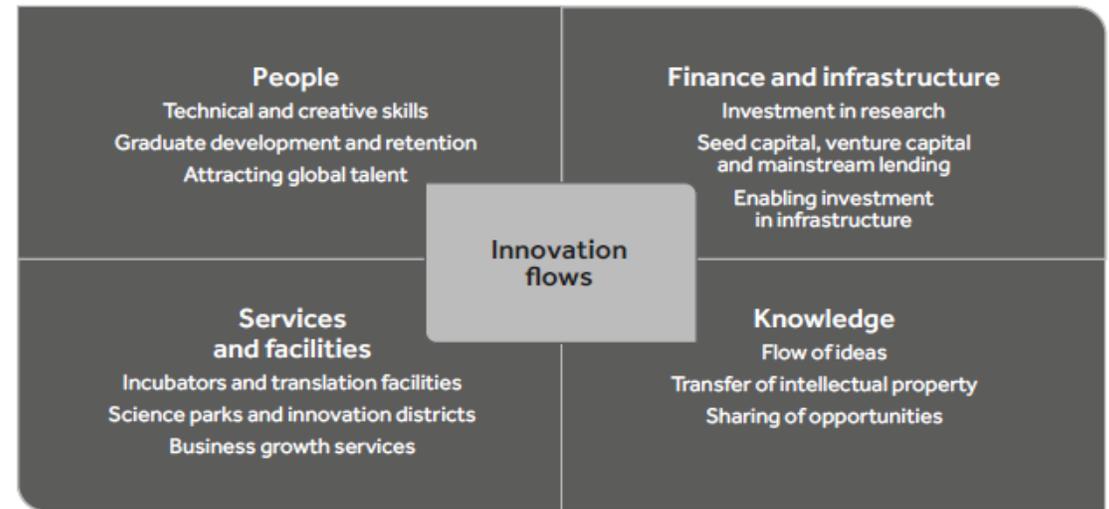
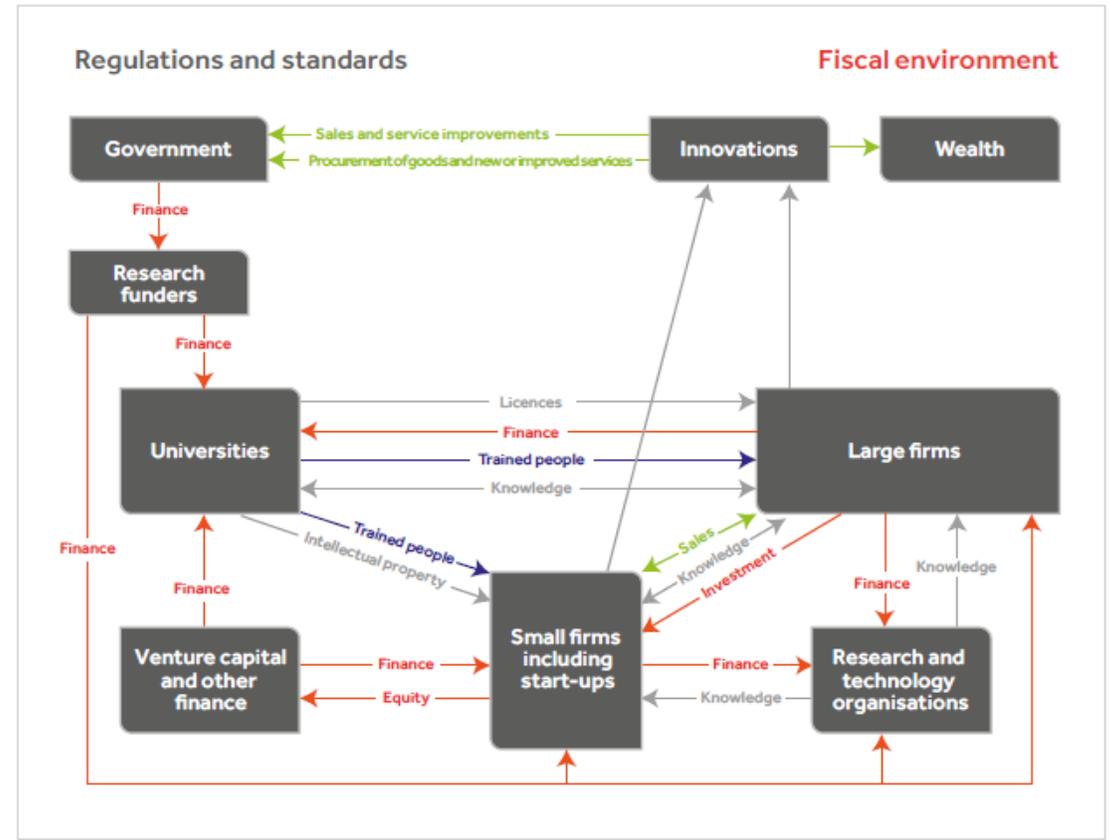
#SmartSpecialisation RSA Europe European Commission

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Overview of the Greater Manchester Local Industrial Strategy



Local Industrial Strategy & Innovation Ecosystem



Demand side and missions

- Policy interventions biased towards **supply-side support** for business innovation and research system
- **Demand side policies** needed to complete the ecosystem and **to incentivise innovation in the direction of societal priorities** including sustainability and health
 - C. 14% of the European Union's gross domestic product (GDP) (€2 trillion p.a.) is spent on the purchase of goods and services.
 - 14% of EU GDP is **public procurement** - dominant buyers in transport, energy, environmental services, health, social care and education
 - Can create **lead markets** which lead to broader diffusion and adoption of socially desirable technologies.
 - Much of this market power is deployed at **city and regional level**
- Innovation procurement is potentially an important tool in driving **missions**
 - **Cities offer a key opportunity for an integrated approach to missions** as lower barriers to integration across governance functions and to citizen engagement

Towards recovery and growth

- Post-Covid recovery & sustainability transition **mean previous industrial base/skills/employment will need major shift**
- Some observations and speculations
 - **Accelerated innovation driven by Covid is likely to stick**, not least because some regulatory barriers have been broken and will be difficult to re-instate
 - **Heavily hit sectors may seek to skip a generation and accelerate sustainability transition** through advances such as lightweighting materials and hydrogen or other greener fuels
 - **Tension between lock-in to declining industries versus ability to build on legacy sectors** and skills to drive transition
 - **Transition may make parts of current research and innovation infrastructure obsolete and** demand new facilities aligned to emergent sectors
 - **Demand for greater inter-regional equity or ‘levelling-up’ will affect research and innovation** as it becomes clear that growth sectors are knowledge intensive and require substantial public investment
 - **Not all regions are likely to benefit from transition** and competition may be intensive