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# Smart specialisation, policy experimentation and place-based sustainability transitions: insights from Gippsland, Australia

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GIPPSLAND  
**Smart Specialisation**

Developing and implementing an approach to regional innovation and development in Gippsland, Victoria (2018-2020)



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Chloe Ward and Emma Shortis

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# Objective of this talk

**What?** To reflect on the possibilities for Smart Specialisation to shift gear towards transformative Agenda 2030 policy

**How?** Applying S3 on the renewal of the regional economy of an iconic Australian coal region experiencing the transformative local impact of an unfolding global low-carbon transition in its full force.

Development by design or by delivery?

S3 and its heroic assumptions (Marques and Morgan, 2018)

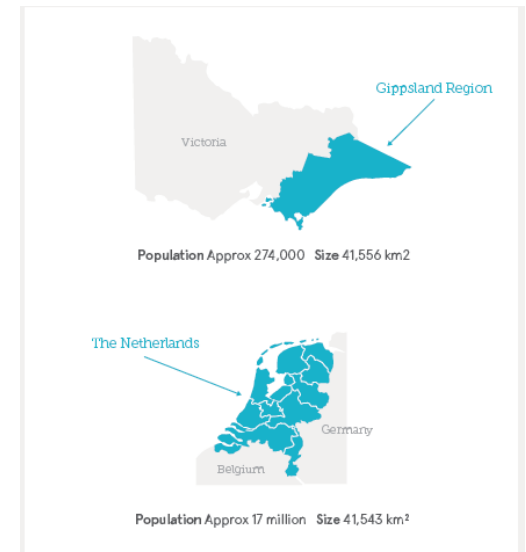
# Smart Specialisation in Australia: Latrobe Valley and Gippsland S3

March 2017: Closure of coal mine triggered policy response

Latrobe Valley Authority: Triage, Recovery, Reconstruction

Low levels of confidence, the resentment of Melbourne decision-makers and the vested interests and tensions in the existing arrangements of local government and industry politics across the region

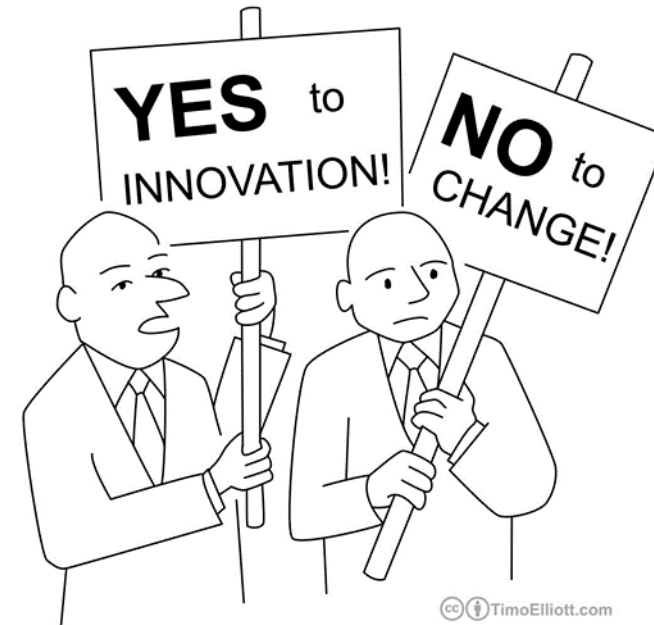
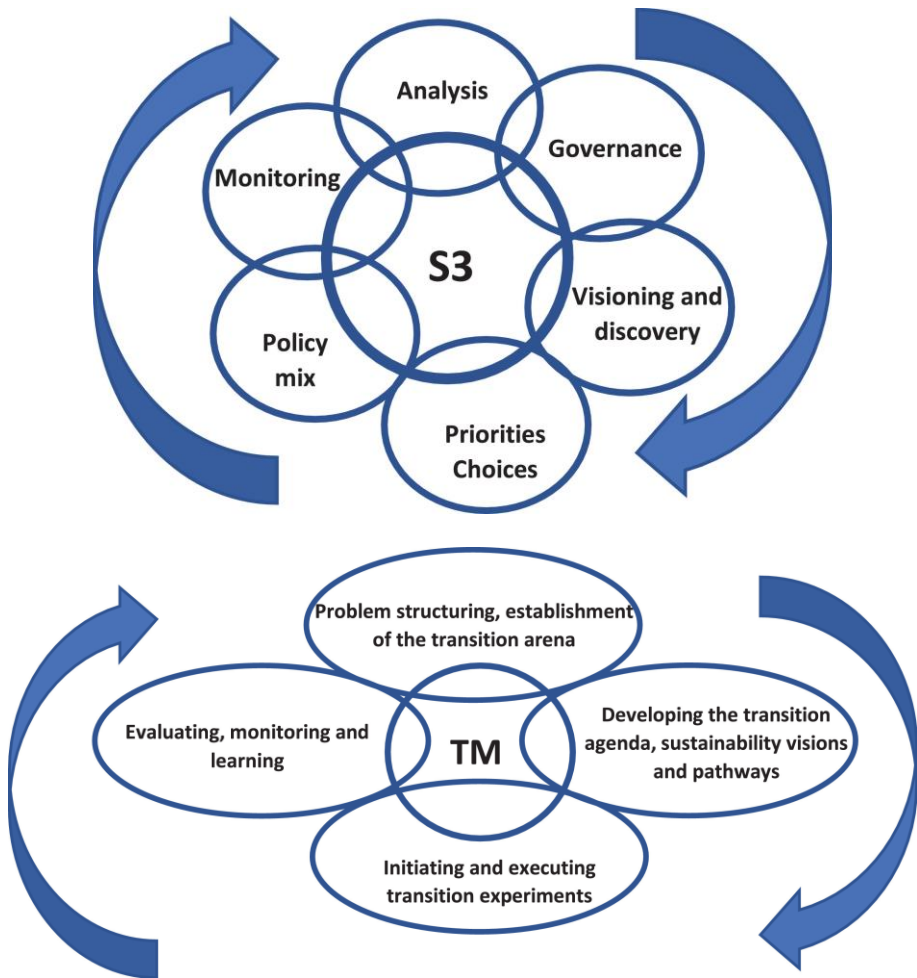
Adoption of S3 marked a sharp departure from the typical Australian response of relying on infrastructure investment and grants programs and a hyper hightech-centric view on innovation



# What made GS3 experimental & sustainable?

- Integrated, long-term policy framework based on four platforms for regional diversification: food & fibre, new energy, visitor economy, health and well-being
- Inclusive governance based on cross-sector deliberation & partnerships through entrepreneurial discovery
- Innovation beyond a silver bullet: economic, social & environmental impact
- The role of science & scientists
- Direct engagement with citizens (quadruple helix)
- Re-installing (state) capability for implementation

# Smart specialisation strategies as part of wider sustainability transitions: From S3 to S4?



*“We only have two demands!  
Why don't people just give us what we want?”*



# Local embedding of sustainable smart specialisation

Point of departure: regional capabilities enable (related & unrelated) diversification (Balland et al., 2019) and place-based transition (Hansen and Coenen, 2015).

Greater attention required for agentic and conflictual aspects of 'establishing inclusive, collaborative governance arrangements' in S3 (Boschma et al., 2017)

- Power dynamics and conflicts stemming from contradictory interests among stakeholders (and SDGs)
- The role of institutional entrepreneurship (Grillitsch & Sotarauta, 2020)
- Taking place-based institutions (more) seriously (Gertler, 2018)
- S3 as 'empowering and leverage niche experimentation': 'fit and conform' or 'stretch and transform' (Smith and Raven, 2012; Bugge et al., 2017)

Questioning the purpose of innovation in S3

- Beyond growth poles & alternative rationales for economic development (e.g. foundational economy)
- Greater appreciation of socio-ecological models of innovation (Healy and Morgan, 2012)
- Responsible innovation in an age of growing polarisation (Fitjar et al., 2019)
- New geographies of innovation (Coenen & Morgan, 2020)?

# Conclusions

S3: the development challenge is largely framed as a 'technical problem' that can be 'solved with greater knowledge'

S4: the development challenge becomes wicked

Sustainable smart specialisation strategies as governance experiments orchestrated by an (locally) embedded state and delivered through local pop-up innovation systems emerging around a particular articulation of a broader sustainability challenge (Wanzenböck and Frenken, 2020)

Institutional design principles from 'robust action' (Ferraro et al., 2015; Fastenrath and Coenen, 2020)

- S4 has 'prescriptive' dimensions that nonetheless offer interpretative flexibility around boundary objects (entrepreneurial discovery, SDGs) to promote coordination without requiring explicit consensus.
- S4 is contingent on participatory / associative institutional architecture and thus local qualities of institutions & government (Rodriguez Pose & Di Cataldo, 2015)
- Can one identify institutional conditions that enable a culture of experimentation?



Thank you