Smart specialisation & the development of competitive knowledge places:

Austria’s
Lead Institutions Initiative
at public universities

A policy-maker’s perspective
by Armin Mahr

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I will argue that...

1. Regions need to develop upon existing strengths. **Smart specialisation helps to mobilise different partners in a place-based setting, and therefore fosters ecosystems.**

2. Proximity still matters. We see a renaissance of place-based engagement, of regions, but also new functional regions.

3. Regions need entrepreneurial people and organisations to lead. **HEI should realise their potential as lead institutions.**

4. The Austrian **Lead Institutions Initiative** aims at developing internationally competitive knowledge places.
- National IP Strategy launched in 2017
- Non-profit Package 2016, private investment in social businesses
- K (Competence) Centres programme
- Christian Doppler Laboratories/Josef Ressel Centres
- AplusB (Academia plus Business) Incubation Scale-up 2017-21 and other venture capital initiatives
- Industry 4.0 activities (public-private pilot factory ventures with universities in various regions)
- Pulling for innovation through public procurement
- 3 regionally clustered and 1 thematic Knowledge Transfer Centres at universities ...
- Et cetera
Smart Specialisation: Mobilising partners

- Connecting Triple Helix partners:
  - Knowledge sector
  - Enterprise sector
  - Government sector

- Mobilising a Quadruple Helix:
  - Knowledge sector
  - Enterprise sector
  - Government sector
  - Users / Civil society

storybook: Mobilising the expertise of all Helix partners helps to set the right public investment priorities for regional innovation ecosystems.
HEI in Austria

Armin Mahr
The regional value of HEI

HEI are established to last: Less affected by changing economic rationales or business cycle fluctuations, they create persistent values within a region. **HEI rarely move their headquarters and research units.**

- (Specific regional) knowledge output, higher education, key partners for enterprises and business sector › enhancing regional innovation potential, high-profile developers of skills and talents, positive image of the region etc.
- Social and demographic effects: access to higher education, social mix, attractiveness of the region for young people, anchors of social innovation
- Direct and indirect economic effects: Employment, income, (inter)national investments and spillovers, employees’ and student’s expenses
- Knowledge is cutting across borders by nature: HEI infuse regional innovation systems with international knowledge and technologies. They are international co-operation hubs for their region and help to bridge existing social, cultural and economic gaps.

**Smart Specialisation:** Higher education institutions (HEI) need to engage proactively as **experts on the regional knowledge capital & frontier** and realise their role as regional **Lead Institutions**, on equal terms with **regional policy makers** and the branch **leading companies**, as partners in shaping regional innovation ecosystems.

Armin Mahr
The *Lead Institutions Initiative* at Austrian universities (1)

**Rationales:**

- Connecting universities with & in their regions
- Developing competitive knowledge places with an international profile
- Empowerment of strategic capacity as international co-operation hubs
- Creating synergies through co-ordination (thematic/location related approaches)
- Planning shift from a mere institutional to a location or even regional cluster perspective

"Analogy to the notion of Lead Companies for branch leaders with significance for a region, e.g. as top employers & innovators."

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Instruments: Performance agreements & Austrian Universities Development Plan 2016-21

PA 2013-15: Towards regional awareness
- Location concepts (connected with or part of the university’s development plan)
- Active contribution to the regional innovation strategy (RIS3)

PA 2016-18: Towards regional alignment and communication
- Location concept update / integration in development plans
- Using regional HEI platforms to develop joint location concepts, reaching out to universities of applied sciences
- Using the concept to communicate a regional knowledge profile

PA 2019-21: Towards better focused, place-based investment
- Aligning public investment: Intention to base infrastructure and thematic focus investments on co-ordinated place-based location concepts developed by HEI

“A location concept (‘Standortkonzept’) is a university’s bridge from local engagement to global competitiveness.”

“In a location concept universities highlight their position within a network of strategic partners in academia, industry and business in a self-chosen surrounding area of close collaboration.”

“Presenting a clustered habitat or critical mass of excellence rather than a single institution should support attracting global co-operations and investments.”
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Concluding

- Innovation ecosystems develop with a place-based dimension.
- No dichotomy of regionalisation vs internationalisation, but synergies: Regional networks create critical mass for international co-operation.
- Natural conflict of interests between national and regional planning (excellence vs regional value). National planning needs to become more place-sensitive, regional planning needs to align and prioritise in an (inter)national context.
- New multi-level governance: Countries, regions, (the EU) – but also institutions, companies and groups, directly inter-act at all levels. There is no exclusivity in problem-solving at any level but the need to network and align. Proximity still matters.
- In Austria, place-based engagement of HEI is subject to a negotiated governance (agreements, nudging, dialogue, less: incentivising, but growing intensity/push).
- **Need for place-based references:** Smart Specialisation can mobilise & help to guide interventions.

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Thank you for your attention!

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