Innovation beyond boundaries
Interpreting, communicating and managing innovation policies in cross-border regions

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Rorep SwissLab 2017
Tramelan, June 2 2017
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Research question

What is the role played by the regional context in boosting innovation?

• Economic and structural
• Political and Social
• Cultural and historical

Because

• Lack of scholarly and systematic empirical work shedding light on innovation-driven integration processes in cross-border areas (Lundquist & Trippl, 2013).
Rationale – I

• “the national innovation systems approach stresses that the flows of technology and information among people, enterprises and institutions are key to the innovative process” (OECD, 1997). **Same for local and regional systems of innovation**

• **flow** recalls the importance and necessity of **operating and interacting across boundaries** (physical and mental)

• **openness and flexibility** remains a distinctive element of the **knowledge-based economy**
Rationale – II

BUT

• Strategies and policies geared to boost innovation, entrepreneurship and competitiveness have been featured by a nation-centric approach over the latest 25 years (Rodríguez Pose et al., 2016)

• Regional systems of innovation have been often interpreted, designed, communicated and managed by following a region-centric approach despite the logics imposed by globalization processes (Dunning, 2002).
Rationale – III

BUT

• **Acknowledged potential** but: long-term analyses usually make it possible to define these spaces as *political dreamscapes* rather than examples of transnational integration (Löfgren, 2008).

• This possibility is linked to the notion of *constructed entities, and symbolic manifestations and political discourse–related* aspects are at the core of CBRs’ relations (Anderson et al., 2003; van Houtum, 2002; Scott, 2012; Popescu, 2008).
Economic and Labour Relations
International and regional trade

Switzerland-Italy and Ticino-Italy, import and export 2005 - 2015
(Mio Swiss Francs, % of Total National and % of Total Regional)


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Cross-border workers Italy-Ticino

Cross-border workers, Italy-Ticino 2005 - 2015
(Distribution by economic sector, data of the 4th quarter)


*This statistics is not provided divided by nation but cross-border workers from Italy are in average more than the 99.5% of total cross-border workers in Ticino.
Cross-border workers Italy-Ticino – By economic sector

(Proportion on the total workforce employed by economic sector)


*This statistics is not provided divided by nation but cross-border workers from Italy are in average more than the 99.5% of total cross-border workers in Ticino.

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Innovation and Cooperation: International, National and Regional
International: Macro alpine region

EUSALP = Macrogione Alpina

Area = 450,000 km²
Popolazione = 75,000,000 abitanti
PIL = oltre 3,000 miliardi di euro
7 Stati = Austria, Francia, Germania, Italia, Liechtenstein, Slovenia, Svizzera
48 Regioni / Landers / Cantoni

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Swiss Innovation Park

Ticino experience:
- 2014 Application
- 2015 Update application
- 2016 Rejection

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Source: https://www.switzerland-innovation.com/
Areas of Specialization

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Ticino: Innovation Journey
Innovation beyond boundaries: Interpreting, communicating and managing innovation policies in cross-border regions.

Source: Parliament, Ticino. Elaborated by the authors
Regional System of Innovation (RSI) TICINO as of 2017

Main objectives:

- SMES: increasing innovation and competitiveness
- Tourism: increasing competitiveness and attractiveness
- Repositioning of peripheral regions

Main support elements:

- Regional economic policy
- Economic innovation act → Revised on 2015
- Territorial marketing activities
Regional System of Innovation (RSI) - Development

Since 2005: Canton Ticino has invested heavily in human and financial resources to set up a concrete RSI TICINO: **TWO MAIN PILLARS**

- **Lighthouse-PROJECT: AGIRE Foundation** – Future **central hub** of the RSI
  - Founded in 2011, successfully passed the audit in 2014
    - 2015 Signature of a new Mandate to AGIRE Foundation
- **Constitution and organization of Techno-pole Ticino**
  - 2013 opening of the first pole in Chiasso
  - 2014 opening of headquarters in Manno
- “… The development of this kind of ecosystem is going to establish, even in Ticino, the RSI as one of the main tools for promoting innovation.”

Source: Program for the implementation of the 2016-2019 regional economic policy of the Canton of Ticino, 2015
RSI – Structure and organization

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Source: www.ti.ch/sri
# Priorities

## Thematic priorities

<table>
<thead>
<tr>
<th>Priority</th>
<th>Companies</th>
<th>Full Time Equivalent (FTE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Life Sciences</td>
<td>240</td>
<td>4100</td>
</tr>
<tr>
<td>2. Fashion &amp; Luxury</td>
<td>320</td>
<td>4100</td>
</tr>
<tr>
<td>3. Precision mechanics and electronics</td>
<td>230</td>
<td>6800</td>
</tr>
<tr>
<td>4. Information and Communication Technologies</td>
<td>760</td>
<td>3300</td>
</tr>
</tbody>
</table>


## Top innovative companies / High Fractionalization

<table>
<thead>
<tr>
<th>Priority</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Life Sciences</td>
<td>Humads biomed; Aptar Pharma; Cerbios; Institute of Oncology Research</td>
</tr>
<tr>
<td>2. Fashion &amp; Luxury</td>
<td>VF International; Quickly</td>
</tr>
<tr>
<td>3. Precision mechanics and electronics</td>
<td>Faulhaber minimotor; Femtoprint</td>
</tr>
<tr>
<td>4. Information and Communication Technologies</td>
<td>Moresi; Board; B-Source; CSCS; IDSIA</td>
</tr>
</tbody>
</table>

Cross-Border Relations and Innovation: Policies, Mechanisms, Challenges
SRI – Cross Border Regions Relations – I

Commitment Ticino Cantonal Authorities:

- 09.2014 Nomination of a Cantonal Delegate for cross-border and international relations
  - Objective: To maintain consistency with the cantonal development strategy
- 16.06.2015 Signature of the Lombardy-Ticino collaboration agreement
- 18.06.2015 Meeting AGIRE Foundation – Region Lombardy – Polytechnic universities Milan objective identify key cross-border cooperation projects in R&D and innovation
- 11.12.2015 Signature of the Lombardy-Piemonte-Ticino collaboration agreement about the “Working community Insubrica”
SRI – Cross Border Regions Relations – II

Key aspects – Program 2016-2019:

• Reinforcing and enduring activities in Interreg V Program; following Interreg 2007-2013 Variations and changing priorities
  • Objective: ensure territorial continuity to sectoral laws / policies
  • Budget: 5mio CHF (Of which 2,5mio CHF for projects consistent with the economic development strategy)
• Foundation AGIRE goal: To create a real network of skills and to coordinate the RSI with federal and international institutions
  • Scientific collaborations: developing and strengthening relations between RSI and cross-border partners considered a priority (objective of the four-year program)

Source: Program for the implementation of the 2016-2019 regional economic policy of the Canton of Ticino, 2015
RSI – Planning and/Vs. Implementing

Examples of wording in the programming document:

- Economic development through synergies: Regional, Cantonal, National, International
  - “…, as well as the search for national and international collaborations, are the basic elements of the economic development strategy aimed at stimulating the competitiveness of our territory”.

- Main policy intervention for SMEs - support for innovation at regional level
  - “…All measures in the field of SMEs explicitly envisage the search for the necessary supra-cantonal, national and international collaborations…”
  - “… With the Lombardy Region, however, it is the objective of identifying cross-border cooperation projects within the SRI.” → Commitment from Ticino guaranteed.

Source: Program for the implementation of the 2016-2019 regional economic policy of the Canton of Ticino, 2015
RSI – Planning and/Vs. Implementing

Examples of wording in the programming document:

• Meeting AGIRE Foundation – North Italy Research Institutions
  • “… with the aim of identifying key cross-border cooperation projects in R&D and innovation, in order to support the competitiveness of SMEs.”

• Relations AGIRE Foundation - North Italy Research Institutions and Innovation Promotion Agencies
  • These collaborations are a good precondition for developing synergies between the activities supported by the regional policy through the Italy-Switzerland Interreg V Cross-Border Cooperation Operational Program.
Shared priorities

<table>
<thead>
<tr>
<th>EU Cohesion Policy 2014-2020</th>
<th>Ticino-Regional Political Economy 2016-2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>SMES: increasing innovation and competitiveness</td>
</tr>
<tr>
<td>Innovation</td>
<td>Tourism: increasing competitiveness and attractiveness</td>
</tr>
<tr>
<td>Education-training</td>
<td>Repositioning of peripheral regions</td>
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<tr>
<td>Social inclusion</td>
<td></td>
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<tr>
<td>Environment-energy</td>
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The neighbor- Lombardy, and the possibilities-complementarity

Since 1988 – 4 motors of Europe – Smart Specialization Strategy

16 Specialization districts

TILO- mobility

<table>
<thead>
<tr>
<th>Lombardy</th>
<th>Ticino</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Aerospace</td>
<td>1. Life sciences</td>
</tr>
<tr>
<td>2. Agribusiness</td>
<td>2. Fashion and luxury</td>
</tr>
<tr>
<td>3. Eco-industries</td>
<td>3. Precision mechanics and electronics</td>
</tr>
<tr>
<td>4. Creative and cultural industries</td>
<td>4. Information and Communication Technologies</td>
</tr>
<tr>
<td>5. Life sciences</td>
<td></td>
</tr>
<tr>
<td>6. Advanced manufacturing</td>
<td></td>
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<tr>
<td>7. Sustainable mobility</td>
<td></td>
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</table>
Policy coordination between regions with different degrees of devolution/obligations

- Decision-making processes
- Coordination
- Agency
- Regional/cantonal/national/European
- Fiscal differences - 70% vs. 25%
- Special economic zone
- “Prima I nostri”; ecc
- Temporary borders closing
- Interregs - cantonal vs. intl. priorities
Sentiment Analysis - Lombardy

Volume of searches - Lombardy
(30.03.12-30.03.17)

Source: GoogleTrends – 30.03.2017. Elaborated by the authors.

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Sentiment Analysis-Ticino

Volume of searches - Ticino
(30.03.12-30.03.17)

Source: GoogleTrends – 30.03.2017. Elaborated by the authors.
Conclusions

- Region-centric approach
- Protectionism
- Weight of political/emotional decisions vs. Economic pragmatism
- Regional unbalance: demographics and salaries matter
- Asymmetric decision-making processes and political interest dominated by short-term objectives
- High degree of complementarity and possibilities of cooperation
- In cross-border regions regionalization of policies of innovation should be designed by integrating more explicitly neighbouring partners.