2018

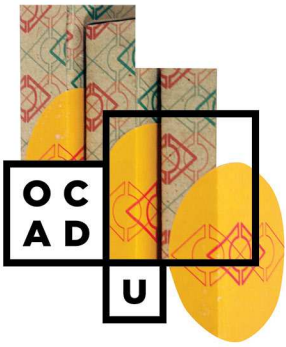# Smart specialization in non-metro canadian regions

Mastroeni, Michele

Smart Specialization and Innovation in Canada's Non-Metropolitan Regions
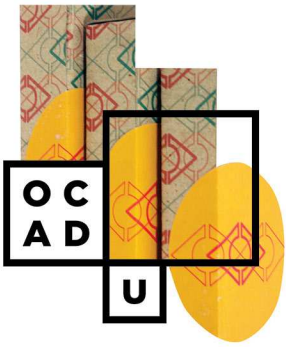
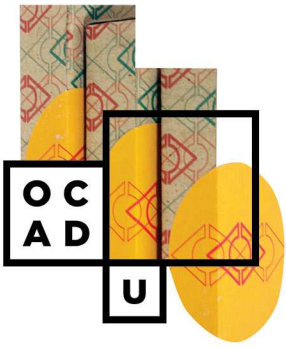OCAD University
October, 2018
Presentation by: Michele Mastroeni

Purpose:

- To propose a governance framework for innovation-based regional development
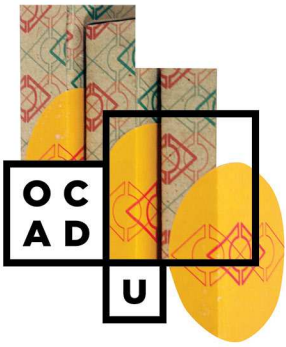- Focus is on non-metropolitan communities

More specifically

- Describe a practical "how" for non-metro regional strategy

- Create regionally/contextually appropriate strategies (not cut and paste)
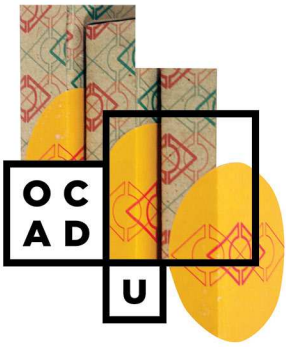
- Co-generated strategy

Definitions

- Innovation: broadly speaking new products, services or processes – first in world or first in region.

- Region: a formally defined geographic space with some level of governance attached to it.

- Non-metro def. by CRRF: pop. < 100K, and outside commuting zone of metro centres.

Smart Specialization

- The creation and use of a large research and innovation area; unrestricted knowledge exchange between regions.

- Specialization are determined by local entrepreneurs.

- R&D leaders focus on General Purpose Technologies, but "followers" should search for GPT applications.

- Government policy has a role in supporting entrepreneurial action, and the regional environment

An example of "policy running away from theory"
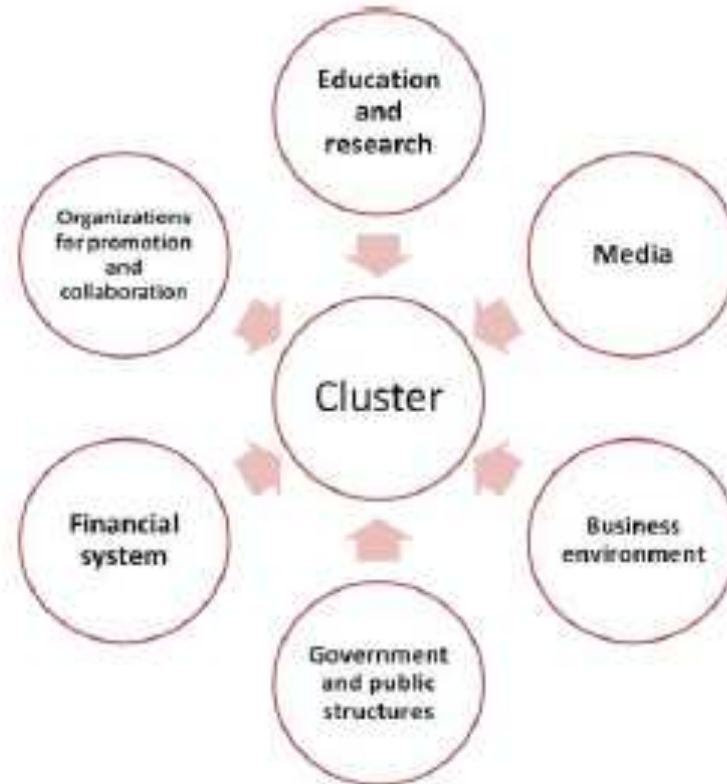
Built-in Limitations

- Inability to deal with complexity and uncertainty.

- Implicit assumption that private sector entrepreneurs will be present or able.

- Potential to encourage too much specialization.

- Need to strengthen networks of knowledge exchange between stakeholders within a region, and across regions.
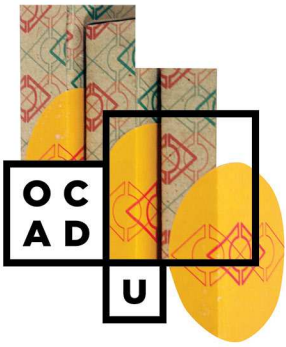
OCAD UNIVERSITY

About Me

- PhD in Political Science, University of Toronto

- Research in Innovation Systems and Policy, and how to improve system dynamics

- Have mostly focused on policy around Regional Innovation Systems

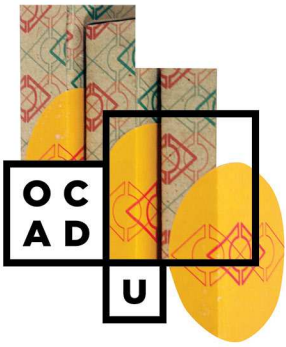# As a Policy Person: "Build your own innovation cluster" recipe
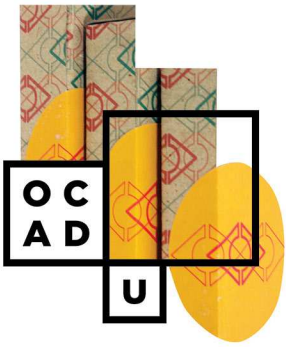

Source: (Sölvell, 2008)

Reasons for the Framework

- Importance of innovation in Canadian and Int'l policy circles

- Relative lack of attention received by industries based in non-metro communities

- Possibility that Smart Specialization as developed by EC and OECD can be applied to Canada
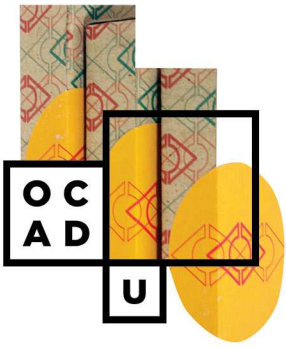
Bias in Policy to Develop Innovation Systems

- Policymakers many times look for the "new"

- Favour independent firms as successes rather than the mix (focus on trees, miss the forest).
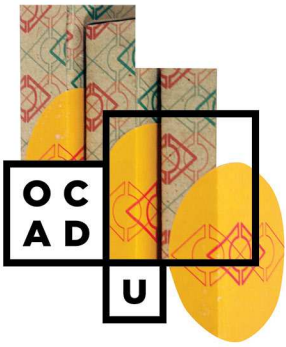
- Focus on the *urban.*

Past Policy in Canada

- Federal and provincial governments have supported innovation through different policies

- Focus on clusters *de facto* favours cities, including latest call to develop super-clusters

- Continuing focus on new tech, and now on "Smart Cities", implies a continuing urban bias
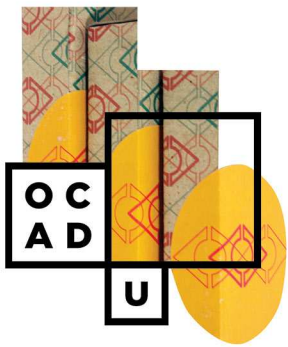
- We need to supplement this focus

Canadian Non-Metro Needs

- Little agglomeration of (or proximity to) services and activities for economies of scale

- Lower levels of capital, and fewer entrepreneurs

- Openness to global market forces due to primary/resource sector prominence

- Few research intensive PSIs

- PSIs torn between local knowledge needs and int'l. reputational gain
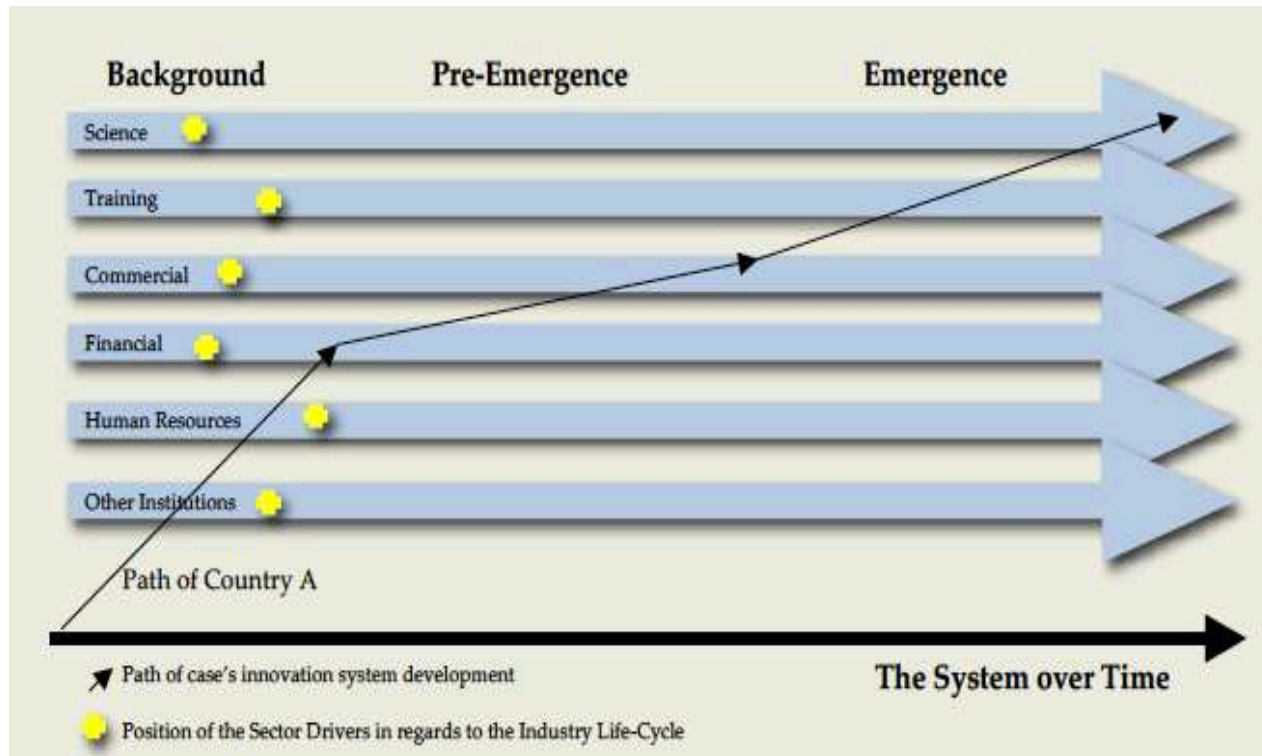
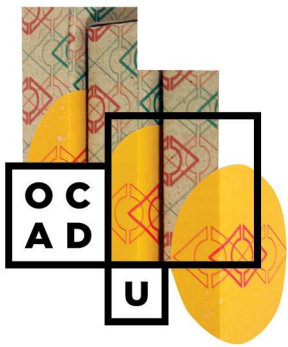# Corrections to SmSp and Suitability for Canadian Non-metro Regions

- An evolutionary approach to deal with uncertainty

- Openness to entrepreneurialism from any source – private, public, non-profit, etc.

- Related Variety instead of narrow specialization

- Strong network building as part of process
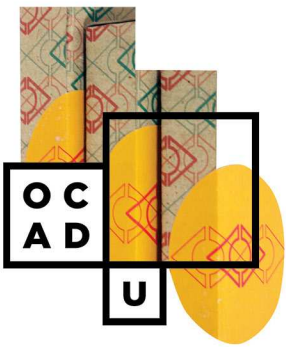
A practical Framework

TARGET (2012). Policy Report: Promoting the Biotechnology Sector. Project report for Framework 7 Project.
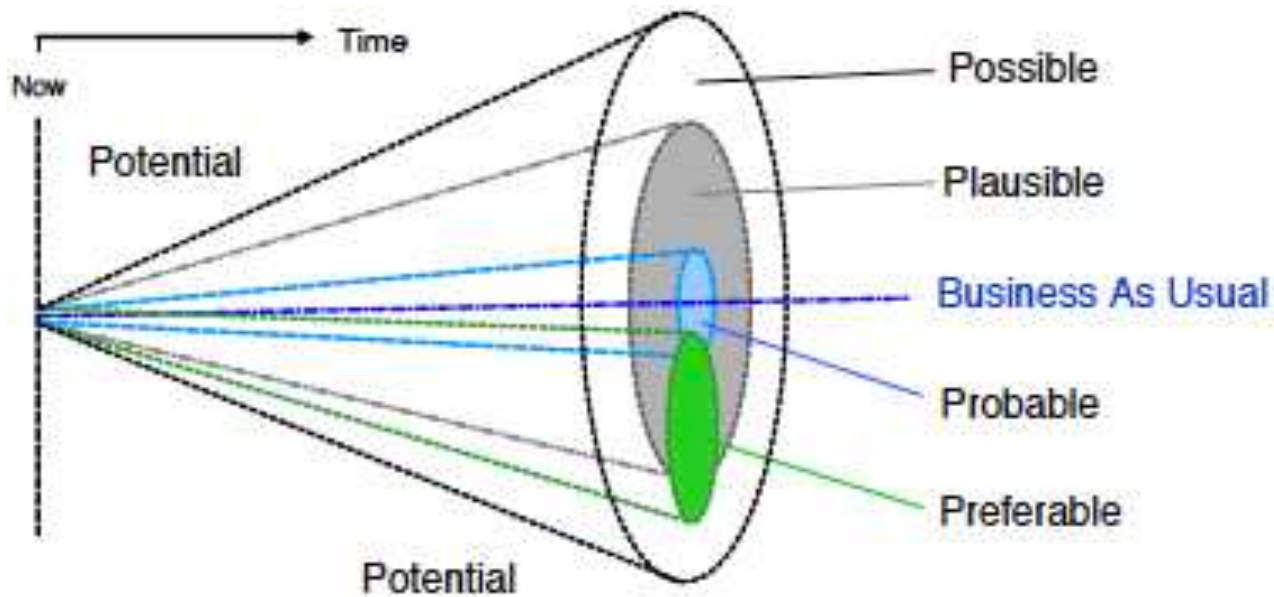
A Practical Framework

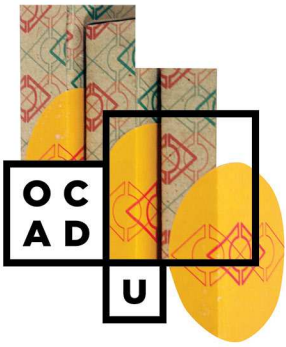| Example	Chemistry	Genomics	Botany	Management
Agriculture				
Food Processing				
Forestry				
Energy				

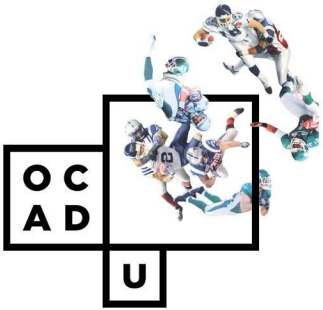Cooke and Eriksson, 2011

A Practical Framework

Futures Cone (Voros, 2013)

Result?

- Creation of contextually specific and appropriate strategy
- Involve most if not all necessary stakeholders**
- Identify areas of activity
- Identify path extension, branching, and building

Thank you for joining me!

Any comments, questions or feedback?

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