

European and national regional and innovation policies reproducing peripheries?

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Research context and basic assumptions

EU Cohesion Policy increasingly focuses on innovation in urban centres and metropolitan areas while emphasising the logic of competitiveness and growth-based concentration (BRISTOW 2011, HANSEN & WINTHER 2011)

Within strategic policy documents, the ascription of spaces to a 'centre' or 'periphery' category has material consequences, e.g. the concentration of resources, which affects the potential for future development of spaces (RICHARDSON 2000, BEETZ 2008)

Policy change in the EU is not simply the result of top-down institutional and outside-in economic pressures, but rather the result of decisions by political actors taken after deliberation on alternative policy choices (SCHMIDT & RADAELLI 2004)

→ **innovation policy as discourse**

Research context and basic assumptions

Definition: Innovation policy is defined as those policy initiatives and practices aiming at improving the capacities of firms within a particular space to develop new products and processes, to enter new markets and to adopt new business practices by the successful application of new knowledge (LUNDVALL & BORRAS 1997, p. 37; NESTA 2013, p. 12)

→ **EU Cohesion Policy as well as a number of current national strategies take on this understanding**

Policies are normative societal goals and construct spatial order. The focus on **spatially relevant processes makes it possible to address issues of discursive attribution**. New political economy literature departs from the idea that core and periphery are interlinked and interdependent (relational view). Accordingly, **polarisation dynamics between regions are not merely created in the regions themselves, but are evoked by supra-regional processes**. Likewise, not only characteristics or features of regions matter, but also the unevenly discursively ascribed importance to certain (central or peripheral) spaces (BEETZ 2008)

→ This shows a **dependence of peripheralised regions on decisions, definitions and valuation standards (e.g. policies) of the centres**, such as the EU and national governments.

Research questions & objective

- identifying innovation policy paradigms in EU Cohesion Policy and national innovation policy and tracing change
- understanding the decision-making processes of how paradigms and normative concepts from EU Cohesion Policy are appropriated or contested in member state institutions
- examining the power relations between involved actors within institutional contexts on national and subnational level. Also, it looks into how national actors interact with EU actors and processes to affect paradigm appropriation or contestation.
- The **main objective** is to answer how discourse among decision-makers, stakeholders and recipients of innovation policy on national level interacts with policy paradigms and policy instruments coming from EU Cohesion Policy.

The main **research question** is:

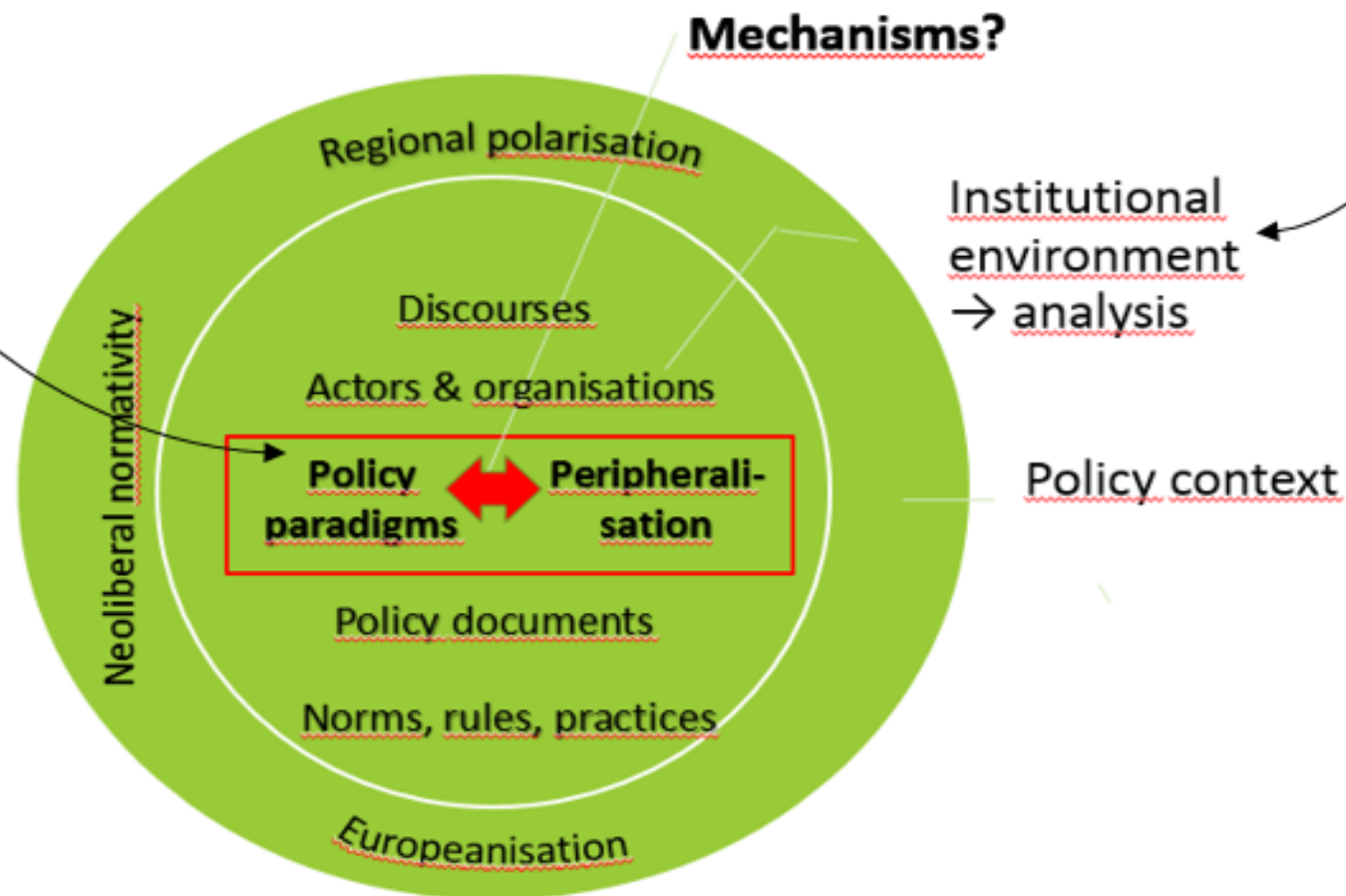
“How are dominant innovation policy paradigms, which are argued to influence centralisation and peripheralisation, appropriated, reproduced and challenged by decision-makers in national institutional contexts?”

Policy paradigms

- HALL (1993), LARANJA et al. (2008); UYARRA (2007)
- Innovation policy and its different (economic) schools of thought
- To which regions in the national context do ERDF funds go and why is the reasoning or justification for the decision?

New institutionalism: historical + discursive dimensions

- SCHMIDT & RADAELLI (2004); SCHMIDT (2008, 2010)
- How does policy-making work in a specific region?
- Policy paradigms emerge within a particular political-institutional context



Policy paradigms

A **policy paradigm** or **rationale** usually is extracted from theoretical perspectives. A paradigm in this context is a more or less formalised model implicitly or explicitly drawing upon academic theories or concepts that could inform policy design, implementation and evaluation (LARANJA et al. 2008, p. 823). It contains assumptions about the nature of the system within which an intervention is to be made.

It articulates, problematises and justifies the need for intervention and lays out the logic through which the policy intervention is expected to lead to the intended outcomes. Unveiling the theory and the paradigm behind policy action or inaction is essential if any meaningful analysis is to occur (SALMENKAITA & SALO 2002).

Policymaking takes place within the context of a particular set of ideas that recognize some social interests as more legitimate than others and privilege some lines of policy over others (HALL 1993).

The goal is to explain how ideas, concepts and narratives influence political processes and their outcomes (FISCHER 2003; SCHMIDT 2011) → **by means of their material consequences, political ideas, values and perceptions (i.e. discourse) shape political decisions.**

Policy paradigm shifts significantly alter the state configurations + power balance between various actors + mode of intervention in the economy (MAMAN & ROSENHEK 2009)

“Discursive Institutionalism”

New ideas in policy do not emerge in policy in a void, but in the context of those pre-existing narratives, discourses, institutional settings and modes of rationality that have already achieved discursive structuration (ATKINSON 2000; HAJER 1993).

Discourse is an important factor in the explanation of policy change in the process of policy change in Europe: it helps to explain the dynamics of change by giving insight into how actors in different institutional contexts with new ideas may overcome entrenched interests, institutional obstacles and cultural impediments to change (SCHMIDT 2011).

The conceptual idea is to start with a historical institutional examination of the institutional context of historical rules and regularities. The next step is using this as background information for a discursive institutionalist analysis of how ideas infuse such rules with contextualised meaning while discourse helps to explain the dynamics of change in such rules (SCHMIDT 2008).

Methodology – Discursive (institutional) approach + comparative case study

The project examines **key strategic policy documents for innovation support in three EU programming periods**. It follows a **discursive approach** with emphasis on the paradigmatic ideas behind innovation policy.

→ institutionalisation of discourses (HAJER 1995)

→ policy change

The project analyses **European Regional Development Fund (ERDF) documents from national Operational Programmes in the programming periods 2004-2006, 2007-2013 and 2014-2020 as well as strategic innovation policy documents on national level for Estonia and Slovakia**.

Findings from the two cases are compared to show differences in national discourses and how the normativity of EU Cohesion Policy is appropriated or contested by decision-makers within the political-institutional contexts of member states.

Methodology – Discursive (institutional) approach + comparative case study

Also, the **volume and geographical distribution of ERDF funds assigned for innovation activities to different regions in the national context** is set to be descriptively analysed: assumption that there has been an increasing concentration of resources in favour of larger urban regions.

→ difficult to get data at subnational level concerning spatial distribution and volume of ERDF (lack of regional indicators)

Comparative case study: qualitative policy document analysis

Estonia

- National Strategic Reference Framework for Estonia and the 3 Operational Programmes 2007-2013
 - Partnership Agreement for Estonia and Operational Programme for Cohesion Policy Funds 2014-2020
 - Knowledge-based Estonia 2002-2006
 - Knowledge-based Estonia 2007-2013
 - Knowledge-based Estonia 2014-2020

Slovakia

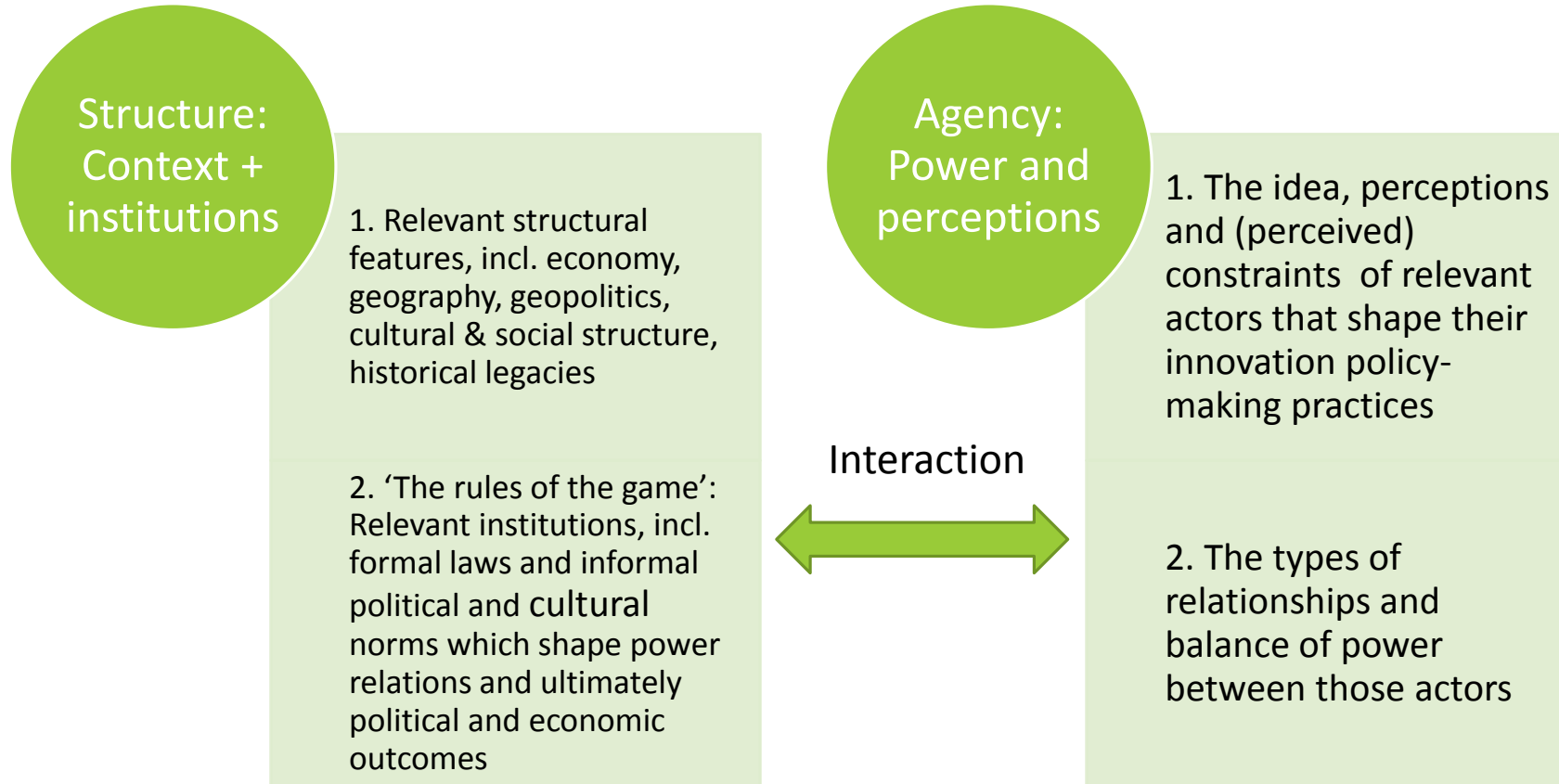
- National Strategic Reference Framework for the Slovak Republic and two selected Operational Programmes 2007-2013
 - Partnership Agreement for the Slovak Republic and two selected Operational Programmes 2014-2020
 - Innovation Strategy for the Slovak Republic 2007-2013
 - Smart Specialisation Strategy for the Slovak Republic (2014+)

1. Discursive approach (non-linguistic)

	Policy paradigms	Conception of spatial relations	Institutionalisation
	<i>Elements of understanding policy paradigms</i>		<i>Discursive process of change</i>
Definition	A simplified understanding of problems and solutions in innovation policy-making	The theoretical assumptions the dominant paradigm possesses concerning spatial relations	Discourse is translated into policies and institutional arrangements
Key questions	What are the ideas and concepts used to frame innovation policy?	What are the spatial implications with regard to core and non-core regions of the paradigm?	In what organisational arrangements is the policy paradigm reflected?
Data sources	Policy documents, expert interviews, contextual sources	Policy documents, expert interviews	Policy documents, expert interviews, contextual sources

→ Innovation policy as discursive practice: Interconnection between the construction of policy paradigms and policy-making practices + changes therein

2. Comparative case study: innovation policy-making context



First empirical findings (from initial document analysis + exploratory interviews)

1. Conditionality principle requires Estonia and Slovakia to take up EU objectives, instruments and delivery mechanisms in order to access EU structural funds for innovation support → elaboration of „smart specialisation“ strategies in both countries
2. EU Cohesion Policy is dominated by top-down goal-setting, managerial and financial control, evaluation, and project-tendering as the main vehicle for engaging with bottom-up initiatives. With regard to promoting innovation, it takes an evolutionary, place-based innovation approach: goal = ‘constructing regional advantage’: distinctly entrepreneurial (neoliberal) in character.
3. Estonia has been dedicated to neoliberal, non-interventionist policies since 1992. So far, I detected hardly any agents who could act as carriers of alternative policy ideas. Concerning Slovakia, for the longest time the country didn’t have any innovation policy. Only due to „EU pressures“ with regard to funding the government started to create strategies in line with EU standards, and so did a few self-governing regions at subnational level.