

# Entrepreneurial regional governance

## territorial cohesion through open innovation



Co-financed by the European Regional Development Fund

Inspire Policy Making with Territorial Evidence



### Research scope and purpose

European regions exhibit strong disparities in relation to their innovation capacity in terms of both the development of innovation and the appropriation of social, economic and environmental benefits from innovation. While the former is associated with regional innovation systems, intramural R&D expenditure and spatial moderating factors, the latter is a spatially independent ability, tapping the potential of innovation diffusion across European regions and the European Innovation Commons. The study is aimed at assessing and explaining this ability. In the light of the EU Green Deal and the asymmetric spatial effects of the efforts to decarbonise the European regional economies and recuperate from the damage inflicted by the pandemic, the regional innovation capacity has grown in importance in territorial cohesion policy. Yet, the social, economic and environmental benefits from innovation vary significantly across European regions. Spatial advantages and the degree of advancement of regional innovation systems alone cannot explain such disparities. Some regions are able to leapfrog while others, including those with traditional regional innovation systems stagnate (ESPON Technological Transformation & Transitioning of Regional Economies). The study of entrepreneurial regional governance seeks to explain the cross-regional disparities by assessing the role of regional public authorities. The main assumption to be subjected to a set of hypotheses is that regional public authorities act as entrepreneurs when pursuing social, environmental and economic benefits for their communities. That is, public authorities assemble and synthesise information distributed across space, time and types of legal entities so as to extract social, economic and environmental value for their communities. The study identifies two major institutionalised constellations designed to favour such outcomes: the Entrepreneurial Discovery Processes within regions and the co-creation of innovation in interregional triple-helix consortia. However, these institutionalised constellations are observed to yield different outcomes in relation to GVA, intellectual properties and the business responses to industrial challenges. Hence, the innovation development in territorial policies or in spatially independent research and industrial policies can be improved by recognising the risks of inefficiencies and the opportunities of the entrepreneurial behaviour of regional public authorities. This behaviour does not assume the role of the entrepreneur but spawns opportunities that are discovered by entrepreneurs, who in turn create new markets or market niches with social and environmental added value. Entrepreneurial regional governance is not a spatially fixed endowment but an adoptable ability. This is why distilling and explaining it would yield considerable benefits for regional policymaking.



### Expected policy results

The study's anticipated implications are twofold: assimilation of the good practice of entrepreneurial regional governance into territorial development policies and aligning collaborative and open innovation policies with territorial characteristics and needs. The policy implications are expected to be of particular importance for regional territorial strategies, ESIF programmes, RIS3 strategies and their underlying Entrepreneurial Discovery Processes, Just Transition Plans, entrepreneurial development policies, innovation procurement, open government and open data developments, Horizon Europe and other collaborative and open innovation participations. Consequently, the study is a strategic contributor to the aims of the Territorial Agenda 2030, in particular, in relation to regional innovation capacity building for a balanced Europe.

### keywords



Open innovation; open government; knowledge spillovers; knowledge network; entrepreneurial discovery process (EDP); product space.

### study design & method



Hypotheses testing for the effects of entrepreneurial regional governance on innovation capacity at NUTS-3 level in the EU & EFTA through a statistical model.

### data acquisition



CORDIS; ESPON spatial data; PATSTAT Global; H2020 patents; KEEP and Policy Learning Platforms; firm-level data; cross-sectional survey data; controls with regional statistics: R&D, ESIF, demography, business, etc.

### outputs



The research will result in a policy paper and dedicated sessions informing the Czech EU Council Presidency, EU & EFTA governments, regions and EU institutions.

### timeline

2022 ->



data collection & processing | empirical analysis & mapping | draft paper | NTCCP | EWRC | consolidated paper | ESPON week



Milestone



EGTC-MMR working meeting



dedicated session

research team:

[Vassilen lotzov](#), ESPON EGTC

doc. RNDr. [Viktor Kveton](#), Ph.D., Charles University Prague