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Strategic Policy Intelligence for Regional Decision-Making

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Purpose

The RegStrat-project explored new ways of combining foresight with other strategic policy intelligence (SPI) tools, such as technology assessment, evaluation, benchmarking and innovation auditing, to advise regional decision-makers along the whole policy-cycle on the best ways to apply these tools to design and implement regional research, technological development and innovation (RTDI) policies and programmes, and related RTDI investment strategies. This approach is tested in pilot applications in the six participating regions. Based on this, a guide is developed to support regional decision-makers in applying and combining SPI tools.

The Environment for Regional Decision-making

During the last decade, policy makers have become more and more aware of the growing social and economic problems caused by stagnating and/or falling competitiveness of many regions in the EU compared to other parts of the world especially in America and Asia. The need to jointly address the resulting challenges has been stressed up to the highest levels, for instance, when the Lisbon European Council in 2000 called for the EU to become “the most competitive and dynamic knowledge-based economy in the world” by 2010. As research and innovation were considered key to increase long-term competitiveness, the concept of the European Research Area (ERA) was developed, and, subsequently, the European Council in Barcelona set the target to raise investments in research and technological development (RTD) to 3% of GDP by 2010.

It is evident that decision-makers in the EU need to explore novel strategies and approaches to contribute to a more competitive Europe and to successfully address the challenges in question against the background of a rapidly changing and complex socio-economic-political environment.

Thus, policy-making at all governance levels needs to focus on the acquisition of adequate knowledge for improved decision-making and the involvement of all relevant stakeholders, and, more generally speaking, on developing the building blocks for a 21st century governance of innovation: appropriate institutional set-ups, procedures and practices for agenda setting, prioritisation, implementation and policy learning.

In this context, the regional dimension is of key importance in innovation policy, because learning and innovation processes are often spatially bound, and strengthened and improved by spatial proximity. Thus, regional research and innovation activities can have a significant influence on strengthening the overall European RTDI capacity. By adapting the European RTDI policy approach to specific territorial conditions (top-



down) and at the same time communicating the needs of the regions to the national and EU-level (bottom-up), regions perform an effective intermediary role in developing, tailoring and implementing RTDI policies, enhancing RTDI investments and thus strengthening the ERA.

In this context, SPI tools can be used as strategic instruments for boosting regional development and can provide the basis for successful regional policy-making. The application of SPI tools can contribute to successful regional policy-making under diverse regional circumstances and for different

purposes, if the instruments are adapted to the specific regional framework conditions, challenges and needs. Prominent examples for regional innovation policy instruments which can be enhanced considerably by the application of SPI tools are the development of regional innovation strategies and regional clusters.

Thus, regional policy makers can increase both the effectiveness and the efficiency of research and innovation policies and measures by using SPI-based approaches more systematically.

Strategic Policy Intelligence: the RegStrat-Approach

RegStrat is based on a comprehensive approach, bringing together the dispersed knowledge available on SPI tools such as foresight, technology assessment, benchmarking, evaluation and innovation auditing. Thus, synergies are harnessed which result from integrating this previously distributed know-how and applying it in a combined way.

The availability of such a comprehensive knowledge stock makes it easier for regional decision-makers to design sustainable, forward-looking and tailored policies and programmes as this information usually is both expensive to generate and difficult to translate into day-to-day decision-making. Ultimately, it will generate positive impacts on regional RTDI investments. Furthermore, this also supports networking and knowledge-exchange among regions and with EU level organisations to encourage and facilitate inter-regional learning.

To build the knowledge base, literature on the topic was reviewed and compiled, and expert and stakeholder meetings were organised. These workshops aimed to assess the specific demand regarding strategic policy advice for RTDI decision-making and how using SPI tools could satisfy this demand. Subsequently, pilot exercises were developed and implemented to test the application and integration of SPI tools in specific regional contexts.

Finally, a guide and compendium were developed to synthesise the experiences made and the knowledge gathered. They are available to anybody interested in applying and combining foresight and related tools to enhance regional progress by tailored RTDI policies.

The project was funded by the “Regions of Knowledge 2” programme of the European Commission’s DG Research and the participating organisations. The participating regions were:

- Baden-Württemberg, Germany;
- Lombardy, Italy;
- Ireland;
- Extremadura, Spain;
- Lower Silesia, Poland; and
- Estonia.

SPI – Methodology and Application

Strategic policy intelligence can be defined as “the set of actions to search, process, diffuse and protect information in order to make it available to the right person at the right time in order to make the right decision.”¹ SPI tools comprise the methodologies used in order to provide decision-makers with comprehensive, objective, politically unbiased and, most importantly, forward-looking information. The effective use of SPI tools yields more realistic, efficient, relevant and democratic strategies for a range of policy fields.

The strength of the application of SPI tools derives from:

- **participation:** SPI incorporates multiple perspectives of all stakeholders involved in decision-making;
- **objectivisation:** SPI makes policy-making more objective through the integration of unbiased information and rigorous analyses;
- **mediation and alignment:** the application of SPI generates mutual learning and understanding among stakeholders and facilitates consensus-building;
- **decision support:** SPI tools not only facilitate decision-making but, very importantly, also facilitate the implementation of decisions taken.

In addition, SPI exercises can gain in efficacy and efficiency if carried out continuously and are synchronised with major policy developments.

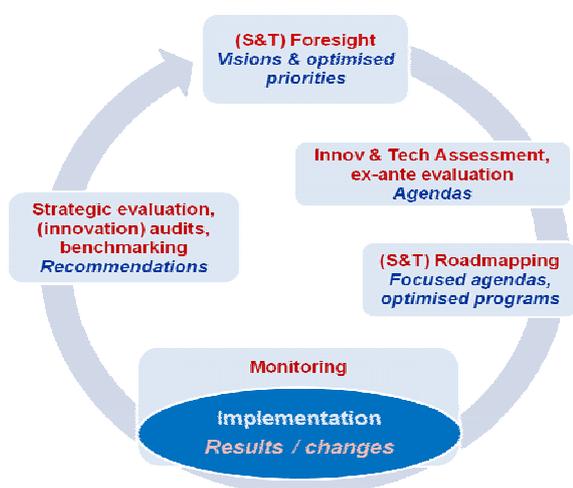
To ensure that SPI applications are tailored to the needs of the respective policy environment, they should be applied at all stages of the decision-making process. The following simplified policy cycle framework is used for demonstration (see figure):

- A decision-making process aims to shape the future state of and address challenges faced by society. It starts by developing ideas and **defining visions** of how the future should – and could – look like (e.g. using foresight).
- Once the preferred vision is defined, discussed and agreed upon, an **agenda** detailing the steps to be taken to move towards the vision needs to be worked out, and the

¹ Strategic Policy Intelligence: Current Trends, the State of Play and Perspectives. IPTS Technical Report Series, Seville, December 2001.

implications of adopting particular options have to be assessed. (e.g. by TA and evaluation)

- When **detailing an, e.g. regional, agenda** the issues that got onto the policy agenda are formulated into concrete regional initiatives, programmes or policies to be implemented (e.g. using roadmapping)
- The **implementation and monitoring** part of the policy cycle refers to the application of the policy measures developed in the previous phase.
- Both the evaluation of the whole process and the benchmarking with other relevant exercises/fields etc. lead to **recommendations** for improvements in the process or for further actions (including **policy learning**).
- To close the circle, outcomes of this phase should be used to provide new input for future formulation of visions and priorities.



Integrating SPI tools can further reinforce policy development and learning. As there is no generally applicable model, optimally combined use will depend on the objectives and the scope of the decisions in question, on the quantity and quality of information on the topic, on the scope of the decision to be taken, and on the composition and relevance of the group of stakeholders involved.

Regional Pilot Projects

To test the application and combination of SPI tools at the regional level, **pilot applications** were designed and implemented, tailored to the concrete situations of the partner regions. Each regional partner developed its pilot project in

close cooperation with and supported by the other project partners, taking into account both the specific regional situation and previous SPI activities which had already been conducted in the region. Also, upcoming funding possibilities (regional, national and European, especially Structural Funds) for the regions were taken into account.

These pilot applications were designed around one or more workshops or seminars with regional stakeholders and decision-makers. They included regional SPI awareness raising, gap analyses, recommendations on how to implement the findings in the specific regional policy and investment environments, and regional implementation and outreach activities.

In **Extremadura**, it was considered especially relevant to set up a foresight exercise and to investigate in which direction the region might and/or should develop during the next 10 to 20 years. This exercise could be based on comprehensive knowledge available from long-standing Structural Funds evaluations and was soundly backed by regional decision-makers. It was designed and thoroughly supported by the regional project partner and facilitated by foresight professionals to maximise outcomes.

In **Lower Silesia**, conducting a RTDI benchmarking exercise was regarded as most appropriate to develop a sound information base for the region and for further SPI activities, such as a foresight exercise or evaluations of regional funding activities, and to establish a regional think tank for ongoing policy support. The exercise involved all relevant stakeholders in the region and led to a broad-based communication and cooperation between them. In addition, contacts were established to the regions which were benchmarked, such as Saxony, the neighbouring German region, and to national organisations such as ministries and statistical agencies.

In **Estonia**, a foresight exercise on biotechnology had been conducted in 2002/2003. At the time, there was no way of implementing the outcomes. Thus the regional partner decided to base the pilot project on these experiences and explore possibilities of developing a technology assessment exercise involving all relevant stakeholders and generating sustainable and implementable outcomes to improve forward-looking biotechnology policy-making in Estonia.

Baden-Württemberg, Lombardy and Ireland first of all supported the other three regions in designing and conducting their exercises. In addition, one workshop was conducted in each region to discuss with regional stakeholders and policy-makers current and future applications of SPI tools in the respective regional context and to validate the RegStrat Guide and Compendium.

Outcomes and Policy Impact

A broad variety of techniques to generate SPI have been developed over the decades such as scenario building, Delphi,

trend analysis, STEEPV (Society, Technology, Economy, Ecology, Policy, Values), roadmapping and others. As a general observation one can say that participative, creative and communication-oriented techniques have become fashionable and are used more frequently. One should aim to combine the tools and techniques available in a way that they appropriately

address the objectives, are best suited to generate the desired impact, and the outcomes are best tailored to the needs and requirements of the decision-makers.

Foresight exercises, for example, usually aim at providing more general advice on elements, issues and/or technologies that might be relevant for strategic decision-making, while benchmarking exercises are expected to produce very concrete, detailed and technical outcomes in terms of analyses, RTD priorities or other policy actions to be taken.

The *RegStrat Guide*, which is available from the project website and is broadly distributed in Europe's regions, gives a concise overview over the need and the context for applying SPI; it outlines the tools and techniques at hand, and it demonstrates by way of a fictional case study how SPI tools can be applied in an integrated way at the regional level.

The *RegStrat Compendium* is based on the Guide but is far more comprehensive. It also lists good practice examples, gives additional resources to be used when designing and conducting an SPI exercise and shows in which contexts SPI can be successfully applied at the regional level.

When these two documents were applied and validated during the RegStrat pilot exercises, several aspects were regarded as most relevant:

- **Expertise:** choose adequate professional expertise and support to select techniques and to guide the process. This will lend credibility to the process and its outcomes.

- **Resources:** allow for enough personal and financial resources to adequately implement the techniques chosen; only then will the techniques produce the desired outcomes and meet the expectations.
- **Fitness:** as different techniques generate different types of knowledge, combine them to fit the issues, objectives, aims and context; this facilitates translating the recommendations into adequate decisions.
- **Transparency:** make the process of choosing techniques as transparent as possible and easy to understand, thereby keeping expectations on outcomes realistic and making the subsequent decision-making process more objective.
- **Information:** keep the decision-makers and the stakeholders informed during the whole exercise to raise their understanding of and commitment to the process.
- **Participation:** choose techniques which incorporate all relevant perspectives into the process.
- **Mediation:** apply techniques to optimally support mutual learning and understanding on part of the involved stakeholders to facilitate consensus-building.
- **Know-how:** when implementing the techniques chosen, take into consideration the type of stakeholders involved and their level of expertise, and facilitate the exercise accordingly.

Funding of SPI activities

The project also elaborated on the possibilities for funding SPI activities in Europe's regions. Apart from national and regional funding for SPI exercises, European programmes, especially the Seventh Framework Programme (FP7), the Competitiveness and Innovation Programme (CIP) and the Structural Funds should be taken into account. In the wake of the EU 2007-2013 funding deliberations, experts broadly acknowledged that the opportunities offered by these funding sources could be improved if synergies between these sources are enhanced and utilised.

On the one hand, this reinforces the application of SPI tools for better programme design, management and assessment at all levels; and, on the other hand, this calls for developing and applying projects which test the integrated use of these funding sources, e.g. at the regional level.

During the RegStrat project this notion was reinforced and is reflected in its outcomes, both the physical ones, the guide and compendium, and the intangible ones, as the regional decision-makers who participated in RegStrat were highly encouraged to take stock of the funding and knowledge sources available and apply them for the benefit of their regions.

Sources and References

The RegStrat Guide and Compendium are available for download from the project website www.regstrat.net.

For further information, please contact the project coordinator Dr. Guenter Clar, clar@steinbeis-europa.de, <http://www.steinbeis-europa.de/340.html>

About the EFMN: Policy Professionals dealing with RTD, Innovation and Economic Development increasingly recognize a need to base decisions on broadly based participative processes of deliberation and consultation with stakeholders. One of the most important tools they apply is FORESIGHT. The EFMN or European Foresight Monitoring Network supports policy professionals by monitoring and analyzing Foresight activities in the European Union, its neighbours and the world. The EFMN helps those involved in policy development to stay up to date on current practice in Foresight. It helps them to tap into a network of know-how and experience on issues related to the day to day design, management and execution of Foresight and Foresight related processes.