Place-Based Innovation Policies and the Knowledge Triangle

Austria’s Lead Institutions Initiative at HEI & the development of competitive knowledge places

A policy-maker’s perspective
by Armin Mahr


I will argue that …

1. Traditional policy silos crumble. Political communication needs new thematic frames. The Knowledge Triangle helps.
2. Regions need to develop upon existing strengths. Smart specialisation helps.
3. Regions need entrepreneurial people and organisations to lead. HEI should realise their potential as lead institutions.
4. The Austrian Lead Institutions Initiative aims at developing internationally competitive knowledge places.
**Thematic references: The Knowledge Triangle & a new multi-level-governance**

- **Evolving multi-level governance:** From hierarchic to dynamic and negotiated network relations
- **Crumbling policy silos, rising eminence of policy-alignment and a place-based dimension of policy-making**
- **Knowledge & innovation as the new paradigm for regional development**
- **Story: Prismatic effect of the knowledge triangle; investments into the KT** will generate a multitude of **external impacts** (labour market, economic structural change, social development etc.) in the ecosystem

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**Place-based references: Smart Specialisation**

- **Story:** Mobilising the expertise of all Helix partners helps to set the right public investment priorities for regional innovation ecosystem.
- **Connecting Triple Helix partners:**
  - Knowledge sector
  - Enterprise sector
  - Government sector
- **Mobilising a Quadruple Helix:**
  - Knowledge sector
  - Enterprise sector
  - Government sector
  - Users / Civil society
The regional value of HEI

HEI are established to last: Less affected by changing economic rationales or business cycle fluctuations, they create persistent values within a region. HEI rarely move their headquarters and research units.

- (Specific regional) knowledge output, higher education, key partners for enterprises and business sector > enhancing regional innovation potential, high-profile developers of skills and talents, positive image of the region etc.
- Social and demographic effects: access to higher education, social mix, attractiveness of the region for young people, anchors of social innovation
- Direct and indirect economic effects: Employment, income, (inter)national investments and spillovers, employees’ and student’s expenses
- Knowledge is cutting across borders by nature: HEI infuse regional innovation systems with international knowledge and technologies. They are international co-operation hubs for their region and help to bridge existing social, cultural and economic gaps.

- **Smart Specialisation:** Higher education institutions (HEI) need to engage proactively as experts on the regional knowledge capital & frontier and realise their role as regional Lead Institutions, on equal terms with regional policy makers and the branch leading companies, as partners in shaping regional innovation ecosystems.

The Lead Institutions Initiative at Austrian universities (1)

Rationales:

- Connecting universities with & in their regions
- Developing competitive knowledge places with an international profile
- Empowerment of strategic capacity as international co-operation hubs
- Creating synergies through co-ordination (thematic/location related approaches)
- Planning shift from a mere institutional to a location perspective
HEI locations in Austria: Developing competitive knowledge places

- Proximity (still) matters.
- Ranges of close co-operation are individual, may cut across borders
- Connecting regionalisation & internationalisation is key.

Universities of Applied Sciences (FH): Regionalisation of KT activities

Public university locations

The Lead Institutions Initiative at Austrian universities (2)

Instruments: Performance agreements & Austrian Universities Development Plan 2016-21

PA 2013-15: Towards regional awareness
- Location concepts (connected with or part of the university's development plan)
- Active contribution to the regional innovation strategy

PA 2016-18: Towards regional alignment and communication
- Location concept update / integration in development plans
- Using regional HEI platforms to develop joint local universities of applied sciences
- Using the concept to communicate a Regional knowledge profile

PA 2019-21: Towards place-based investments
- Aligning public investment: Intention to base future investments on co-ordinated place-based location concepts

“A location concept (‘Standortkonzept’) is a university’s bridge from local engagement to global competitiveness.”

“In a location concept universities highlight their position within a network of strategic partners in academia, industry and business in a self-chosen surrounding area of close collaboration.”

“Presenting themselves as a clustered habitat or critical mass of excellence rather than a single institution should support them to attract global co-operations and investments.”
Instruments: Performance agreements & Austrian Universities Development Plan 2016-21

PA 2013-15: Towards regional awareness
- Location concepts (connected with or part of the university’s development plan)
- Active contribution to the regional innovation strategy (RIS3)

PA 2016-18: Towards regional alignment and communication
- Location concept update / integration in development plans
- Using regional HEI platforms to develop joint location concepts, reaching out to universities of applied sciences
- Using the concept to communicate a regional knowledge profile

PA 2019-21: Towards place-based investment
- Aligning public investment: Intention to base infrastructure and thematic focus investments on co-ordinated place-based location concepts developed by HEI

Concluding argument

- Public policy interest in HEI addressing all KT missions; place-based KT activities create tangible results
- Proximity still matters, but no single place can answer every question
- No dichotomy of regionalisation vs internationalisation: Place-based KT engagement needs to be connected internationally
- Possible conflict of interests between national and regional planning (excellence vs regional value). National planning needs to become more place-sensitive, regional planning needs to align and prioritise in an (inter)national context.
- New multi-level governance: Countries, regions, (the EU) – but also institutions, companies and groups, directly inter-act at all levels. There is no exclusivity in problem-solving but the need to network and align.
- In Austria, place-based engagement of HEI is subject to a negotiated governance (agreements, nudging, dialogue, less: incentivising, but growing intensity/push)
- Need for both thematic and place-based references: The Knowledge Triangle and Smart Specialisation can mobilise & help to guide interventions
Thank you for your attention!

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