Smart specialization – Old Wine in New Bottles or New Wine in Old Bottles?

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Abstract

The paper deals with the problematic addressed in the above subtitle; i.e. that ‘smart specialization’ indicates old wine (specialization) in new bottles (smart), but is in fact new wine (diversity) in old bottles (specialization). This confusion will obviously lead to problems with respect to the content, communication and implementation of the strategy, and, thus, potentially reduce its impact.

Specialization has been the main industrial and regional development strategy since the days of Marshall’s industrial districts, enjoying a strong revival the last 20 years due to the success of Porter’s (regional) cluster approach (Porter, 1998). A normal interpretation of ‘smart’ would imply a successful specialization strategy producing positive lock-ins or path extension. Norwegian economic development may serve as a striking example of such a smart specialization strategy. Thus, taken at face value, smart specialization does not represent anything novel, and can therefore be seen as an attempt of selling old wine (specialization) in new bottles (smart).

However, when reading the presentations of the new smart specialization strategy, a very different picture appears. Now it is about regional branching building on a related variety approach creating path renewal, and the exploitation of new general purpose technology (such as bio- and nanotech) to generate new path creation. Thus, this is a story of diversity and not of specialization, and, consequently, of new wine (diversity) in old bottles (specialization). This message is also in accordance with Krugman’s statement that the future for prosperity of developed economies lies in a diversified economy and not in a specialized one (Krugman, 2011).

However, due to the historical hegemony of the specialization approach a strong path dependency resulting in a cognitive lock-in among researchers and practitioners of regional innovation policies will exist, which most probably will lead to interpreting the smart specialization strategy as old wine in new bottles, and, thus, will result in a reproduction of old and existing strategies. This will not produce any more innovative and competitive regional economies generating improved economic growth and new jobs.

Thus, it is a great pity that the policy approach which was presented in the Constructing Regional Advantage report from DG Research published in 2006 was not effectively diffused and implemented among researchers and policy makers. This report introduced new theoretical and policy concepts such as knowledge bases, related variety and a platform approach to regional innovation policy, which aimed at developing diversified, innovative and competitive regional economies in the EU able to prosper in the globalizing knowledge economy (Asheim, Boschma and Cooke, 2011). The paper will use the theoretical framework presented in this report to critically discuss the content and potential outcome of the smart specialization strategy.