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• UNESCO Chair in Intangible Heritage  
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# **Creative Innovation and Related Living Lab Experiences**

A MEDITERRANEAN MODEL

Filipe Themudo Barata, Francesco Molinari,  
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## Title

Creative Innovation and Related Living Lab Experiences: A Mediterranean Model

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## INTRODUCTION BY THE EDITORS

The CreativeMED project and its overall assessment are at the centre of this book that its editors consider to be of particular interest, not only as account of the achieved results, but also because it had been designed by the European Union with the main purpose of capitalising on the outcomes of the work previously developed by the MED programme.

In addition to that, the editors are well aware of the need to stimulate the debate and reflection on the so-called ‘Smart Specialisation’ and to participate in a broader discussion of a concept that challenges cities and regions – or rather territories – to define their priorities and find ways and means to implement them. A good indicator of the lack of dynamism that has marked this debate is the bibliography at the end of this publication: the most significant part of the available documentation is provided by the European Commission; apparently, scholars and experts have not yet warmed up to the idea of publishing on this subject.

The ‘Smart Specialisation’ concept has been actively promoted, although not always implemented to its full potential. Currently, the term ‘smart’ is applied to a wide range of domains, from ‘smart energy solutions’ to ‘smart information technology’, or ‘smart buildings and cities’. The problem is that decisions and outcomes from such processes have frequently benefited their promoters and done little to encourage smart policies at local or regional level.

One of the partners in the CreativeMED project was a team from the University of Évora. Apart from its active contribution to the ‘Smart Specialisation’ model described in the final report, the team sought to verify the model proposed. In other words, as the final model was essentially a theoretical one, it was important to try it out in practice and to validate it.

Hence, it was decided to devise a dynamic structure that would lead to the creation of a Living Lab dedicated to cultural heritage. The theme was, so to speak, a natural choice. On the one hand, the Évora team was/is linked to a UNESCO Chair, hosted at its University, that focuses on (in)tangible heritage and sustainable development, and on the other it is based in a World Heritage city that has a lot to offer to its visitors and whose regional authorities have begun to pay close attention to the issues of cultural heritage and social cohesion.

But what is a living laboratory? In short, the intention is to create a unit that has a flexible structure (association, company, centre, public or private institute) where all stakeholders with an interest in promoting and implementing policies in the area of cultural heritage conservation and valorisation are brought together. However, as it is only natural that interested parties have different perspectives and expectations, it is within the framework of this laboratory that the aspirations of these variable collectives are articulated. The Living Lab is where the necessary legal instruments and human resources for action are identified, the financial means to support action determined, and their application decided.

At first glance, this type of body seems to resemble local development associations, but it is the emphasis on dialogue, the focus on specialisation and the continuing endeavour to involve potential partners that make it very different in practice.

It should be made clear that the short time frame available to implement this project prevented it from being fully completed. Nonetheless, it is possible to present some conclusions that, in the editors' opinion, are relevant and useful since they provide work proposals that can always be adapted or replicated.

This book is published by the UNESCO Chair in Intangible Heritage and Traditional Know-How: Linking Heritage at the University of Évora because its editors consider it relevant that critical reflections on projects and good practices in the Mediterranean are disseminated, especially when they are based on the respect for the involved communities and firmly rooted in their identity and cultural profile.

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## EXECUTIVE SUMMARY

This text includes the information produced and the work developed within the CreativeMED project. It concerns both the general / joint outputs of the project – the **CreativeMED White Paper**, and the **CreativeMED Toolkit** – and the exercise – the **Heritage Living Lab** – carried out by one of its partners: the University of Évora.

The **CreativeMED White Paper** sets forth a ‘Mediterranean model of innovation’ that builds on the results of previous transnational innovation initiatives that draw on place-based creativity and thus cultural capital, more so than on physical or financial resources. This CreativeMED model has been validated through interaction with policy-makers, experts and local actors in 12 Mediterranean regions and applied to ongoing processes for the definition of regional innovation strategies for the 2014–2020 programming period. The White Paper thus aims to make a substantial contribution to our understanding of the potential role of innovation for regional well-being, as well as the policy processes through which to attain that goal, with a specific emphasis on the Mediterranean area’s needs and potential.

CreativeMED was one of the 13 capitalisation projects of the EU’s European Territorial Cooperation (ETC) MED Programme 2007–2013, and unfolded from July 2013 through December 2014. Like all MED capitalisation projects, it integrated and promoted the results of previous transnational projects. CreativeMED in particular focused on innovation, and its outputs aimed at contributing to the definition and implementation of Smart Specialisation Strategies (S3s) in the MED space Regions in view of the 2014–2020 programming period.

Indeed, CreativeMED considers the Smart Specialisation approach itself as a significant policy innovation, responding to the financial and growth crisis and operationalising Europe 2020 policy objectives through a new, process-oriented approach. Smart Specialisation is essentially a never-ending process, engaging regional stakeholders collectively in the selection and prioritisation of shared areas of innovation where comparative advantage exists or can be achieved over external competition in the short to medium run.

This ongoing process, although focused on the search for global excellence, does not occur in a vacuum or according to a standard recipe, but is deeply rooted in territorial conditions – actors, dynamics, governance systems, networks and value chains – and incorporates social and institutional aspects alongside scientific and



industrial innovation concepts. S3 thus aims at continuous improvement, through trial and error, which implies the adoption of a multivariate evaluation system to support it, and ultimately the acquisition and cultivation of a considerable learning capacity in all the stakeholders involved.

In this context, the specific MED projects that constitute the CreativeMED baseline had all highlighted the existence of a common ‘Mediterranean Way’ to territorial development, based on collective creativity. CreativeMED integrated the main outcomes of these experiences to formulate a coherent policy model that maintains the evidence base of the individual activities carried out while deriving a bottom-up strategic framework at a level that is compatible with what policy-makers need to do to define, carry out and revise a Smart Specialisation Strategy.

The 18-month CreativeMED work plan developed this model to align with S3 processes by:

- enriching the ‘a-spatial’ Entrepreneurial Discovery process (Foray) with ‘place-based’ considerations (Barca) tailored to the MED space specificities, and further identifying opportunities for interregional cooperation in line with the new European Structural and Investment Funds (ESIF) regulations;
- supporting the mobilisation of local actors in the 12 participating regions with tools and indicators to assess and enrich S3 implementation by drawing on new and overlooked dimensions of the MED background projects;
- assessing the potential for the re-construction of broken or incomplete value chains or the creation of new areas of diversification, within and across regional borders, while guaranteeing the linkage between economic performance and quality of life.

A key hypothesis of CreativeMED was that the MED space has specific needs and potential as regards innovation, which emerge from a preliminary SWOT analysis and the identification of five key success factors specific to Mediterranean regions: cultural anchoring, open networked people, innovation mixes, new business models and shared values. This led to defining a collective creativity vision, further developed in this document.

Integrating this creativity-based vision with traditional policies implies viewing different forms of innovation – scientific, technical, social and institutional – not as distinct approaches but as different dynamics that unfold in synergy. Through constant interaction, they form an ‘innovation landscape’ that progresses as an interacting system across the maturity phases from first ideas to social uptake

and penetration in the daily life and work of a given region. Promotion of such underlying dynamics clearly requires the integration of current policy knowledge with new methods, tools and approaches, many of which have in fact already been successfully experimented in Territorial Cooperation projects.

The ultimate objective of CreativeMED was to develop tools that Regions can use to initiate and continuously upgrade this process of integration and enhancement. In order to do so, the project designed a Common S3 Framework, articulated according to the six main elements that make up a policy design and implementation programme.

External experts surveyed or interviewed by CreativeMED provided concrete and validated feedback as concerns these elements, highlighting the options open to Regions for interacting with the MED projects and partners and the rich heritage of experiences they represented. Mapping Mediterranean Regions' S3 baseline onto this framework also allowed CreativeMED to make concrete and tangible contributions, accompanying each step with a gradual reinforcement of awareness, consensus and buy-in of regional stakeholders, and identifying possible paths to facilitate the interaction between bottom-up ideas/activities and top-down S3 planning.

The specific contributions the Common Framework can bring to Regional S3s today derive from an analysis of each of the six elements above:

- **Vision:** CreativeMED broadens Regional S3 visions throughout the MED space to engage a wider range of territorial energies and creativities in the context of both the common Mediterranean model and local territorial specificities.
- **Policy architecture:** CreativeMED proposes to enlarge the scope of future programme structures, normally based on thematic axes or priorities, to make room for spatial approaches, innovation dynamics and multidisciplinary research actions.
- **Measures:** CreativeMED extends the portfolio of specific programme actions to include: systematising knowledge, building strategic partnerships, promoting collective learning, broadening participation, integrating service platforms, establishing interaction facilities and accompanying innovative start-up ideas.
- **Governance:** CreativeMED shows the potential of using the innovation ecosystems approach to extend the relevance of governance and leadership issues beyond mere policy management, suggesting common principles, open approaches and participatory innovation dynamics.

- **Policy tools:** CreativeMED provides a range of ideas to enhance the available toolkit of policy options beyond traditional calls for tender, to include new conditions for traditional grants, funding of services and infrastructures, training and capacity-building actions, use of matching funds, innovative communication initiatives and interregional cooperation project proposals.
- **Indicators:** CreativeMED highlights the importance of extending both the portfolio and the usage of indicators beyond common patent-counting, and identifies for this purpose a preliminary set of context variables to frame S3 processes under the social and territorial innovation perspectives, as well as supporting self-assessment of governance structures and administrative capacity-building.

As the CreativeMED Common S3 Framework is essentially descriptive – the prescriptive aspects deriving from the Smart Specialisation guidelines, the MED vision for collective creativity and individual Regions’ implementation actions – it is important to see how it can be applied in practice to achieve shared goals. To this end, three non-exhaustive scenarios for application were developed, as follows:

- **Building local partnerships for implementation:** The long-term impact of regional S3 strategies will very much depend on the stable innovation partnerships that are built over the seven-year programming period. CreativeMED supports the partnership formation process by identifying and promoting interoperability of three working groups – policy-makers, local and regional actors and technical experts – who are all crucial for the implementation of each aspect of the common framework.
- **Building an operational toolkit based on relevant indicators for creativity and innovation:** By extending the S3’s benchmarking system for analysing regional preconditions, a toolkit was devised that uses specific indicators for the main elements of the CreativeMED model in order to map and understand a region’s innovation potential. This then allows relevant actions and initiatives to be identified, including those from previous ETC pilot experiences, and incorporated into regional strategies.
- **Building interregional partnerships for innovation:** A natural landing point of the CreativeMED model, vision and framework has been the bottom-up identification of a number of project proposals, tackling specific issues of interregional cooperation and complying with the exemptions set forth by Art. 70(2) of the Common Provisions on ESI funds.

Above all, by accompanying the specific paths different types of actors may take through the six elements of the model, the CreativeMED Framework promoted the integration of social innovation and new creativity-based approaches to development with R&D investments and technology-focused initiatives.

This document comes as a result of the CreativeMED Green Paper published in February 2014 and the broad policy debate and stakeholder consultation process that followed afterwards, to produce a White Paper originally published in December 2014. The current version is an updated revision produced in September 2016.

The **Toolkit Platform For Political Recommendations** was developed taking into the account the MED place-based creativity approach.

The CreativeMED toolkit is a ‘self-diagnosis’ tool to assist regions in the development of their place-based strategies. It is particularly useful for local actors, regional policy-makers, researchers and entrepreneurs, since it allows opportunities, needs and resources that are locally and regionally available to be consulted, and the subsequent implementation of good and successful practices, experiences, methodologies; the maximisation of intraregional creativity; the increase of the dissemination of interregional expertise for innovation; and the evaluation of the consistency and coherence of proposed actions. At <http://toolkit.creativemed.eu> it is possible to access a set of indicators, compare regions, identify regional conditions for development and identify the strengths and weaknesses of the regions. In addition to the diagnosis, it is possible to consult the library that gathers information about specific interventions (successful experiences and good practices). Research can be done per concrete criteria (costs, need for governance or type of innovation). The goals of this toolkit are (Rausell et al., n.d.):

- To **define a set of indicators**, in coherence with the CreativeMED model and the available information at the regional level, in order to identify regional conditions for the development of a Mediterranean way of innovation. This model maintains the evidences of the individual activities that have already been carried out and at the same time devises a bottom-up strategic framework at a level that is compatible with what policy-makers need to define and carry out in a Smart Specialisation Strategy.
- To establish a synthetic **diagnosis**.
- **To enable comparison** at different levels, from the reality of similar regions, according to their structural similarity (Navarro et al., 2014) to the whole MED region, nation states and Europe.

- In this comparative context, **to detect the strengths and weaknesses of the region** in the variables of the preconditions and the dimensions of the CreativeMED model.
- To build **a library** of specific interventions drawing on successful project experiences and other good practices.
- To **suggest a battery of interventions** based on the results of the diagnosis.
- To **show the consistency of regional Research and Innovation Strategies for Smart Specialisation (RIS3)**, according to the CreativeMED model approach.

The CreativeMED proposes an analysis of the preconditions that are needed to activate a ‘Mediterranean Way to Innovation’, considering two major views: **cross-local partnerships** (that allow a common vision of innovation for the MED space based on culture, heritage and creativity) and **territorial diversity** (taking into account that Smart Specialisation requires the enhancement of social, economic and cultural assets across the territory).

The CreativeMED toolkit takes into account the CreativeMED model of innovation – community–scale partnerships, territorial innovation and translocal socio–economic ecosystems – and is intended to:

- help model the regional vision according to a common framework that allows place–based collective creativity and improve interregional communication;
- help ensure that the programme structures are coherent with good practice and lessons learnt, drawing on a broad canvas of experiences;
- propose innovative measures and actions based on successful experiments conducted in the framework of capitalised projects;
- help build complementary governance models that ensure effective outreach and co–ownership of objectives and results by the local actors and thus smooth implementation;
- promote the experimentation of new policy instruments for demand–driven innovation.

The **Heritage Living Lab**, at a regional level, was the chosen methodology in Évora city to:

- promote an **open dialogue** between partners, generating **innovation**;
- diagnose the **city’s challenges** and status;
- define **priority areas for action**;
- find **innovative and consensual solutions**;

- produce a document with the **results to be considered in the Smart Specialisation Regional Policy**.

The final purpose of the creation of a local working group in the Alentejo was to develop a Living Lab experience, and to create a common understanding among actors that could enable joint decision-making and put Smart Specialisation on the political agenda. It is also an empirical exercise that tests the CreativeMED model and framework; a means for understanding if the concepts and the process provided by CreativeMED are helpful. Some questions raised during the development of the White Paper can now be disclosed:

- *Is a model a constraint to creativity?*
- *Must our model be circular?*
- *Must results be included in the framework?*
- *Which other instruments of validation are to be included (besides the monitoring ones)?*

The Living Lab experience was the first attempt to:

- give practical consistency to the CreativeMED final document (White Paper);
- search innovation initiatives grounded on place-based creativity and cultural capital;
- create regional value chains;
- create the basis for an effective implementation of a Living Lab anchored in the culture and heritage of the city;
- increase the economy of culture;
- draw a model for other profitable experiences.

This exercise resulted in some recommendations that point towards Évora as a ‘human and smart’ city, a city empowered to implement social innovation experiences and to promote participatory engagement, involving its citizens.

The first section describes the policy context of the MED Programme, Europe 2020 and Smart Specialisation, and MED project’s objectives. It also develops the ‘Mediterranean way’ to creativity and innovation, and analyses the elements of the Common S3 Framework. This is followed by concrete proposals for building interregional partnerships for S3 implementation. The next chapter presents the toolkit, the innovation model that inspires it, its goals and tools. It is then applied to a specific region: the Alentejo. The Heritage Living Lab, the last chapter, concerns

an empirical exercise that took place in Évora using the Living Lab approach. It describes the implementation of such exercise and includes a SWOT analysis of the priority action areas, and recommendations to make Évora a human and smart city.

# 1. WHITE PAPER: THE CREATIVEMED MODEL FOR SMART SPECIALISATION 2016

Marsh, Molinari, Contargyris & CreativeMED

*This White Paper was authored primarily by Jesse Marsh, Francesco Molinari and Athanase Contargyris, and is based on the contributions of all participants in the CreativeMED Project, including in particular Raul Abeledo and Pau Rausell from the University of Valencia who developed the prototype version of the CreativeMED Toolkit described in this document.*

*We are grateful to other CreativeMED partners: George Asonitis, Eudokia Balamou, Filipe Themudo Barata, Carmela Cotrone, Sónia Cabeça, Darko Ferčej, Snjezana Frankovic, Maurizio Giambalvo, Panagiotis Georgopoulos, Monica Guizzardi, Ioannis Kalaitzakis, Anna Kosma, Ognjen Kuljaca, Léonard Lévêque, Fabio Montagnino, Pablo Morales, Besnik Mehmeti, Jean-Claude Turret, Lorena Vidas and Michalis Zanos, for discussing the ideas behind this publication, as well as reading and commenting on its earlier editions.*

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## THE POLICY CONTEXT

### The MED capitalisation initiative

The European Territorial Cooperation (ETC) is co-financed by the European Regional Development Fund (ERDF) and aims to support cross-border, transnational and interregional cooperation programmes. The budget of €8.7 billion for this objective accounted for 2.5% of the total 2007–2013 allocation for Cohesion Policy. The MED programme is a transnational cooperation initiative within the framework of ETC, involving collaboration among the EU regions in the Mediterranean area.



Of the 144 projects funded by the MED programme through seven calls for proposals in the 2007–2013 period, roughly half were to some extent related to innovation issues (from support to innovation processes, to the development of tools serving SMEs, connecting R&D institutions to enterprises, etc.). Innovation itself was one of four programme objectives (the other three were environment, territorial accessibility and balanced regional development), with the specific goal to ‘encourage dissemination of innovative technologies and know-how and strengthen strategic cooperation between public and private sectors’.

Following two initial major calls for projects (almost 1,000 applications with only 100 projects selected), the MED programme strategy evolved to a more targeted and strategic approach. This shift led to the set-up of different calls for projects, in some cases rather experimental in the context of ETC. Such was the case of the capitalisation call CreativeMED responded to, which resulted in 13 approved operations. This was the corollary of a process that involved different actions, from stakeholder meetings to peer reviews and other analyses, supported by online tools like the programme-wide MED Library,<sup>1</sup> which gathers the key deliverables of all finalised projects.

In this sense, the MED Programme capitalisation process was set up as a group exercise, aiming at the involvement of all Programme stakeholders with two main purposes:

- to shed a critical and analytical eye on past and current experiences of the Programme and of the projects, in order to gain insight and improve practices during the current programming period;
- to feed future actions and strategies for the next programming period 2014–2020, also considering emerging trends, challenges, debates (including macro-region perspectives) and the Europe 2020 strategy.

The objective was to allow actors and stakeholders of the Programme to learn lessons from their cooperation experience, share achievements in order to learn mutually and frame and disseminate these experiences and lessons learnt to promote and share them with other actors who had not been directly involved. The CreativeMED project was one of such capitalisation operations, building specifically on five innovation projects in the MED programme and elaborating on their potential relevance to regional innovation strategies for the 2014–2020 programming period.

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<sup>1</sup> <http://www.programmemed.eu/en/library/library.html>

## Smart Specialisation and Europe 2020

The framework within which local authorities throughout Europe have designed the innovation strategies for 2014–2020 evolved significantly since the previous programming period. The Lisbon Strategy with its emphasis on competitiveness and the knowledge economy was replaced by the Europe 2020 strategy with its objective of building a smart, sustainable and inclusive economy. Regional innovation strategies in particular are now framed in a process called Smart Specialisation, which is a strategic approach to economic development through focused support to Research and Innovation (R&I) activities.

Smart Specialisation is having a significant impact on the future of regional policy and Europe 2020 in general, in two ways: a) innovation itself is considered at the heart of Europe 2020, and is thus a strategic priority at the regional, national and EU levels; and b) the budgets for R&I, the policy area covered by Smart Specialisation, are likely to continue a trend of constant growth across the EU. In the 2007–2013 programming period R&I accounted for an average 26% of regional Operational Programmes (OP), totalling over €86 billion or more than the entire 7<sup>th</sup> Framework Programme for Research and Innovation according to the European Commission.<sup>2</sup>

In addition, the S3 process itself constitutes an innovation in policy making in three respects:

- First, S3 is an ‘ex-ante conditionality’, which means that each member state and/or region must define a sufficiently compliant strategy shaped to its specific needs and potential before being able to spend European funds on R&I. Considering that there are 271 NUTS 2 Regions and 28 Member States in the EU, the number of Partnership Agreements, national and regional S3 and Operational Programmes exceeds several hundred documents,<sup>3</sup> leading to one of the largest-scale coordinated policy exercises in the history of the EU, currently embodied in the S3 Platform supported by the European Commission’s Institute for Prospective Technological Studies (IPTS) in Seville.
- Second, the Europe 2020 framework for S3 has significantly broadened the definition of innovation and thus the nature and scope of S3 policies and potential actions. The preparatory reports of 2011–2012 already spoke of a mix of

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<sup>2</sup> [http://ec.europa.eu/research/infrastructures/index\\_en.cfm?pg=structural\\_funds](http://ec.europa.eu/research/infrastructures/index_en.cfm?pg=structural_funds)

<sup>3</sup> According to Walter Deffaa, Director-General for Regional and Urban Policy, 121 regional/national S3 were operational as of end May, 2016. See: [http://ec.europa.eu/regional\\_policy/sources/conferences/smart-regions/presentation\\_walter\\_deffaa.pptx](http://ec.europa.eu/regional_policy/sources/conferences/smart-regions/presentation_walter_deffaa.pptx)

‘technical and non-technical innovation’. Their findings were based on a critique of the low return on investment from traditional innovation policies as well as a new awareness of the potential of creativity-based (more than research-based) approaches to innovation, such as design and marketing and their ability to bring benefits to a broader range of enterprises in a shorter time frame.

- Third, S3 represents an innovation in the way policy is made, with a shift of emphasis from a linear analysis-strategy-implementation path to a more open, iterative and participatory process. To quote the S3 Platform website,<sup>4</sup> ‘smart specialisation involves a process of developing a vision, identifying competitive advantage, setting strategic priorities and making use of smart policies to maximise the knowledge-based development potential of any region, strong or weak, high-tech or low-tech’. This is having the effect of promoting diffused institutional innovation processes within each region, including new procedures and new stakeholder engagement strategies, in a shift of stance from top-down negotiations to a role as enabler of emergent policy processes.

By their very nature, the kind of policy measures foreseen are themselves innovative, so there are very few methodological guidelines to follow. In March 2013 the Directorate-General for Regional Policy (DG Regio) published a *Guide to Social Innovation*,<sup>5</sup> but while this is an excellent guidebook, it is unclear how regions should reconcile these new approaches with existing constituencies such as industrial clusters or university research centres. Willem Reek’s *RIS3 Governance Guide*, published shortly thereafter,<sup>6</sup> is also a useful guidebook, but it treats governance in a context that is culturally dissimilar from the Mediterranean regions. The S3 Platform supported by the IPTS in Seville has promoted *peer reviews* of the ongoing regional work and other initiatives for guidance and support, but it is unknown how their role is to continue in the future, as well as the degree to which their mandate includes research on the invaluable lessons learnt during this process.

At the broader level, the policy innovations introduced by the Smart Specialisation approach are putting significant pressure on regional programming authorities to adapt to new procedures, new approaches, new stakeholders and unfamiliar degrees of stakeholder engagement. The impact of the S3 process on regional innovation systems, and in particular on the regional administrations responsible

<sup>4</sup> <http://s3platform.jrc.ec.europa.eu/home>

<sup>5</sup> [http://s3platform.jrc.ec.europa.eu/documents/20182/84453/Guide\\_to\\_Social\\_Innovation.pdf](http://s3platform.jrc.ec.europa.eu/documents/20182/84453/Guide_to_Social_Innovation.pdf)

<sup>6</sup> [http://s3platform.jrc.ec.europa.eu/documents/20182/85600/Governance+Guide+RIS3\\_09\\_10\\_2013.pdf](http://s3platform.jrc.ec.europa.eu/documents/20182/85600/Governance+Guide+RIS3_09_10_2013.pdf)

for defining and implementing the strategies, is already being felt, especially in the Convergence Regions from the South and East of Europe, where the lion's share of budgets is allocated. The 2013 Fraunhofer ISI survey of regional experts and managing authorities, *Smart Specialisation approaches: A new policy paradigm on its way from concept to practice*,<sup>7</sup> reveals that 'a completely new process' or 'significant adaptations to existing processes' were made for 70% of respondents in Southern Europe (same figure for New Member States, NMS) as compared to 50% in Central and 33% in Northern Europe. This is resulting in 'very substantial adaptations' or 'notable amendments' in innovation policies for 43% of respondents in Southern Europe (65% in NMS) as compared to 26% in Central and 33% in Northern Europe.

### CreativeMED's objectives and process

In the depressed environment created throughout the MED region by the financial and growth crisis, it is becoming increasingly urgent to leverage territorial and cultural capital to co-design new service and business models that favour the transformation of innovative and creative entrepreneurship ideas into economic well-being and prosperity. Several MED projects are evidence of a high level of motivation, creativity and innovation in meeting this challenge, by involving public authorities, economic stakeholders, SMEs, young entrepreneurs and citizens in general. Indeed, specific policy insights gained from such experiences foretell the emergence of a new socio-economic model for Smart Specialisation whose confines are still being defined but whose potential impact is already evident in how the S3 process is unfolding in MED regions.

CreativeMED capitalised the outcomes of five such projects – MEDLAB, SMILIES, TEXMEDIN, CHORD and SOSTENUTO, together with similar initiatives to a lesser degree – whose results demonstrate a particular inclination towards this search for a new model of innovation based on aspects such as cultural anchoring, open networked people, innovation mixes blending advanced technologies with traditional crafts, social learning and shared values related to sustainability and equal opportunities.

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<sup>7</sup> [http://www.isi.fraunhofer.de/isi-media/docs/p/de/vortragsfolien/regionen\\_cluster/S3\\_Projekt\\_final.pdf](http://www.isi.fraunhofer.de/isi-media/docs/p/de/vortragsfolien/regionen_cluster/S3_Projekt_final.pdf)

Project	Years	Lead Partner	Theme
SMILIES	2009–12	Chamber of Commerce of Rethymnon (EL)	Supporting 99 innovative start-up ideas
MEDLAB	2009–12	Region of Central Macedonia (EL)	Living Labs for regional development policies
TEXMEDIN	2010–13	Municipality of Prato (IT)	Tradition-based fashion Inspiration Labs and textile industry innovation
CHORD	2009–11	Province of Benevento (IT)	Innovative cultural heritage services
SOSTENUTO	2009–12	AMI of Marseilles (FR)	Culture and cultural heritage for economic and social innovation

*Key CreativeMED background initiatives (ETC MED projects being capitalised)*

The central idea of CreativeMED is that by sharing reflections on these emergent ‘fragments’, a coherent model of a ‘Mediterranean Way’ to innovation could be developed and then aligned with the Smart Specialisation processes of Mediterranean regions. This goal has been carried forward by 12 partners in 12 regions of 8 countries, with the City of Prato (IT) leading a partnership of public authorities, chambers of commerce, development agencies, and sector and policy research bodies. The approach has been based on a multi-level Policy Learning method to co-design the development of the hypothesis model – first issued in the form of a Green Paper in early 2014 – together with three working groups:

- An Advisory Board of five high-level policy-makers at the EU, Member State and Regional MA was established to validate the feasibility of the CreativeMED approach with respect to different EU policy programmes and instruments. The Advisory Board met physically during the Open Days 2013 in Brussels and in the context of the CreativeMED Athens Conference (held under the aegis of the Greek EU Presidency) in April 2014. In addition, the members provided detailed comments on the draft model as presented in the Green Paper.
- An Expert Group of practitioners in innovation and innovation policy, some participating as external advisors to project partners, also reviewed and commented the CreativeMED model, mainly in the context of open workshops held in the context of quarterly project meetings in different partner locations. In addition, they responded to an extensive survey designed to validate and prioritise the different elements of the model, as highlighted in the following sections.

- Local and regional interest groups were set up and animated in each of the 12 participating regions. Following different methodologies of engagement and interaction, they all connected CreativeMED with ongoing Smart Specialisation processes and measured the coherence and potential relevance with regional strategies.

This process provided the inputs and validation of the CreativeMED model set forth in this White Paper.

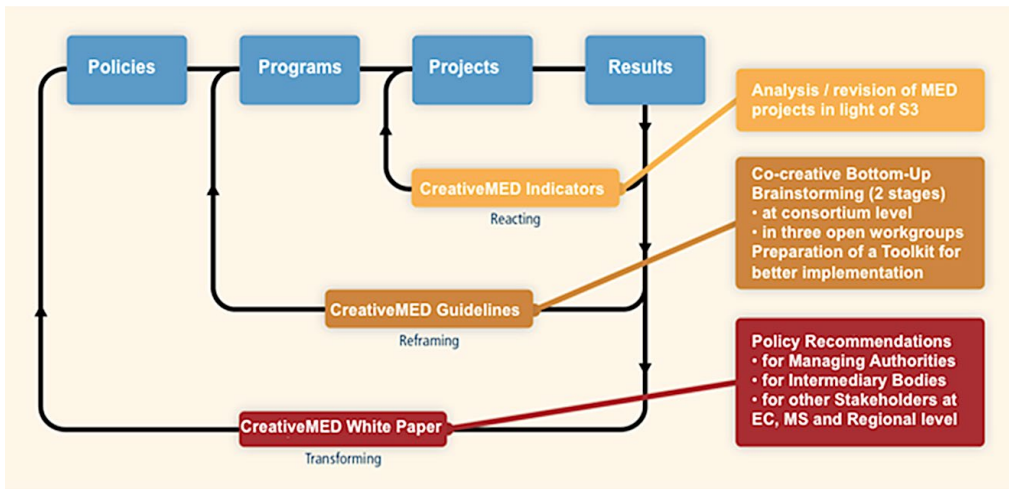
## Implementation of the CreativeMED Model

CreativeMED applied the policy learning concept to its local implementation activities, based on the ‘triple-loop’ model that situates learning at three levels: reacting, reframing and transforming. The most popularly used of Argyris and Schön’s theories,<sup>8</sup> double-loop learning, emphasises that reflecting upon the effects of one’s action may result in important behavioural change as a consequence of recognising, and subsequently correcting, eventual disadvantages or contradictions. Building on double-loop learning is the triple-loop learning concept. This is related to transformational shifts in what individuals, groups and societies view as desirable ways of living and may be characterised as radical innovations or changes in current regimes. Overall, these theories imply that a process of reflection and questioning, more than the information used or provided as part of that process, lies at the heart of any systemic change.

Each of the CreativeMED suites of tools and actions can be mapped onto one of these learning loops, as shown in the following diagram.

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<sup>8</sup> Cf. Argyris, C. and Schön, D.A. 1978. *Organizational learning: A theory of action perspective*. Reading, MA: Addison-Wesley.



*Graphical representation of the triple-loop learning concept*

## Impacts of the CreativeMED Model

The Smart Specialisation approach was first announced in 2011, and when the CreativeMED project started (July 2013) the policy processes were well under way in most regions. In fact, the interim deadline for approval and submission of draft S3 documents to the Commission was 22 July 2014. As the CreativeMED project was under way, a good number of proposers were still in the process of replying to observations from the Commission services, and the final deadline for verifying the ex-ante conditionality has been set at the end of 2016. Apart from the timetable, it is clear that the Smart Specialisation processes are in no way concluded upon approval of the strategies and will indeed accompany the implementation of the related measures in Regional Operational Programmes through 2020 and beyond.

In this context, CreativeMED was not aiming to substitute the key activities of regional policy-makers – such as the identification of regional priorities – but rather to develop frameworks that could accompany and reinforce Smart Specialisation processes in the final phases of priority setting, the successive phases of defining actions and policy instruments, and throughout implementation and on-the-ground uptake. The interaction with the working groups in the project's final year already demonstrated the impact of the CreativeMED model at three main levels:

- **Macro:** As a collaborative effort across the baseline CreativeMED projects and the 12 participating regions, the model defines a broad macro-regional vision at the

level of the MED area, aligning with the common features of a ‘Mediterranean Way’ towards creativity and innovation, and helping individual regions within that area to situate, monitor and evaluate their selected S3 priorities within a broader framework for interregional cooperation.

- *Meso:* By leveraging and interpreting evidence from the background projects, the model paves the way for an original attempt to build bottom-up concrete initiatives for interregional cooperation, aiming to re-construct broken or incomplete value chains at the service of regional S3 goals. In many instances, this has contributed to the Entrepreneurial Discovery process by identifying and engaging ‘hidden’ regional potentials and innovation communities.
- *Micro:* By mobilising local stakeholders and exploring options for concrete project implementation in each of the 12 regions, the CreativeMED model has shown the capacity to ignite policy learning mechanisms while building and strengthening socio-economic innovation partnerships as platforms for implementation and evaluation of Regional Smart Specialisation strategies. This can be further supported by the further development of a preliminary and exemplary set of indicators, embedding the collective creativity aspects into the S3 monitoring and revision processes.

In its specific approach towards these objectives, CreativeMED succeeded in demonstrating how the value of on-the-ground pilot projects can provide the evidence base for a general model that is both conceptual and operational in nature. This in turn constitutes a conduit for highlighting the relevance of specific methods and project ideas in the new policy frameworks that share and have been inspired by the same model of innovation. According to CreativeMED partners, the model has directly influenced the Smart Specialisation strategies in 6 of the 12 regions/countries participating and framed stable innovation partnerships in 4 regions, as well as giving rise to concrete plans for numerous transregional value chains in areas ranging from regional cloud infrastructures to typical cheeses.

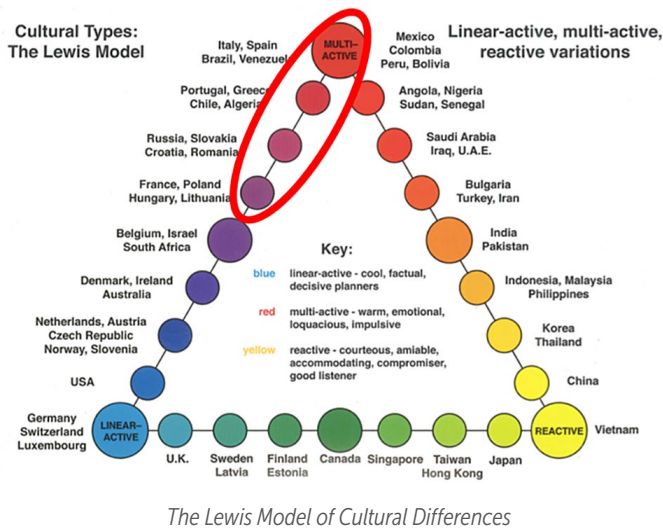
CreativeMED has thus sparked off and guided a policy learning mechanism that is by now aligned with the Smart Specialisation process, and will likely continue to accompany regional innovation processes over the coming years. In this mechanism, the potential for greater coordination between regional actions and interregional and transnational initiatives has been identified, which needs to be further explored in the course of the 2014–2020 programming period.



## INNOVATION IN THE MED SPACE

### Mediterranean creativity and innovation

A key hypothesis of CreativeMED is that the MED space has specific needs and potential for innovation, as emerged from the experiences of the background projects it built on. This MED approach to innovation builds strongly on place-based creativity and thus cultural capital, more so than on physical or financial resources. The heritage of the MED regions in fact, from the Greeks and Romans through the Renaissance, underpins Europe's distinctive cultures, while traditions such as the Mediterranean diet and lifestyle are also important for the MED space's distinctive value proposition.



The 'Mediterranean Way' to innovation can also be seen in the context of Richard Lewis's model of cultural types.<sup>9</sup> The 'linear-active' model of the Anglo-Saxon and Nordic cultures leads to an innovation model based on the alignment of resources and actors, as compared to the 'reactive' cultural model of Asian cultures and the 'multi-active' model of the Latin cultures, which leads to innovation based on creativity.

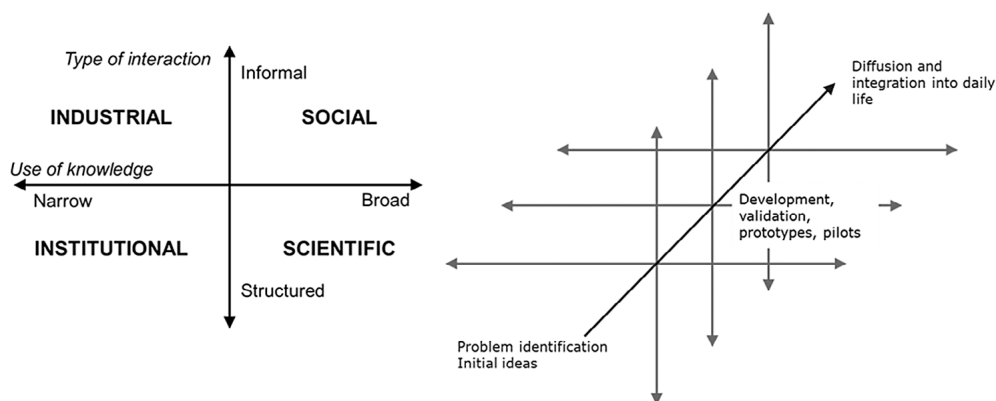
The Mediterranean space provides not only the human capital that creativity and innovation can draw on, but also specific community needs (and potential markets) that can guide innovation policies, including issues such as energy and insularity.

<sup>9</sup> <http://www.riversdown.com/cross-culture/the-lewis-model>

If we consider that the current crisis is structural – in the words of the then EC President, José Manuel Barroso, while introducing Europe 2020, ‘a changing world’ – then new models and renewed values are required to emerge in a way that addresses not only financial issues but also the environmental contradictions and democracy deficits of our current societal structures: in this context, the value proposition for creativity-based innovation gains in relevance for the economy overall.

For new ‘societal’ models to emerge, we need to take a new look at what innovation is for and whom it is for, both in traditional innovation spaces such as the ICT or biomedical fields but also considering new arenas such as tourism, healthy food or landscape. In doing so, ‘smart, sustainable and inclusive’ need to be considered as facets of an integrated approach rather than separate topics of innovation, requiring effective governance of development and innovation processes by public administrations together with technological advancement.

## Innovation and ‘regional smartness’

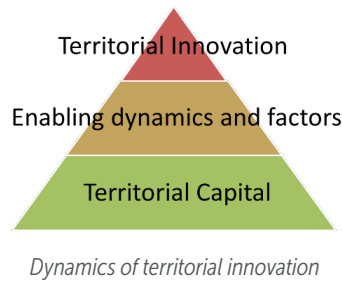


*Innovation landscape and systemic maturity model (from Marsh, 2013)<sup>10</sup>*

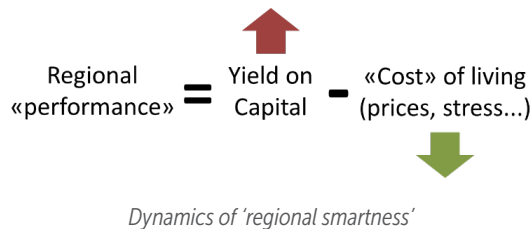
This creativity-based model of innovation is coherent with broader trends defining innovation itself. Indeed, the main difference with respect to traditional innovation policies is not so much in the object of the policy but in the way we view the innovation-related processes that policy is acting on. Traditional innovation theories describe a linear progression that starts with an idea that is then developed

<sup>10</sup> <http://docslide.it/download/link/j-marsh-linnovazione-sociale-per-la-specializzazione-intelligente-in-sicilia>

as an industrial product and afterwards launched on the market. In this model, the goal of policy is to bridge the gap between basic research and the market, through strategies such as the Triple Helix, industrial parks and clusters, etc. While these infrastructures maintain their intrinsic value, the emergent creativity-driven view of innovation paints a more complex, ecosystemic picture. Here, different types of knowledge creation and use – not only scientific and industrial, but also social and institutional – interact with each other in a way that is specific to the place where these dynamics unfold, as institutional frameworks and knowledge approaches shape the way innovations move forward in each territorial dimension.



This place-based view of creative innovation in its various dimensions contributes to defining an ‘innovation landscape’ that evolves as a system along the different phases of ideation, development and implementation. The integration between innovation dynamics and the specific cultural features of place has also given rise to the definition of territorial innovation,<sup>11</sup> which emphasises the spatial dimension of creativity and its relation to the specific features of territorial capital (i.e. natural, physical, symbolic, human and spatial).



From here, we can further derive a definition of regional ‘smartness’ borrowed from the common formula for business performance: performance = yield on capital –

<sup>11</sup> Cf. Marsh, J. 2008. Living labs and territorial innovation. In *Collaboration and the knowledge economy: Issues, applications, case studies*. Amsterdam: IOS Press.

cost of labour. In the context of regional innovation ecosystems we can consider regional performance as equal to the yield on territorial capital minus the ‘cost’ of living (both in economic, social and quality of life terms).<sup>12</sup>

If we examine the above formula in current policy terms, we can say that European Regional Development Fund (ERDF) actions tend to focus on the first element – investments to increase the yield on territorial capital – while it is only the European Social Fund (ESF), in the best of circumstances, that addresses the second element. The imbalance in funding coupled with a lack of coordination on the ground leads to little guarantee that the overall result is an improvement in regional performance.

In this context, we can define ‘regional smartness’ as the degree to which that coherence is instead guaranteed, with individual initiatives each ensuring a direct link between the two dimensions of economic performance and quality of life. A salient feature of pilot initiatives in the CreativeMED background projects is in fact their ability to leverage innovation dynamics that do both at once.

	Territorial Capital	Pilot Example	Yield on Capital	Quality of Life
<b>SOSTENUTO</b>	Natural	Expediitio pilot in Kodor	Innovative management of natural resources for cultural tourism.	Participatory governance to maintain territorial ownership in the face of Globalisation.
<b>MEDLAB</b>	Physical	Cultural Farm Park, Favara	Transformation of dilapidated buildings into international cultural centre.	Leveraging low cost of buildings, internet based niche marketing.
<b>SMILIES</b>	Symbolic	Penteconter Pilot	Re-proposition of ancient Greek Penteconter as showcase for new materials and eco-devices.	Rowers’ participation experience mixing physical well-being with learning.
<b>TEXMEDIN</b>	Human	Design Challenge in Inspiring Lab Prato	Digital library of fashion heritage to inspire young designers.	Linking designers with museums and industries for new paths of employment.
<b>CHORD</b>	Spatial	Carmona Pilot	Exploit vicinity to Seville to create niche tourism experience.	Collaboration between local stakeholders to co-design and market an integrated offer.

*‘Regional smartness’ of MED Projects*

<sup>12</sup> Specific contribution from Eugenio Leanza, EIB JESSICA Fund.

## The CreativeMED Model of Innovation

The CreativeMED project, through interactions with experts and local actors, further analysed the innovation dynamics of this kind of initiatives to identify the specifically Mediterranean dimension of their outcomes. This led to the identification of five success factors that underpin the CreativeMED development model, common to all of the background projects and thus proposed as viable across the MED space. These are:

1. **cultural anchoring**, i.e. having some relationship between the value proposition and the specific cultural heritage of the Mediterranean;
2. **open networked people**, with a civic infrastructure that goes beyond the confines of the single organisation to emphasise multidisciplinary and informal collaboration;
3. **innovation mixes**, blending and balancing high technology with traditional practice, and industrial with social innovation;
4. **new business models**, where the value proposition includes an active role of the user/consumer in a collective knowledge exchange about the product or service;
5. **shared values**, where the new product or service embodies and transmits a broader ethical dimension and contributes to shared value creation.

Complementary to these success factors, the background projects also identified common obstacles to this kind of innovation, some of them specific to the MED space. These include:

- *public administrations*: centralised decision-making; bureaucracy and lack of transparency of public administration processes; corruption; lack of efficiency and effectiveness of public services (the most highly ranked obstacle in our survey);
- *market structure* (a common handicap, reaching high levels in remote and insular areas): distance from the main European and international marketplaces; limited number of local providers and purchasers; obstacles to access to public tenders;
- *financial issues*: lack of access to seed capital, business angels or even normal banking credit at affordable conditions and rates; a particularly sensitive issue, by now even for established businesses;

- *lack of stakeholder engagement in policy processes*: decision-making confined to closed negotiation tables (an issue partly addressed by the new S3 approach);
- *difficulties in participation in global value chains*: linked to the insufficient diffusion of networking capacities (less so for the younger generation) and a limited mastery of foreign languages (in some countries);
- *brain drain*: lack of incentives for the talented young to stay or return; insufficient start-up and business opportunities; limited social rewards.

By integrating the concrete experiences of the innovation initiatives carried out in the CreativeMED background projects, three common elements emerge as the foundation of what we propose as the Mediterranean model of innovation:

- **Community-scale partnerships**: Spontaneous alliances between different types of stakeholders (following the Public-Private-People Partnership, or PPPP model) with different multidisciplinary perspectives, at a community scale (rural district, town or urban neighbourhood) (SMILIES, CHORD, MEDLAB).
- **Territorial innovation**: a specific (place-based) form of product-service innovation that is underpinned by technology – predominantly ICT – while primarily driven by citizen needs and the specific features of a given place: natural resources, cultural norms, geographical specificities such as insularity, etc. (MEDLAB, TEXMEDIN, SOSTENUTO).
- **Translocal socio-economic ecosystems**: emergent forms of work and business that shift the emphasis from the single local company or network to a ‘translocal’ transaction system that cuts across vertical sectors (e.g. business-oriented cultural associations, peer-to-peer exchanges, etc.), traditional value and supply chain configurations (e.g. ad hoc partnerships, co-working, etc.) and, naturally, regional borders. Such configurations also tend to promote and/or ‘repair’ interregional value chains (CHORD, SMILIES, SOSTENUTO, TEXMEDIN).

These three elements contribute to a coherent vision of MED space development driven by innovation, supported by the dimension of collective creativity that both drives and is driven by each, as follows:



*The CreativeMED Vision*

The integration and interaction of these three elements determine the potentials and constraints for regional policy-makers interested in following the ‘Mediterranean Way’ to activate the dynamics of the four-folded innovation landscape described previously (i.e. jointly acting on the industrial, social, institutional and scientific interaction spaces). Promotion of this kind of innovation dynamics clearly requires the integration of current policy approaches with new methods, new actors and new initiatives.

Little known by most programming authorities, the kind of policy experimentation with exploratory methods foreseen for Smart Specialisation has already been taking place within the same regional settings for years, in the context of Territorial Cooperation programmes such as MED. The problem has been that – above and beyond the typical ‘silos’ tendency to ignore activities in neighbouring departments – these projects deal with specific topics in a pilot-oriented approach, with initiatives lasting at most 30 months. They thus have a level of granularity that is difficult to incorporate into the broad policy frameworks of a Smart Specialisation Strategy. This is also due to the lack of feedback loops that may allow for policy learning *in itinere* rather than waiting for results before thinking of how to capitalise them.

The CreativeMED model aims to address this problem by providing a framework that helps identify the potential relevance of ‘on-the-ground’ initiatives as they

unfold. By intersecting the CreativeMED success factors with the vision for collective creativity, specific policy features and objectives deriving from the experiences of the CreativeMED baseline projects can be identified.

These are summarised in the following table:

	Community-scale partnerships	Territorial innovation	Translocal socio-economic ecosystems	Collective creativity
<b>Cultural anchoring</b>	Identity of place	Immaterial Cultural Heritage as basis for innovation	Culturally based business ethics	MED culture as inspiration for new expressions
<b>Open networked people</b>	Resilience of MED (Mediterranean) social structures	Open to new forms of innovation	Multiculturalism, racial tolerance	MED empathetic culture for new collaborations
<b>Innovation mixes</b>	Practical and concrete grounding	Generational changes (e.g. Shepherds with 3G smartphones)	Transcultural innovation contamination	MED openness to new influences on multicultural baseline
<b>New business models</b>	Social ecosystems based on local transaction patterns	MED territorial innovation needs driving new markets	Interlinking small (e.g. insular) economic ecosystems	MED tradition of business experimentation (informality)
<b>Shared values</b>	Solidarity and mutual support as civic values	New social service models based on social practice	Emergent community ecosystems	MED values based on historical background

*CreativeMED model elements and success factors of MED projects*

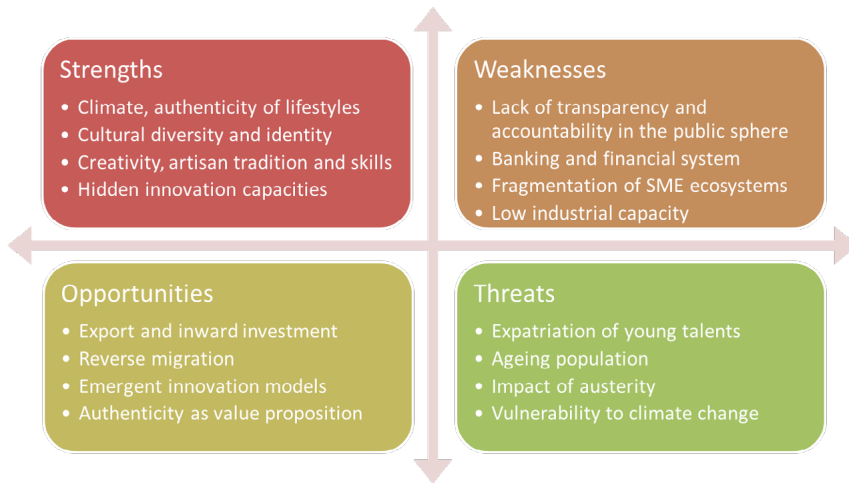
## The CreativeMED Model and the MED space SWOT analysis

In broad policy terms, the Mediterranean model of innovation should contribute to identifying and capturing the prospects and opportunities for development of the MED space. More specifically, the key question is: How can the model influence the way we read strengths and opportunities at the macro-regional level, as the context within which to develop regional analyses? CreativeMED interacted with its different working groups as concerns SWOT factors having the strongest influence on (or being influenced most by) creativity-based innovation.

Along with an ‘appeal of the MED territory’, the working group survey ranks historical tradition, cultural identity, artisan traditions and skills highest among the strengths, while the main weaknesses are identified in the low quality of the public



sector and banking system (including issues of transparency and accountability in addition to inefficient services) and the lack of opportunities for youth. The greatest threats are seen in the high level of expatriation of young talents together with an ageing population, as well as the impacts of austerity and climate change. The biggest opportunities are seen for the enhancement of interregional and international value chains, with greater migration of populations ranging from skilled workers to the elderly, inward investments (including real estate) and export of regional products and services.



*CreativeMED elements for a MED space SWOT analysis*

The effort, however, was not to define a SWOT analysis for the MED space overall – which would by definition need to address issues such as renewable energy, transport, etc. – but rather to specifically focus on the innovation dynamics within that analysis. The SWOT analysis carried out in the ex-ante territorial analysis for the MED programme 2014–2020<sup>13</sup> considers it a weakness to have ‘an innovation model based on diversification and/or new applications of existing technologies rather than on breakthrough innovation’. The CreativeMED model instead suggests we re-think this conclusion, since ‘diversification and/or new applications of existing technologies’ can lead to richer innovation mixes, and in any event shift the emphasis from promoting (primarily industrial) innovation for its own sake to focus

<sup>13</sup> Technopolis Group, ‘Diagnostic territorial analysis of the MED territorial cooperation programme’, Final Report to the Regional Council of Provence-Alpes-Cote-d’Azur (PACA), 30 August 2013. Online: [http://www.programmemed.eu/fileadmin/PROG\\_MED/MED\\_2014\\_/SWOT\\_EN.pdf](http://www.programmemed.eu/fileadmin/PROG_MED/MED_2014_/SWOT_EN.pdf)

instead on the contribution of innovation to regional prosperity and well-being, in a goal of regional smartness.

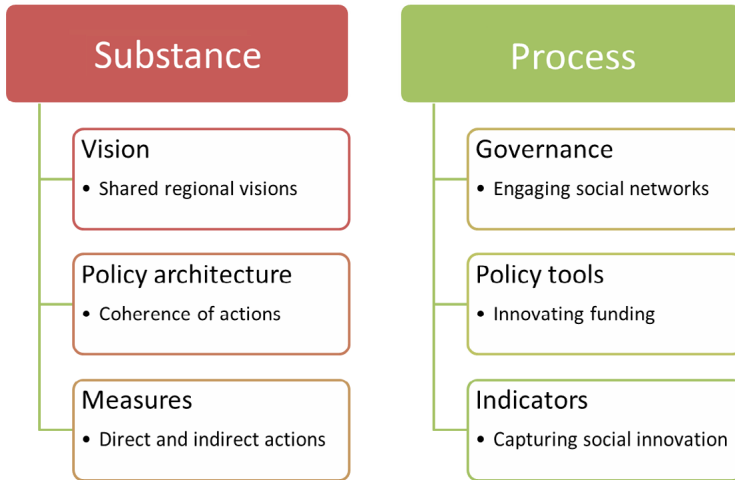
The MED SWOT also considers ‘a strong tradition of social innovation’ as a strength and ‘significant potential for social and eco-innovation’ as an opportunity. In the light of the above discussion, however, while these are in fact positive qualities, we should be cautious to avoid including social innovation as a separate policy target rather than deeply integrating social with technical innovation in the framework of territorial innovation. This effort to strengthen the MED programme’s analysis of innovation potentials through a broader and deeper integration of social innovation has also been supported by CreativeMED’s interaction with regional workgroups.

## THE CREATIVEMED COMMON S3 FRAMEWORK

To support the practical implementation of the CreativeMED model for creativity-based innovation, we have developed a Common S3 Framework that identifies the specific areas where support can be given to regional S3 processes. This framework is articulated according to six elements of a policy design and implementation programme, dividing them into three substance-oriented elements (defining the *what*) and three process-oriented elements (defining the *how*) – as follows:

- **Vision (substance):** what a Region wants to look like at some point in the future, with particular emphasis on its innovation dynamics.
- **Architecture (substance):** how the different issues to address are structured into a coherent policy programme, for instance through strategic axes of intervention and their inter-relationships.
- **Measures (substance):** what kinds of concrete actions are envisaged, e.g. experimental pilot scenarios, providing services to actors and networks, capturing data and processes, etc.
- **Governance (process):** this includes governance of the implementation process as well as the ethical and operational principles for (self-)governance of individual initiatives and the emergent innovation communities that the programme aims to support.
- **Policy tools (process):** this refers to how money will be spent, with an emphasis on new approaches and instruments that are alternative to traditional calls for tender.

- **Indicators (process):** how progress towards shared goals is to be monitored and fed back into governance.



*The CreativeMED Common S3 Framework*

The purpose of this S3 Framework was to reinforce and strengthen a given Region's Smart Specialisation strategy, building on the groundwork already done and accompanying the implementation process through to 2020. The CreativeMED project tested this idea by mapping the strategy baseline of participating regions onto the framework. This allowed CreativeMED to make concrete and tangible contributions, including capitalising on the successful results of projects in Territorial Cooperation, both within the region and across the MED space. In so doing, CreativeMED partners were able to accompany each step with a gradual reinforcement of awareness, consensus and buy-in of regional stakeholders, identifying possible paths to facilitate the integration between bottom-up ideas/activities and top-down S3 planning. Above all, this promoted the integration of social innovation and new creativity-based approaches with regional development, as described in the previous sections.

While the elements of the CreativeMED Common S3 Framework can be taken in sequence, i.e. as a linear process model, it is more useful to interpret the framework as an ecosystemic model, namely as a set of elements in constant, dynamic interaction over time. Indeed, different stakeholder groups – policy-makers, technical advisors and affected citizens and businesses – will generally follow their own path through these elements in different ways, and it is important to see the

possible meanings of each step through different eyes. Indicators, for instance, are of particular concern during the early stages of policy definition, but they also come into play as implementation progresses. The approach proposed by CreativeMED is therefore to consider these stakeholder standpoints at an early stage in order to anticipate the needs of different user groups and thus be able to engage them in policy uptake.

The CreativeMED policy learning mechanism, and in particular the expert survey, provided concrete and validated feedback as concerns the individual elements of the Common S3 Framework, highlighting the options open to Regions for applying the CreativeMED model and the rich heritage of experiences it draws on.

## Vision

Definition of a target scenario is an important step in developing any innovation strategy. Here, it is important to integrate the top-down and bottom-up perspectives while defining regional visions. The CreativeMED background projects and similar community-driven pilot initiatives provide valuable insights as to what is attainable ‘on the ground’, that then need to be integrated into a coherent vision at the broad scale of an S3 strategy. The strongest feedback from the CreativeMED survey suggests the importance of ‘innovation mixes’, namely approaches in which technology is combined with traditional elements in a deep integration with social innovation. Otherwise, the survey responses tend to validate the CreativeMED model, with a strong convergence on the idea of territorial innovation underpinned by community development partnerships.

In general, a lesson learnt through the CreativeMED background projects is that policy visions have two levels. The first is how a region contributes to a specific vision of innovation for the MED space, drawing on a common heritage of culture and creativity to define a new approach to implementation in line with emerging concepts for place-based social innovation. This requires specific capacity-building and co-learning with local and interregional stakeholder partnerships. The second level is the local dimension highlighted by the place-based model, which implies that the concept of Smart Specialisation is different in every territorial context, being affected by peculiar territorial, social, economic and cultural assets.

## Policy architecture

A Smart Specialisation Strategy will generally be developed according to some kind of policy architecture, typically a structure of ‘axes’ or ‘objectives’ and related

actions and measures. This aims to provide coherence to the myriad of individual initiatives that are actually funded, relating project-level objectives to the broader S3 vision and goals. The main constraint of Smart Specialisation – the need to select a limited number of regional priorities – often runs into difficulty when a sectorial approach is adopted to structure such policy architecture, as is often suggested by S3 advocates. This is in part due to the local political implications of selecting, say, agrifood over aerospace, but also due to: a) the inevitable narrowing of focus to industrial innovation (at the expense of the other dimensions of innovation); and b) the tendency to thereby overlook the potentials of multi-sector connections: for example, agrifood can mean a broad variety of actions and be related to several innovation niches – from tourism to cultural heritage, from health to quality of life.

Insights from the CreativeMED background projects identified some alternative approaches for designing policy architectures that can help overcome this intrinsic weakness in the S3 approach (as commonly practiced), and these are in fact visible in the S3 strategies of some of the regions involved.

- *Spatial structures*

Place-based innovation is tightly linked with specific territorial features (an example is the Smart Cities model), so that it will seem natural to imagine specific measures for different spatial contexts: urban, rural, coastal or maritime, insular, etc. The MEDLAB project experimented with the formulation of innovation partnerships at the regional level, and found that in order to be effective, the spatially defined approach needs to be transversal, covering the different sectors of research on health, transport systems, energy, etc. in an integrated fashion for a given context. This approach is fruitfully complemented by a set of sector specific actions, which in turn are most effective when they explore a given domain such as health in a multi-level governance perspective, seeing how innovative technologies and methods can be developed and applied across local, regional and national levels of administration. The spatial approach can be seen in particular in Smart City priorities of several regions, as well as to some degree in the Blue Economy.

- *Innovation dynamics*

As the definition of innovation broadens to include social and institutional alongside scientific and technological-industrial innovation, regional policy-makers can also use innovation types as a means of structuring programmes, for instance with a specific axis dedicated to social innovation, design, etc. However, the experience from the CreativeMED background projects (in particular SOSTENUTO and MEDLAB) advises caution in tackling different kinds of

innovation processes in isolation. Following the Living Lab approach,<sup>14</sup> it can be useful to explore how different types of innovation interact with each other, for instance through collaboration between a biotechnology research centre, volunteer organisations assisting the elderly, organic food cooperatives and fitness app developers in a multidisciplinary exploration of healthy living. Other dimensions of innovation can be jointly promoted, for instance by exploring the social dynamics of viral uptake of ICTs or institutional innovation processes related to e-Participation and e-Government or policy innovation in general (e.g. the CHORD project). Several regional strategies prioritise their actions on the basis of innovation typologies such as consolidated research systems, diffused innovation in mature sectors, emergent innovation models, etc.

- *Multidisciplinary research*

The new structure of Horizon 2020 integrates previously distinct disciplinary fields of research (i.e. ICT, Social Sciences and Humanities, etc.) in two dimensions: the LEIT (Leadership in Enabling and Industrial Technologies) and the Societal Challenges (addressing concrete issues such as Health, demographic change and well-being, secure, clean and efficient energy, or smart, green and integrated transport). In this context, we can say that the baseline projects in CreativeMED have also identified ‘MED space societal challenges’ as broad areas for research with rich prospects for innovation. This includes evolving structures for work and jobs and the nature and dynamics of SMEs, social enterprises, start-ups, co-working, etc. (MEDLAB, SMILIES, SOSTENUTO). On the other hand, it can also include highly innovative scenarios for key sectors in Mediterranean economies, such as culture, fashion, tourism, environmental sustainability, and maritime transport and activities (MEDLAB, SMILIES, TEXMEDIN, CHORD, and SOSTENUTO). Many regions have already identified such areas in their Smart Specialisation strategies, and the local partnerships promoted by CreativeMED (see the last section and conclusions) can support the process of building and implementing multidisciplinary research agendas in these domains.

## Measures

Measures are the concrete actions funded under a policy programme, generally corresponding to one or more projects with similar objectives. For innovation policy, traditional measures include: funding research infrastructures and projects,

<sup>14</sup> [http://s3platform.jrc.ec.europa.eu/documents/20182/138085/Living+labs+for+regional+innovation+ecosystems\\_update.pdf](http://s3platform.jrc.ec.europa.eu/documents/20182/138085/Living+labs+for+regional+innovation+ecosystems_update.pdf)

technology audits and technology transfer initiatives, etc. The experience of the CreativeMED background initiatives suggests looking at new types of measures for Smart Specialisation objectives, which we briefly list as follows.

- *Systematise knowledge (TEXMEDIN, SOSTENUTO)*: this type of action can be applied to a range of areas, from a census of regional research facilities to a mapping of innovation needs or social innovation initiatives, or even a library of papers and reports produced by Territorial Cooperation initiatives carried out in the region.
- *Build strategic partnerships (MEDLAB, CHORD)*: following the example of the European Network of Living Labs or the European Innovation Partnerships, strategic, multi-sector partnerships can be built that define shared commitments towards innovation and add a long-term coherence to different projects and actions (also relevant to Governance, see below).
- *Promote collective learning (SMILIES, CHORD)*: this type of action focuses primarily on social and institutional innovation processes driven by networking and stakeholder interaction (especially appropriate for Digital Agenda initiatives for Open Government).
- *Broaden participation, scale up (SMILIES, SOSTENUTO)*: this type of action, particularly appropriate for capitalisation of experiences from ETC projects, builds on a previous research activity or pilot initiative and extends its adoption. It may involve building a bridge between research institutes and local authorities or SMEs, in line with the Innovation Actions foreseen in Horizon 2020.
- *Integrate service platforms (TEXMEDIN, SMILIES, MEDLAB)*: in addition to funding regional service networks for, say, technology transfer or internationalisation, there is an increasing shift towards online platforms that rather than being built from scratch are best composed by the integration of existing support and interaction platforms, especially those with an interregional or international scope.
- *Establish interaction facilities (laboratories for co-working, virtual incubators, etc.) (TEXMEDIN, SOSTENUTO)*: in addition to the typical research facilities, there is a growing trend towards the establishment of open, public facilities for exploratory interaction and creativity that may well find room in this new kind of supporting measures.
- *Accompany innovative SME ideas (SMILIES)*: a range of methods and approaches are emerging, complementary to existing SME support actions such

as business incubators or the Enterprise Europe Network (EEN); this includes innovation hubs, hackathons, start-up weekends, innovation accelerators, etc.

Feedback from the CreativeMED survey expressed strong support for all of these suggested measures. Respondents, however, saw a low degree of uptake of these actions in regional S3 strategies, with the exception of linking with Horizon 2020 and the promotion of open innovation facilities. In general, it was felt that greater emphasis should be given to the promotion of new enterprises and the creation of new work opportunities, especially for the young, women and immigrants.

## Governance

Governance is traditionally interpreted as the set of mechanisms through which measures are implemented and their impact monitored, generally through some sort of governing board with key stakeholders represented. In this context, the involvement of all relevant departments of Regional governments is essential for determining the success of any S3; furthermore, there is a strong need to engage local economic actors in promising sectors in which to invest (including mature businesses with innovation potential), as well as social innovation communities.

While these are important aspects of regional policy implementation, the governance of innovation processes is a far broader issue, which is also itself the subject of research and innovation. Social innovation in fact relies on open network partnerships that often follow self-organising principles, making them hard to reconcile with administrative requirements for reliability and accountability. Nonetheless, open partnership building is a necessary element for the implementation of an S3 strategy. The CreativeMED background projects provide concrete evidence of the importance of local communities to identify innovation potentials often unknown to policy-makers (SMILIES). They can reveal niche ideas and activities based on individual creativity, ‘islands of knowledge excellence’ that, if assessed in the wider social/economical context (SOSTENUTO) and integrated into territorial policy (MEDLAB), can actually represent a source of economic growth and/or social improvement (CHORD, TEXMEDIN, SOSTENUTO).

CreativeMED has also identified the role of mutual learning within innovation-based partnerships. Participation in transnational cooperation networks addressing common problems allows regional and local policy-makers to take profit from each other’s experience, providing useful insights for S3 strategies, planning methods and governance approaches. Experimentation in partnership and open governance



models therefore appears to be a significant precondition for fully developing the S3 potential of regions.

To this end, some of the key issues and trends identified in the CreativeMED baseline projects provide a useful starting point.

- *Governance principles*: many new governance approaches are based on ethical principles more than in rules. These generally include shared objectives and ownership among participating stakeholders; clarity of roles for cooperation; trust, engagement and commitment; and transparency, openness and participation.
- *Governance approaches*: among the new solutions being experimented some common elements are flexible partnerships (fluid structures, variable geometries); the concept of the public commons (*res publica*); and fast prototyping and experimental structure-as-you-do methods.
- *Open issues*: aspects to watch out for include different levels of formalisation (when to adopt a formal legal structure and how); different scales of governance (how to link local to interregional communities) and their interactions; identifying the promising signals for innovation hidden in the noise of ideas; and how to link bottom-up governance models with top-down structures such as Regional Managing Authorities.

Feedback from the CreativeMED survey emphasises the need for more open partnerships and a greater role for the third sector and business players, in parallel with the need for more open and transparent governance of existing research and intermediary organisations. This is in some ways happening through Entrepreneurial Discovery processes in those regions that place a greater emphasis on the role of social innovation, as networking effects and bottom-up policy planning approaches are adopted. This parallels the development of strong regional innovation communities in a number of CreativeMED regions, which accompany regional opening-up when it occurs.

## Policy tools

There is a growing consensus on the limits of traditional tender processes as commonly used for the implementation of Structural Funds. This is true not only for the time and administrative overhead required but above all for the difficulty of producing detailed terms of reference or specifications in a context of uncertainty, open experimentation and fast-moving innovation processes. And it becomes

especially relevant in the case of social innovation, as we expect will become evident with the adoption of new instruments in the 2014–2020 programming period, such as the Community-Led Local Development (CLLD).

New approaches are being experimented that combine more open and agile procedures with a shift of the burden of selection and monitoring from the Managing Authority to the stakeholders involved. In particular, Pre-Commercial Procurement bypasses administrative constraints while establishing a triangulation between the funding authority, the ultimate end beneficiaries (who first articulate their needs) and innovation ecosystems that can satisfy those needs. These procedural innovations are essential for demand-driven policy-making, yet on the other hand they raise questions (re-definition of conflict of interest) that will need to be addressed within common normative frameworks.

Similar suggestions for innovations in policy instruments from the CreativeMED background experiences can be synthesised as follows:

- *New conditions for traditional tenders (MEDLAB)*: traditional calls for tender will still be required, though not necessarily as the only policy instrument; in these cases, specific conditions such as requirements for the engagement of local authorities or end users, conditions for open and transparent governance of intermediary structures, etc. can improve effectiveness.
- *Services and infrastructures (e.g. consultancy, facilities) (SMILIES, TEXMEDIN)*: as an alternative to directly funding innovation actors, a Region can fund services and infrastructures (using, for example, voucher schemes) that lower the entry point for innovators; these require, however, open and transparent management by the stakeholders themselves.
- *Training and capacity-building (territorial animation) (MEDLAB, CHORD)*: another alternative to direct funding is promoting awareness and ‘innovation literacy’ among end users, helping to create and reinforce the demand for innovation services particularly in the public administration; here again it can be useful to involve in such actions the whole innovation community rather than traditional intermediaries only.
- *Matching funds (MEDLAB, SMILIES)*: this approach essentially relies on the evaluation and monitoring processes of other procedures (e.g. a Horizon 2020 or ETC evaluation of proposals), releasing additional funding to either enhance foreseen activities (adding for instance an innovation component) to allow regional actors to participate in project consortia extra-contract, or to align S3-funded initiatives with other complementary activities.

- *Promotional actions (TEXMEDIN, SMILIES)*: innovative activities can often be encouraged by promotion, dissemination and giving visibility to best practice; this can include competitions and prizes, for which funding procedures need however to be clarified and streamlined.
- *Use of social networks (MEDLAB, SOSTENUTO)*: Web 2.0 platforms can be used not only to allow for networking and collaboration among innovation actors in a region, but also to carry out functions traditionally taken on by the Regional Managing Authority: evaluation and selection of proposals to be funded, monitoring the progress and impact of projects, crowdfunding as a policy instrument, etc.

Feedback from the CreativeMED policy learning mechanism supports all these recommendations, highlighting in particular the importance of innovative communication actions. These are seen as necessary for the development of a widespread ‘innovation culture’ as a social phenomenon requiring strong and effective communication, using up-to-date tools and methods often foreign to regional Managing Authorities.

## Indicators

The area of indicators, like governance, is one where much work and experimentation is ongoing, as it is clear that indicators traditionally used for innovation policies (number of patents, knowledge-intensive jobs, high-tech exports, etc.) are inadequate to fully capture the dynamics of multifaceted innovation systems. The Innovation Union Scoreboard<sup>15</sup> attempts to enhance and broaden the traditional indicator framework, though it fails to capture aspects of institutional and social innovation. The Basque Region’s RESINDEX<sup>16</sup> (a proposal to integrate indicators for social innovation) and the S3 Platform’s regional benchmarking tool<sup>17</sup> (a new mix of indicators to map structural similarities) are evidence of work in progress.

The issue of indicators was also greeted with great interest by participants in the CreativeMED policy learning mechanism, in part due to the fact that tracking the progress of a strategy (such as a regional S3) is very different from tracking the operational programme that (partially) funds it. Indicators are of course used by a

<sup>15</sup> [http://ec.europa.eu/enterprise/policies/innovation/policy/innovation-scoreboard/index\\_en.htm](http://ec.europa.eu/enterprise/policies/innovation/policy/innovation-scoreboard/index_en.htm)

<sup>16</sup> <http://www.innobasque.com/home.aspx?tabid=1550>

<sup>17</sup> <http://s3platform.jrc.ec.europa.eu/regional-benchmarking>

Managing Authority to monitor programme implementation, but different indicators are required by local stakeholders (to identify needs and areas for action), innovation actors (to gain feedback, improve network governance and better focus ongoing activities) and local communities (to evaluate the impact of S3 actions on regional well-being and prosperity).

CreativeMED has initiated its own contribution to this ongoing debate, by reflecting upon the MED programme's general and innovation-specific indicators that are common to all projects capitalised by CreativeMED. We see room for their profitable usage in four of the six preparation and review steps defined in the S3 process guide,<sup>18</sup> namely Context Analysis (CA), Innovation in Governance (IG), Shared Visioning (SV) and Monitoring & Evaluation (ME). Examples of these indicators include:

- (CA) = common studies aimed at joint strategies, tools, methodologies or plans;
- (CA) = seminars and forums at transnational level;
- (IG) = new networks linked to technology transfer;
- (IG) = new structures for transnational support of innovation;
- (SV) = joint strategies and agreements;
- (ME) = Number of SMEs directly involved in transnational activities;
- (ME) = Number of SMEs indirectly involved in transnational activities.

Proposing the introduction and adoption of these indicators may significantly contribute to enhancing the place-based, social innovation-oriented and outward-looking dimensions of regional development as depicted in S3 drafts. Of course, the above are only examples that should be further reflected upon and extended in number and quality by appropriate means. However, what is striking to note at this stage, is that none of the above indicators, by their construction and inspiration, are able to contribute to the 'key' steps of Priority Setting (PS) and Policy Mix (PM). For these, we may probably need to build a new battery of indicators from scratch.

In developing a set of indicators specifically relevant to the creativity-based model of innovation, it is useful to draw a distinction between Context Indicators (CIs), Transformational (or Target) Indicators (TIs), Result Indicators (RIs) and Project (or Process) Indicators (PIs).

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<sup>18</sup> <http://s3platform.jrc.ec.europa.eu/s3pguide>

Based on the evaluation literature,<sup>19</sup> we can say that:

- CIs define the characteristics of the MED space worth adding to an S3.
- TIs measure the desired (%) variation of CIs.
- RIs measure the degree of achievement of expected policy results.
- PIs measure the physical/financial/administrative progress of an S3 (or ROP).

The following table locates the proposed four indicator categories at the intersection between the six S3 steps and the five CreativeMED success factors:

	Context analysis	Innovation in governance	Shared visioning	Priority setting	Policy mix	Monitoring & evaluation
<b>Cultural anchoring</b>	Cis	Cis	Cis	Tis	TIs, RIs	RIs, PIs
<b>Open networked people</b>	Cis	Cis	Cis	Tis	TIs, RIs	RIs, PIs
<b>Innovation mixes</b>	Cis	Cis	Cis	Tis	TIs, RIs	RIs, PIs
<b>New business models</b>	Cis	Cis	Cis	Tis	TIs, RIs	RIs, PIs
<b>Shared values</b>	Cis	Cis	Cis	Tis	TIs, RIs	RIs, PIs

*CreativeMED indicators for regional S3*

Unfortunately, most of the above indicators (and especially CIs) need to be defined anew, based on existing analogies. This task was experimentally carried out in the final phase of the CreativeMED project, developing a coherent ‘measurement for learning’ framework that may potentially be useful to regional policy-makers and innovation actors alike in conjunction with the CreativeMED toolkit described in the following section.

<sup>19</sup> For instance, [http://ec.europa.eu/europeaid/evaluation/methodology/examples/too\\_ind\\_res\\_en.pdf](http://ec.europa.eu/europeaid/evaluation/methodology/examples/too_ind_res_en.pdf)

## APPLYING THE CREATIVEMED MODEL

This section outlines the three main application scenarios of the CreativeMED model elaborated within the project, namely:

- formation of local partnerships for S3 development;
- the CreativeMED toolkit based on creativity and innovation indicators for S3 monitoring and evaluation;
- a set of concrete proposals building interregional partnerships for S3 implementation.

### Formation of local partnerships for S3 development

CreativeMED suggests that the long-term impact of regional S3 strategies will very much depend on the stability of the innovation partnerships that are built over the seven-year programming period. During its lifespan, the project aimed to support partnership formation by identifying and interacting with three working groups – policy-makers, local and regional actors and technical experts – in a way that is complementary to the role of regional authorities, for the following reasons:

- *The importance of the bottom-up dimension:* regional authorities need to dialogue with bottom-up partnerships that have their autonomous rationale for existence independently of the prospect of regional funding.
- *The acknowledgment of a capacity gap in local/regional public administration promoting territorial innovation:* lack of expertise in EU procedures and practices; difficulties in managing local ‘political’ conflicts; and the inability to elicit local potentials, coordinate investments fostering place-based integrated actions and support (apparently weak) niche sectors;
- *The difficulty of local/regional governments in building integrated strategies of participatory governance:* finding room for the emergence of local ‘champions’; engaging them in a transparent way; undertaking commitments within clarity of roles.
- *The lack of ‘network literacy’* when participating in transnational partnerships and engaging in mutual learning.

CreativeMED thus aimed to supplement regional innovation processes by suggesting ways to fill in this broad ‘capacity gap’ and aligning its partnership building activities with regional S3 processes – for example, by structurally engaging stakeholders

in the three groups with the respective objectives of the Common S3 model, as documented in the following table:

	Policy-makers	Local actors	Experts
Vision	How can we ensure the vision represents stakeholder needs?	How does the vision fit with my needs and aspirations, what added value does it bring?	How can the vision be translated into concrete terms and validated through practical actions?
Policy architecture	How to best structure a programme to ensure policy coherence with the overall vision?	How do the different axes and objectives meet with my objectives and needs?	How does the policy architecture fit with my development strategy?
Measures	Are the specific measures contributing to the policy objectives identified?	Which of the foreseen measures is of interest to me?	How are the measures designed in order to make effective projects?
Governance	What governance structure can guarantee effective and sound implementation?	Am I adequately represented in the governance structure and processes?	What governance structure is suited for my projects, and how can it interact with regional governance?
Policy tools	Which policy tools can best promote the desired processes while allowing for accountability and transparency?	Is my structure and my objective coherent with the policy tools envisaged?	Are the policy tools adapted to implementing the actions I need for my project?
Indicators	Which indicators can be used to monitor projects and measure progress towards policy goals?	What indicators can I use to measure progress towards the goals I am interested in?	Which indicators can help focus planned activities towards the most effective areas of intervention?

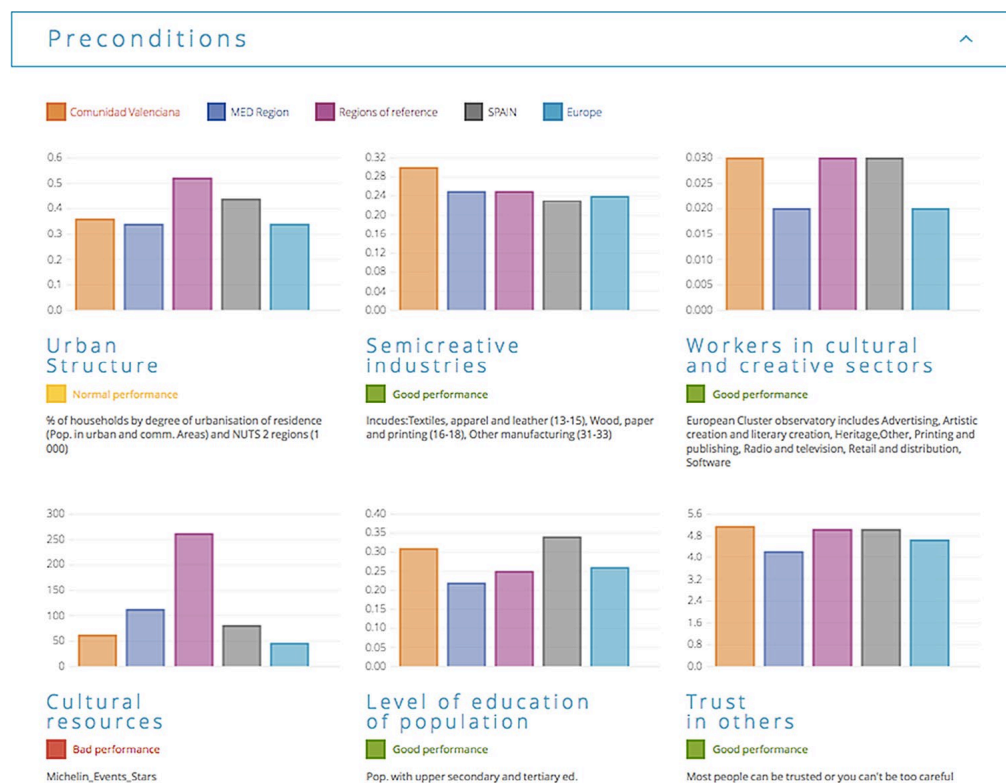
*CreativeMED questions to facilitate partnership building*

## Identifying relevant indicators for creativity and innovation

A working demonstrator (still available at the project website, <http://www.creativemed.eu>) has been designed to translate this methodological approach into a set of tools for possible intervention in a specific region. To use the CreativeMED toolkit, it is first necessary to perform a territorial analysis based on which a benchmarking exercise will be carried out. This will lead to identify the minimum preconditions required to activate the ‘Mediterranean Way to Innovation’. According to a parsimonious approach, only the variables have been selected for which statistical information is available at regional level and that the scientific literature identifies as catalysts of

innovation. These variables are related to such aspects as the urban structure, the proportion of manufacturing activities capable of absorbing process and creative innovation, and the quantity and quality of cultural, educational, institutional and social capital.

Subsequently, a set of indicators derived from the CreativeMED model is introduced. The goal of these indicators is to explain the ability of a region to activate collective creativity from three different dimensions: associations and partnerships at the local level, translocal socio-economic ecosystems and territorial innovation processes. As these elements can all strengthen the implementation of RIS3, the main difference with respect to traditional policies is not so much in the target as in the conception of the innovation-related phenomena that policy is acting on. Combining available variables at the regional level with the indicators derived from the CreativeMED model, the Toolkit first defines the preconditions for regional policy and then benchmarks regional potentials according to the CreativeMED model.

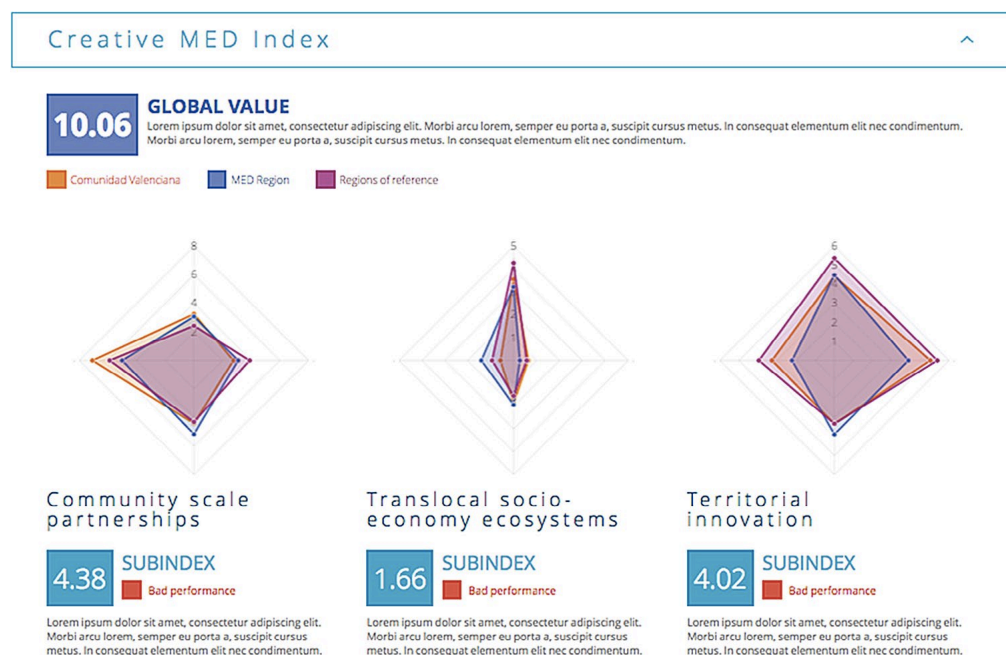


Example of evaluation of Preconditions using the CreativeMED Toolkit



Once all the variables have been defined – those concerning the preconditions and those related to the CreativeMED model – the Toolkit performs a comparison between a specific MED region and different groupings of regions. In evaluating the preconditions, a colour-coded ranking compares a region's potential performance to four reference groups of regions: a) the three most similar regions (according to the Navarro et al. methodology adopted by the S3 benchmarking system<sup>20</sup>); b) all the MED regions; c) the whole country the specific region belongs to; and, finally, d) all EU regions participating in the project.

In evaluating the dimensions of the CreativeMED model, the comparison is limited to similar regions and to the whole MED space.



*Example of evaluation of Regional positioning through the CreativeMED Toolkit*

The Toolkit therefore evaluates the relative positioning of each of the CreativeMED regions, compares it to the average of the MED space and again through a colour code qualifies it as 'bad performance' if it falls below 75% of average, 'normal

<sup>20</sup> Navarro, M., Gibaja, J. J., Franco, S., Murciego, A., Gianelle, C., Barbara, F., and Kleibrink, A. Regional benchmarking in the smart specialisation process: Identification of reference regions based on structural similarity (2014). Online at <http://s3platform.jrc.ec.europa.eu/documents/10157/9bee7453-1e96-4079-8d41-c6a5ab2d3e09>

performance' if it lies between 75% and 125% of the average, and 'good performance' if it is above 125%. With this information available, the application carries out a simple evaluation of regional positioning and automatically generates a textual report and a table where the strengths and weaknesses are reflected.

Additionally, the Toolkit provides a list of policies, programmes and actions that could be of interest in addressing the weakness of the region in accordance with the CreativeMED Model (drawing, for instance, on the MED programme's library of project deliverables) and from which the user can filter or extract rankings using preselected criteria. The final step is a quick overview of the policies chosen to check if they are compatible or consistent with the S3 priorities defined in the region.

## Building partnerships for implementation

One of the main tenets of the Smart Specialisation concept is that regions should identify their strengths and weaknesses in relation to their surrounding national and macro-regional contexts. This, however, assumes that, for a given priority area, regions are capable of building autonomous value chains within their own territory. In fact, as evidenced in a series of studies accompanying the S3 process,<sup>21</sup> regional innovation clusters often network with systems external to the region. Implementation of such systems is in fact encouraged in the new ESIF regulations,<sup>22</sup> which allow regions to allocate up to 15% of funds for activities outside the regional territory.

As an explicit request from CreativeMED local working groups, notably in Cyprus, the need emerged to carry out a preliminary scouting of interregional possibilities for collaboration and development of MED space value chains. Exploratory work in the 12 CreativeMED regions validated an interest in this kind of initiatives, with the following as examples (in the order of relevant Thematic Objective) of transnational value chains of potential interest.

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<sup>21</sup> Notably Ron Boschma's 'related variety' (<http://www.ncl.ac.uk/curds/assets/documents/regionalinsights-ronboschma300108.pdf>) and Harald Bathelt's 'Buzz-and-Pipeline Dynamics' (<http://phg.sagepub.com/content/28/1/31.short?rss=1&ssource=mfc>).

<sup>22</sup> Art. 70 of Regulation (EU) No. 1303-2013.

Theme	Area	TO	Region	Project concept	Research issues
<b>ICH database</b>	Culture & tourism	1	Alentejo	Database of Immaterial Cultural Heritage (ICH)	Living labs, semantics, knowledge capture, open data
<b>Regional cloud</b>	Digital Agenda	2	Sicily	Cloud services (e.g. open data) as public infrastructure	Multi-level governance, big data, sensor networks
<b>Cheese</b>	Agrofood	3	Cyprus	Integrating local typical cheeses into global supply chains	Logistics, food processing, collaborative work
<b>E-vehicle MED</b>	Transport	7	Cyprus	Specific policies for island territories	E-transport, control systems, adaptive manufacturing
<b>Capacity-building</b>	Innovation literacy	11	Tuscany	Supporting diffused uptake of new innovation methods	Innovation processes, policy learning platforms

*Potential interregional value chains*

These interregional value chains can also play a role in establishing the link between supply and demand of innovation, as evidenced by the fact that most are relevant to the ‘investment-oriented’ ESIF thematic objectives as well as elements of national Urban Agendas, research issues of relevance to regional S3s and the societal challenges of Horizon 2020.

As these interregional networks represent real innovation and development needs of CreativeMED regions, it is likely that at least some of these initiatives have been further developed after the end of the CreativeMED project. What remains to be seen is how the future ETC programmes can facilitate these and similar translocal innovation dynamics by promoting and experimenting the kinds of policy innovations required to support them. This will require a stronger participation of regions and local and regional stakeholders in defining the scope and relevance of programmes such as MED, in order to ensure that the identified macro-regional problems are addressed through innovative approaches that are born of the specific potentials of the macro-regional territorial capital.

## CONCLUSIONS

This White Paper summarises the scope, objectives and main results of CreativeMED, one of the 13 capitalisation projects of the MED Programme 2007–2013. We see this document as an important milestone, but not yet the conclusion of this venture, which has created the conditions for a fruitful meeting and convergence of interests

and intents from a number of public and private bodies. Their partnerships will be renovated in the near future along the following guidelines:

- further implementation of triple-loop learning principles into the MED regions by means of new and existing local partnerships, collaborative initiatives and socio-technical infrastructures;
- further development of the CreativeMED Toolkit for regional analysis and refinement or upgrade of the currently available indicators, particularly in a dynamic perspective (i.e. across time);
- further attempts at building or reconstructing local and interregional value chains, implementing the outward-looking features of Smart Specialisation and possibly supported by the provisions of Art. 70(2) of the General ESIF Regulation.

In this context, what we can provide are only preliminary conclusions, based on which we hope to elicit further discussion within the EU (and particularly MED) policy community:

1. We are quite persuaded that the CreativeMED results offer clear indications of the need to deepen the theoretical foundations and understanding of the mechanisms of the ‘Mediterranean model of innovation’, based on an approach that builds strongly on place-based creativity and thus cultural capital, more so than on physical or financial resources. This can bring much benefit to the S3 of regions localised in the MED space thanks to its policy implications and the benchmarks identified by the work on the CreativeMED Toolkit.
2. The next big challenge, however, for EU and particularly MED regions is how to learn from the experience of the first implementations of S3 and its related operational programmes. In this sense, CreativeMED suggests working on such issues as a further improvement of available indicators for creativity and innovation, keeping in mind the provision of open data on development and cohesion policies (an experiment that has successfully started in Italy) and the creation of policy learning platforms for the sharing of experiences between diverse regions (of both the same and different countries) in accordance with triple-loop principles.
3. As an accelerator of both the efficacy and the uptake of the learning mechanism itself, CreativeMED has produced a series of recommendations in the form of project ideas to be financed with art. 70(2) or other means. This activism jointly applies the idea of interregional cooperation based on shared cultural values and the reconstruction of broken value chains in a bottom-up perspective.

4. More generally, CreativeMED raises the question (known to many but still lacking a convincing answer) of the extent to which Territorial Cooperation results can influence regional and national programming as a whole and Smart Specialisation in particular. Answering this question probably requires a quantum leap in the next programming period, finding ways to grasp the hidden value in all these processes of capitalisation that normally end with the closing date of the individual projects involved.
5. Finally, all of the above comments point to an orientation of Smart Specialisation that we have previously defined as outward looking, i.e. open to contamination, collaboration and exchange between regional and external production and technology districts and communities. This constitutes a challenge for a galvanising policy-maker seeking to exert positive impacts on the innovative capacity of a territory. Leveraging this orientation, the MED space has much to gain but also to offer: for the time being, our starting hypothesis is to follow the tracks of international value chains resulting from trade globalisation but also to try to build new possible tracks (as demonstrated by the project proposals mentioned above). In this sense, the capitalisation objective of the MED CAP programme will be well addressed and, indeed, further enhanced.

## 2. TOOLKIT PLATFORM FOR POLITICAL RECOMMENDATIONS

Rausell, Abeledo, Marrades, Boix  
Cabeça, Barata (CreativeMED Portugal) & CreativeMED

*The methodological paper ‘Toolkit Platform for Political Recommendations’ is the result of collaborative work jointly carried out by CreativeMED partners and was first edited by Pau Rausell, Raül Abeledo, Ramón Marrades and Rafa Boix from Econsult (University of Valencia).*

*The next pages briefly present the toolkit. For more information, please consult the original document at <http://toolkit.creativemed.eu>.*

### CREATIVEMED TOOLKIT

#### A toolkit for a Mediterranean way to innovation

The toolkit platform was developed taking into account the MED place-based creativity approach. In fact, cultural capital, rather than physical or financial resources, is extremely important for the MED space’s distinctive value proposition: regions must take advantage of their territorial and cultural capital to co-design new services and business models that can support the transformation of innovative and creative ideas into welfare and economic prosperity. The MED regions’ structural weaknesses prove that an economy strategy cannot be built only on scientific excellence but also on non-technological innovation and dissemination of knowledge. A new concept of innovation and the emergence of Smart Specialisation are, therefore, imperatives towards a ‘smart, sustainable and inclusive economy’.

The CreativeMED toolkit is a ‘self-diagnosis’ tool to assist regions in the development of their place-based strategies. It is particularly useful for local actors, regional policy-makers, researchers and entrepreneurs, since it allows opportunities, needs and resources that are locally and regionally available to be consulted, and the subsequent implementation of good and successful practices, experiences, methodologies; the maximisation of intraregional creativity; the increase of the dissemination of interregional expertise for innovation; and the evaluation of the consistency and coherence of proposed actions. At <http://toolkit.creativemed.eu> it is possible to access a set of indicators, compare regions, identify regional conditions for development and identify the strengths and weaknesses of the regions. In addition to the diagnosis,

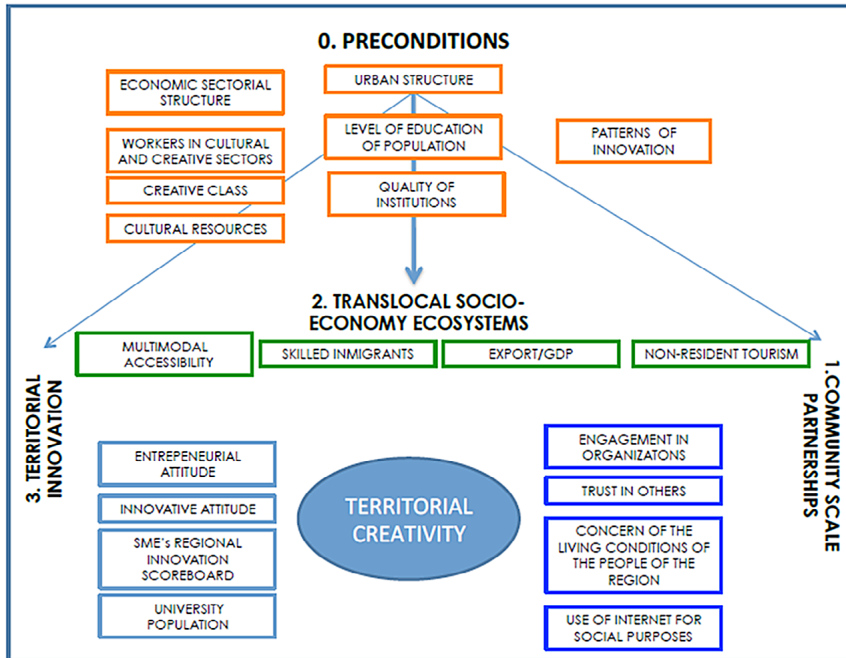
it is possible to consult the library where information about specific interventions (successful experiences and good practices) is gathered. Research can be done per concrete criteria (costs, need for governance, type of innovation). The goals of this toolkit are (Rausell et al., n.d.):

- To **define a set of indicators**, in coherence with the CreativeMED model and the available information at the regional level, in order to identify regional conditions for the development of a Mediterranean way of innovation. This model maintains the evidences of the individual activities that have already been carried out and at the same time devises a bottom-up strategic framework at a level that is compatible with what policy-makers need to define and carry out in a Smart Specialisation Strategy.
- To establish a synthetic **diagnosis**.
- To **enable comparison** at different levels, from the reality of similar regions according to their structural similarity (Navarro et al., 2014), to the whole MED region, nation states and Europe.
- In this comparative context, **to detect the strengths and weaknesses of the region** in the variables of the preconditions and the dimensions of the CreativeMED model.
- To build **a library** of specific interventions drawing on successful project experiences and other good practices.
- To **suggest a battery of interventions** based on the results of the diagnosis.
- To **show the consistency of regional RIS3 strategies**, according to the CreativeMED model approach.

The CreativeMED proposes an analysis of the preconditions that are needed to activate a ‘Mediterranean Way to Innovation’, considering two major views: cross-local partnerships (that allow a common vision of innovation for the MED space based on culture, heritage and creativity) and territorial diversity (taking into account that Smart Specialisation requires the enhancement of social, economic and cultural assets across the territory).

The preconditions in the CreativeMED toolkit include variables that scientific literature identifies as catalysts of innovation, such as urban structure, proportion of manufacturing activities capable of absorbing process and creative innovation, and the quantity and quality of cultural, educational, institutional and social capital. Next, a set of indicators were established to understand the region’s ability to activate territorial creativity in three dimensions: local partnerships, translocal socio-economic ecosystems and territorial innovation processes. The integration

and interaction between these dimensions determine the possibilities and limitations that a territory has to manage its own Mediterranean way towards innovation. Combining the variables available at the regional level with the CreativeMED model, we design a comprehensive approach.



*CreativeMED Toolkit Schema*

It is now possible to make comparative studies and search data that identify the kind of intervention that is best suited to the advantages / shortcomings disclosed by the diagnosis of each territory.

## Preconditions

The preconditions refer mainly to four types of variables:

- economic structure and its **capacity to engage** with cultural and creative activities, cultural resources, creative class and the territorial capital;
- **human capital, cultural capital** and the ability to activate it through the interactions of individuals in urban environments;
- **social capital** and the quality of institutions associated with that capital;
- historical evolution and the institutional **conditions for innovation**.



To strengthen cultural and creative industries (CCI) is one of the proposed roads to build a sustainable economic model that ensures Europe's competitiveness. These industries have the ability to catalyse dynamic economic growth and development. Furthermore, evidences show that there is a strong relationship between the size of CCI and the wealth of regions in Europe.<sup>23</sup> To leverage creativity and innovation and create a new entrepreneurial culture, it is important to empower CCI. Creative and cultural sectors in Europe are as competitive as other industrial sectors.<sup>24</sup> The toolkit includes data on workers on CCI (from the European Cluster Observatory) in advertising, artistic and literary creation, heritage, printing and publishing, radio and television, etc. It also measures the percentage of people of active population classified as working in 'creative class'.

Heritage resources must also be taken into account in the transformation processes based on culture and creativity. They generate economic value (e.g. through tourism), constitute raw material for creative projects and are a source of inspiration for crafts. The CreativeMED toolkit uses the description of the assets made by Michelin Tourist Guidebook as an indicator. Since culture and creativity are strongly linked to urban-metropolitan areas, the toolkit uses the proportion of households living in urban areas (Eurostat) as a variable.

## CREATIVEMED MODEL OF INNOVATION

CreativeMED toolkit takes into account the CreativeMED model of innovation (stated above): community-scale partnerships, territorial innovation and translocal socio-economic ecosystems. For each item, the toolkit uses four variables. All variables, expressed in regional data are reduced to a scale between 0 and 10 through the conversion  $[Xi - \text{Min}(Xi...Xn)] / (\text{Max}(Xi...Xn) - \text{Min}(Xi...Xn)) * 10$ .

### Community-scale partnership

In the Green Paper, the concept of Community-Scale Partnership is defined as spontaneous alliances between different types of stakeholders. Variables are:

- **Trust in others** (source: *European Values Study*): the capacity to create community is a basic indicator of the potential capacity to build relationships within a given community.

<sup>23</sup> Power, D. 2011. *Creative and Cultural Industries: Priority Sector Report*. [http://www.ddooss.org/informes/Creative\\_Cultural\\_industries.pdf](http://www.ddooss.org/informes/Creative_Cultural_industries.pdf)

<sup>24</sup> [http://ec.europa.eu/culture/library/studies/cultural-economy\\_en.pdf](http://ec.europa.eu/culture/library/studies/cultural-economy_en.pdf)

- **Concern about the living conditions of the people of the region** (source: *European Social Study*): refers to the potential engagement with the people of the community, understanding the region as its territorial reference.
- **Participation in different associations** (source: *European Values Study*): measure of the effective engagement and participation in cultural, religious, political, civic or environmental associations.
- **Participation in Internet for social use** (source: *Eurostat*): measures the proportion of people of each region that uses the Internet for social purposes.

	VARIABLE	DEFINITION	SOURCE	YEAR	SCL
COMMUNITY- SCALE PARTNERSHIP	PARTICIPATION IN ASSOCIATIONS	% of people belonging to some kind of civic association	European Values Study	2008/2009	%
	TRUST IN OTHERS	% of people who answer people can be trusted	European Values Study	2008/2009	%
	CONCERN ABOUT THE LIVING CONDITIONS OF PEOPLE OF THE REGION	5 = Very Much, 4 = Much, 3 = To a certain extent, 2 = Not so much 1 = Not at all (Mean)	European Values Study	2008/2009	1-5 Scale
	INTERNET FOR SOCIAL PURPOSES	% of people participating in social networks (creating user profiles, posting messages or other contributions to Facebook, Twitter, etc.	Eurostat	2013	%

*Community-scale partnership variables*

## Translocal socio-economic ecosystem

Tries to measure emergent forms of work and business that shift the emphasis from the local, individual company or network to a translocal transaction system. Variables are:

- **Multimodal accessibility** (source: *ESPON project*): shows the physical accessibility of a region by traditional means of transport (car, plane...) that is correlated with the number of transactions and contacts between agents living in the territory and abroad.
- **Skilled migrants** (source: *European Cluster Observatory*): they represent a proxy of the potential contacts between the local and the external system through qualified workers.
- **Trade connections** (source: *'Regional benchmarking in the Smart Specialisation process: Identification of reference regions based on structural similarity'*): exports are a clear variable to explain the capacity of a territory to connect with the rest of the world and its dimension is clearly correlated with the number of connections and exchanges.
- **Tourism** (source: *Eurostat*): non-resident visitors per inhabitant are used to determine the level of connection of a territory with the rest of the world.

	VARIABLE	DEFINITION	SOURCE	YEAR	SCL
TRANS-LOCAL SOCIO-ECONOMIC ECOSYSTEMS	MULTIMODAL ACCESSIBILITY	Multimodal accessibility	ESPON	2006	0-100 index
	SKILLED MIGRANTS	% Skilled migrants in population	European Cluster Observatory	2011	%
	TRADE CONNECTIONS	Total exports (% GDP)	Fraunhofer ISI and Orchestra	2009 or closest	%
	TOURISM	Non-resident visitors/inhabitant	Eurostat	2012	Number

*Translocal socio-economic ecosystems variables*

## Territorial innovation

Territorial innovation is understood as a set of place-based dynamics of product or service innovation underpinned by technology and mainly driven by the citizen needs and the specific features of a given area in terms of natural resources, cultural approaches, geographical specificities such as insularity, etc. Variables are:

- **Innovative attitude** (source: *Smart Specialisation Benchmarking*): reflects the average response to the question of how important it is to think new ideas and be creative in a given region.
- **Entrepreneurial attitude** (source: *Smart Specialisation Benchmarking*): reflects the average response to the question of how important it is to try new and different things in life.
- **Regional innovation scoreboard** (source: *Regional innovation scoreboard*): indicators of SME introducing marketing or organisational innovations and SME introducing product or process innovations.
- **University population** (source: *Eurostat*): proportion of students in tertiary education.

	VARIABLE	DEFINITION	SOURCE	YEAR	SCL
TERRITORIAL INNOVATION	INNOVATIVE ATTITUDE	Important to think new ideas and being creative	Smart Specialization Benchmarking	2010 or closest	1-6 index
	ENTREPRENEURIAL ATTITUDES	Important to try new and different things in life	Smart Specialization Benchmarking	2010 or closest	1-6 index
	RIS 2014 SMEs	Sum of the indicators of Regional Innovation Scoreboard (2010 score) of SMEs introducing marketing or organisational innovations and SMEs introducing product or process innovations	Regional Innovation Scoreboard 2014	2010	Sum of two normalized values
	UNIVERSITY POPULATION	% of students (ISCED 5-6) over the proportion of the population by NUTS 1 and NUTS 2 regions	Eurostat	2012	%

*Territorial Innovation variables*

## POLICY TOOLS

The Toolkit intended to:

- help model the regional vision according to a common framework that allows place-based collective creativity and improve interregional communication;
- help ensure that the programme structures are coherent with good practice and lessons learnt, drawing on a broad canvas of experiences;
- propose innovative measures and actions based on successful experiments conducted in the framework of capitalised projects;
- help build complementary governance models that ensure effective outreach and co-ownership of objectives and results by the local actors and thus smoother implementation;
- promote the experimentation of new policy instruments for demand-driven innovation.

### Actions / policies

To achieve all these goals, the Toolkit Platform proposes a consistent way to find programmes and projects that impact specifically on the weaknesses identified in the diagnostic phase. For this purpose, the platform includes a database of policies, programmes and projects gathered from previous experiences of MED projects and other programmes. The database can be updated and expanded through a form.

The Toolkit Platform also includes a menu that allows the user to see if the policies or interventions showed are compatible or consistent with the ‘smart strategy’ (RIS3) of the region.

### The Alentejo’s diagnosis

The Toolkit potential can be better disclosed by searching a European region in particular. Here are examples of the results of a search for ‘Alentejo’.

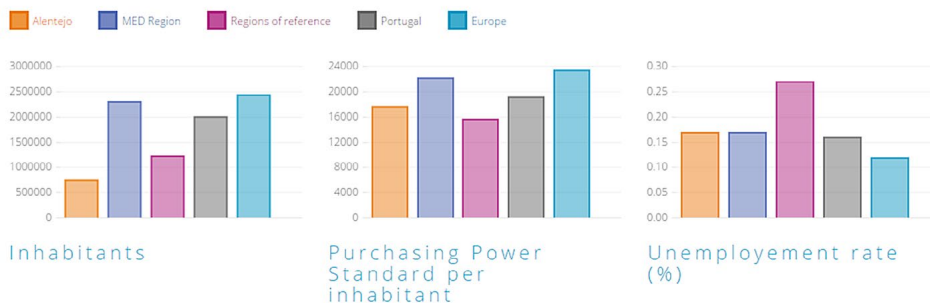
The Alentejo has fewer inhabitants than other regions of reference but a smaller unemployment rate. Values showed are not very different from the ones from Portugal or the MED space.



*Alentejo's preconditions displayed by the CreativeMED Toolkit*

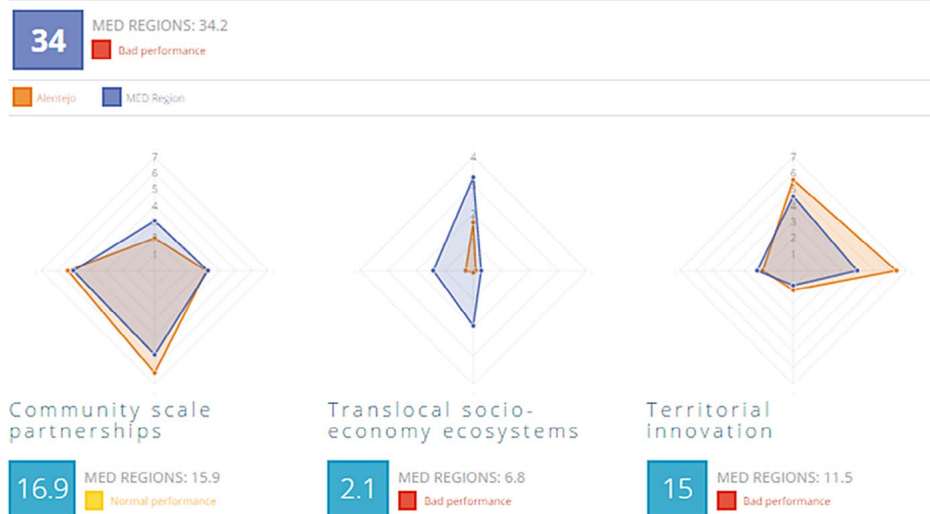
Preconditions show a good performance of the Alentejo with regard to the quality of its institutions. Semi-creative industries and cultural resources are highlighted also. Nevertheless, the Alentejo has to improve its performance in all other preconditions. Territorial innovation and translocal socio-economic ecosystems are also diagnosed as weaknesses.

## Context



*Alentejo's context displayed by the CreativeMED Toolkit*

## Creative MED Index



*Alentejo's CreativeMED index displayed by the CreativeMED Toolkit*

One of the actions proposed by the toolkit is to explore culture as a platform of communication between all the economic and social agents. Sustainable agriculture, digital agenda, blue economy and new businesses on tourism and recreation are some of the elements of the Smart Specialisation strategy for the region.

## Battery of actions/policies

10 records per page Search:

Project	Type	Measure	Kind of innovation	Success factors	Cost	Governance
ELREN (European Leader+ renewable energy network) International cooperation for transfer of know-how and experience in this growing area that can help relatively small actors to develop their capabilities.	Information	Systematize knowledge	INDUSTRIAL	Open networked people Innovation Mixes Shared values	Low	Low
Educational program for young people to leave school with the financial knowledge needed in everyday life.	Information	Systematize knowledge	SOCIAL	Shared values	Low	Low
Flanders District of Creativity (Flanders DC) is a governmental organisation that aims to promote entrepreneurial creativity throughout the region.	Direct provision	Integrate service platforms Promote collective learning Establish interaction facilities Accompany innovative SME ideas	INSTITUTIONAL	Cultural anchoring Open networked people New business models	Low	Low
Surveying the regions cultural activity as an instrument of development. The survey would explore the assumption that culture could be the primary platform of communication between all the economic and social agents in a particular area.	Information	Systematize knowledge Promote collective learning	SCIENTIFIC	Cultural anchoring Innovation Mixes Shared values	Low	Low
A transnational learning experience on citybranding and -marketing in modern urban politics. It is about a better positioning of cities in the (post) crisis economic arena and reinforcing the communication dimension in urban management.	Information	Systematize knowledge Build strategic partnerships Promote collective learning Broaden participation, scale up	INSTITUTIONAL	Cultural anchoring Open networked people Shared values	Low	High

*Alentejo's battery displayed by the CreativeMED Toolkit*

## RIS3 strategy

10 records per page Search:

Description	Research & Innovation Capabilities	Business Areas & Target Market	EU Priority
Agriculture & forestry	Agriculture, forestry & fishing	Manufacturing & industry	Sustainable innovation Sustainable agriculture
Blue economy	Agriculture, forestry & fishing Fishing & aquaculture	Manufacturing & industry	Sustainable innovation
Food industry	Manufacturing & industry Food, beverage & tobacco products	Wholesale & retail trade	Specific local policy priority
Heritage & territory	Creative, cultural arts & entertainment	Tourism, restaurants & recreation	Cultural & creative industries Support to link cultural & creative industries with traditional industries
ICT	Information & communication technologies (ICT)	Information & communication technologies (ICT)	Digital Agenda
Logistics & mobility	Transporting & storage	Transporting & storage	Sustainable innovation Smart green & integrated transport systems
Quality of life	Human health & social work activities	Human health & social work activities	Public health & security
Renewable energy	Energy production & distribution Power generation/renewable sources	Energy production & distribution Energy distribution	Sustainable innovation Sustainable energy & renewables
Stones	Mining & quarrying	Manufacturing & industry	Specific local policy priority

*Alentejo's RIS3 displayed by the CreativeMED Toolkit*

This exercise is aligned with the action of the CreativeMED local group in Portugal and with the goals that lead to the Living Lab experience in Évora, based on culture and heritage.

## CONCLUDING REMARKS

The CreativeMED Toolkit is a useful tool for policy-makers in the framework of the RIS3 strategies in the Mediterranean regions: its strategic diagnosis, recommendations and guidelines, its examples, its compilation and organisation mechanism, give visibility and highlight the value of the different innovative experiences developed in the Mediterranean regions.

CreativeMED toolkit is mapping, connecting and giving visibility to the existing Mediterranean Way of Innovation. It is a prototype with large potential that requests the development of further research on indicators and on the evaluation of impacts. Financing opportunities for the projects and different funding options according to the nature of the activities must also be available.



### 3. HERITAGE LIVING LAB

Cabeça, Barata (CreativeMED Portugal) & Alfamicro

*As stated, Portugal was one of the CreativeMED partners. The local working group was developed by the University of Évora through its investigation centre CIDEHUS and teamwork – Filipe Themudo Barata and Sónia Cabeça.*

*CreativeMED Portugal sought to work with able and committed entities and local actors that could contribute to the discussion of new ideas, the creation of shared projects and the development of strategies based on the assessment of opportunities, needs and resources at local and regional level. Therefore, it was essential to create a platform of understanding including several actors – with different roles, views, interests and skills – a space for debate and decision-making with the power to influence policies and to incorporate them in their bodies and in the region, defining new instruments and communication practices, approaching the decision centres to communities and strengthening social cohesion.*

*CreativeMED Portugal understands development as a decision process that cannot be individualised, but shared. A **Living Lab** – as a research and innovation ecosystem that aims to explore, test and evaluate new concepts, scenarios and technologies in a real context – was considered a versatile and powerful instrument of cohesion and the ideal form to create a regional system of innovation and partnership, strengthening innovation processes and enhancing sustainable solution development.<sup>25</sup> Furthermore, a living lab is a practical response to the CreativeMED scenarios, building local partnerships for the implementation of its model.*

## ÉVORA, ALENTEJO

### University of Évora and CIDEHUS

The University of Évora is a public institution of higher education. It is organised in departments which are grouped in schools related to specific scientific domains, such as Arts, Social Sciences, Technology Sciences and Health. It also has a Nursing School.

<sup>25</sup> “Technology Innovation Management Review”, November 2013 ([https://creativemedpt.files.wordpress.com/2013/12/timreview\\_november2013.pdf](https://creativemedpt.files.wordpress.com/2013/12/timreview_november2013.pdf)).

The University of Évora is a legal person of public law and enjoys statutory, educational, scientific, administrative, financial, disciplinary, cultural and patrimonial autonomy (art. 1 of the University Statutes). It is a centre for the creation, transmission and dissemination of culture, science and technology, articulating study, teaching and research (art. 2).

The purposes of the University are (art. 2): a) the production of knowledge through scientific research and cultural creation, involving the discovery, acquisition and development of knowledge, arts and practices of advanced level; b) the constant practice of free inquiry and a critical questioning attitude; c) the social appropriation of knowledge through education, lifelong training, the transfer to the socio-economic fabric and its public dissemination; d) to contribute to the transfer and exploration of knowledge and artistic creation; e) the provision of services to the community and, in particular, the promotion of the country's development and especially of the region in which it operates; f) cultural, scientific and technical exchanges with national and foreign institutions and the promotion of mobility of students and graduates; g) to contribute to international cooperation and the promotion of intercultural dialogue, especially with European, Mediterranean and Portuguese-speaking countries with which there are historical ties.

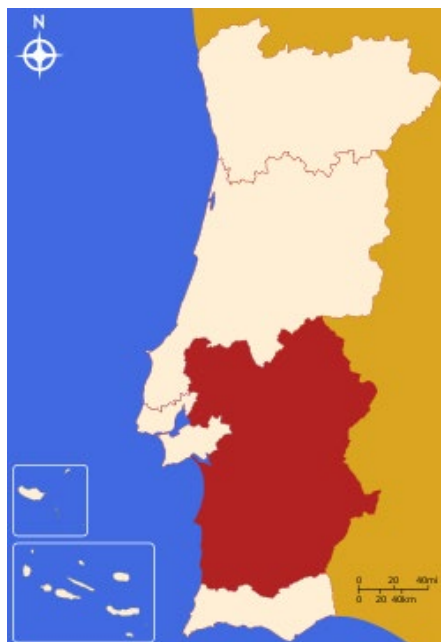
CIDEHUS – Interdisciplinary Centre for History, Cultures and Societies – is a research centre at the University, devoted to History and Social Sciences, which analyses societal changes in an interdisciplinary and transnational perspective. Its members have selected the South (of Portugal, Europe and other geographies historically and culturally related to the first) as a privileged laboratory to observe these dynamics. CIDEHUS aims to produce knowledge on social and cultural historical dynamics, heritage and information science. Apart from its research activities, CIDEHUS supports advanced training in its nuclear research areas and ensures the dissemination of knowledge.

## The Alentejo and its capital

The Alentejo is a geographical, historical and cultural region of south-central and southern Portugal. Divided into five sub-regions, which include the districts of Portalegre, Évora and Beja entirely, and the southern half of the Setúbal district and part of the district of Santarém, it is the largest region of Portugal, representing 33% of the area of the country and 7.6% of its inhabitants.

‘The Alentejo is currently a territory unobstructed, preserved and secure with a history marked by the rich heritage and culture that give it identity and authenticity,

and the potential for a competitive, sustainable and distinctive stance, based on consolidated activities and the emergence of new niches and productive specialisation sites'.<sup>26</sup>



*Map of Portugal highlighting the Alentejo*

The Alentejo is a relatively flat area, with less rainfall than in northern Portugal. As a rather plain region, 61.5% of its land lies below 200 meters and it has a long and hot summer. With low population density and people concentrated in core areas, South Portugal has always been the ‘gateway’ to the colonisation and occupation of exogenous peoples such as Phoenicians, Greeks, Romans, Visigoths and Arabs. This claim is supported by genetic studies of the Portuguese population that reveal a more accentuated non-Iberian origin in the southern regions of Portugal. Thus, the differences between the north and south of the country reflect not only different geographical conditions but also a different historical and social background. In these ‘two worlds’ the landscape, the type of agricultural exploration, the use of language or the political or religious practices are quite different. In the Alentejo the land is in the hands of a small minority – unlike the north, which is dominated by small land ownership – with *latifundias* representing the large rural property.

<sup>26</sup> <http://webb.ccdr-a.gov.pt>

The Alentejo is characterised by an ecosystem with a delicate balance, typical of Mediterranean areas: the *Montado* (dehesa). Its landscape highlights are cork oak, holm oak (the Alentejo has the greatest extent of oak trees in the world), grain fields and pastures (mainly devoted to extensive livestock: cattle, sheep and pigs). Concentrated in small towns or relatively isolated villages, its population has often migrated (especially to coastal urban areas of the country). The construction of the Alqueva Dam in 2002, with an area of 250 km<sup>2</sup> covering 120,000 hectares of land, has increased the number of land devoted to irrigated agriculture. The Alentejo's agricultural area represents half of the agricultural area of the country, which gives account of the region's important contribution to the primary sector.



*District of Évora*

The capital of North Alentejo is the city of Évora, one of the oldest cities in Europe. With more than 56,000 inhabitants and an area of 1,307.08 km<sup>2</sup>, the city's old town centre is a UNESCO World Heritage Site. As an ancient settlement area (more than 2,000 years), Évora holds a large number of monuments dating from various historical periods (medieval walls, roman temple, renaissance aqueduct). In this region there are also several prehistoric sites (Neolithic tombs and cromlechs).

Évora has a strategic geographical location, placed between the Atlantic coast and Spain, and close to the Portuguese capital, Lisbon. As the main urban centre of the Alentejo region, it is also an administrative centre, with several public services, including educational and health services, representing 36% of the tertiary sector (78% of the population is employed in this sector). Considering the vast

environmental and cultural heritage and the increase of hotel units and leisure businesses, tourism has also an important impact on the local economy. The natural and cultural characteristics of the county allow a large offer in gastronomic and recreational activities. Évora has a centre of business and R&D: the Parque de Ciência e Tecnologia do Alentejo (PCTA, Alentejo Science and Technology Park). Based on entrepreneurship, innovation and internationalisation, the PCTA promotes the cooperation between institutions in order to further development and to create wealth.

In the region (as well as throughout the country), phenomena of migration, a considerable decrease in natural balance and the ageing of its population can be observed. Another aspect considered negative is the fact that the region's industrial sector has only limited relevance (although experts point out the great technological potential of the region). With regard to tourism, it is considered that the UNESCO benchmark 'Évora, World Heritage Site' has not been effectively used and that virtual platforms are not totally effective in capturing new visitors. The municipal master plan, therefore, defines four major strategic challenges: the repositioning of the city in its surroundings (its assertion as capital); the improvement of the population's quality of life; a balanced development of the county; and the reinforcement of the local economy.

## LIVING LAB APPROACH

### Methodology

There is, nowadays, a certain shared understanding of the need for 'a new way' of governance that requires an active participation of citizens in order to tackle the challenges we all face (climate change, social justice, ageing, etc.), as well as social innovation and a development anchored in creative and performing industries. Local cultural resources – tangible and intangible – are an endogenous added value of the communities. Combined with human creativity and innovation, cultural resources are, in fact, levers for economic and social development, affirming local identities, improving the quality of life and well-being of communities and promoting dialogue and cohesion. To foster regional innovation is, therefore, an important move to achieve economic growth and prosperity.

As already said, Smart Specialisation is particularly important in the context of the 2020 Strategy of the European Union, whose aim is to build a 'smart, sustainable and inclusive economy', with a strategic approach to economic development through

research and innovation support. To integrate the CreativeMED creativity-based vision with traditional policies will lead to new ideas (products, services and models), empowering local actors to act and to meet their social and economic needs. A Living Lab approach – with working sessions involving regional actors in the co-design and co-creation of a regional base strategy for Smart Specialisation, and not losing focus of the importance of issues related to cultural heritage – was, therefore, the chosen methodology to:

- promote an **open dialogue** between partners, generating **innovation**;
- diagnose the **city's challenges** and status;
- define **priority areas for action**;
- find **innovative and consensual solutions**;
- produce a document with the **results to be considered in the Smart Specialisation Regional Policy**.

## Challenges

The final purpose of the creation of a local working group in the Alentejo was to develop a Living Lab experience and to create a common understanding among actors that could enable joint decision-making and put Smart Specialisation on the political agenda. It is also an empirical exercise that tests the CreativeMED model and framework; a means to understand whether the concepts and the process provided by CreativeMED are helpful. Some questions raised during the development of the White Paper can now be disclosed:

- *Is a model a constraint to creativity?*
- *Must our model be circular?*
- *Must results be included in the framework?*
- *Which other instruments of validation are to be included (besides the monitoring ones)?*

Working in partnership implies the task of raising awareness to themes like Smart Specialisation, Creativity and Social Innovation amongst the local and regional actors. The local blog [www.creativemedpt.wordpress.com](http://www.creativemedpt.wordpress.com) and the **Green and White Papers** (the second with a translation into Portuguese) were the most useful means to disclose the CreativeMED Project (theme, objectives, model and framework, etc.), and concepts like Smart Specialisation, social innovation, creative industries, Living Labs, partnership.

Our first empirical challenge was to identify (through a careful research) local and regional actors and entities committed to the region. The main goal was to achieve a large representation of areas and activities that are considered important to local development and, at the same time, deemed capable of contributing new ideas, projects and strategies. The concept of ‘partnership’ was to be developed taking into account the CreativeMED model of innovation:

1. **cultural anchoring**, rethinking cultural heritage and its economic potential;
2. **open networked people**, emphasising multidisciplinary and informal collaboration;
3. **innovation mixes**, promoting social innovation;
4. **new business models**, promoting new ways of reaching users / costumers;
5. **shared values**, creating a common understanding in a joint decision process.

The Living Lab experience was the first attempt to:

- give practical consistency to the CreativeMED final document (White Paper);
- search innovation initiatives grounded on place-based creativity and cultural capital;
- create regional value chains;
- create the basis for an effective implementation of a Living Lab anchored in the culture and heritage of the city;
- increase the economy of culture;
- draw a model for other profitable experiences.

## Steps taken

Several steps were taken before the start of the Living Lab experience and the joint meetings:

### 1) Identification of local decision-makers and entities to be included in the project

To have a critical and comprehensive diagnosis of the region, as well as a multidisciplinary approach to shed light on different issues concerning the county’s reality, it was essential to create a heterogeneous platform comprising entities with different agendas and yet able to work in cooperation and share values. CreativeMED Portugal drew a list of potential partners that covers public bodies, centres of R&D, innovation and business, social, cultural and professional associations (entities described below).

## 2) Individual meetings with each partner

The first objective of the individual meetings with CreativeMED potential partners was to disclose the project and raise awareness to the project topics and, particularly, Smart Specialisation. In order to start an effective partnership, further subjects were discussed:

- willingness to be involved in the project;
- concerns, expectations, themes to discuss and priority areas directly linked to the entity's mission;
- preliminary diagnosis and recommendations.

## 3) Characterisation and methodological plan for the Alentejo region

Based on the prior meetings and considering the existing documentation about the city and the region regarding social, cultural and economic issues, CreativeMED Portugal and its consultants wrote a characterisation and methodological plan. The document is a first approach to a SWOT analysis that proposes also a thematic programme to serve as a starting point for discussion between partners.

Considering the socio-economic analysis developed by the Municipality, CreativeMED integrated a Smart Specialisation strategy approach to the strategic challenges that were determined:

- **Repositioning of the city in its surroundings**

Évora's location is privileged, especially when taking into account its administrative centrality. The mobility network is well established, allowing an easy access to the parishes of the county, boosting and enhancing their relations. This mobility is, however, mainly based on the use of private transport rather than public, a weakness in terms of mobility and a source of environmental problems and traffic.

At a transregional level, the potential of Évora's location is yet to explore. The existing road is effective in connecting Évora to the rest of the country and Spain, being only one to one and a half hour from Lisbon, Sines and Badajoz. It is expected that the railway system will be strengthened in the near future, creating a commercial corridor between Évora, Elvas (PT) and Badajoz (ES). Elvas will be linked to the ports of Lisbon, Setúbal and Sines, ensuring sea export. The cost of freight transport by rail and sea are likely to be reduced, both in national and international transactions.



The city's proximity to Beja Airport and the Alqueva's Lake and Dam, must also be objectively considered, being of great importance for the region.

To CreativeMED Portugal, this regional, national and international repositioning is crucial in the development of innovative and competitive policies for the city. It increases the level of competitiveness, and enhances creativity and new economic activities.

- **Quality of life improvement**

Évora's municipality still has some shortcomings in terms of basic infrastructure, equipment and accessibility. The disorderly occupation of the territory is an additional challenge. The CreativeMED and Smart Specialisation vision involves a gradual and sustainable change in people's life in order to build a more integrated and happy society. In this path, it is important to achieve 'regional smartness' and to ensure a direct link between economic performance and quality of life. The active cooperation of citizens based on shared values in a bottom-up perspective will surely allow people to influence their own quality of life and the well-being of their communities, by creating new ways of governance, promoting dialogue and cohesion, and developing solutions. Human creativity and innovation are engines of social development that guarantee a better use of resources. As the EC General Directorate for Regional Policy intends, to get creative people together making use of their knowledge and skills through commitment, collaboration and entrepreneurial discovery leads to a quality of life that does not solely rely on traditional policies.

- **Balanced development of the county**

The recent demographic decline is a clear weakness of the county. This decline is a result of rural depopulation and ageing, combined with a severe reduction in birth rates. Nevertheless, the city itself escapes this trend, since the centralisation of services and opportunities still render it attractive. It is important, however, to approach rural areas from the urban space and thus generate greater cohesion. To consolidate the ties between rural and urban areas is, in fact, the focus of the European Commission's strategy for cities.

To boost rural areas, it is necessary to make them more appealing and facilitate access to the services available in urban areas. The city must be closer to the countryside, and interconnections must be established. The implementation of innovative policies at different levels creates synergies and complementarities. Smart Specialisation involves analysing the weaknesses and strengths of the region, and – in an innovative way, making use of a new governance process – present concrete measures.

- **Strengthening the local economy**

Évora concentrates the Regional Directorates of the State's central services, which employ a large amount of the population. The tertiary sector represents, therefore, a large part of the GVA of the county's economy.<sup>27</sup> This, along with the proximity of some industries in the suburban area of the city, suggests that the wealth produced is mainly concentrated in the urban centre. But a more equitable geographic distribution of wealth is important. In addition to the services, we highlight the electronic and metal manufacturing sector, olive culture and olive oil production, vineyards and wine production, as well as the whole economy linked to the cattle market. These and other activities, and the offer of good conditions and basic infrastructure for investment, provide an increased business diversity and development potential.

The region possesses an extensive olive grove, and olive production has been increasing. There is, though, the need to invest even more in olive oil production and in olive tourism. Another sector that might also benefit from tourism is wine culture and production, since Évora and the Alentejo region, with their exceptional geographical conditions and production capacity, are important producers: 17% of the wine produced Portugal in 2011 was from Alentejo.<sup>28</sup> Évora is one of the eight sub-regions in the Alentejo that produces wine with protected designation of origin, a clear recognition of its quality level.

However, the region's farmers are ageing and their replacement by younger generations is still insufficient. Contrary to what is happening in other regions of the country, where young families are returning to the countryside and combining agriculture with rural tourism and nature activities, the articulation of farming with non-agricultural yet profitable activities is still very limited in Évora. The Alqueva Dam (that increases the crops on irrigated land) is an opportunity to intensify these links.

Évora, a county with good weather and easy access, has many touristic attractions to explore and has been enlarging its hotel offer. It has a rich and diverse cultural, natural, gastronomic, historical and architectural heritage. To create synergies between tourism and socio-economic activity and a sustainable development, tourism infrastructures, rural tourism offer and virtual platforms must be upgraded.

Unfortunately, the economic context of the region and the country are unfavourable to economic growth and investment. Smart Specialisation is a reply

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<sup>27</sup> [http://webb.ccdr-a.gov.pt/docs/desenv\\_regional/2014-2020/PTD-AlentejoCentral.pdf](http://webb.ccdr-a.gov.pt/docs/desenv_regional/2014-2020/PTD-AlentejoCentral.pdf), pp: 22–23.

<sup>28</sup> <http://www.ivv.min-agricultura.pt>

to the economic weaknesses of the region, in that it allows innovative solutions through territorial cooperation. This new model of economic development reaffirms the need to concentrate human and financial means in the most competitive and promising sectors of each territory, creating a synergy involving local authorities, businesses, research centres, universities and civil society.

CreativeMED creativity-based vision draws an ‘innovation landscape’ for ‘smart, sustainable and inclusive growth’. In order to achieve it, community-scale partnerships must be established, taking into account the needs and the specific features of a given territory (natural resources, cultural norms, geography) to innovate in cooperation with other regional socio-economic ecosystems.

From this first dialogue with local stakeholders emerged a series of issues of great importance to the city, here placed in five thematic areas, a common agenda for the meetings to come.

### 1. **Agriculture**

Agricultural tradition and its potential in the region must be contemplated in the strategic plan for the city. It is essential to focus on the reassertion of the county as an agricultural producer. The type of economically profitable crops, Alqueva’s capitalisation, small and mass production, Alentejo’s placement in the world as a great wine and cork producer, cattle farming and internationalisation are issues that must be considered.

### 2. **Tourism**

The region has a huge touristic potential, still undervalued and poorly explored. The weak link between tourism bodies and culture and the lack of information (namely on the Internet), must be solved in order to create value through the historic and natural heritage of the region. Alentejo’s benchmark can be upgraded in agritourism, wine and olive tourism, senior tourism, health tourism, water sports. Évora must make better use of its status as World Heritage Site, projecting itself nationally and internationally, and using this recognition as a true appealing fact for its potential visitors.

### 3. **Culture and heritage**

As a result of the last point, culture and tangible and intangible heritage must also be considered. The city and region have a strong identity as cultural centres and a large and diverse offer: the monumentality of Évora’s buildings, its unique landscape, the highly appreciated gastronomy. Traditional forms of art such as the Santo Aleixo Puppets (typical marionettes) and the Cante Alentejano

(type of choral chant) enchant locals and tourists. A better use of heritage as a cultural, touristic and economic tool must be considered. In addition, culture and heritage can stimulate social innovation by creating new business models with good potential for economic return.

#### 4. **Education**

Public education must be integrated in the regional strategic plan. The University of Évora is well established as an excellence learning and research centre. Its presence in the region resulted in a more skilled population in the city than the Portuguese average. It also contributes to an intense cultural activity in the city. Connecting the city with the University and the business centres, and promoting interoperability in a spatially defined approach is extremely important. A transversal platform integrating different actors, sectors of research and business models, and establishing interaction facilities can boost innovation and lead to useful solutions.

#### 5. **Citizenship**

An active citizenship, connecting citizens with the city's administration and governance will enhance bottom-up initiatives and generate innovation. A creative and open dialogue between people and the county's decision-makers can put important matters in the agenda such as smart mobility, energy efficiency, rural/city relations. This theme is transversal to all others, as it strengthens the implementation of better practices in decision-making. It is particularly important to create new ways of governance where common principles, open approaches and shared values are essential.

Heritage is the common basis of all these axes – the cultural, natural, gastronomic, historical and architectural heritage of the region. Heritage gives the Alentejo its identity and authenticity. Unique and different from all other regions, heritage stands as the strongest idea related to the Alentejo and, therefore, its economic value must be enhanced and constitute a major issue in the Smart Specialisation Strategy.

#### **4) Start of the Living Lab experience, as described below.**

## **LIVING LAB EXPERIENCE**

CreativeMED Portugal sought collaboration with an external consultant in order to implement in the Alentejo region a 'smart experience', anchored in cultural products, cultural activities and cultural policy. A Living Lab, as an urban innovation ecosystem where communities are encouraged to participate in the process of Smart

Specialisation, was considered a proper response to the economic weaknesses of the region and the city. The experience intended to find answers to these same weaknesses, designing solutions with local and regional actors aligned with the population. The creation of such platform or forum would allow interested people from the region to meet and discuss issues, create projects, influence policies and, as far as possible, incorporate them in their relevant sphere. Actively identifying common interests and needs, the platform would contribute to solve problems and act positively on well-being and happiness.

The possibility of creating a forum of this kind in the region, based on new technologies, relies on the fact that the University of Évora plays a decisive role at all levels of governance and is, therefore, able to streamline the process. The project would result in the definition of new instruments and communication practices, and new forms of debate and decision-making. In the cultural and social field, the project would disclose the problems of the community, define neighbourhood policies, share decisions, strengthen social cohesion and support new employment policies. Ways to build the platform, modes of integration of stakeholders, forms of consolidation, promotion and maintenance of the platform are all issues to be discussed amongst partners.

The aim is to build lasting networks so that, in the event of failure or discontinuation of this specific experience, the built links may remain and be renewed in other cooperation initiatives.

## Partners

Several entities accepted the proposed challenge, from public bodies and social, cultural and professional associations to R&D centres or innovation and business centres:

- **University of Évora (UÉ)** *Promoter*  
[www.uevora.pt](http://www.uevora.pt)  
*Public institution of higher education. It is a centre for the creation, transmission and dissemination of culture, science and technology, articulating study, teaching and research.*
- **Alfamicro** *Research consultant*  
*Research, engineering and consultancy firm working at all enterprise levels, helps SMEs from various sectors to improve their strategy, technology, organisations and operations and sustained competitiveness.*

- **Évora Municipality** (CME)  
[www.cm-evora.pt/pt](http://www.cm-evora.pt/pt)  
*Executive body of the Municipality of Évora. Responsible for the management and planning of the municipality, pursues the interests of its population in areas such as socio-economic development, regional planning, public sanitation, health, education, culture, environment and sport.*
- **Alentejo Tourism** (ERT ALENTEJO)  
[www.visitalentejo.pt](http://www.visitalentejo.pt)  
*Regional entity responsible for tourism development in the Alentejo, aims at a balanced and sustainable use of the natural, cultural and historical heritage.*
- **Alentejo Science and Technology Park** (PCTA)  
<http://pcta.pt>  
*Infrastructure that hosts and supports initiatives to promote and transfer R&D between knowledge centres and society as a mean to leverage and promote economic growth in the region based on innovation.*
- **Alentejo Regional Coordination and Development Commission** (CCDRA)  
<http://webb.ccdr-a.gov.pt>  
*Coordinates and articulates policies at a regional level, implements environmental and spatial planning policies, and gives technical support to local authorities and associations.*
- **Alentejo Regional Development Agency** (ADRAL)  
[www.adral.pt](http://www.adral.pt)  
*Corporation that promotes cooperation between local actors in order to strengthen the strategic position of the Alentejo; works in collaboration to develop regional products, foster innovation and skills, increase social cohesion, social mobility and institutional cooperation.*
- **Regional Directorate of Culture of the Alentejo** (DRCA)  
[www.cultura-alentejo.pt](http://www.cultura-alentejo.pt)  
*Administrative service of the State, devoted to culture. Its mission is to create access conditions to cultural goods, support museums, monitor cultural activities and promote cultural heritage.*
- **Alentejo's Professional School** (EPRAL)  
[www.epral.pt](http://www.epral.pt)  
*Professional school, trains students at an intermediate level in opportunity areas in the region oriented to innovation and entrepreneurship, and supports their socio-professional integration.*

- **National Association of Young Entrepreneurs (ANJE)**

[www.anje.pt](http://www.anje.pt)

*Association that supports and represents young Portuguese entrepreneurs. Pioneers in the promotion of youth entrepreneurship, ANJE encourages the adoption of business models based on innovation, research and development.*

- **Association of Young Farmers of the South (AJASUL)**

[www.ajasul.com](http://www.ajasul.com)

*Professional organisation that represents the Young Farmers of South Portugal. Aims to contribute to the technical, business and cultural development of its members. Promotes economic and rural development and provides services and technical support.*

- **Institute of Mediterranean Agricultural and Environmental Sciences (ICAAM)**

[www.icaam.uevora.pt/](http://www.icaam.uevora.pt/)

*Research centre from the University of Évora, whose mission is to develop research in order to promote the sustainability of Mediterranean agriculture and related ecosystems. Works on Animal Biosciences, Ecosystems Functioning and Conservation, Farming Technology and Energy Efficiency, Food Science and Technology, Landscape Dynamics and Social Processes, Plant Genetic Resources and Functional Markers, Plant Protection and Soil, Water and Climate.*

This diversity of partners and their specific spheres of action created a strong and committed platform whose opinion cannot fail to be valued and taken into account. The contribution of each entity proved to be indispensable, since they:

- possess a deep knowledge of the region, and are able to make a critical analysis and outline recommendations on key aspects of its social, economic and cultural reality;
- have executive capacity and administrative and political powers, and can implement new ideas;
- are committed to training, education and knowledge transmission, and use multidisciplinary approaches that enhance innovation and creativity;
- contribute actively to the formulation of the regional development policy and Smart Specialisation strategy in the region (which is a CCDRA responsibility), developing synergies to a smart, sustainable and inclusive growth;
- are committed actors from different areas that see partnerships as a most useful means to achieve greater results and are willing to work together for the common good;

- have experience in promoting joint initiatives and projects, and possess the knowledge, tool and skills to their implementation;
- are open to creative industries and social innovation and some incorporate these ideas.

## Platform sessions

Évora is the capital of the northern Alentejo region and the most important and influent city in the south of Portugal, but has been witnessing the decline of its population. Nevertheless, Évora, as a cultural centre, still attracts people and businesses and is located near other important centres. With half of the agricultural surface of the country, much of its economy is, however, based on services.

This was the starting point of an open and joint dialogue that included issues such as public administration, education, culture and heritage, tourism, citizenship, agriculture, industry and services. An open dialogue towards innovation that:

- drew the reality of the city;
- defined priority areas for action;
- proposed innovative solutions.

The major themes brought to the platform were in line with the issues that partners referred in the individual meetings during the first stage of the project and were distributed between ‘economic and agriculture issues’ and ‘cultural and governance issues’ sessions. In each session, partners were involved in the discussion of all topics. Although oriented to an area in particular, it was important to hear each entity’s overall view of the problems.

A summary of the concerns and suggestions exposed and discussed by partners in these sessions gives an accurate perspective of what challenges the region faces and confirms the importance of an open discussion amongst critical and capable actors.

### **Economic and agriculture issues**

- Need to invest in culture: in Portugal, the economical value of culture is still reduced (especially when compared with other parts of the world). Évora has privileged conditions to use culture in its development, making use of different resources such as tangible heritage, agriculture, nature, etc. (culture does not have a narrow sense).



- Technology, innovation and education are key factors to development. University and enterprises must be connected, transferring knowledge into reality and promoting entrepreneurship.
- Cooperation brings economic development. Synergies must be created in order to implement durable, successful and coherent projects. Many strategic plans are unsuccessful due to the lack of an integrated approach.
- Although well located, Évora faces the same problems as other municipalities (namely low population density and dispersion with its subsequent economic impact).
- Some good practices were developed in the region. ‘Évora Digital District’ is a first effort to enhance the Alentejo’s technological capacity and use it for the implementation of innovation ecosystems, such as Living Labs and ‘Smart Cities’.
- There is a certain difficulty in achieving structural funds, unequally distributed and often attributed to large cities (Lisbon and Oporto) at the expense of other regions.
- There is a large professional training offer in areas such as catering, audio-visual and multimedia, and industrial maintenance. There is also an effort to ally professional training to creative industries.
- In agriculture, technical support and training for SMEs and farmers are extremely important.
- Visits to agricultural areas have high tourism demand, despite the limited offer.
- Some of the Alentejo’s regional products have a high quality. However, its production involves high costs that often leave little room for profit. In some sectors, producers invested on mass production rather than in high quality (that would raise the products’ price). Regardless of that, other farmers’ careful choice is to produce small quantities to guarantee a fully sold stock (what is then reflected in small exportation).
- There are some efforts to apply the wine’s protected designation of origin experience to other products (as olive oil).
- It is important to bring rural and urban space closer. Évora can be a logistic centre that provides services to agriculture. In the opposite direction, rural goods must reach the city. One good initiative is to organise fairs with rural products in the city. Cattle auction has also a strong impact on the city, creating positive indirect effects on other professional activities and streaming businesses such

as the sale of animal products and restaurants. These auctions have now on-line information and farmers can access the auction's site to consult the reference price in advance. A fine example of tradition and technology cooperation.

- Some efforts were already made to create the Alentejo benchmark. The first step is product differentiation. In order to achieve it, a global effort is essential.
- Vine and olive groves are important crops that give the Alentejo its identity and that can be related to other businesses and activities. The multifunctional system of the *Montado* (dehesa) can also have its own benchmark and its landscape has touristic value.
- It is necessary to take into account today's role of small farmers in food production. Although they do not belong to traditional agricultural systems, their product has quality.
- Agriculture is not an appealing activity. Proof of that is the difficulty to capture students (that have a negative view on agriculture) to agri-food production training.
- Some projects that combine innovation and agriculture have been developed, identifying creativity niches in agriculture, studying new forms of subsistence farming and adding value to farm properties.
- Alqueva is an attraction pole for new businesses in several areas. It has a large potential as an innovation promoter and cannot be underrated.

### Cultural and governance issues

- Évora has a large tradition in developing partnerships through innovative processes. Participatory democracy was a widely used instrument in the establishment of Évora's first Municipal Master Plan in the early 1980s. The opinion of residents was decisive to determine a strategic plan for the county. This first plan, given its participatory, well-structured implementation, worked for 20 years. The sustainability of projects can be achieved through innovation and social participation.
- Évora is a city with great complexity at various levels, requiring an integrated strategy with a clear purpose and goals.
- Évora must be a city of culture. The cultural programme of the city is an example of how entities can cooperate to compensate their economic constraints. Using a participatory methodology, it was possible for cultural associations to share valuable ideas and provide a diverse and good cultural offer.

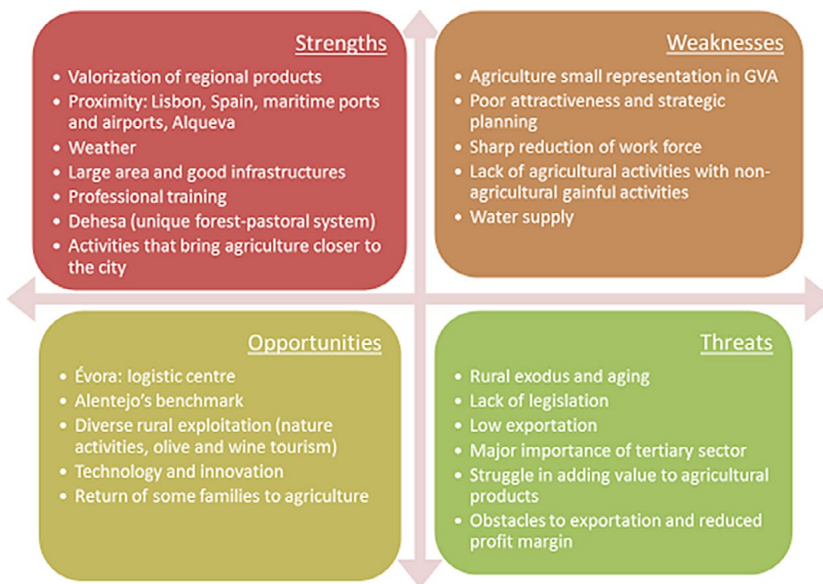
- To articulate the work in this logic of partnership, listening to local stakeholders is very important. Yet, all the work done must have direct connection with other working teams and contemplate the exchange of opinions.
- The Alentejo shows evidence that elements as the environment and culture will be used as differentiating factors.
- New technologies allow new forms of contact and communication that cannot be ignored and should be seen as complementary to other forms of communication.
- Good ideas and good practices are not exploited due to the lack of robust sustainability mechanisms.
- Évora's tourists are smart and interested people. Unfortunately, this movement has little reflection on the economic activity of the city. Tourism in Évora must be sold as a highly cultural and dynamic experience.
- A common strategy is needed to promote tourism. An integrated and sustainable approach requires the willingness of the organisations involved in touristic activities to look further than their own brand and to embrace a project in the city's name. Common platforms must represent the diverse forms of tourism.
- Évora, a World Heritage City, a geographic and administrative centre, must be the gateway to the region. The city must not be seen as a competitor in relation to neighbours but as an enhancing element of tourism among the neighbouring municipalities and in the entire region.
- The proximity to other capital cities can be a threat, but also an advantage: it is very easy to reach Évora. In fact, the hotel occupancy rate is increasing and many hotel units opened in the last years.
- Gastronomy is a cultural element that promotes tourism and must be enhanced, as well as wine and olive tourism.
- Due to its large number, it is difficult to manage and preserve all the world heritage properties in the Alentejo. Issues of ownership and access to properties are particularly sensitive. Partnerships between public and private owners must be established.
- Cultural actions have effects that last long. In Évora there are numerous successful activities: a puppets' biennial, a short film festival, an amateur theatre festival. All activities (and opportunities and facilities) must be widely publicised to meet tourists' expectations. Despite the quality of the events produced, some have weak economic sustainability.

- Interaction between different types of tourism – rural, natural, cultural. – is crucial.
- In Évora tourism can be an economic activity that produces culture, and a cultural activity that produces economic value.

## SWOT common analysis

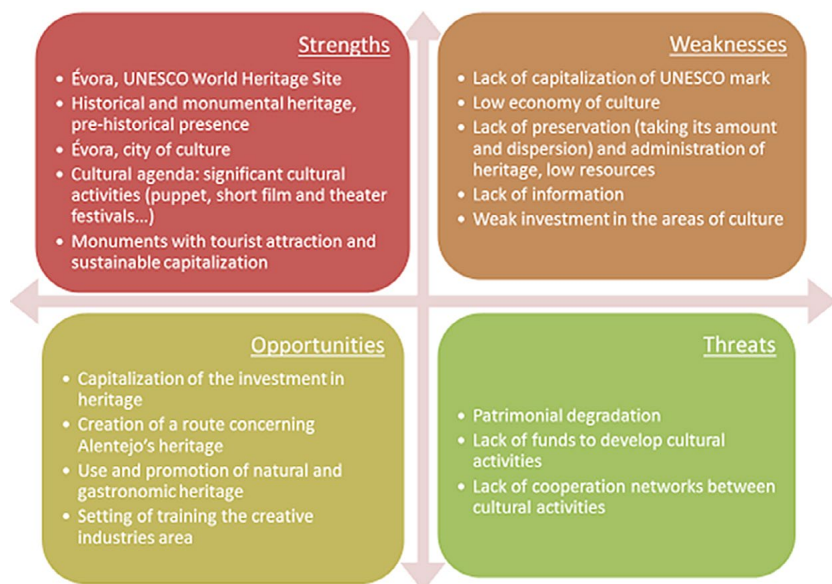
As described, partners contributed to an accurate analysis of the region's reality, considering the strengths, weaknesses, opportunities and threats of each issue: agriculture, culture and heritage, tourism, education and citizenship (that complement each other and involve other relevant topics). Analysis can be seen in the following figures:

### Agriculture



*Évora's Agriculture SWOT analysis*

## Culture and heritage



*Évora's Culture and Heritage SWOT analysis*

## Tourism



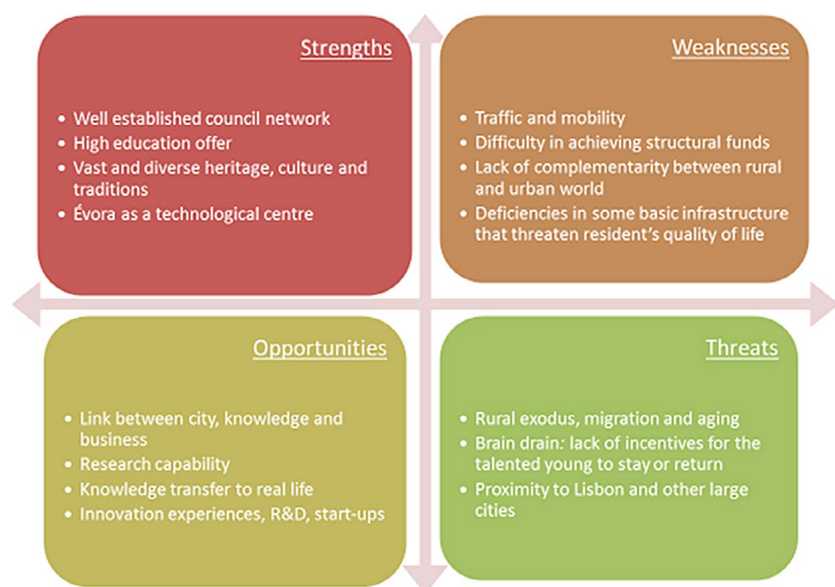
*Évora's Tourism SWOT analysis*

## Education



*Évora's Education SWOT analysis*

## Citizenship



*Évora's Citizenship SWOT analysis*

## Results and recommendations

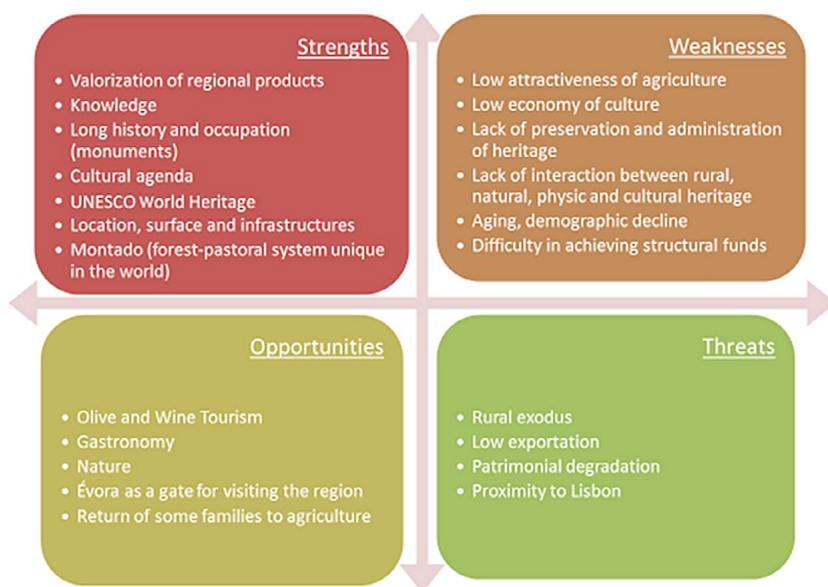
The identification of the key-themes and their subsequent analysis allowed the formulation of guidelines towards a transversal strategy. The implementation of this strategy will enable the economic and social development of Évora using technology and through cooperation between the various actors of the city, county and region. Considering the SWOT analysis made, the project highlights the major concerns in an integrated vision:

**Strengths:** valorisation of regional products, agriculture surface and infrastructures, the *Montado* (forest-pastoral system unique in the world), knowledge, long history (monuments) and occupation, cultural agenda, UNESCO World Heritage status, location.

**Opportunities:** Olive and wine tourism, gastronomy, nature, Évora as a gate for visiting the region, return of some families to agriculture.

**Weaknesses:** low attractiveness of agriculture, low economy of culture, preservation and administration of heritage, lack of interaction between rural, natural, physic and cultural heritage, small hotel stay rate, population ageing, demographic decline, difficulty in achieving structural funds.

**Threats:** rural exodus, low exportation, patrimonial degradation, proximity to Lisbon.



*Évora's integrated SWOT analysis*

This cooperation also highlighted the major challenges towards a more competitive region:

- create a strategy for the optimisation of agriculture;
- enhance Alentejo's benchmark;
- boost the touristic potentialities of the region and digital tools;
- reinforce the link between companies and training.

The recommendations presented below address the issues raised during the thematic meetings held with partners as well as the characterisation and analysis carried out during the process. To achieve goals and overcome challenges, these recommendations cannot be seen as separate solutions for isolated problems, but rather as a part of a synergistic solution based on cooperation.

### **1<sup>st</sup> Recommendation: Training and awareness-raising actions**

The transfer of knowledge to a real plan, especially in agriculture, is essential in value creation and sustainability. Cooperation between agriculture activities and the third sector will improve its attractiveness. Training actions to farmers and agricultural entrepreneurs are essential and can address issues such as funding opportunities, maintenance, preservation and optimisation of cultures, use of new technologies, new opportunities in business, traditional and innovative combinations:

- *Better planning of agricultural production.* The lack of strategic planning is one of the factors that explain the little value creation in the agricultural sector. Training must focus on market analysis and wealth creation (making comparative analysis, considering demand and supply, etc.), and optimised farming techniques (cost-benefit analysis). Such actions seek to increase the agriculture's GVA and rural attractiveness.
- *Creation and exploitation of additional profitable activities to agriculture.* Making use of creativity, studying good and innovative practices, and searching funding opportunities, these new businesses could, as the above issue, boost local economy and increase agriculture's attractiveness.
- *Safeguarding of the Montado (dehesa).* As an integrated ecosystem, the *Montado* must be preserved as a peculiar entity that combines a multifunctional agro-sylvo-pastoral system with a cultural landscape that largely contributes to local identity. In order to stop its degradation and protect and preserve its natural and cultural heritage, efforts must raise awareness to the need of proper



legislation. With high biodiversity, the *Montado* supports a wide range of ecosystem services, such as the regulation of water cycles, carbon sequestration and the prevention of erosion. It is considered one of the preferred landscapes for recreational and leisure activities, which emphasises its natural, cultural and touristic value.

## **2<sup>nd</sup> Recommendation: Évora, agricultural logistic centre**

The Alentejo has half of the national agricultural area and strong agricultural traditions. Nevertheless, agricultural work decreases (low percentage of workers, small impact on GVA), while the service sector increases. In line with the first recommendation, agriculture and services, rural and urban world must be connected. Promoting profitability in the agricultural sector implies developing synergies and make use of technology. Its integration with the food industry and the services sector, for example, can bring efficiency gains. Establishing Évora as a farming support hub, providing several services that can improve traditional agriculture activities and generate new businesses will link the urban space to its rural surroundings. A logistic centre for agriculture based in Évora would increase market competitiveness and improve agricultural planning:

- *providing training* (1<sup>st</sup> rec.);
- *giving logistic support*: ensuring the transportation, marketing and sale of products;
- *offering complementary services*: selling products needed for farming, providing technology;
- *creating ‘hybrid’ businesses and supporting innovation*: integrating the agricultural sector in a broad social and economic area and making connections with gastronomic, nature and rural tourism, food industry;
- *researching and producing knowledge*: improving agricultural practices;
- *developing digital tools*: creating a database for agricultural and economic knowledge (with informations on prices, productive capacity, infrastructures and surface areas allocated to each type of production, etc.);
- *helping with bureaucratic processes*: providing useful information about tax incentives and supporting farmers on project’s calls to European structural funds.

## **3<sup>rd</sup> Recommendation: Digital tourism cooperation**

Tourism is a priority to the city and county, conceived as an integrated strategy to promote the Alentejo. Tourism in Évora has been increasing, confirming its socio-

economic potential and reasserting culture's economic value. Information, however, is not yet shared among the diverse (private and public) agents from the sector and it is still scattered on the internet.

Digital tools have, nowadays, an extreme importance: tourism is responsible for the large majority (82%) of the researches about Portugal made on the Internet<sup>29</sup> and many tourists (34%) choose to visit the country after having gathered information online.<sup>30</sup>

Information about the city's and the county's heritage, resources, 'charms', weather and landscape (the major reason for choosing Portugal) must be gathered in a unique platform. That cannot be possible without cooperation between institutions, organisations and associations that operate in tourism. It is also necessary to bring other regional entities to such platform in order to provide as much information as possible, concerning heritage, culture, nature, traditions, agriculture, etc. Activities and events taking place in the city and its surroundings must be advertised.

In addition, partners must work together to create innovative products. The routes already available (wine, baroque architecture) can be considered a good practice, taking tourists on a full experience by combining history, gastronomy, intangible heritage, etc. An integrated vision of tourism avoids the classical choices between rural environment or culture, nature or tangible heritage, leisure or knowledge. In addition, a diverse touristic offer addresses different types of touristic demands.

Such synergy would ultimately benefit the neighbouring counties and the whole Alentejo region. It is also a way to preserve the vast heritage.

#### **4<sup>th</sup> Recommendation: Consolidate the Alentejo benchmark**

The quality of the products coming from the Alentejo is unmistakable. However, the Alentejo benchmark must be impactful not only in regional agri-food products (wine, olive oil, cheese), but also throughout the industry, and in tourism and cultural promotion. That implies the creation of a shared mark / brand based on the particularities of the region, making it clearly recognisable at national and international scale.

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<sup>29</sup> <http://www.bloom-consulting.com>

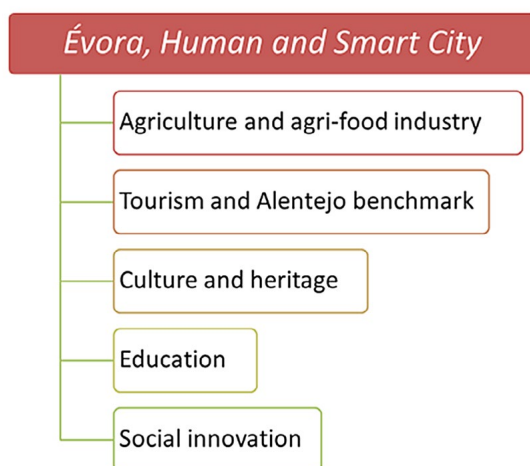
<sup>30</sup> <http://docs.deloitte.pt/perfil-do-turista.pdf>

This brand might designate several products:

- *Culture and heritage*: food, regional cuisine.
- *Landscape and natural heritage*: the tranquility and the vast plain, the Alqueva lake (and its activities), the *Montado* ecosystem.
- *History*: tangible and intangible heritage. The Alentejo has the most successful link between territory and heritage: no other musical practice in Portugal refers geographically to a territory (cultural, social, political) as peremptorily as the tradition of the ‘Cante Alentejano’, a chant from the Alentejo region, listed as intangible cultural heritage.
- *Agriculture* (cork, wine, olive oil)
- *Handicraft*
- *Developing digital tools*: creating a database for agricultural and economic knowledge (with information on prices, productive capacity, infrastructures and surface areas allocated to each type of production, etc.).

## Évora: Human and Smart City

The strategic recommendations points towards Évora as ‘human and smart’ city, a city empowered to implement social innovation experiences and promote participatory engagement, involving its citizens.



*‘Évora, smart and human city’ integrated strategy*

This partnership showed committed actors and favourable circumstances to implement and support an urban innovation ecosystem – Urban Living Lab – where virtual communities are encouraged to share space and to meet, identifying interests and common needs (WIN Methodology – Wishes, Interests and Needs), and collaborating towards welfare and happiness. In smart and human cities, governance is opened to its citizens, committed to the co-design of solutions. Partnership is based on an open, transparent and reliable relation. In smart and human cities, through traditional and new technological forms of communication and information, partners solve social, economic and environmental problems.

Évora has all the conditions to become such a city, a city with a vision, with a strategy.

## CONCLUSION

This exercise must be seen as a first step towards a more effective platform. The first step, that cannot be skipped, evaluates whether the conditions for further commitments are fulfilled. This partnership proved that local and regional actors have common interests and needs, and are engaged in discussing problems, designing solutions and incorporating them. CreativeMED feels reassured with the good reception of the idea, and sees the impact of these shared sessions in other partnerships that since then have been carried out. Our methodology created links between institutions and organisations that go beyond the formal level of institutional relations. The CreativeMED Portugal experience states that:

- It is important not to burn steps in the construction of common forums in order to ensure the existence of common values and objectives.
- To maintain collective creativity, observe tangible effects and promote consensus such experiences must be continued.
- To have concrete contributions, the status of the local promoter of the meetings (in this case, the University) and the leadership of the local public administration (the municipality) are fundamental.
- The methodology used in our local work group can be transposed to other spaces and might be a model for other profitable experiences. In a second phase, it might provide financial profits.
- Culture can be the basis for territorial innovation and sustainable development.

- The Living Lab, as a creativity-based approach, promotes the integration of social innovation in regional development and can be a powerful instrument for local communities.
- Cultural anchoring and shared values are extremely important in the region.
- Heritage has a key role in Smart Specialisation, and it is transversal to all issues concerning the promotion of the social, economic and cultural dimensions of the territories.
- These experiences have long-term consequences: the tie remains and is transported to other partnerships, influencing decision-making.
- Conceptually and methodologically, the CreativeMED vision and framework are valid and can be improved by practicing them, and adding new results to its references.

This document is a vehicle for the public disclosure of the results of the experience. Furthermore, it points to the future. It is a step forward towards a smart and human city. An example of partnership efficiency, and of how we can, together, be more intelligent and human.

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## FINAL REMARKS

At the very end, some remarks on the challenges that the CreativeMED project presents. For those who, like many members of the project team and the editors, have a long work practice in the Mediterranean region or live there, this programme only takes on its full meaning when the south shore of that sea is included. Since these partners are limited by their status as associates, there is a risk that many of the MED projects proposed will not be fully available to them. And yet these regions of the Muslim world show an inspiring territorial and collective creativity, and the younger groups, as in Europe, are completely open to innovation.

In any event, care was taken to articulate the fundamental elements of the CreativeMED model with the diversity that characterises the Mediterranean. As the number of refugees and migrants from the South grows and inclusion policies falter, the experiences based on this model are even more vital; it is important to try it out and to put it into practice.

At a time when local and regional authorities in Europe must define their priorities and establish development objectives for the future, it is crucial to create mechanisms that enable a careful project selection, strengthen the engagement of stakeholders and lead to an effective system management.

It seems equally reasonable to conclude that the CreativeMED White Paper has pointed out directions and set forth guidelines which help public institutions – today increasingly compelled to devise their own Smart Specialisation strategies – to bring an overall consistency to the projects that are being implemented.

The experience carried out in Évora shows that Smart Specialisation is widely attainable. After testing the model in some Mediterranean regions, it is our hope that it can be replicated, with due changes, in other regions. This is, indeed, the main purpose of this publication.

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## GLOSSARY

**CreativeMED Project:** project that aims to draw a bottom-up Smart Specialisation model dedicated to enhance and support Mediterranean creativity and innovation potential. Aims to trace and convey alternative business models, which create economic value by using culture-based dynamics. Outcomes include an integrated development model and a 'self-diagnosis' tool box, as well as the White Paper providing Mediterranean specific policy insights and recommendations.

**CreativeMED Toolkit:** self-diagnosis tool conceived to help regions in the development of their Smart Specialisation strategies. By consulting opportunities, needs and resources available at local and regional level, actors can adopt good practices, maximising intra-regional creativity and increasing the dissemination of interregional knowledge for innovation.

**CreativeMED White Paper:** CreativeMED document based on the experience gained through local and transregional partnerships and careful considering the good practice of previous MED projects. The document points to a 'Mediterranean innovation model' and aims to make a substantial contribution to the understanding of the potential contribution of innovation to regional well-being, as well as to the political processes by which those goals can be achieved, with particular emphasis on the needs and potential of the Mediterranean.

**Community-scale partnerships:** Spontaneous alliances between different types of stakeholders with different multidisciplinary perspectives, at a community scale (rural district, town or urban neighbourhood).

**Culture and creative industries:** cultural industries are industries producing and distributing goods or services that have specific attributes, uses or purposes that embody or convey cultural expressions; creative industries are those industries which use culture as an input and have a cultural dimension.

**Heritage Living Lab:** exercise that seeks to give a practical consistency to the CreativeMED White Paper. Working experience with able and committed entities and local actors from the region of Évora that could contribute to the discussion of new ideas, the creation of shared projects and the development of strategies based on the assessment of opportunities, needs and resources at local and regional level. A Heritage Living Lab is a platform of understanding that includes several actors with different roles, views, interests and skills; a space for debate and

decision-making with the power to influence policies and to incorporate them at the level of local actors and in the region; a means to define new instruments and communication practices; a way to approach both decision centres and communities and to contribute to the strengthening of social cohesion.

**Human and Smart City:** city empowered to implement social innovation experiences and to promote participatory engagement, involving its citizens. A human and smart city encourages its citizens to share space and to meet, identifying interests and common needs, collaborating towards welfare and happiness, and contributing to the innovation ecosystem. In smart and human cities, governance is opened to its citizens, committed to the co-design of solutions.

**Living Lab:** research and innovation ecosystem that aims to explore, test and evaluate new concepts, scenarios and technologies in a real context. It is a versatile and powerful instrument of cohesion and the ideal form to create a regional system of innovation and partnership, strengthening innovation processes and enhancing sustainable solution development. Furthermore, a living lab is a practical response to the CreativeMED scenarios, building local partnerships for the implementation of its model.

**Mediterranean Way to Innovation:** the Mediterranean space has specific community needs (and potential markets) that can guide innovation policies, including issues such as energy and insularity. The MED approach to innovation is thus heavily supported on territorially based creativity and therefore on cultural capital (rather than on physical or financial resources).

**Place-based creativity and territorial innovation:** innovation processes do not occur in a vacuum or according to a standard formula, and are deeply rooted in territorial conditions. The integration between innovation dynamics and the specific cultural features of place emphasises the spatial dimension of creativity and its relation to the specific features of territorial capital (i.e. natural, physical, symbolic, human and spatial). **Territorial innovation** is a place-based form of product-service innovation. **Creativity-based innovation** is a value proposition for the global economy that emphasises the spatial dimension of creativity and its relation to the specific characteristics of territorial capital. In this territorially based view, the value proposition of cultural heritage stands out in the case of the Mediterranean area. Territorial innovation therefore involves a **cultural approach** in which the sense of place and cultural heritage are the basis for innovation and the inspiration for new expressions. **Territorial innovation** is to use creativity to valorise the territories' cultural/natural specificities.



**Smart Specialisation:** strategic approach to economic development that aims to build a smart, sustainable and inclusive economy. It is a new concept of innovation policy designed to promote the efficient and effective use of public investments in research and innovation. It also aims to boost regional innovation in order to achieve economic growth and prosperity, allowing regions to focus on their strengths. Through innovation it is possible to develop and implement new ideas (products, services and models) that enable people to act and meet social needs. Smart Specialisation is putting creativity at the service of the economy. Smart specialisation is aware of the creativity-based potential and of how open and participatory policy processes can help to identify and to define competitive advantages and regional priorities, promoting new procedures, strategies and partnerships.

**Social innovation:** ‘a new way of governing’ that implies an ‘active participation of citizens’ to tackle the challenges we all face (climate change, social justice, ageing, etc.); today, social innovation is understood as a response to the crisis, as an ‘effective way of responding to social challenges by mobilising people’s creativity to develop solutions and make better use of the available resources’ through scientific and technological innovation. Social innovation in fact relies on open-network partnerships that often follow self-organising principles, making them hard to reconcile with administrative requirements for reliability and accountability.

**Translocal socio-economic ecosystems:** emergent forms of work and business that shift the emphasis from the single local company or network to a ‘translocal’ transaction system that cuts across vertical sectors, traditional value and supply chain configurations, and natural regional borders. Such configurations also tend to promote and/or ‘repair’ interregional value chains.

## LEARN MORE

CreativeMED website: [www.creativemed.eu](http://www.creativemed.eu)

CreativeMED Portugal blog: [www.creativemedpt.wordpress.com](http://www.creativemedpt.wordpress.com)

CreativeMED Library: [www.programmemed.eu/en/library/library.html](http://www.programmemed.eu/en/library/library.html)

CreativeMED Toolkit: <http://toolkit.creativemed.eu>

S3 Platform website: <http://s3platform.jrc.ec.europa.eu/home>

EC Research & Innovation website: <http://ec.europa.eu/research/infrastructures>

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