

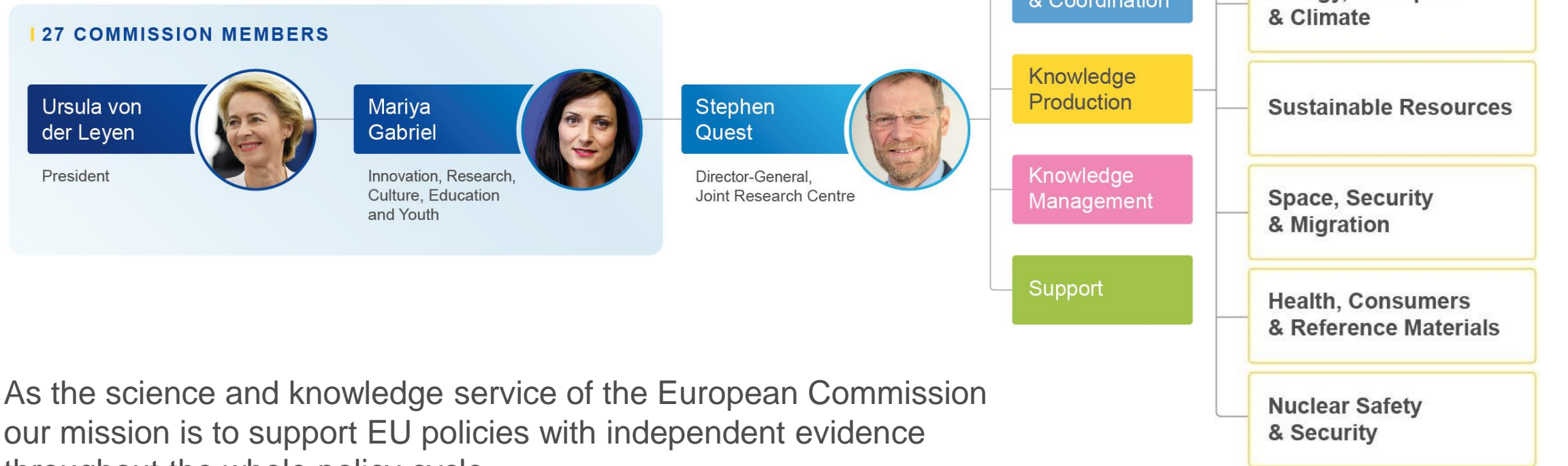


S3 through the pandemic, Challenges and Opportunities

Carmen Sillero Illanes

24 February 2022
European Commission – Joint Research Centre (JRC.B7)
S3 team

JRC Mission



As the science and knowledge service of the European Commission our mission is to support EU policies with independent evidence throughout the whole policy cycle.

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LANDABASO ALVAREZ
Director



Paolo CANFORA
Policy Adviser/
Programme Manager



Francesca CAMPOLONGO
Deputy Director



Vincenzo CARDARELLI
Adviser to Director



Francesca
CAMPOLONGO

HoU - B1

Finance & Economy

DHoU
Jessica CARIBONI



Salvador
BARRIOS

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Fiscal Policy Analysis

DHoU
"Vacant"



Alessandro
RAINOLDI

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Urban and Territorial
Development

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Mark BODEN



Ioannis
MAGHIROS

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Carmen
MENA
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INPUT-OUTPUT,
GLOBAL VALUE
CHAINS AND
PRODUCTIVITY

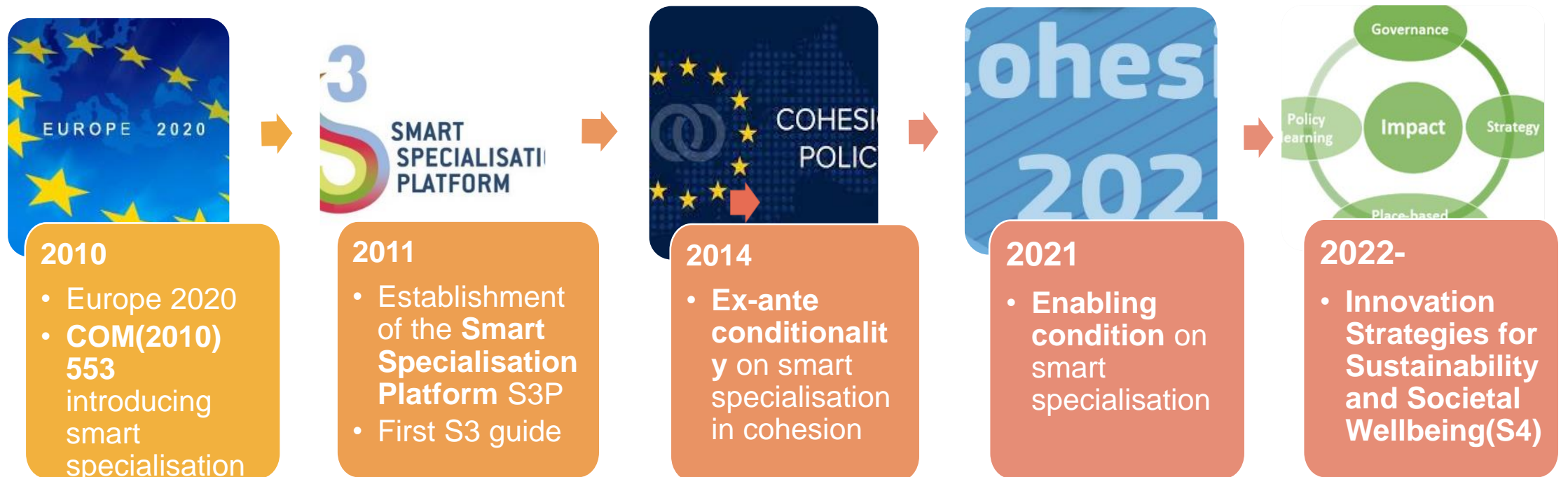
S3

INDUSTRIAL
INNOVATION
DYNAMICS

S4

RRP

JRC and a decade of smart specialisation

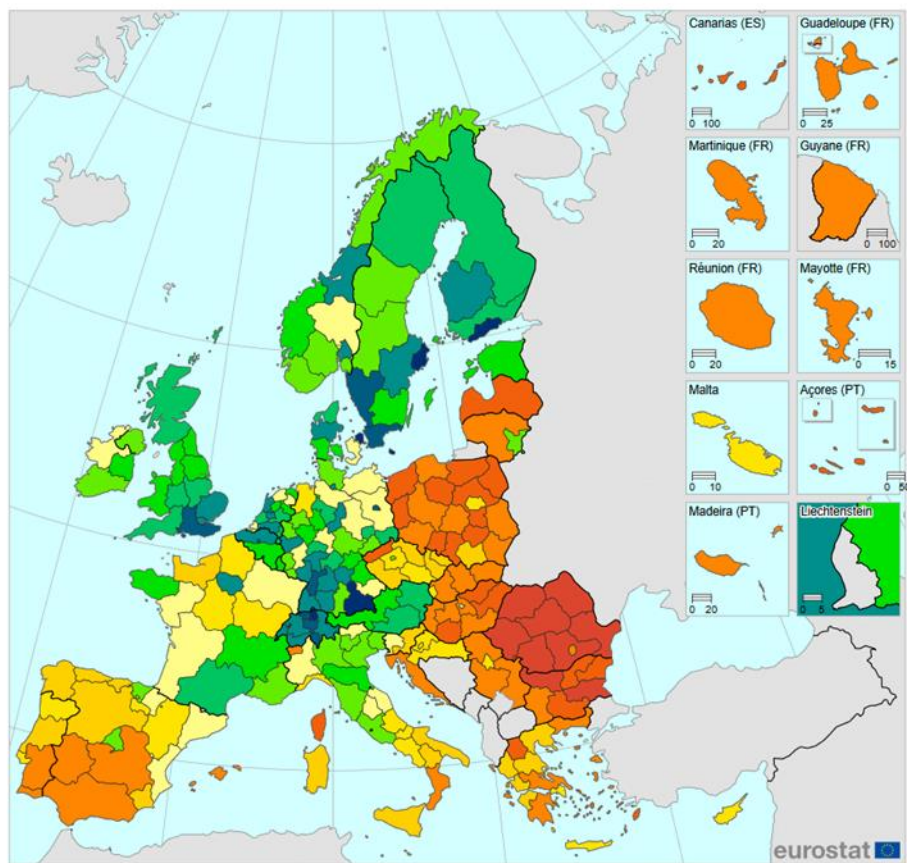


Smart Specialisation Strategies 2014-2020

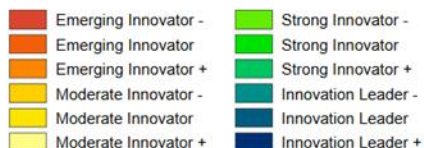
Output and impacts

Impacts on policy making, society, economy

Regional performance groups, RIS 2021 Regional Innovation Scoreboard 2021



Administrative boundaries: © EuroGeographics © UN-FAO © Turkstat
Cartography: Eurostat — GISCO, 05/2021

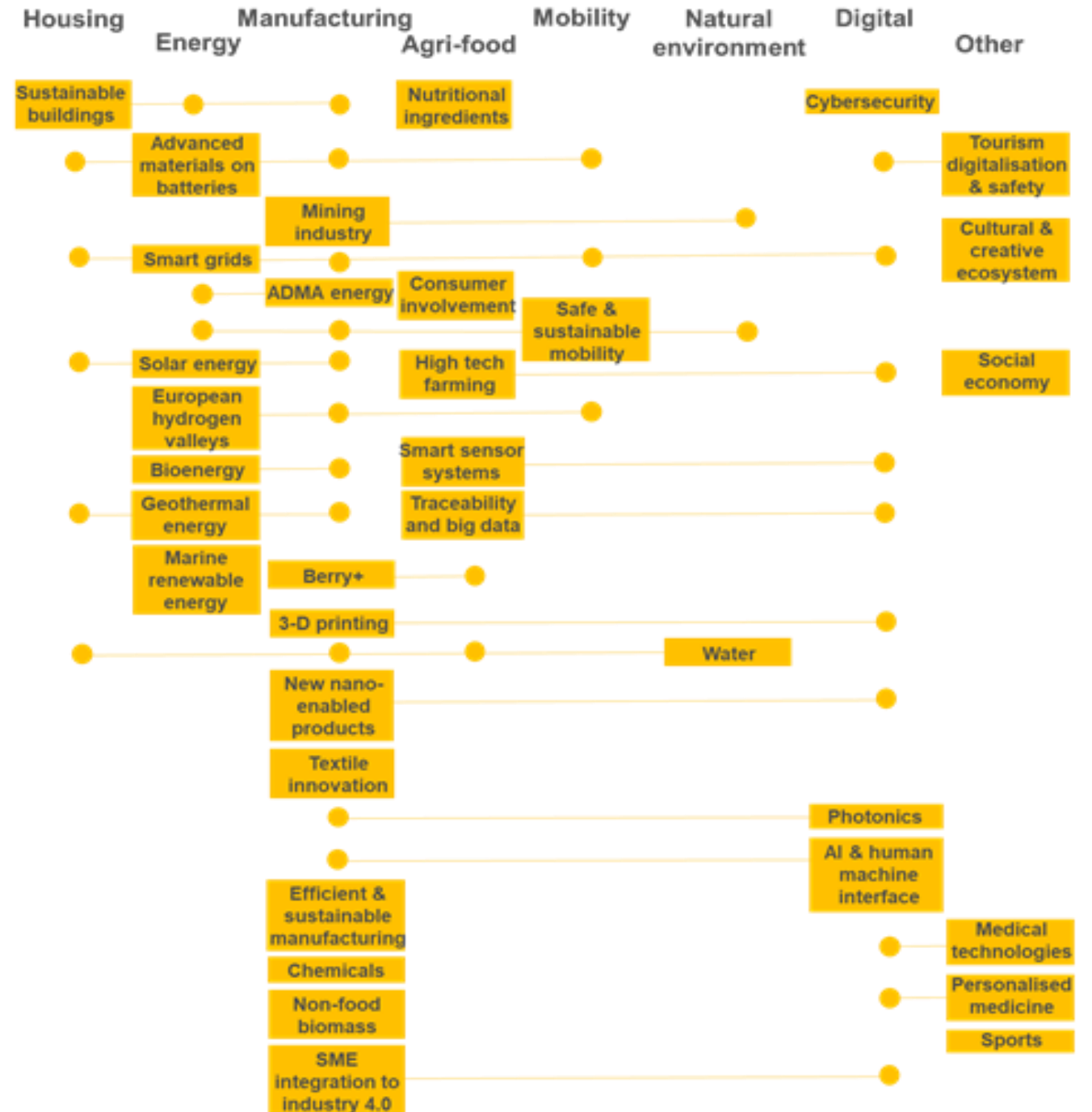


<p>Impact on policymaking</p>	<p>Smart specialisation represents a key instrument to reform EU's cohesion policy towards more efficiency and effectiveness;</p> <p>The ex ante conditionality has led 185 territories from EU Member States and regions to design and implement smart specialisation strategies;</p>
<p>Impact on society</p>	<p>Through the Entrepreneurial Discovery Process, the smart specialisation approach brings about new <i>modus operandi</i>: change in stakeholders' attitude and mind-set to co-design tailored solutions to address societal challenges at the local level.</p>
<p>Impact on economy</p>	<p>Smart specialisation strategies are expected to enhance job creation and growth, but impacts are still difficult to trace at this stage. Case specific studies show evidence of overall positive effects on main economic indicators and sectors.</p>
<p>Impact on innovation</p>	<p>RIS3 driving research and innovation investments of over € 40 billion provided by the EU (€ 68 billion including national co-financing);</p> <p>Preliminary evidence suggests that S3 has leveraged € 3.57 billion of additional private funding, improved research infrastructures for over 37,000 researchers, created over 8,000 new research positions and helped several thousands of firms modernise and introduce new products to market.</p>

Interregional S3 partnerships and the twin transition

Many **topics** of the interregional S3 partnerships are at the core of the systems that are key for making the twin transition a reality.

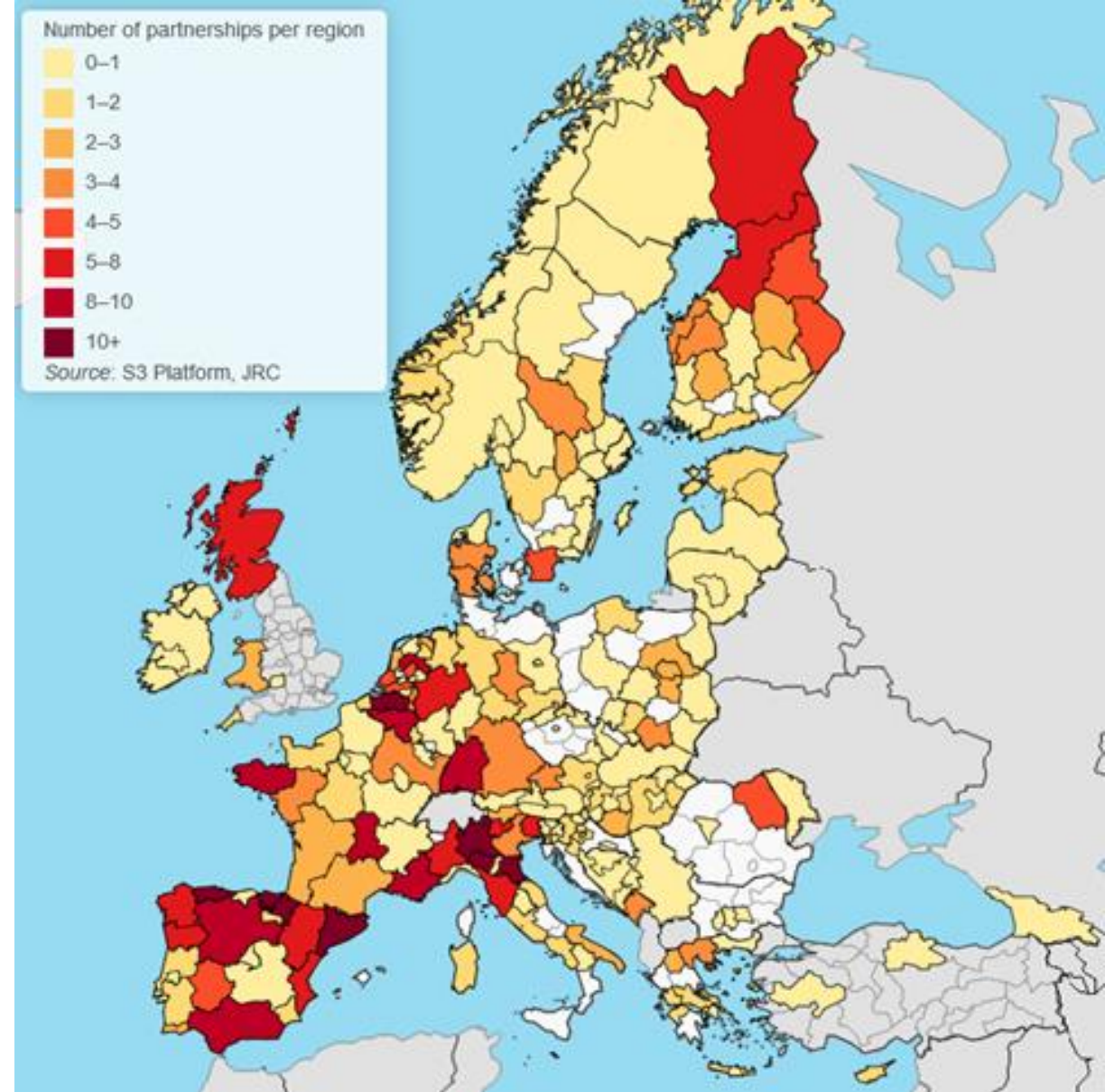
The figure also reflects possible collaborations between partnerships within each of the systems.



Geographical spread

Thematic Platforms and their 35 interregional smart specialisation partnerships have created a **pan-European network of networks**

Taking full advantage of EU's territorial diversity (economies of scope) would require more involvement from less advanced territories.

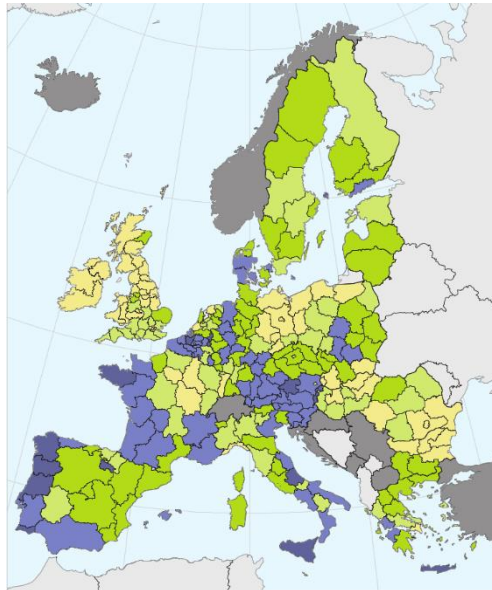


Number of participations in the 35 partnerships per territory

The changes in the framework

Sustainability

The EU Green Deal and the SDGs



**MSs
Regions
Cities**

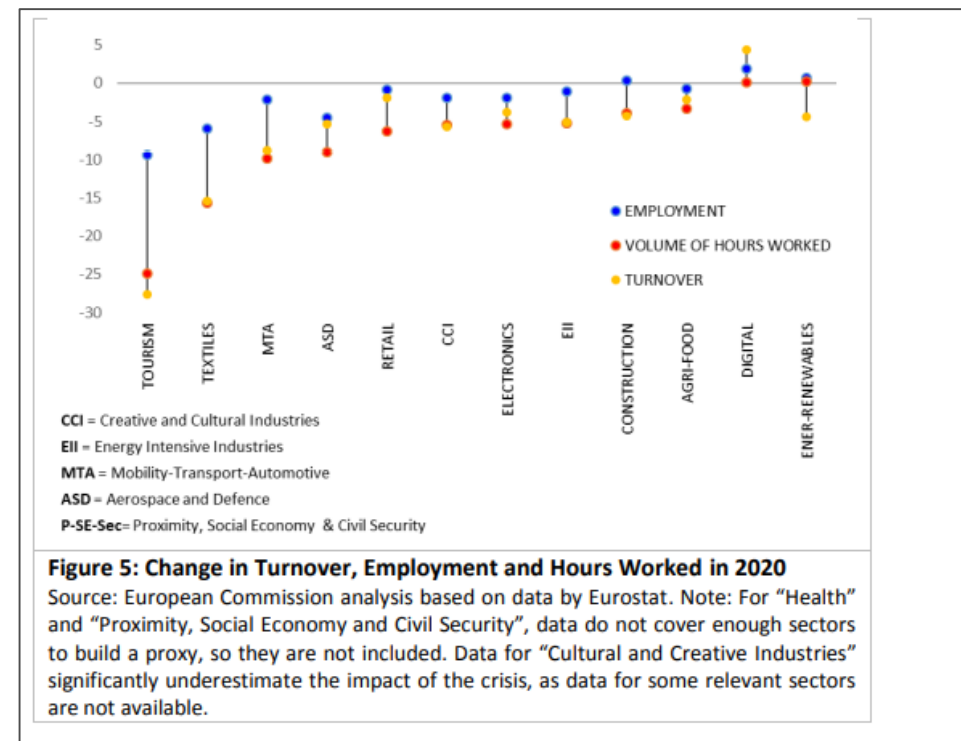
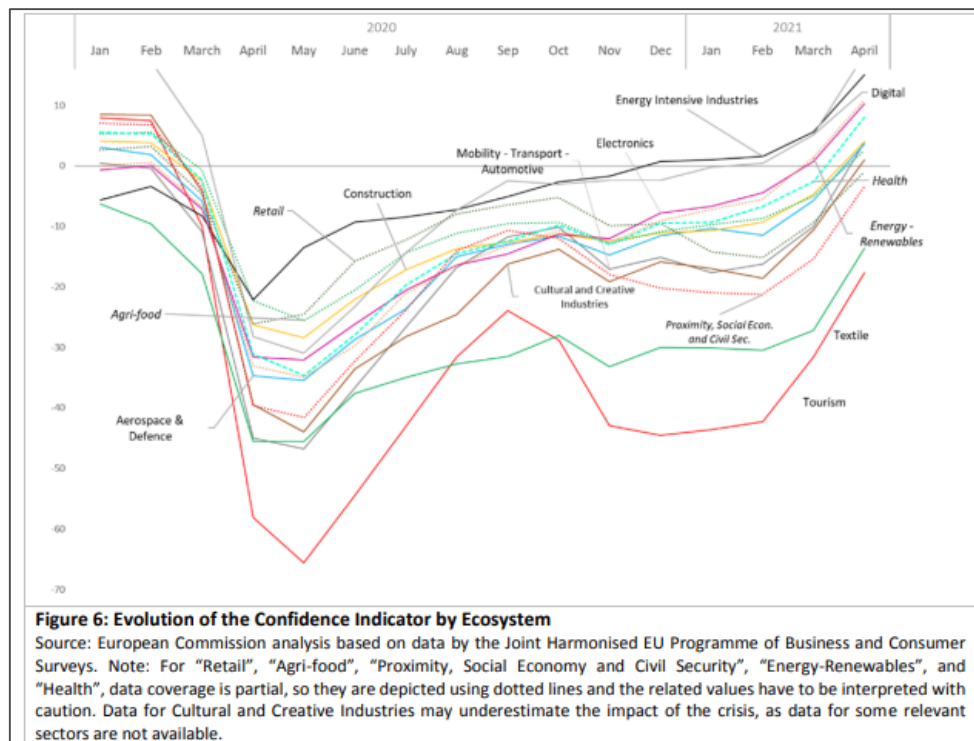


The EU Green Deal



- 6. Fresh water and sanitation
- 7. Affordable and clean energy
- 11. Sustainable cities and communities
- 12. Responsible production and consumption
- 13. Climate action
- 14. Life below water
- 15. Life on land

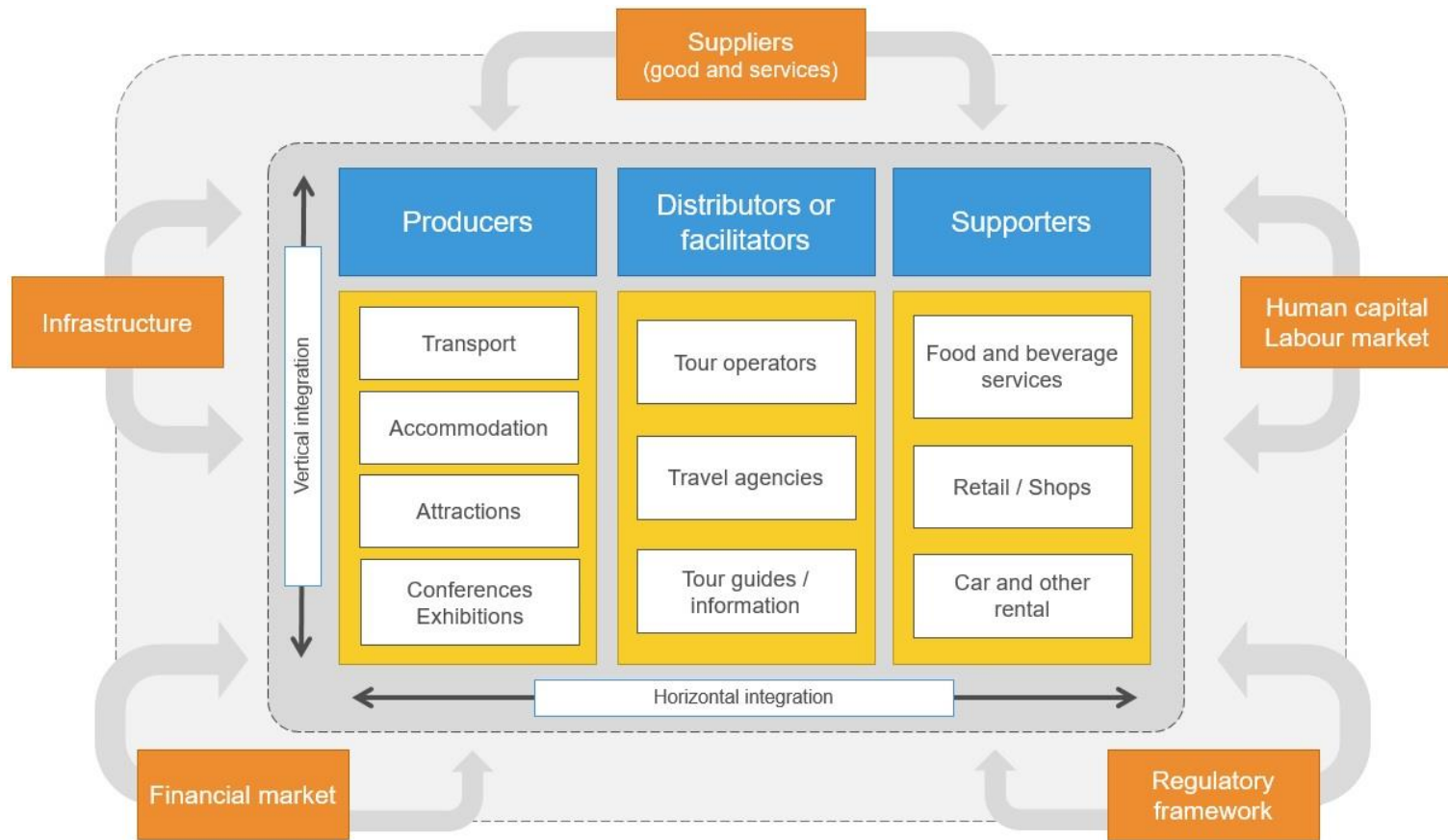
The impact of the covid-19 crisis



60% of SMEs reporting a fall in turnover and two thirds reporting that they have delayed investment decisions or downsized investments

Tourism and COVID-19 effect in numbers

Tourism eco-system



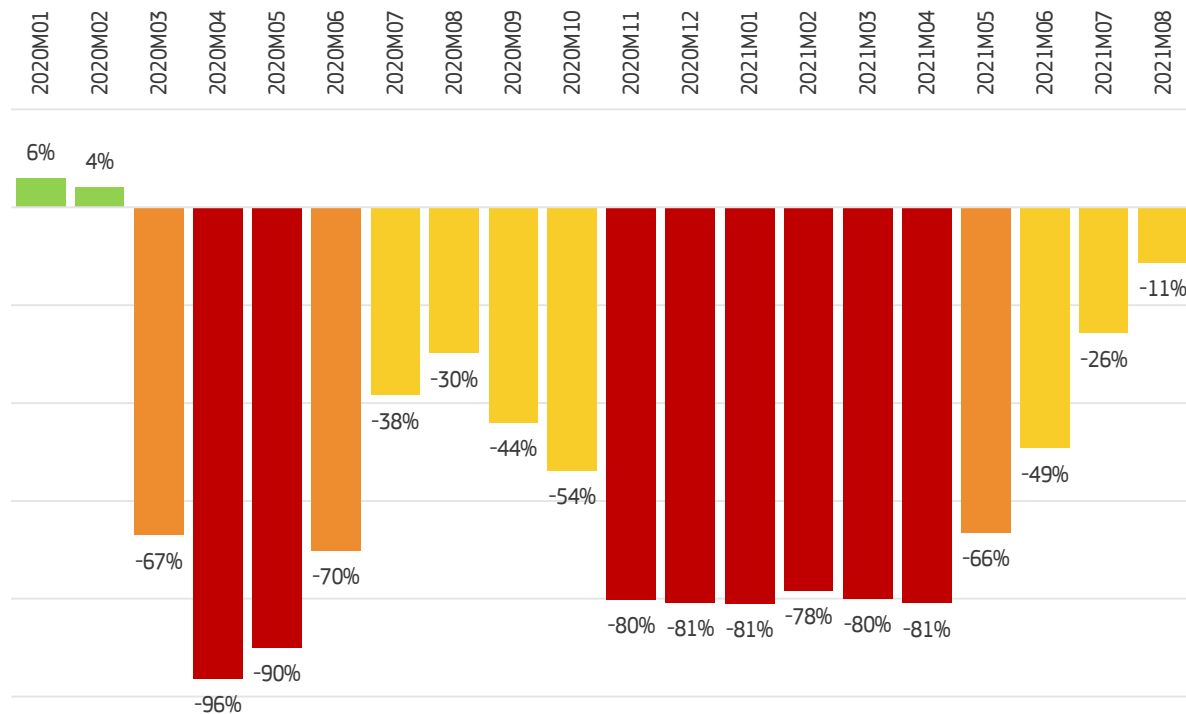
- **More 1 billion of tourists (2019)**

- **EU residents spent an estimated €479 billion on tourism trips**

- **Complex eco-system**
- **Involving several economic activities**
- **Employment contribution:**
 - Effect of tourist arrivals at accommodations establishments generated along the value chain
 - **19 millions of jobs in EU**
 - 10% of total employment

COVID-19 effect on tourism in EU27

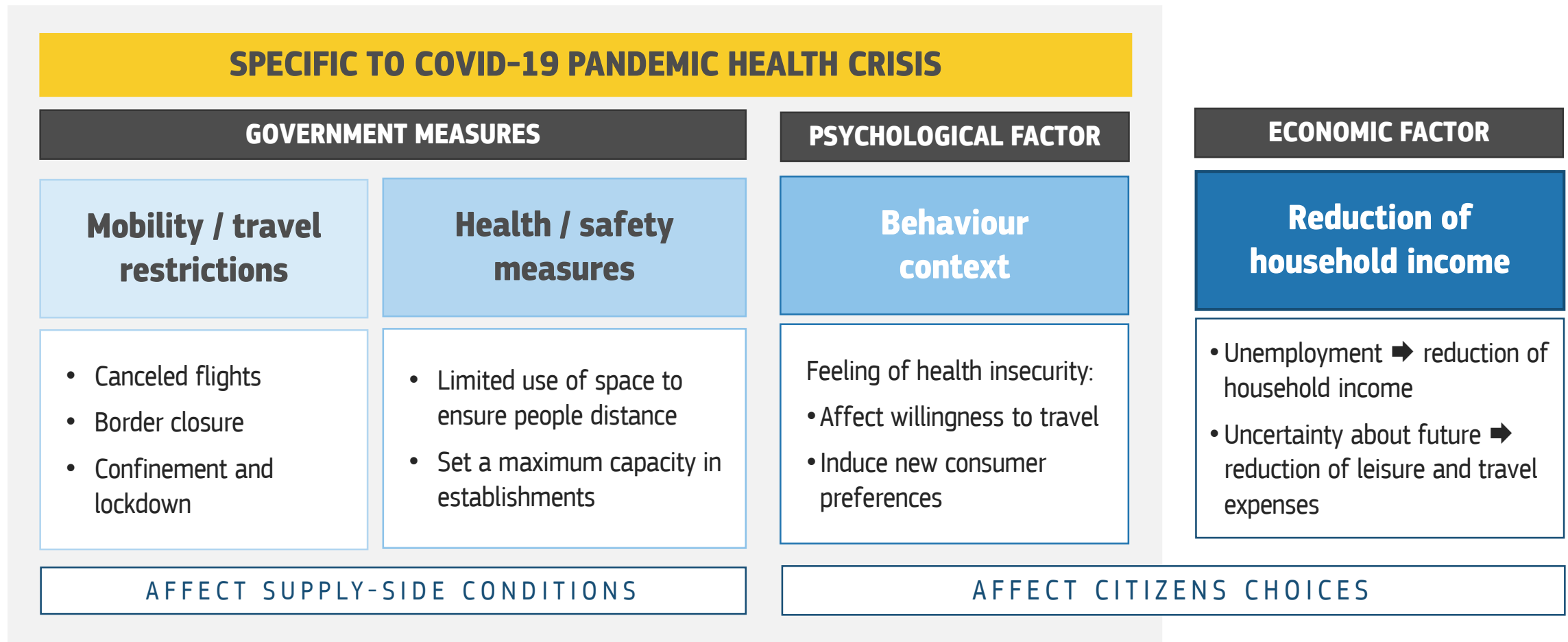
Changes in tourist arrivals face 2019 – EU27



Source: Eurostat

- **Changes in tourist arrivals:**
 - 2020: -54% ➔ -543 Millions
 - 2021: -51%
- **Most affected countries:**
 - Greece
 - Spain
 - Cyprus
 - Malta
 - Croatia
 - Portugal
 - Southern countries
 - ▼ 60% - 70%

How COVID-19 affected and is affecting tourism sector?

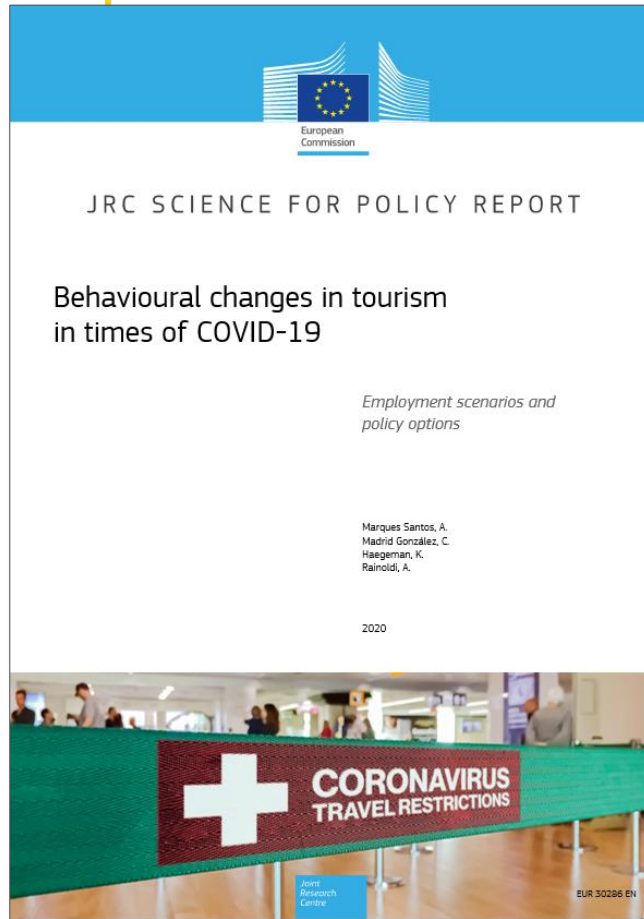


COVID-19 and changes in consumer behaviour

Short-term

- Effect on the willingness to travel and destination preferences (Summer 2020 and next months...)
- Destination attributes/preferences:
 - **National destinations**
 - **Low tourist overcrowding**
 - **Nature and outdoors activities**
- Households budget: likely to be lower for holidays purpose, however, price is not the main criterion in selecting a holiday destination
- Expectations regarding international travel in the post-COVID-19 crisis are also likely to be lower, in comparison with the pre-crisis

Possible long-term effects of Covid-19 on tourism demand



[Link to report](#)

Acceleration of **green transitions** and sustainable tourism concept

- › Consumers **more aware** about the effect of climate change on human health [1]
- › **More aware** about the impact of tourism on the environment ➔ more eco-friendly choices in their everyday life [2]
- › **More determined** to make sustainable choices when looking to travel in the future [2]
- › Considering **alternative modes of transport** for longer distances ➔ reduce carbon footprint [2]

Acceleration of **digitalisation** in business model

- › Intensification of remote digital working tools [3; 4]
- › Rethinking the need for travel or physical meetings [3]
- › Cut marketing/promotional expenses [4]

Source: [1] Global Data (2020). *Coronavirus (COVID-19) Executive Briefing*, 28 May. Global Data. (2020)

[2] Booking.com (2020). *Sustainable Travel Report*. Available at: <https://news.booking.com/bookingcom-reveals-key-findings-from-its-2020-sustainable-travel-report/> [Accessed on 19 September 2020]

[3] Azurite Consulting, COVID19 impact on business leaders, owners and decision makers, Ireland, 17-24 April 2020

[4] Deloitte, Barómetro de Empresas: Covid 19 Impacto economico, Edición especial 3ª oleada, Deloitte, 4 al 13 de mayo de 2020..



New Strategies for a new Era

New Challenges for Economic Transformation

Increase Directionality. The Green Deal, Sustainable Development Goals, Recovery and Digitization

Resilience. Generate the ability to face adversity and recovery.

Moving from "Just in time" to the concept of European Strategic Autonomy

Avoid fragmentation of programs and resources. Cohesion Funds, Recovery and Resilience Funds, National Funds, Horizon Europe, European Council, EIT...

Whole of Governance approach, Subsidiarity intelligence, multi-level coordination and interdepartmental cooperation

Recognize the sources of Innovation, from Deep Tech and Artificial Intelligence, to Social Innovation, innovative purchasing processes or Missions

Codesign to experience new policies

Evidence-based decisions and analysis, to extract lessons and improve policies
Transparency

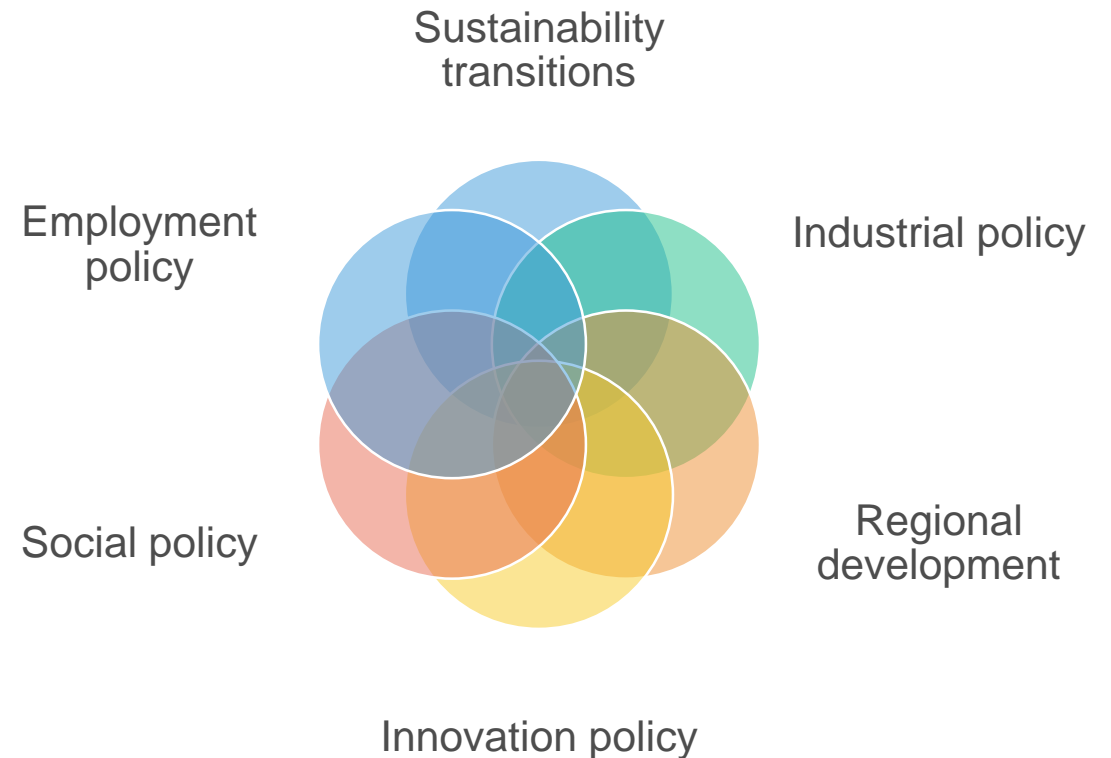
A key role for place based innovation in building new value chains

- Connecting better places, their actors, investments and innovative solutions to new and renewed value chains and to other places around the EU can allow for cross-fertilisation, faster learning and better connections to global markets.
- Interregional thematic smart specialisation partnerships are in a good position to create such connections and for integrating place-based innovation in the European recovery agenda.

(See also McCann & Soete, 2020)

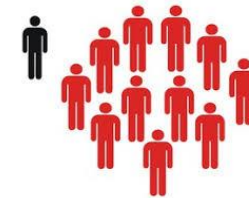
Innovation Strategies for Sustainability (S4)

- Impact-based **strategies** for sustainability transitions that create economic, social and environmental value
- A participatory **governance framework** in support of forward-looking policy
- A **new way of working across government** departments and levels focused on solving territorial challenges



Objectives of S4

- Deliver **effective solutions to pressing societal challenges within defined timeframes**
- Use resources in ways that **generate co-benefits for the economy, society and environment**
- Draw **linkages across multiple policy domains, exploit synergies and address tensions**
- **Reform, revise and complement policy and regulatory instruments** to improve coordination and amplify impact



Last image source: https://ec.europa.eu/info/strategy/international-strategies/sustainable-development-goals/eu-holistic-approach-sustainable-development_en



Let's work together on
Innovation Strategies for Sustainability

Keep in touch



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Thank you



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Slide 23: images concerned [business_concept_(c)_IRStone_300167162], source: stock.adobe.com.