

Innovation – a national priority, supported by the regional development agencies

Elena ENACHE

“Constantin Brâncoveanu” University from Pitești
elena.enache@univcb.ro

Cristian MOROZAN

Faculty of Management-Marketing in Economic Affairs, Brăila
cristian.morozan@univcb.ro

Abstract. *The European Union is interested in the overall performance of the group of 27, and in the national contributions in innovation. The target is to create an „Innovation Union” which aims to provide to entrepreneurs the necessary support to transform innovative ideas into products and services because it has been found that the rate is inefficient to reduce the gap between Europe and its main competitors. The competition with the emerging countries cannot also be won without carrying out the provisions of the Europe 2020 Strategy. This paper addresses the Romanian vision on innovation supported by the Regional Development Agencies whose experience can be considered best-practice model.*

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REL Classification: 17E.

1. The current state of facts both in the European Union and Romania

Annually, in the European Union, the European Innovation Scoreboard is developing – EIS, a document which assesses the national performances in the areas considered important to stimulate innovation. This is part of the Strategy of creating an “Innovation Union” which aims to offer to the entrepreneurs the support they need to transform innovative ideas into products and services. It is found that the majority of the Member States shall take measures to constantly stimulate innovation but the rate is insufficient to reduce the gap between Europe and its main competitors – the USA, Japan and South Korea. Moreover, the old continent “is also fighting” the emerging countries, China, Brazil and India which quickly advance in this field.

The Member States are encouraged to promote public-private partnerships, to facilitate access to funds and a well-trained workforce, to reduce administrative burden and lower the costs of make innovative ideas legal. Considering these issues, the European Union has placed innovation and the elimination of obstacles from the road of transformation ideas into products and services in the centre of the Europe 2020 Strategy for economic growth and employment. This strategy introduces a new vision for the European economy over the next decade, based on enhanced coordination of economic policies, to generate economic growth and increased employment of labor, to help economic and financial recovery of the Union. The new strategy focuses on the following key areas: knowledge and innovation, a more sustainable economy, a high level of employment and social inclusion (www.fonduri-structurale.ro).

According to professional studies, an increase of investment in research and development up to 3 percent of the European GDP could lead to the creation of 3.7 million jobs and to an annual increase of the GDP up to 795 billion Euros by 2025.

The EU institutions have entered a new cycle of negotiations on the multiannual financial framework (MFF) which defines the priorities of the EU budget for the period 2014-2020 and one of them is called innovation. As stated by the European Council President, Herman van Rompuy: “Given today's economic challenges, focusing on jobs, growth and competitiveness is our top priority. We simply cannot afford to sacrifice future-oriented investments in education, research or innovation. That is why the new budget foresees an extra 37% (or €34 billion) precisely in those areas, also setting aside substantial sums for cross-border energy, transport and digital networks (€30 billion). The key initiatives like “Erasmus for all”, the exchange programme for students and teachers, or the

“Horizon 2020”, the continent's biggest research and innovation programme will also sense a real increase in their funding (www.consilium.europa.eu).

As a member of the European Union, it is thus clear that Romania must do more to stimulate and accelerate innovation. Otherwise, it will not be able to maintain – let alone to increase – a high level of the competitiveness. At this moment, our country is a modest innovator (in the fourth and also the last one value group into EIS) (<http://ec.europa.eu>) in the position 24 of the 27 possible ones, with results below the European average. It is characterized by inconsistency, lack of continuity, even if it has recorded innovation growth rates above 5% per year (Enache, Morozan, 2011, p. 410). If Europe transforms both innovation and competitiveness in its priorities for the programming period 2014-2020, therefore, Romania should become part of the gear.

The situation can be seen more clearly from a SWOT analysis on the support system of the innovation policy.

Strenghts:

- the existence of regional innovation strategies, made especially by the Regional Development Agencies (RDAs) which brings together relevant stakeholders (business environment, academia and public authorities) in an effort to get the triple Helix;
- our country is on the second place in Europe, after Poland, as a number of RIS projects in the most recent generation, won through the Sixth Framework Programme – Research and Development;
- stimulating and competitive framework, created by the RDAs at the regional level;
- direct competition between RDAs;
- cooperation and collaboration between RDAs;
- dissemination of knowledge and accumulated experience by the responsible organizations from the EU countries and regions, which the Romanian RDAs implements projects with;
- the creation of organizations exclusively dedicated to innovation, such as the Innovation Union etc.;
- in Romania there are seven growth poles, namely Braşov, Cluj-Napoca, Constanţa, Craiova, Iaşi, Ploieşti şi Timişoara. Moreover, together with the urban development poles there are areas where priority is given to the investment in innovation;
- there are more and more published studies with relevant information about innovation knowledge and about stakeholders interested in it. For example, according to a Statistics National Institute, almost a third of the companies

operating in Romania have brought innovative products and new marketing methods, the most productive sector in this respect was, between 2008 and 2010, the manufacturing of basic pharmaceutical products and preparations of this type (www.business24.ro).

Weaknesses:

- low level of financing innovation;
- lack of qualified personnel;
- low level of technology transfer;
- poorly developed innovation infrastructure;
- lack of incentives for innovation in the research – development institutions;
- lack of information about the financing opportunities for the innovative enterprises;
- a reduced number of eligible projects to attract the funding based on innovation;
- a vague vision on what actually is innovation;
- an industry less innovative, often disinterested;
- predominant top-down approach and an excessive focus on governmental funding, a reduced rate of the EU funding, weak bottom-up initiatives;
- insufficient regional strategies.

Opportunities:

- introducing innovation as a key aspect of the Europe 2020 Strategy;
- Romania's chance to conclude advantageously negotiations for the programming period 2014-2020 in order to obtain funds that have been destined to innovation;
- intensifying the efforts of the whole Europe in the innovative direction;
- developing parliamentary elections on December 2012 which have offered for the current government the legitimacy and the support needed to carry out the agreements negotiated and signed with the European Union;
- launching the National Promoters, Facilitators and Experts Network – EUSDR (PROFEX), which should be the fundamental crucible of the human energy and logistics, capable to operate major technological, economic and social innovation projects, in the macro-region dominated by the Danube;
- the Competitiveness Council (intern market, industry, research and space), reunited in Bruxelles, on may 2012, agreed on the main elements of the programme for business competitiveness and SME's for the period 2014-2020. The Council agreed on the main elements of the frame research and innovation programme for this period, known as "Horizon 2020".

- The rules of the European Institute of Innovation and Technology and its strategic agenda setting for the period 2014-2020 are being updated. The Council adopted conclusions regarding European partnerships for innovation.

Threats:

- generally speaking, Romania's lack of vision but especially that of the stakeholders to innovate and to attract funds raised in this direction;
- political incoherence;
- decreased confidence due to the recent political and social events;
- in parallel with the Europe's efforts for innovation, the main extracomunitarian competitors have similar interests.

2. The Regional Development Agencies – promoters of innovation

Innovation itself is characterized by dynamism and positive change and the ADRs are the most active promoters in this field. Each of the eight institutions has its own experience in this field, more or less unique, exceeding the statements' level and acting effectively. That is why we further propose to present them, briefly illustrated, as there is presented on their websites. We chose online information because we believe that, for all the agencies, visibility is essential and it is a serious argument of their concerns, in general, and for innovation, in particular, the website becomes the first place where anyone interested in innovation may document him/herself.

Using the SNI database through "Statistic research about innovation" (INOV), based on the European questionnaire "Community Innovation Survey" (CIS) and used in all the member countries of the EU, overall, the North of our country is the most active. However, during 2008 – 2010, the development regions with most innovative enterprises were not only in the North: the North-East Region (42,6%), the South-East Region (36,9%) and the South Muntenia (33%) (www.business24.ro).

2.1. The North-East RDAs (www.adnr Nordest.ro)

Regionally, the North-East RDAs sustains the innovative environment by implementing projects dedicated to the increase of the innovation capacity in the region. The agency has a newsroom in the field, daily informing on the domain of innovation.

The projects which ranked it on top of the innovativeness are as follows:

INOLINK – The interconnection of the territories through an innovation network whose overall objective is improving the reach of the regional innovation policies, through a better connection of actors within the regional innovation system, especially of those located in the most peripheral and remoted areas and a more balanced development of economic and technological sectors all over the European Union.

In order to achieve this objective, the *INOLINK* project proposes the exchange of experiences in the setting up and the functioning of the public structures and networks, which support innovation and the participation of the actors from the remoted areas in the cooperation in the research domain – development and knowledge transfer within the regional innovation system.

In partnership with organizations from eight European countries, DRAs North – East has participated in the *ASVILOC PLUS* project – “Agencies supporting the value of innovation systems in local and regional economies”, funded by the South East Europe Transnational Cooperation Programme. The scope was to define the functional paths and approaches for the promotion of the innovating and entrepreneurship networks in the partner regions. The global objective was aiming at contributing to the construction of a “transnational innovation system” starting with the exercise of putting into light of the results from the previous *ASVILOC* project and ending with the best practices of the Regional Innovation Strategies taking actions upon the institutional framework and related human resources. Therefore, the project will bring its contribution to an increased role of regional development agencies in developing the regional innovation system as interface for the promotion of innovation by involving the relevant actors in the field and making them work in a large and homogenous environment based on a long-term regional innovation Strategy.

Another project, *INNO-DEAL* – Analysis, Diagnosis, Evaluation, Pilot Actions and Learning processes for Joint Innovation Programmes, under the Sixth Framework Programme, implemented in co-operation with partners from 11 European countries, had as objective the building of the conditions for promoting a systematic exchange of information and good practices on the existing programmes fostering innovation and supporting the SMEs development with a special focus on creating new companies and developing spin-off business.

The RDAs is a partner in the project “*Advanced Medical Imaging, interdisciplinary and integrated by creating a Regional Clusters Network and Development Strategies*”

at the European level” (AMI 4 Europe), funded by the European Commission through the Framework Programme 7 – Regions of Knowledge.

Another project is “Development of an Innovative Strategy Continuously Oriented to Valorization of the Economic Resources in the North-East Romania – *DISCOVER N-E ROMANIA*”, financed by the European Commission in the Sixth Framework Programme, Specific Support Actions (SSA), Regional Innovation Strategy projects (RIS) in the Associated States.

Innov@, a Leonardo Da Vinci mobilities programme, financed under the Lifelong Learning Programme, targeted the stimulation of the regional competitiveness by developing the support system and entrepreneurial culture, the awareness on importance of the regional innovation and increasing the innovative capacity of beneficiaries of the Structural Funds. With four partners from Spain and Italy, it was organized a transnational internship of practice for a group of 20 young experts in the management of the projects from RDAs in the following fields of specialization: the elaboration and the implementation of the regional innovation strategies; the management and accessing of the financing programmes on innovation; the transfer of technology between university-enterprise; innovative projects and the analysis of innovative capacity of companies.

Enterprise Europe Network is a project of the EU which aims at supporting the small and medium enterprises to develop their innovative and business potential. It is a network made of 600 organizations from over 40 countries. In Romania, the European network is made of four consortium organizations, one for each macro region. The ERBSN consortium covers macro-region 2 of Romania, namely 12 counties: Suceava, Botoșani, Neamț, Bacău, Iași, Vaslui, Vrancea, Galați, Buzău, Brăila, Tulcea, Constanța.

2.2. The South Muntenia RDAs (www.adrmuntenia.ro)

Its strategic vision was adopted through *RIS/InnSoM (Innovation Regional Strategy, “Innovating South Muntenia”)*, financed by the European Commission in the Sixth Framework Programme, Specific Support Actions (SSA), Regional Innovation Strategy projects (RIS) in the Associated States.

The purpose of the project, conducted in partnership, was the development and implementation of the regional innovation strategy to support its sustainable development.

Through *PRO SME BISNET*, a project developed in partnership with DRAs București-Ilfov, these regions are connected at the pan-European network to

support the enterprises Enterprise Europe Network, managed by the European Commission. The network includes about 600 contact points in 45 countries and offers information and assisted services on European themes, intended to help the enterprises to develop their business at an European level and to increase their competitiveness, to know the European programs and policies.

2.3. The South-West Oltenia RDAs (www.adroltenia.ro)

Its main declared activity is to attract resources from outside of the region and increase the use of the local resources in order to improve the life quality and social cohesion of the local communities in Oltenia and to increase, in general, the competitiveness of the regional economy.

Not as active in the projects for innovation and other RDAs, South-Oltenia has initiated the creation of two poles of competitiveness, namely the Automotive SV Oltenia, and tourism Pole Oltenia – Innovation and tradition in Tourism – TurOlt INTT. Particular focus is on the second one since we know that the advantages of the region focus on tourism potential.

Speaking about innovation it is worth mentioning in the 7th Framework Programme Initiative – the project proposals – *DOROTHY* – a regional cluster development and implementation of urban logistics ecological research.

2.4. The West RDAs (www.adrvest.ro)

The West Region reached the second exercise of the Regional Innovation Strategy. The main objectives of this project are related to: the regional awareness of the importance of introducing the concepts of innovation and technology transfer as a permanent framework for the economic development of the West Region; the development of a regional consensus on priorities for investment in research, technological development and innovation; the increase in the level of innovation in the West Region by strengthening the SMEs target sectors; the increase of the innovative potential in terms of human resources, especially through management techniques innovation; the development of the organizational structure and coordination framework, the intermediation and promotion of innovation in the West Region.

This agency is an adept of partnerships and funding by INTERREG IVC. As an example: The “*Managing Industrial Territories in the Knowledge Era*” (*MITKE*), which was implemented by a consortium of 11 organizations from

seven EU member states led by SPRILUR (Sociedad para la Promoción y Construcciones Industriales of Suelo) of the Basque Country, Spain. The fundamental objective was to build a transnational and inter-regional platform for the transfer of knowledge and best practices about promoting and good management support structures for business and industrial parks. In addition, using relevant experience gained at an international level, each participating region has developed an Improvement Plan for the Management Practices of the Industrial Territories.

Another project funded from the same source was *FRESH* – “Forwarding Regional Environmental Hierarchies”. Created in partnership with organizations from five European countries, it had as strategic objective the promotion of an economic development model based on sustainable structures used to create an added value. Particular emphasis was placed on issues such as eco-innovation, eco-design and green construction.

The third project is “*Producer Services for European Sustainability and Competitiveness*” (*PROSESC*). The partnership, made of organisations from six countries, aimed to promote sustainable transport systems in the participating regions.

2.5. The North-West RDAs (www.nord-vest.ro)

The North-West RDAs pursues, by its projects, to create a support system for innovation at a regional level and to promote an innovation culture, to stimulate increasing attractiveness and competitiveness of the region. Some analyses performed with regional partners, identified the issues of the research, development and innovation sector, which have been translated into goals and projects aiming to support the innovation and valorization of research, development and innovative activities, in order to transform their business.

The first step was the establishment of the Regional Institute for Research, Education and Technology Transfer – *IRECTT*, which aims to capitalize activities from the field of Education – Research – Development – Innovation, by engaging competent human resources in the “knowledge triangle”, based on the concept of the knowledge economy.

The North-West RDAs also made the North-West Region Innovation Strategy – *REGIS-NW*. With the official launch in Europe of this generation of RIS projects in June 2005, North-West Region becomes a member of the association IRE “Innovating Regions in Europe”, joining this network totaling over 200 “innovative” regions.

After the experience gained by North-West RDAs, other four agencies started in 2005 RIS projects for their regions, fact which stands our country second in Europe after Poland, as the number of RIS projects from the last generation, won by the Sixth Framework Programme – Research and Development.

2.6. The Center RDAs (www.adrcentru.ro)

The agency have known from the beginning how important is the wood industry for the socio-economic regional development and that is the reason why it participates in partnership with other stakeholders from 11 countries to implement the project: *ID:WOOD – “Clustering knowledge, Innovation and Design in the SEE WOOD sector”* – funded by Transnational Cooperation in South East Europe Programme, Priority Ax – Facilitating and Innovating entrepreneurship. The main objective is to promote and support the competitiveness of the SMEs in wood processing sector in the South-East Europe, including clusters and technology centers of wood.

Recently the project “*GRISI PLUS – Geomatics and Information Solutions for Rural Areas*” has been launched, which has been done in partnership with 11 other countries and funded by the European Commission under the INTERREG IVC. It is about seeing the regional development process from a new perspective, exploiting geographical information processed using specific computer systems and applications to improve the economic attractiveness of rural areas in Europe. The decision makers at the local and regional level will use this information to develop plans and strategies to attract new residents and economic initiatives in rural areas with important issues and risks of depopulation. Geomatics instruments can also be used to promote the local products and to improve tourist attractiveness of rural areas.

Funded by Competitiveness and Innovation Framework Programme of the European Commission, CIP 2007-2013, EIP, is *BISNet Transylvania* project. Thanks to the results achieved and in order to ensure continuity of activities that contribute to competitiveness and ability to innovate in Europe, DRAs also implemented the second application of *BISNet Transylvania* project.

2.7. Bucharest – Ilfov RDAs (www.adrbi.ro)

Remarkable is the initiative to create the *Romanian Innovation Union – UIR-BI*, based on “Cluj Declaration”, as an answer to globalization challenges, in the knowledge society and driven by innovation economy.

The project named “*EU Regional Cooperation for SMEs access to Public Procurement – EuroPROC*”, in partnership with 10 countries, concerns the issue of public procurement for SMEs. EuroPROC is an innovative project which aims to consolidate the role and the place of the public procurement it can have in SMEs development strategies.

TRES was created to mobilize regional innovation capacity and the potential to a smart growth of the region. It is a political intelligence node for the knowledge exchange and cooperation in the EU. Built on a strong multidisciplinary partnership, with 10 partners, it represents different realities and innovation ecosystems.

Last but not least, *EuroScreen* is another project, funded by INTERREG IVC which aims to capitalize major economic and cultural opportunities promoted through film production. This project intends to improve and streamline the policies that govern the relations between the film production and tourism in the participating regions and to develop a pilot system for measuring the impact caused by tourism in the region resulted through film production promotion. We appreciate as very innovative the mission of the project, which use the film industry as a catalyst for the tourism development.

3. The South-East RDAs Experience (www.adrse.ro)

The South-East RDAs has assumed the role of the regional engine because innovation is the driving force of competitiveness, growth, profitability and sustainable values (Fisk, 2008, p. 203). In addition, it understood the necessity of transposition the theory into practice, as soon as possible.

ARISE – A Regional Innovation Strategy for the South-East Region of Romania. Funded by the European Commission in Sixth Framework Programme, Specific Support Actions (SSA), in partnership with The Government of Tuscany and Etruria Innovazione, aimed to achieve a consensus among key stakeholders on the role of regional innovation and to implement a comprehensive analysis about the innovation stage in the region, based on which there was developed the *Regional Innovation Strategy for the period 2008 to 2015*. As any strategy, as any programmatic document, we will see at the end of 2015 if it was applied. In order *ARISE* to be as possible high efficiency, stakeholders in Southeast Region were involved in other projects from which to gain experience and skills required.

ERIK ACTION – Improving the Innovation Capacity of Existing Firms, with the same financing source and with 11 partners, aimed improvement of the innovation

and knowledge economy regional development policies effectiveness, based on a regional action plan regarding the transfer of best practices between regions.

BORDWIIS+ – “*Stimulation of the Regional Development by Implementation of an Innovation and Information and Communications Technology Strategy*” is a type of “Regional initiative” project, financed by INTERREG IV C, first priority “Innovation and knowledge economy”, intervention area “Innovation, research and technological development ” with the main purpose to ensure European regions the necessary knowledge to initiate and cross a specialized process in the most relevant innovation areas, based on information and communications technology and on transfer of best practices between the partner regions

BORDWIIS+ will contribute to achieving the program Interreg IV C, which is to improve the effectiveness of the regional development policies and instruments, increase competitiveness and economic development in Europe, through exchange of information and experiences, collecting, applying, evaluating and developing a new methodology between partner regions to create, implement and monitor the innovation in ICT clever policies.

IN-EUR – “Measuring the level of innovation within European subregions” is financed the same as *BORDWIIS+*. That addresses to the need for local strategies to ensure innovation level and knowledge economy efficiency increased in the European Union. The project supports public stakeholders at sub-regional level to define and focus on innovation their policies and investment. The project object is capitalization of interregional cooperation in order to increase the efficiency of innovation policies at local level, through distribution, integration and transfer of methodologies for measuring the innovation degree. Specifically, it is intended that after identifying existing methodologies and indicators to measure innovation at the local level and after sharing best practices in innovation at the local level management between the partners, to develop and to experiment an advanced model for measuring innovation at the local level, created in the project frame and, to implement a plan of this model – named *BLIA*.

BLIA – radiography of innovation

The construction of this model has as the starting point the question: “Which are the main factors that determine innovation in an area?” The answer is complex, which includes among others: technological processes used for, industrial production system, attracting foreign investments and their level, existence of local enterprises, investment in research and development, existence and quality of research and development as production support services, education and initial

and continuous professional training opportunities, quality of local and central government, existence and spread of innovation culture in that territory etc. essential and different proportionate elements. The model difficulty is not to identify thereof, but to identify their impact on the territory competitiveness and to establish “the formula” to properly mix them all and the unit.

Such an instrument (common set of variables) is very useful to compare the results of different territories, with a diverse issue. What is very important for a territory to another may not have the same importance, each having a different geography and different constitutional contexts. That’s why the methodology is open and experimental, based a lot on debates between those responsible, on successful experiences but also on failures. BLIA included both quantitative and qualitative indicators, in a bottom-up approach, suggesting appealing to socio-economic stakeholders as providers of information.

Conclusions

Innovation has become the driving force of global competitiveness. It is assumed that without innovation there is no success in history and vulnerability to globalization and crisis (resources, population etc.) increases. Some voices even say that, without innovation, a country risks losing its identity and be integrated by being absorbed by others.

Therefore, innovation is the responsibility of all governments whose countries aspire to global competitiveness, implicitly of the EU and of Romania. Because Europe is at a time of global transformation that leads to a number of concerns for his own future, the focus is on the strategic role and joint effort of the regions to overcome the crisis and structural weaknesses in a convincing way, to contribute to the turning of the EU economy into a smart, sustainable and inclusive one, to build a structure based on knowledge, protected environment and cooperation between peoples.

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