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Markku Sotarauta

Smart Specialisation, Shared Vision and Policy Traps

Faculty of Management
University of Tampere

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Abstract

The concept of smart specialisation has rapidly acquired a central position in European policy and academic circles. It raises interesting challenges for the regional studies agenda. First, smart specialisation is not only about policy formulation, implementation and evaluation but also about pooling scattered resources, competencies and powers to serve both shared and individual ambitions; thus, policy formulation and implementation need to be seen in a new light. Second, when smart specialisation is seen as one of the platforms for aligning several actors to boost regional economic development, the need to understand agency in its multiplicity emerges as central. This article argues that to achieve truly transformative smart specialisation strategies, there is a need to investigate in a more in-depth manner the multi-actor strategy processes and new forms of leadership, as well as to invest time and money in advancing related capabilities across European regions.

Keywords: Place leadership, smart specialisation, policy, vision, mobilisation, institution

1 Introduction

The concept of smart specialisation has rapidly acquired a central position in European policy and academic circles. According to Morgan (2017, 569), 'smart specialisation is the most ambitious regional innovation programme ever to be launched in the European Union', and 'it affords a unique opportunity to explore the interplay between institutions, innovation and development.' Smart specialisation is essentially a new policy approach aiming at identifying the main assets constructing competitive advantages in regions as well as finding ways to develop them, focusing on both local/regional needs and global markets. Foray (2014, 491–492) highlights the need to find a way to boost virtuous processes to these ends by concentrating resources and competencies to support both path diversification and the creation of novel development paths.

Smart specialisation is an institutionalised European strategy approach; it serves as an 'ex-ante conditionality' for the EU Structural Funds (2014–2020) (Martínez-López & Palazuelos-Martínez, 2015). According to Capello and Kroll (2016, 1393), smart specialisation presents a penetrating spin on the way innovation policies are formulated and implemented. They include in their list of important changes the fact that innovation is no longer banded together only with R&D expenditures and employment; thus, policy understanding of the very nature of innovation has broadened beyond high-tech and product portfolios. Importantly, the EU has finally matured to abandon the conviction that it might be possible to find a one-size-fits-all policy serving the very different regions of Europe (Capello & Kroll, 2016, 1393).

Smart specialisation raises interesting challenges for the regional studies agenda. First, it is not only about policy formulation, implementation and evaluation but also about pooling scattered resources, competencies and powers to serve both shared and individual ambitions; thus, policy formulation and implementation need to be seen in a new light. Second, when smart specialisation is seen as one of the platforms for aligning several actors to boost regional economic development, the need to understand agency in its multiplicity emerges as central. To achieve truly transformative smart specialisation strategies, there is a need to investigate in a more in-depth manner the multi-actor strategy processes and new forms of leadership, as well as to invest time and money in advancing related capabilities across European regions.

While the smart specialisation literature is well informed by the latest advancements in regional development studies and economic geography, it is less aware about studies on strategy processes and related agency. Consequently, this article argues that smart specialisation calls for a better understanding of place-based leadership that would provide conceptual tools to have an influence across various sectoral interests, and to see the place and economic development holistically instead of focusing only on organisational or sector-based interests (see Collinge et al., 2011; Beer & Clower, 2014; Sotarauta, 2005). Recent studies have also highlighted the importance of moving beyond pure firm-centric accounts and acknowledging how institutional actors pave the way for industrial and entrepreneurial developments (Dawley et al., 2014; Mazzucato, 2014; Sotarauta & Suvinen, 2018). By paying more attention to place-based

leadership also in the context of smart specialisation, we might gain additional analytical support for smart specialisation and the possibility to improve the governance capacity and policy capabilities in different European regions with differing capacities to utilise the new policy approach.

2 Policy dream and reality

2.1 Policy dream

Foray connects the smart specialisation approach to the main challenge in regional development studies, which is to understand, explain and find ways to influence large-scale shifts in regional economic development paths based on micro-level operations (Lagendijk, 2007; Benneworth et al., 2017):

‘The fundamental point here is the Hayekian argument whereby the knowledge about what to do is not obvious. It is knowledge ‘of time and place’; this is local knowledge which is dispersed, decentralized and divided. It is hidden and needs to be discovered’. (Foray 2016, 1433)

Being a predominantly bottom-up strategy process—‘a process of discovery and learning on the part of entrepreneurs, who are the best positioned agents to search for the right types of knowledge’ (Estensoro & Larrea 2016, 1321)—smart specialisation differs from many earlier policy approaches. It is based on two core assumptions: First, entrepreneurship shows regional development efforts the way. Second, a collective strategy process is the way to move forward. A smart specialisation strategy should mobilise entrepreneurial experience, insight and wisdom, which, in turn, is expected to mobilise a broad spectrum of collectively constructed knowledge.

As Foray points out, new development paths often emerge spontaneously in a decentralised manner without any specific government intervention to boost specific processes. In these kinds of cases, transformational processes are brought about by innovative entrepreneurs and the integration of a variety of knowledge to swing discoveries to economic success (Foray, 2014, 492). But many regions lack a strong enough entrepreneurial vision to trigger future transformational processes; therefore, as observed by Landabaso (2014, 388–389), in some cases, the public sector is called to show courage in finding new development paths and coming up with a vision to unwrap the policy processes so that ‘the non-usual suspects’ may also have a seat and voice in regional development efforts. Smart specialisation advocates for the regional government to bear the primary responsibility for formulating strategy and identifying key policy objectives (Rodríguez-Pose et al., 2014). Moreover, the smart specialisation approach is expected to help ‘inefficient regional administrations become accustomed to external connections and be confronted with practices and experience coming from outside, challenging inertia and clientelism which prevail in locked-in systems’ (Rodríguez-Pose et al., 2014, 10). Smart specialisation is thus expected not only to be of use in constructing a shared vision and pooling scattered resources, but also in fixing the problems of poorly functioning governance systems.

As an inclusive process, smart specialisation aims to answer one of the main challenges of policy making: how to choose priorities in a multi-actor and multipurpose context. As an integrated and place-based economic transformation agenda, smart specialisation, ideally, flows from outward-looking analysis to the creation of a vision, and then to setting objectives and priorities, and finally, to implementation. The strategy process is supposed to be embedded in an inclusive governance structure, a capacity-building toolbox and an evaluation system. In a nutshell, smart specialisation is about identifying the characteristics, unique assets and competitive advantages of regions by assembling key actors and their resources around an excellence-driven vision (McCann & Ortega-Argile, 2013, 416). Thus, it aims to move away from the identified problems of vertical policy programmes that are targeted to serve a selected industry or technology area to tackle needs that are not easy to identify or fulfil.

Navarro et al. (2011), among many others, believe that the broad engagement of the main stakeholders resulting in a clear and shared vision is a prerequisite to solving the many regional development related issues. A strategy formulated in this way is expected to allow all the stakeholders to target their own actions, resources and capabilities to support a collective strategy. In smart specialisation guidelines, the belief is that strategies come out of the design process more or less fully developed and should be made explicit and articulated. In this school of thought, strategy is essentially approached as intentional and deliberate. Interestingly, in this way, smart specialisation is, to a large extent, aligned with fairly traditional strategic planning approach highlighting that strategy formation is a controlled conscious process. In this thinking, the best strategies result from a process of creative design and are built on core competencies (Mintzberg, 1992).

Foray's (2014) fundamental point at the beginning of this section includes a decisive set of questions and the smart specialisation literature provides tentative answers, leading to an additional set of tricky questions:

- *Who knows what to focus regional development efforts on?* Not a single actor; knowledge is dispersed.
- *How can dispersed knowledge be pooled to better serve the common purpose of regional development?* By organising a collective strategy process resulting in a shared vision and collective strategies.
- *What kinds of agency are needed?* Public actors are expected to launch the process and mobilise the key stakeholders. Entrepreneurs are needed to identify the opportunities and reveal the ways to achieve them. Public actors are responsible, based on the constructed understanding of what should be done, for leveraging resources and powers to change the local conditions to support transformational processes.

2.2 Smart specialisation traps

‘The smart specialization strategy has failed to explain concretely how the concept could provide a common political rationale for a socio-economically and territorially diverse set of regions and nations facing different place-based challenges and different innovation modes, hence, quite legitimately, different general policy agendas’. (Capello & Kroll, 2016, 1396)

Capello and Kroll (2016, 1395) argue that the blunt smart specialisation agenda is not an adequate policy answer to the many difficulties faced in practice. They add that in some EU member states, the smart specialisation exercise may have been carried out without any significant impact. Following and endorsing their view, some empirical observations concerning the potential bottlenecks of smart specialisation strategies are elaborated next, and the policy reality is discussed using five highly interlinked smart specialisation traps. The metaphor of a trap refers to a situation where actors are misled into acting contrary to their interests or intentions and hence to an unpleasant situation that is hard to escape (Merriam-Webster Collegiate Dictionary).

Drawing upon the literature on smart specialisation, place leadership, and governance and strategy, the following five traps are discussed: the institutional conflict trap, governance trap, mobilisation trap, shared vision trap and capability trap. These are treated as ‘process traps’; traps related to substantial issues are not dealt with in this article. Perhaps the most obvious of the smart specialisation traps—the implementation trap—is not included. All too often, the problems of policy making and strategic planning are reduced to questions related to why the intentions were not realised as planned. The traps cannot be solved simply by designing better strategies, engaging more stakeholders or hiring better consultants; it is much more complex than that. The implementation trap, or the implementation gap, would by no means be a novel target of interest (see Sabatier & Mazmanian, 1980), but it would provide us with a misleadingly linear and straightforward framework with which to assess the lack of results. Here, an implementation gap is not seen as a trap as such but rather as a natural outcome of actors being trapped by one or more of the traps discussed below.

2.2.1 Institutional conflict trap

Many earlier studies have highlighted the importance of institutions in regional development; often, the lack of these institutions is seen as one of the main issues in failed efforts to boost regional development. Coffano and Foray (2014) stated that also smart specialisation policies require supportive institutions and strong policy capabilities at the regional level. Of course, as Capello and Kroll (2016, 1396) find, the importance of institutional arrangements is hardly specific to smart specialisation but is a determining factor in any sort of policy (Rodríguez-Pose, 2013). A quality governance system, political goodwill and non-corrupt actors are among the key building blocks of economic development and related development efforts (see e.g. Robinson & Acemoglu, 2012; Rodríguez-Pose, 2013; Rodríguez-Pose et al., 2014). In the context of smart specialisation, the existence or non-existence of supporting institutions is of utmost importance, but it is equally important to have institutions that are not in conflict with each other. In practice, actors are rarely provided with clear answers on what is and is not possible or on what is rewarded and what is

sanctioned (Beckert, 1999, 780). In these kinds of situations, actors might fall into institutional gaps (van den Broek & Smulders, 2014, 158); thus, they might become trapped by the normative, regulative and cultural-cognitive rule systems that they should act on.

In many regions, institutional conflicts can harm smart specialisation efforts more than is acknowledged. According to Grillitsch (2016, 29–30), dissipating institutional integration can lead to political challenges that might undermine the institutional support for a smart specialisation strategy. Moreover, as Grillitsch maintains, conflicting institutions can hamper networks, trust among key actors, their ways of engaging in collective processes and the coordination of different interests. Grillitsch (2016, 29–30) summarises the importance of ‘institutional harmony’ by saying that ‘if the degree of integration is high, conflicting interests can be better mediated and a consensus built supporting the development of a shared vision for the development of the region’. Consequently, it would be important not to fall into an institutional conflict trap that might not only dissipate collective efforts but also impede trust-based social relations or prevent them from being built.

2.2.2 Governance trap

The institutional conflict trap is closely related to the governance trap. A smart specialisation strategy, as a bottom-up and entrepreneur-led collective endeavour, is dependent on subnational-level actors’ autonomy and power to make choices and decisions for setting collective objectives, finding a shared vision and achieving place-based objectives (Barca, 2009; Tomaney, 2010). As Bentley et al. (2017, 6) concludes, ‘the system of governance – on a continuum from centralism to localism – is a determining factor of the scope for place-based leadership of sub-national bodies’, and thus for smart specialisation as well. The governance and place leadership literature has argued that devolved, decentralised and/or localist governance systems provide better prospects for place-sensitive strategy processes and related leadership than centralist systems of governance. A centralised system may weaken the capacity to act at subnational levels (Beer, 2014; Bentley et al., 2017). All this calls for an understanding of governance that would boost smart specialisation efforts instead of slowing them down. This may prove crucial, since smart specialisation is, according to its ideal, a long process pursued by a heterogeneous group of actors via a process of collaborative governance.

Supportive modes of governance are crucial for smart specialisation strategies, as in most countries, related development resources, capacities and policy tools are distributed across various ministries, regional development agencies and other organisations, which leads to complex public-public coordination side by side with complex public-private interactions (Capello & Kroll, 2016). Due to the imperfect communication and coordination between many parties, it is not easy to assemble and pool scattered expertise in a concentrated working group (Capello & Kroll, 2016, 1398). In complex governance settings, and with many networks working not only on and for smart specialisation but also on other forms of regional development, it is difficult to identify the relationship between the strategic planning process and the systems of governance

shaping it. Therefore, any smart specialisation effort should be organised according to the governance system in question. More importantly, if possible, the system ought to be renewed to support better smart specialisation–related work.

2.2.3 Mobilisation trap

In smart specialisation thinking, it is imperative to successfully mobilise actors with knowledge and experience. The smart specialisation approach believes strongly in the capacities of entrepreneurs to identify and frame the technologies and opportunities to be focused on and selected as spearheads in regional development and innovation. There is plenty of evidence that innovative entrepreneurs are capable of perceiving emerging opportunities and working on them (Shane & Venkataraman, 2000). However, there is less evidence that entrepreneurs would be willing to contribute to collective and public interest–driven discovery processes. Martínez-López and Palazuelos-Martínez (2015, 6) recognises that picking out actors is not ‘the end of the road towards a successful entrepreneurial process of discovery’. First, there is no reason to expect that everybody selected and invited to join a process would be willing to invest their time and money in such a collective strategy as smart specialisation. Second, there is no reason to expect that all the stakeholders would grasp and respect the importance of a collective strategy process or the rationale behind searching for a shared vision. Third, it remains to be seen whether mobilised entrepreneurial actors will be willing to open up their thinking to other entrepreneurial actors who are potentially their competitors.

Fourth, political logic drives rent seeking, which is inclined to dilute the many efforts to concentrate funding on policy priorities or to reach consensus on them in the first place or construct a shared vision (McCann & Ortega-Argiles, 2013a). It would be overly idealistic to assume that various stakeholders would be able to leave their own incentives, logics, drivers, ambitions, visions and paymasters behind and think only of the region’s best interests. Fifth, a bottom-up process of strategy formulation may run the risk of misallocating public resources, and that might be an outcome of an unbalanced mobilisation of actors (Estensero & Larrea, 2016; Camagni et al., 2014; Capello, 2014). Hence, it is important to identify and appreciate different reasons to join a collective process. Sixth, as observed by Benneworth et al. (2017), the emergent, informal and flexible mobilisation of actors may also have a countereffect of implicitly directing development work to irrelevant issues or serving only marginal interests. Moreover, some actors may have a tendency to voice such radical visions that other actors would not be willing to accommodate or be capable of accommodating them (Horlings & Padt, 2011), potentially leading to decreasing commitment and thus deepening the mobilisation trap. Seventh, the non-selection of actors not perceived as ‘fitting’ may increase social tensions; hence, something important could be left completely aside (Benneworth et al., 2017; Horlings & Padt, 2011).

The many-sided involvement of stakeholders is often a primary pursuit in place-based development ideals (Barca, 2009; Tomaney, 2010), but at the micro level, it is a delicate art to mobilise the right type of assembly for the issues in question. In addition, there is a connection

to other traps, the ways actors are mobilised depends on the governance system and capabilities, and institutional conflicts may make mobilisation harder than it should be.

2.2.4 Shared vision trap

Smart specialisation emphasise the significance of a shared vision in guiding multi-actor development work; a shared vision is believed to be the basis for collective action. However, the view of a shared vision is one-dimensional. It is seen to emerge from collective contemplation or as a result of entrepreneurial insight, but in the smart specialisation literature, it is not discussed in depth and its many dimensions are not appreciated. The main question is whether a truly powerful shared vision can be constructed to serve as expected as an initial step in the various efforts to boost structural change. Another question is whether it could serve as a mechanism for producing information about potential innovations, spillovers and structural changes. Ideally, this kind of visionary information should be used by the government when the time comes to make choices and allocate funds (Foray, 2016, 1434).

There are well-placed arguments calling for more dynamic and democratic regional development tools and practices as well as related leadership and strategy approaches leading to a shared vision, but in spite of well-intentioned aspirations, there is always a danger that a collective endeavour will wind up being an unhealthy pursuit of self-/party interests or a purely market-driven agenda (Nicholds et al., 2017). This might derive from overly centralised decision making (governance trap), conflicting regulative and normative rule systems (institutional conflict trap) or a biased assembly of actors designing a strategy and communicating their vision (mobilisation trap). Various distributed and open knowledge-oriented strategy and policy processes contain a promise of inclusive policy making, but they may also disguise institutionalised power inequalities under a nicely wrapped strategy package (Bolden et al., 2009). Indeed, there are often difficulties in combining abstract visionary thinking with operational matters, which leaves space for self- or party interests to hijack a collective arena. In multi-actor development work, shaky trust, the fear of losing autonomy, a multitude of communication problems and the inevitable differences in individual visions and interests are always present in one form or another (Horlings & Padt, 2011).

Consequently, there is a need to be aware of the political and social dimensions of regional development and innovation, and not to approach it purely as a technical or economic procedure. This may change the ways in which shared visions are approached and used. MacNeill and Steiner (2010) claim that leading a process is more important than organisation or strategic planning in achieving strategic success. Healey (1997) points out that the process should focus on specific actions being invented through the inclusive and interactive process by (a) drawing, shaping and organising attention, and then deflecting it to the questions and issues that need to be faced (Heifetz, 1994); and by (2) formulating and reformulating problems and opportunities, which is central to addressing significance and leading belief systems (Sotarauta, 2016). In this thinking, strategic planning is an arena for discussions, battles and quarrels, and one day, a region might

be mature enough to construct genuinely collective strategies and shared visions. A smart specialisation strategy process can thus also be seen as a quest for awareness building, learning a shared language and vocabulary for addressing the main issues, and constructing collective beliefs (Sotarauta, 2016).

The assumption is that a genuinely shared vision and collective mutually supporting action may be achieved if and only if we respect the multitude of visions and values and do not believe in one grand shared vision only. Of course, there is a need to consciously build the capacity to act and think collectively, but, in many regions, collective thinking is not embedded in the institutional environment or systems of governance. Strategic planning targeted at smart specialisation processes might be used as platforms for capacity building.

2.2.5 Capability trap

The smart specialisation literature, side by side with the main bulk of the regional innovation system and policy literature, emphasises the capabilities needed in pursuing discoveries and innovation. However, as Laasonen and Kolehmainen (2017) observe, there is a lack of studies focusing explicitly on the capabilities needed in knowledge-based regional development and related innovation policies. The lack of capabilities and underdeveloped understanding of them may also trap smart specialisation strategies. Navarro et al. (2011) expect governments to assume a more central role than that of mere facilitators in situations where regional actors lack scientific and technological capabilities or the capability to generate a systemic vision for smart specialisation strategies. They also state that in regions having actors with these capabilities, governments may remain in a purely facilitative role. Navarro et al. (2011) seem to assume that governments have a choice—that they would somehow be capable of selecting a role and show natural talent in pursuing the tasks that come with varying roles. In many regions, this is not the case. The capabilities associated with smart specialisation need to be consciously developed.

First, as Kroll et al. (2014) maintain, many regional development agencies simply do not have enough competent staff to adequately take care of smart specialisation tasks. Second, according to them, some regions rely too much on external consultants who do not have specific knowledge of the region and its resources, actors and main challenges (Kroll et al., 2014). Third, many regional officers do not have sufficient training to manage and organise smart specialisation strategies but have experience in law, public administration or spatial planning; therefore, they simply do not have the capabilities and knowledge to mobilise actors and coordinate complex, continuously evolving processes (Kroll et al., 2014). For these reasons, many regional development officers have had a hard time learning how smart specialisation procedures differ from traditional priority-setting industrial policies (Kroll, 2015). If a smart specialisation strategy fell into a capability trap, it would have a hard time fulfilling the policy dream.

3 Place leadership as a precondition for a successful smart specialisation strategy?

Smart specialisation guidelines suggest that smart specialisation strategies might and should provide regional development policy makers and practitioners with renewed leadership in the many efforts to boost regional development. However, one can also argue that smart specialisation has a better chance to make a difference in regions with a well-established and shared place-based leadership. Charles et al. (2012) highlight the importance of leadership and argue that it is central to smart specialisation processes. According to them, collaborative leadership and commitment are crucial in moving forward on this front. They argue that smart specialisation is 'a requirement which needs to be based on strong regional consensus and/or close integration with domestic strategic programmes'. In achieving this, place leadership implies the importance of taking responsibility for choices and related decisions that are subsequently enacted (Bentley et al., 2017).

Without knowing it, Bentley et al. (2017, 5) construct a conceptual link between smart specialisation, vision and leadership by saying that 'place-based leadership is considered to improve the capacity to generate future-oriented spatial visions as well as increasing the likelihood of realizing visions'. They add that leadership could be '(re)conceptualized as the capacity of the coming together of actors to realize (collaborative governance) ambitions' (Bentley et al., 2017, 5). Place leadership is a concept developed to better capture 'a more complex, large-scale social and economic co-production of activity comprising a range of power and resource-related, community and personal agendas and negotiations across organizations, disciplines and professions' (Nicholds et al 2017, 3). It operates in a normative and interactive space that is both multilateral and multidisciplinary (Budd & Sancino, 2016).

Nicholds et al. (2017) conclude that it is possible to cultivate multilevel and shared leadership attuned to political strategies and aimed at balancing power among competing vested interests, relying on communication, negotiation and the management of broad sets of relationships. The emerging body of place leadership research stresses that it is not about individual or grouped leaders' capabilities somehow unattached to the context, place and/or industry in question. Place leaders are contextually embedded agents who are able to identify, communicate, translate and influence place-specific challenges and opportunities (Bailey et al., 2010). Place leadership is about a relational and as such interactive and collective form of agency shaping, as well as being shaped by place-specific and broader contexts (Collinge & Gibney, 2010; Hu & Hassink, 2017; Sotarauta et al., 2017). Consequently, place leadership is embedded in a social fabric typical for the region (Peters, 2012) and thus might also serve in the efforts to unravel the secrets of place-specific social relations related to regional development and innovation. This might prove important not only in supporting mobilisation or the construction of a shared vision but also in identifying the covert forms of power and influence as well as skewed mobilisation patterns and subsequent development assemblies. The many contradictory institutional pressures and

conflicts affect development processes in many ways (Benneworth et al., 2017). This may turn out crucial as personal embeddedness boosts development, builds leadership capacity and is used when mobilising regional public bodies or business elites and representatives of media (Raagmaa & Keerberg, 2017).

All in all, by definition, place leaders are actors who have the capacity to organise and reorganise social action with an ambition to change the social networks and institutions framing the factors in which regional development is embedded (Sotarauta et al., 2012). Importantly, as Hu and Hassink (2017) maintain, place leadership does not usually produce instantaneous impacts on local/regional economic dynamics. Rather, it pools scattered resources, capabilities and powers for shaping institutions for future development as intermediaries in economic practices and interactions (Bathelt & Glückler, 2013). Of course, both the internal and external institutional arrangements of a region shape and frame its evolution, and place leaders aim to work across the many institutional divides. Place leadership appears as crucial to stimulating, coordinating and mobilising smart specialisation agendas with the responsibility to generate something new.

In sum, place leadership is the process of reconciling conflicting and competing interests aimed at generating collaborative advantage and an understanding of the challenges associated with transforming places as well as organisations and capabilities (Trickett & Lee, 2010, 434). The concept of place leadership might add analytical leverage in the efforts to understand how policy traps affect smart specialisation practices and what kinds of capabilities need to be learned for removing the traps or navigating across them.

4 Discussion: Imaginaries guiding smart specialisation?

‘Under global capitalism, it is economic imaginaries that prevail, although most imaginaries also address the broader embedding of the economic in social (political, ecological) formations. Imaginaries serve to define subjects and objects of regulation and to articulate visions underpinning particular strategies and projects.’ (Lagendijk, 2007, 1199)

Visions, brands, images, narratives—all sorts of imaginaries—play important roles in socioeconomic and political developments. They are among the most powerful providers of future directions for many actors, often implicitly. According to Allen and Cochrane (2007), the politics and agency revolving around regional development are attempting to construct wider visions of change. This might prove important in the attempts to set wide-reaching rules and principles within which individual ambitions and decisions may be reflected, thus opening up the search for alternative visions (Allen & Cochrane, 2007). Pike et al. (2007, 1255) stress the importance of framing

‘what local and regional development is in the present, and what it can or could be in terms of future visions. And, normatively, what it should be – in the sense of people in places making value-based judgements about priorities and what they consider to be appropriate ‘development’ for their localities and regions’.

Place leadership studies should also shed light on which actors or groups (or which interests) are able to influence dominant imaginaries framing smart specialisation strategies, as well as how and why they do so. In the long run, seeing regional development and related smart specialisation strategies as contested arenas for the search for future visions might support specialisation efforts better than simple technical instructions on how to design a better strategy and come up with a vision. Accordingly, a strategy process that is embedded in a deep sociocultural understanding of leadership and related power and influence systems in a specific place, as well as their strengths and shortcomings, would root strategies in the sociocultural-political-economic fabric of a place instead of its administrative machinery and a few selected stakeholders only. There is also always a need to keep in mind that clientelism is not absent from collective strategies; the mobilisers and/or the ones who are mobilised can use their position in the process to favour those who share their vision. Actors with formal institutional power and hence the capacity to influence wide networks can use their social positions to impose their specific interests and visions into a smart specialisation strategy.

Fortunately, there are also visionary, entrepreneurial and inspirational leaders influencing in an open and inclusive debate the course of events both inside and outside the regional development regime. Hu and Hassink (2017, 4) show how pioneering leaders can influence actors' cognitions 'by inviting them into a new visionary context for future change'. It is no wonder that the smart specialisation agenda emphasises so strongly the need to present and communicate a shared vision under entrepreneurial guidance. As Pike et al. (2007, 1266) state, even though the many desires and expectations expressed in visions for regional development involve all sorts of conceivable problems, not having a vision would make regional development work even harder.

A vision is not only about communicating desired futures but also something to fight and argue about, to support or attack. In the hands of skilful place leaders, vision is a powerful tool for exercising interpretive leadership when navigating across the many smart specialisation traps and/or working to remove them step by step. The best visions create a tension between the past, present and possible as well as imaginable futures that touches the deepest emotions of the stakeholders. Such visions work best if they acknowledge the competing visions of individual actors or groups of actors. This is important because smart specialisation and related leadership is, by definition, dealing with multiple visions and efforts to align people around something common, allowing transformative action in collaboration. In this thinking, identifying the entire spectrum of visions and learning from them may be the precondition for something that can be labelled as shared.

5 Conclusion

This article argues that smart specialisation necessitates not only finding new developmental strategies but also understanding the importance of place leadership; the ways actors navigate and/or remove the policy traps. The concept of place leadership might add value in the many efforts to make smart specialisation strategies fulfil policy dreams.

This article adds to the literature on regional economic development and innovation, specifically smart specialisation, by reminding us that the entrepreneurial discovery process and shared vision are not purely technical but essentially social and political processes. As such, there is a need to scrutinise the basic assumptions of smart specialisation and improve its potential to produce hoped-for results, as well as find its true place in the regional development chart by identifying the ways it might be used constructively for a collective benefit or misused to benefit narrow interests. Most importantly, there is a need for more studies focusing on the basic assumptions behind smart specialisation, analytically examining both the processes related to it and its canonical position as the regional development approach.

This article also adds to the smart specialisation and place leadership literature by exploring the important but understudied link between these two core concepts. In this way, this piece of work joins earlier studies that call for a more nuanced understanding of agency in the context of regional development and innovation (e.g. Lagendijk, 2007; Beer & Clower, 2014; Collinge et al., 2011; Sotarauta, 2005, 2016; Uyarra et al., 2017). This article is a step forward, among many others, in the efforts to link purposive but interactive agency to the literature, which has, for some time, been criticised for seeing policy makers and practitioners in a simplistic manner (Witt, 2003; Uyarra, 2010). Of course, given the uncertainties and complexities surrounding regional development and, more broadly, social and economic change, it should not be assumed that achieved and visible transformations are fully intentional. There may be a series of intentional triggers as well as complementing and competing intentions, but as has been shown, transformations are often creeping by nature, and the interplay between intention and emergence needs to be respected (e.g. Garud & Garnoe, 2001; Djelic & Quack, 2007; Sotarauta, 2016).

Place leadership could provide future studies on smart specialisation with a conceptual tool kit to dig deeper into the processes, but not a magic bullet for how to manage them. All in all, following Trickett and Lee (2010, 434), one might argue that place leadership and smart specialisation require a well-established spatial literacy of place and process.

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