

**Regional Foresight in the Cohesion
Countries:
Experiences, concepts and lessons learned**

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1. Introduction

Foresight is seen as the range of approaches developing out of the bringing together of three fields of activity. These are: **futures** (forecasting, forward thinking, prospective), **planning** (strategic analysis, priority setting), and **networking** (participatory, dialogic) tools and orientations. There are already various intersections between each of the three pairs, and Foresight thus draws on traditions of work in long-range planning and strategic planning, horizontal policymaking and democratic planning, and participatory futures studies. The links are probably strongest with futures studies¹.

Initially market driven success stories of national or regional development were considered to be special, hardly replicable cases. It was the invisible hand that was guaranteeing success in the Silicon Valleys of this world. Forecasting and planning were partly ideologically loaded with experiences from the planning economies and thus not explicitly pursued in most advanced countries or regions. Yet, in-depth research in industrial and regional economics proved, in particular after the oil crises, that there are many and very interesting cases, where a systematic pursuit of strategic goals in consensus with national and/or regional stakeholders could work miracles of almost the same magnitude as the market success stories. The Research Triangle Park, many of the prosperous Third Italy industrial districts, Danish networks and last not least the spectacular growth of Japan as a whole in the first post-war decades share the features of forward thinking, priority setting and participatory decision making and implementation. These success stories inspired policy makers and this is how “*soft planning*” emerged, often using ad hoc techniques. These initial success stories laid the foundations for an increase in foresight exercises in the last decade, triggered by the need to help national/regional/local production forces to face accelerating paces of technological change and pressures from globalisation.

These exercises vary substantially. They range from very systematic technology assessments in bigger countries, which are taken into consideration for budget priorities in R&D and subsequent support plans for production to ad hoc panels recommending priority areas for public intervention in small regions. These latter are more often implicit than explicit, in the sense that they are not considered as foresight exercises but as specific inputs to policy decisions. They are also limited in their scope and more often than not so is their follow up.

Recent EU policy papers have identified the trend and have suggested that, both from the point of view of the new governance structure and the European Research Area targets,

¹ Ian Miles (2002), Appraisal of alternative methods and procedures for producing Regional Foresight, Contribution to: Mobilising the Regional Foresight Potential

foresight can prove a very useful tool. But our knowledge is not deep enough to suggest best practices regarding the most appropriate governance level for foresight, the best techniques suited in each case of the best scope and time horizon. The exercises vary: forecasting, planning and networking can be very important transnationally when the issue is rapid, world-leading high tech development; the national level is important when planning industrial policies; last not least the regional level is a very appropriate one when proximity matters and local networking is necessary to create economies of agglomeration.

There is no doubt that the regional level is appropriate under certain circumstances. Proximity arguments emphasise the region as the most pertinent unit of analysis. There is a significant spatial dimension for learning and interacting. Agglomerations located in one place rather than some other create environments in which production experience and skills can be accumulated, exchanged and preserved in the local workforce and entrepreneurial community. The ability to assimilate and transfer scientific and technological knowledge that is not completely codified is greatly influenced by the opportunities offered by direct personal contact among the parties involved. The key concepts at that level of analysis are geographical and cultural proximity, often encountered at sub-regional (local) level, but also sometimes in localities that spread across regions. What matters is the sense of local firms and the labour force that they share a history, values and responsibility. These non-market factors contribute to the creation of collective goods and the shaping of social capital.

But these common cultural values account also for the diversity of regions. The argument of this paper is that while national technology foresight exercises in Europe have increased substantially in the last years and regional foresight start to timidly emerge, the situation in the cohesion countries (CCs) and the less favoured regions (LFRs) within them differs substantially. The problems associated with planning techniques are more social than technical. To make this point the particularities of the cohesion countries are discussed in Section 2. The foresight needs, concepts and experiences in CCs and LFRs will be presented in Sections 3 and 4. The final section is an attempt to conceptualise these aspects and raise the issues that can be used as reference for both the CCs and the candidate countries in the future. Conclusions and recommendations then sum up the findings of this paper.

2. The particularities of the cohesion countries and their less favoured regions

The cohesion countries of the EU² share both economic/technological characteristics and habits/routines in the production process. Their economic characteristics include GDP/head lower than 90% of the EU average, a substantial part of the territory having a “Less Favoured Region”-status³, traditional manufacturing structures, often a high share of agricultural employment and low productivity.

² Greece, Portugal, Spain and Ireland

³ Eligible for regional support for having GDP/head less than 75% of EU average

What is more important than economic features for a study of past or potential foresight exercises are behavioural patterns, routines and intangibles. The perception of production, competition and risk from the point of view of all stakeholders leads to a reluctance to share practices and responsibilities and, in a deeply rooted effort to face uncertainty, agents have a strong preference to act individually. When networking, consensus building and sharing in general are recognised as good practices elsewhere, *transferring them to the cohesion countries takes the dimension of an important social experiment*. It is a matter of changing deeply rooted informal rules, which means that the new practice risks to remain unutilised or to be distorted. The perception of individual gain and risk versus the value of contributing to collective goods is a key issue in that respect.

When it comes to the transfer of good practices for development planning a new process is triggered for national policies in cohesion countries and regional policies in regions that belong to them. An important remark should be made here: Less favoured regions (LFRs) can be found in both core and cohesion countries. It is argued that in the first case, where the number of LFRs is small (with the exception of Italy) and national planning activities well established, the problems are different. The following dominant characteristics outline the difficulties of a successful transplant of the new planning mechanisms in CCs and LFRs in the CCs only:

- *A different perception of risk and uncertainty*: In addition to the overall uncertainty and volatility of technologies and the pressures of globalisation, the CCs have to face additional risks and uncertainties about competitive pressures. Their development model has to transform from low-cost into innovation and quality-based competition. Low wages, which constituted their established comparative advantage, increase rapidly and cost considerations are continuously threatened by newcomers. On the other hand quality-based production needs new investments and new approaches; competing with established businesses and well endowed regions is not an easy task.. *Learning to share in the framework of these new approaches is a first difficulty*.
- *A tendency towards short-termism*: Higher uncertainty due to low international competitiveness leads to short-termism. *Policy makers* are reluctant to take responsibilities and invest in specific assets, because they may prove wrong, while *companies* favour high returns on investment, because they consider their environment subject to frequent and often unjustified change. *A second difficulty then is to deeply root the conviction of the merits of longer-term thinking and acting*. After all in the EMU the environment is more stable than what it used to be in the past for each country individually.
- *A peculiar way of globalising*: The European CCs and LFRs operate in an open economy, as imposed by the Single European Act and are a lot more globalised than their competitors (rapidly changing non-European latecomers in the global

economy) in other parts of the world⁴. Massive funding opportunities associated with technical assistance act as major incentives to modernise in the sense of Hirshman. The academic system demonstrates a higher tendency to network outside than inside the region, and evidence suggest that so does the most dynamic and successful part of the business sector. While this outward looking habit is positive for the pioneering actors themselves and for improving economic performance measured by productivity and exports, it is associated with a drawback: pioneering forces interact outside their region and lose the potential of a local leader who would help change local routines. Thus *a third difficulty is to balance openness and local spillovers*, in an effort to carry losers along with winners.

- Finally the authorities more often than not *lack institutional maturity* in particular at the level of the regional administration. *A final difficulty is then institutional learning*. The process of management-monitoring and evaluation demands certain routines that are not frequently encountered in the above mentioned environments.

Combining the fields of activity of foresight and the characteristics of the cohesion countries a peculiar two way relationship emerges: the country characteristics act as barriers to the foresight elements, while the foresight elements are effective ways of introducing the modernisation of routines in the cohesion countries.

Figure 1: Country characteristics as a barrier to regional foresight.

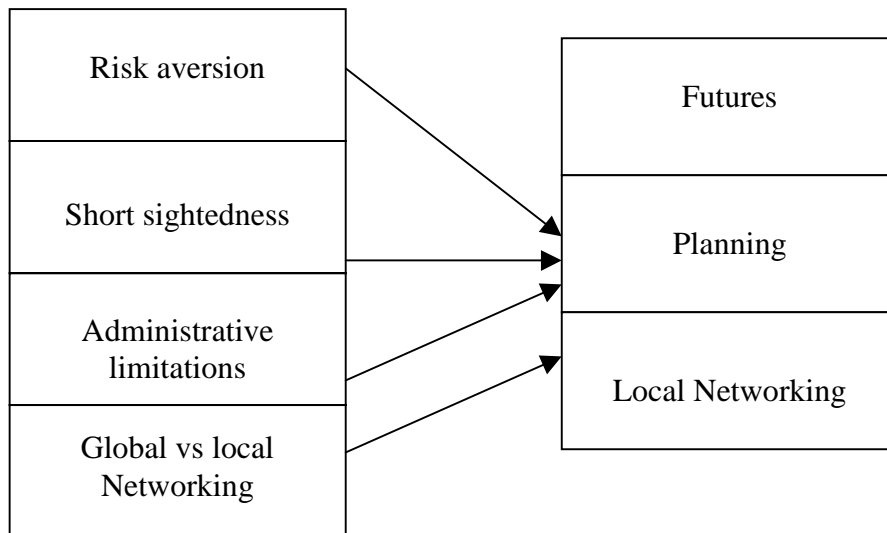
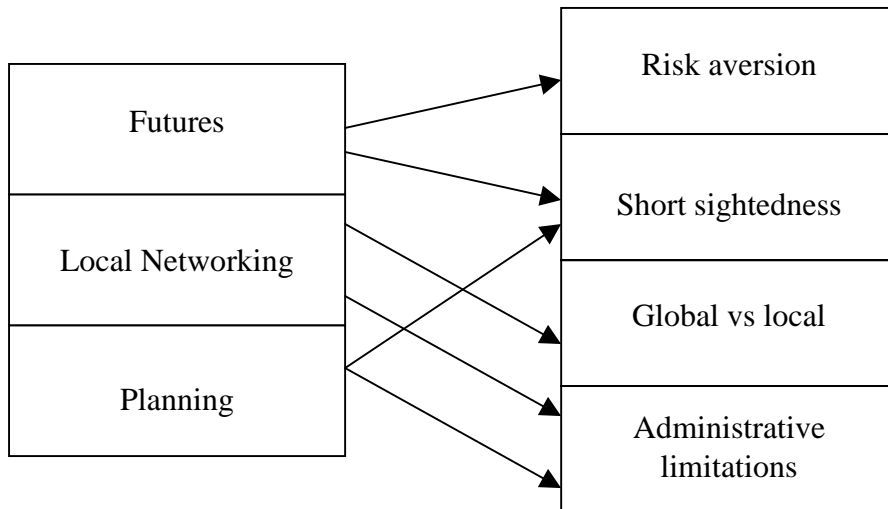


Figure 2: Regional foresight aspects as a means to eliminate social routines, which foster the less-favoured nature of the cohesion countries.

⁴ M. Storper, S. Thomadakis, L. Tsipouri (ed., 1998), *Latecomers in the Global Economy*, Routledge



As a result it is of no surprise that foresight techniques were neither born nor rapidly adopted in the cohesion countries and their regions. A need emerges to break this vicious circle, but changing risk or business perception is not easy. Yet in recent years, both because of the needs to programme and assess European funding and because of the spread of good practice certain ad hoc and implicit efforts emerged. They are described hereafter, suggesting that they can either (or in some cases) prove effective instruments of breaking the vicious circle, or (or in other cases) end up as a failure.

3. Increasing needs for effective regional development planning

The adoption of the Integrated Mediterranean Programmes and the subsequent emphasis on cohesion, accompanied by increasing regional development funding created new needs in the European Union in its effort to efficiently and effectively manage regional and social development funds. Regional support in the EU budget has increased from 5% of the total funds to 30% in only a decade. This has substantially increased the pressure for effective use of this funding. The Commission, entrusted with monitoring responsibilities, needs effective mechanisms for both the mainstream funds and the Community Initiatives. Thus one can depict experiences from a variety of sources in the last decade, which were not explicit foresight exercises but used foresight techniques and (in a more or less explicit way) linked prospective with planning and networking.

The first need to be covered was networking. The participatory culture emerged first as a prerequisite for a dialogue with the Commission. Planning was a national responsibility but as it was European taxpayers' money that flew into regional development, the member states requested the design and adoption of regional policies in a ***partnership principle***, between the Commission, the member states and the supported regions. Building monitoring committees, discussing alternative funding and deciding on future projects was a first step towards the elimination of the networking difficulties.

At the same time the planning process and the partnership principle helped *agreeing on priorities*. While during the first CSF this constituted a rather difficult exercise, it triggered a learning process: the member states learned to use basic techniques and gradually reduced their reluctance to make choices. SWOT analyses and in exceptional cases Scenario Building and Delphi-studies became instruments used for the design of national Operational Programmes. The advantage of shared responsibility with the Commission helped national and regional policy makers to overcome their own fears.

Yet the learning experience proved that these exercises were too tightly linked to the irresistible incentive of absorption: spending ERDF and ESF funds. Very often, once funding decisions were made, there was no or limited follow up. The *time horizon was not improved* through this process

In addition *the regional level was still to a large extent neglected*. European regional development funding in the cohesion countries was managed extensively at the national level. In the three small cohesion countries all major infrastructure was and still is designed and implemented at the national level, and so are the major programmes supporting training, education and competitiveness. These funds are then allocated regionally. The regional operational programmes limit themselves to a small share of the CSF funding, complementing national programmes or to small projects implementing Community Initiatives. Spain is an exception to that as the share of funding managed by the autonomous communities is higher.

The pressure of globalisation on competitiveness that demonstrated the relevance of agglomeration economies and the role of the region, the success stories of industrial districts, innovation systems and innovative milieux (as well as the academic insight putting those in context) advocated for a rise of regionalism in the member states. Spain was the first to give power over the development process in the regional governments, partly also for political reasons. Greece and Portugal adjusted partly under EU pressure, while Ireland, because of its size, continued to adopt national policies taking the local level into consideration, until now, where the republic inevitably split into “Phasing out”⁵ and “Objective 1”⁶ regions. Thus the regional administration, although endowed with financial resources was new, to some extent artificial and unable to respond to the challenges of globalisation.

In a schematic way one may suggest that the partnership and planning elements increased substantially during the last decade. But there was less change in assuring follow up, extending time horizons or mobilising the regional level. The elements of forecast and extensive networking missing to create explicit foresight tools were the exception rather than the rule, but they were there in selected cases.

⁵ Regions that grew fast enough to overcome the 75% criterion, yet still eligible for support throughout a phasing out period, in which they will have to learn to sustain development without regional funding

⁶ In the Community jargon this is equivalent to LFR

<i>Type of activity where change in the cohesion countries is improving</i>	<i>Types of activity improving less or in isolated cases</i>
Partnership (though the monitoring and steering committees)	Time horizon and build-in follow up
Priority setting (as a prerequisite for agreeing on CSFs)	Participation of the regional administration

4. Specific experiences from the Cohesion Countries

The characteristics mentioned in the previous section apply differently: Ireland, with an Anglo-saxon administrative system had a better than average culture in monitoring and evaluation, while Spain, because of the major political priority of regional autonomy saw regional administrative skills improving more rapidly.

Until the '80s the Southern cohesion countries have made very limited use of foresight instruments. Economic planning in the sense of modernisation and development policies was limited with no control and feed-back built in. Neither were there serious strategic priorities: production increased because of low labour costs but did not adapt to the restructuring needed after the technological changes and international productivity crisis of the '70s. At that time the regional dimension was practically absent in Portugal and Greece and only rudimentary in Spain. Ireland was an exception as, because of a more advanced Anglo-saxon administration, some efforts of development planning and strategic priority setting at the national level started already in the late 70s.

The biggest success story in the CCs is **Ireland**. The Irish success in terms of real convergence has benefited from efficient policies, which through the co-evolution of inward investment and indigenous development, as well as a highly performing educational system, could pass within a decade from lower than 75% of GDP average to over 100% in PPS. The difficulty with regional policies identification in Ireland is that until the year 2000 the Republic of Ireland was considered as one region. Thus, from a European perspective, national and regional; policies were formally identical. Yet, at the sub-regional level there has been traditionally one region, which has followed an autonomous policy, the Shannon region, where Shannon Development played a key role.

A first attempt, which could be called a *national foresight exercise* was the Culliton report in the early '90s. Planning the industrial policies of the '90s the Irish government organised a high level committee, which identified weaknesses and suggested policies and priority areas for the decade. This exercise was based on general knowledge on forecasting and had a rather top-down approach, but it resulted in very specific recommendations suggesting proactive policies for creating a food cluster in the country. During the same period the central government used general knowledge about the key technological areas to promote "Programmes on Advanced Technology", which linked pioneering institutes all over the country in an effort to create regional capabilities in high tech. The most interesting case is that of the Industrial Development Authority (IDA),

which was responsible for negotiating inward investment incentives. The IDA was managed very efficiently (as the outcome of both the overall inward investment and its composition show) and it was an internal decision to try to attract as much FDI as possible in high technology areas, initially in software and telecommunications and soon after that in the pharmaceutical industry. In a sense the characteristic of the early '90s policies in Ireland was rather centralised, with respect for the local level but clear guidance from the central government. Strong management and knowledge from international technology assessments seemed more important than participatory decision making.

At a later stage, as economic success increased budget surplus and ambitions grew, the Irish government institutionalized foresight. In 1999 eight reports were published, a result of an equal number of panels with recommendations and enabling policies (pharmaceuticals, ICTs, advanced materials, natural resources, health and life sciences, energy, transport and logistics, construction and infrastructure). *Science Foundation Ireland* has been launched by the Government to establish Ireland as a center of research excellence in strategic areas relevant to economic development, in particular biotechnology and ICTs. A Technology Foresight Fund of 635 million Euro for 2000-2006 is created by the government and managed by Science Foundation Ireland.

Ireland has applied and worked with 2 RITTS-RIS and 2 RISIs, all of them considered as very successfully accomplishing their missions, despite in some cases an ad hoc nature, where the regional autonomy was not administrative. The Shannon region in particular is considered as one of the major success stories, since the end of the project did not mark the end of the process.

In *Portugal* a broad industrial policy debate, coordinated by Michael Porter resulted into certain priority areas like cork, wine and ICT. Yet these recommendations were pursued only over a limited period of time and were rather diluted into a broader policy later. Then Portugal launched a National Technology Foresight Exercise based on a human capital network called Engineering and Technology 2000. Despite a wide number of sectoral and horizontal studies, a dense network of national organisation, the launch of a major conference in the year 2000 and the ambition to use it for a planning horizon 2000-2020, the results appear less used than originally anticipate. In addition the regional level has not played a major role. Yet in the Portuguese RITTS-RIS exercises implicit elements of regional foresight were included.

Greece started its experience in the beginning of the '90s with a technology foresight for the year 2021⁷. The exercise was funded by the state in an effort to offer prospective results to the productive sector. As it was very much a top down exercise its result was neither highly appreciated and influential, nor was it repeated. In a way this exercise had a very similar fate with the Portuguese national foresight.

⁷ The year marks 200 years after the revolution that led to the creation of the contemporary Greek state

In an effort to go further a more comprehensive approach was used in 2001: a new broader foresight was launched with the ultimate aim to create a new organisation that would follow up technology foresight in a more systematic way. Leading academic institutions are involved in that.

A little while after the first technology foresight exercise the Greek government tried to apply consensus building mechanisms for a new industrial policy: opinion maker panels in parallel with academic studies and feasibilities in priority areas were used in a two year project. The results were some studies with clearly regional scope (pushing towards the support of emerging clusters) and proposals that were taken up during the second CSF and financed as priority areas with potential for economies of scope.

Already in the early '90s the region of Central Macedonia, second richest in Greece, with dynamic entrepreneurs and a great opportunity emerging after the political changes in the neighbour Balkan countries took an initiative to organise bottom up regional planning, using a mix of studies for forecast, entrepreneurial leadership for a consensus building and planning in order to attract increased funding through a global grant (Tsipouri 1998). While the exercise was successful it was not taken up by the regional administration which created its own independent planning processes in the mainstream CSF, an RTP and an IRIS project (see below).

Regional foresight or tools incorporating some or more elements of it can be encountered at the regional level in all cohesion countries, partly sectoral (as in the cases of fur in Greece and cork in Portugal), in ad hoc and fragmented exercises, or, more extensively in the regions that took up the challenge of the EU to establish articulated planning mechanisms in regional innovation policies (RTP, RIS, RITTS) or in the launching and enhancement of the Information Society in the regions (IRIS, RISI).

These exercises were a result of the identification of lacking effective regional strategy building tools by the European Commission. New Community Initiatives were used to set up a new way of thinking. In these new circumstances the RITTS, RIS, RTP⁸ on the one hand and the IRIS, RISI⁹ initiatives on the other identified an opportunity to endow the regions with an instrument close to a regional foresight process: for the specific areas of innovation policy (RITTS-RIS-RTP) and the enhancement of the information society (IRIS-RISI), calls for proposals were launched aiming at reinforcing long term thinking (priority setting and feasibilities) through networking (an all-encompassing regional steering committee would carry the political responsibility) and subsequent controls (an explicit monitoring and evaluation system was requested to be set up at least in the RITTS process). Raising awareness was also a major priority in all initiatives, explicit in RISI.

⁸ RTPs were 6 pilot projects to test the potential of innovation policy planning at the regional level in the EU. Their success led to the Regional Innovation and Technology Transfer (RITTS) and the RIS (Regional Innovation Strategy) projects, which followed a similar logic. They were 2-3 year regional innovation planning processes, based on priority settings and consensus building.

⁹ Like the RTP-RITTS-RIS the regional planning process for the enhancement of the Information Society at the regional level started with the pilot IRISs, 6 regions launching Incentives for the Regional Information Society and their success led to the adoption of the RISIs (Regional Information Society Initiative).

As these initiatives were mainly addressed to LFRs, many regions in the cohesion countries took up the opportunity:

	<i>Total LFRs</i>	<i>RITTS-RIS</i>	<i>IRIS-RISI</i>
<i>Ireland</i>	1*	2	2
<i>Spain</i>	11	11	2
<i>Portugal</i>	7	3	0
<i>Greece</i>	13	7	2

* This is a specific case, as Ireland was considered one region until 1999, but there were certain possibilities of local autonomy policies

The success of the planning process, although insufficient for the final target, has a merit of its own, as it helps regions improve their planning capabilities, identify the advantages of forging consensus and demonstrates that it is (relatively) easy to bridge gaps. The process of overcoming unknown barriers has created new capabilities in the regions. One may even formulate an assumption that *the more virgin the co-operation ground and the planning processes the higher the value* although its effective implementation may be less spectacular. If “changing the informal rules” is the most important element for regional development, these regions should be considered as major beneficiaries.

One may overall see that these Community Initiatives were more than as good as the pre-existing environment. In the case where a better cooperative and evaluation culture existed the projects were successfully accomplished and had a leverage effect. In many other areas, even if the consensus building effort terminated at the same time as the project, there were some results: the method was known and used in other cases or the precise recommendations were followed in the regional development process, strongly influencing the policy makers. Yet one cannot deny that in a few regions there were hardly any benefits. Political dedication, strong leadership and persistent EU guidance were among the elements that helped shape success.

From the RITTS-RIS-RISI of the Greek experience the 10 projects (8 regions) involved had very different outcomes: Only one region in Greece, Central Macedonia can be considered as having, via this processes, adopted a new culture: informal monitoring bodies are created and maintained with regional funds and there is a clearly systematic passage from one plan to the next. In most regions the result was mainly technical: some good, widely agreed ideas were adopted for the regional funding priorities. Still in others the process ended up in a vicious circle of short-termism and vested interests.

The Portuguese situation is very similar to that of Greece. Equally the RITTS-RIS-RISI exercise did not leave a broad mark in any of the regions.

Spain was a very different story, because of the regional autonomy, which pre-existed. With less national backing, some regions have performed excellently. Castilla Y Leon was ranked top in the RTP evaluations (Boeckhold and Tsipouri 1998), because it has

been ambitious in all its way and did not run out of steam, despite initial organisational difficulties. The overall regional RTD annual budget was about one quarter of what it became after the RTP (a pilot RIS) and one of the major challenges for all national innovation systems, the rationalisation of the institutes, is tackled with determination. The foreseen rise of the total expenditure of over 10% per year is an ambitious target, and it is even more ambitious when the analysis clarifies the fact that the highest rise expected is from the private sector. The creation of additional bodies like the Technological Forum and the introduction of performance and quality criteria is the most innovative¹⁰ contribution of the RTP, since it is well known from international practice that the adoption of such criteria can lead to the offence of vested interests and redistribution of power. Finally the RTP process triggered new thinking, helped forge trust and co-operation and indirectly affected technology policy through speeding up the creation of the regional innovation agency and influencing the content of the new law on technology.

To resume: the three small cohesion countries started with formal national exercises, partly as tools for industrial policy and partly, later as technology foresights and had only informal ad hoc regional exercises in the framework of RITTS/RISI initiatives. Success varied. Spain is a different case, because of its size and regional autonomy background.

5. Conceptualising regional foresight experiences in the CCs

The characteristics and cases discussed above lead to several conclusions:

- Because of *limited resources* cohesion countries are traditionally well behind advanced countries in terms of regional foresight. Higher and differently perceived uncertainty, inadequate capacities in terms of physical and human capital and lagging administrative capabilities are the key characteristics that hamper the development of collective action and social capital. Their needs are different and thus they can only partly benefit from information published in broader exercises in advanced countries, which focus on high tech.
- Foresight at both the national and the regional level was somehow *imposed by the need to monitor external regional development help*. This brings with it all the benefits and disadvantages of a top-down policy. The regional level is unlikely to be very active in TF/TA unless specific policies initiated at the central level promote it. TF/TA needs to be promoted as a support tool for industrial and regional development policy.
- *The nation/region articulation is also particularly problematic*. With the exception of Spain regional autonomy in the CCs is a recent and limited phenomenon. In addition they have, until the CSF adoption, only used limited forecasting techniques and hardly adopted strategic priorities, because and partly respecting good practices from other EU/OECD member states, the CCs of the traditional structure of the economy and the lack of modern administrative skills.

¹⁰ and brave

There is no clear optimum, in particular for the smallest member states as to the level where proximity plays a key role and economies of scope can be maximised.

- The perception of production, competition and risk from the point of view of all stakeholders leads to behavioural patterns that do not lead to sharing practices and responsibilities and, *when those come as good practices from elsewhere, there is a risk of being unutilised or distorted*, unless time and resource are invested to change existing informal rules. Success conditions for this transfer are thus the continuity and persistence of the exercise, to increase trust through follow up, political commitment and administrative efficiency to increase impact and an overall improving context.

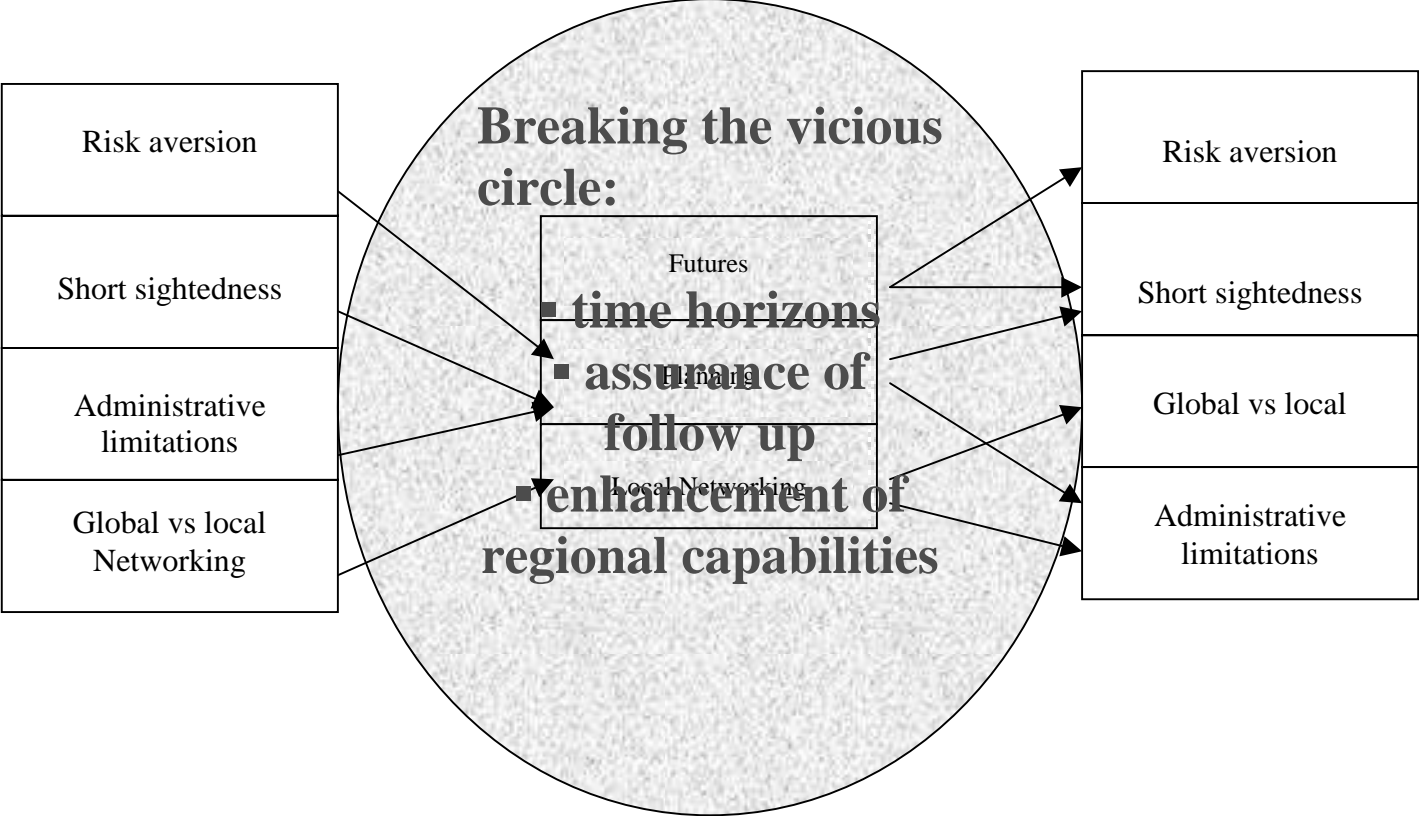
If these conditions are met regional foresight in the CCs is:

- worthwhile as experience proves
- a social and long term process, more than a methodological approach
- feasible, and can be successful despite the inherent social characteristics that create limitations and drawbacks
- it costs a lot in terms of physical capital but also in terms of human resources..

but it is by far not panacea, it should not be generally prescribed as a golden tool and if repeatedly organised, abandoned and re-introduced it can do more harm than good, because it will further undermine already existing lacking trust and uncertainties.

In other words the vicious circle described above can be broken or reinforced, if instead of demonstrating success the foresight exercises run out of steam:

Figure 3: Conditions to break the vicious circle of regional foresight and cohesion country characteristics



In order to combine needs, ambitions and likelihood of success, the following recommendations are drawn from LFRs and CCs experiences:

1. ***Mobilise the human resources***: This constitutes a major problem since human resources are scarce and those that exist have a strong preference for external rather than internal networking. Strong leadership from the private sector (as in the case of Central Macedonia and Shannon) or political commitment at the regional level (as in Castilla y Leon) can help create a new momentum and keep it.
2. ***Mobilise physical resources***: Cohesion countries have been very disadvantaged because they lack the necessary resources to pursue a systematic, locally embedded foresight exercise and (with GERD itself lower than 1%) it is very difficult to convince politicians to earmark these resources. National or Commission guidelines and earmarking of technical assistance ERDF funds for this purpose can help overcome this difficulty.
3. ***Access existing knowledge but add value***: Productive activities in the cohesion countries usually include traditional production patterns and sectors. In the best case these traditional sectors have a highly innovative performance based on flexibility and design (as in the case of the Italian industrial districts) and are internationally competitive, while in the worse they compete because of their low cost (as in the case of Greek fur production and tanneries) and become defensive and endangered as new challenges or players enter the international market. Thus international technology foresights may be useless but there are many methods and sectoral studies that can prove useful. Find out about good practice, access international sources, filter them and adapt them is a good start and avoids re-inventing the wheel. There are sufficient trans-European networking mechanisms by now. Increasing their ambition can improve their efficiency.
4. ***Make ambition and quality a flagship of the regional foresight***: The danger of running out of steam was identified in many current efforts. The set up of a coherent framework with performance indicators agreed before implementation starts is a necessary step for a good quality, medium term strategy implementation. These indicators should be set up in detail, reflect programme and project management, efficiency, effectiveness and impact. Unless stakeholders face some success already in the medium term, they will soon abandon and there is a risk of throwing the baby with the water.
5. ***Clarify the roles between the national, regional and local level***: In particular in the countries where regional autonomy is a recent phenomenon there is a lack of maturity and mutual suspicion. The sooner policy responsibilities are clarified and the potential of the regional administration improved, the better.

In view of increasing competitive pressures both the current European LFRs and regions in the candidate countries need to mobilise all the techniques available and all stakeholders to improve their potential and concentrate their efforts in a way that can assure synergies. In this throat-cutting competition, where they have little hope to

substantially increase economies of scale in the local production any way to trigger economies of scope has to be examined. It does not matter whether the consensus building process will be explicit or implicit, but it has to be extensive and longer term, although one should not underestimate that the most difficult task is to change informal rules.

6. Conclusions and recommendations

This paper tried to describe the situation and conceptualise the lessons learned from regional foresight in the cohesion countries, where the experiences identified are usually fragmented and ad hoc. The dominant characteristics in these economies are high uncertainty, limited capacity and inadequate administrative capabilities, which lead to a vicious circle of lack of social capital and short termism. There is thus no surprise that regional development planning tools were never a major success and foresight, being a more demanding tool than others, was not adopted.

Yet the last decade is market but an increasing need to undertake all kind of planning based on partnership and forecasting, in order to meet the prerequisites set by European regional development aid. Mainstream funds, Community Initiatives and specific actions all request planning, monitoring and control to assure effective use and high impact for European taxpayers' money. This need is met with ad hoc programming often using elements of ad hoc foresights, in particular in the RITTS/RIS exercises, certain sectoral cases as the Information Society initiatives or some individual, incentive-driven plans. In many of these cases the boundaries between regional and national were not always clear.

With an experience of a decade one may observe that in some cases an evolutionary process was set in motion and inclusive planning emerged as a new routine, while in others it remains an exogenous element of regional policy making, even if it was tested in isolated cases. *The success stories studied suggest that regional foresight is feasible and worthwhile in the cohesion countries, provided the conditions for its successful implementation and follow up are met. This is why it is recommended not as a panacea, but as a useful tool, if and only if, the necessary context can be provided for.*

Thus this paper can conclude with recommendations:

- It is important to set up regional foresight mechanisms, but make clear that they take time and their *raison-d'être* is the change of perception of uncertainties and informal rules with an ultimate goal of increasing social capital, building capacities and improving administrative capabilities.
- This is a learning process and has to be viewed as such. Thus it should not be fragmented repeated and abandoned, but have a consistent, systematic and long term nature.
- Finally while there is no doubt that proximity matters, regional foresight is neither a substitute nor has it a higher order compared to global networking. Both are necessary and should be examined and tailor-made to the needs of each region in complementary rather than competing positions.

To conclude with one sentence: for countries at lower stages of development with limited social capital there is a vicious circle between development characteristics and foresight exercises; in order to break this vicious circle it is important to assure not only external physical and technical resources but to become ambitious in terms of time horizons, follow up and quality. Otherwise the regional foresight efforts can do more harm than good.

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