

## **Relevance of EU Regional Foresight Experiences for Small Candidate Countries**

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STRATA – ETAN Expert Group Action

on

**"Mobilising the regional foresight  
potential for an enlarged European  
Union"**

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## Rationale

In their drive to innovate within an increasingly competitive globalising economy, regions and small countries<sup>1</sup> are influenced and often constrained by certain common features and needs related to their small scale, in particular resource and governance<sup>2</sup> deficits and a general lack of critical mass. Regions and small states are, however, also particularly well-placed to mobilise certain inherent but often poorly exploited strengths, related to their possession of “tacit” knowledge, specific to their context and embodied in their people. These include the **potential** to more easily locate and access individual competencies, the know-how to identify and address local social, cultural and economic needs, and generally, a greater adaptability to change. Positioning themselves to take advantage of these strengths presents a major challenge for policy-makers in Europe’s regions and small candidate countries, if they are to catch up with the frontrunners, the group of economically more advanced member-states and regions. Foresight constitutes a strategic and facilitating tool in this catch-up process: as a means for addressing the challenge of enlargement through more long-term, participative and embedded<sup>3</sup> approaches to **governance, capacity-building and organisational learning**.

There are obvious complementarities and parallels between regions and small states and their foresight and innovation policy concerns. Indeed, the group of small candidate countries, namely, Malta, Cyprus, Estonia and Slovenia, stand to benefit from the learning curve already generated through regional foresight(-type) activities carried out in member states. Particularly relevant in this respect are regional “success stories” in cohesion countries, e.g. in Ireland and Spain, and the extent to which regional foresight activities played a role. Drawing on the work already carried out through the STRATA FOREN Network and its output the Practical Guide, this paper addresses the following issues:

- \* How relevant, useful and indeed transferable are EU foresight experiences generated at the regional level to small candidate countries ?
- \* What is their potential contribution to the effective development of national and regional innovation policies in these countries ?
- \* To what extent are the governance, capacity-building, networking and organisational learning impacts of regional foresight relevant for small countries in their conduct of foresight ?
- \* How is foresight likely to be shaped by the small candidate country context ?

## Outline

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<sup>1</sup> Smallness is here being related mainly to population size

<sup>2</sup> The definition of governance given in the FOREN Practical Guide Regional Foresight (EC, 2001) eds JRC-IPTS et al. is being used here: “the centres of competence for public and private intervention in regional affairs, and for support for regional economic, technological and social development” (pg. 7)

<sup>3</sup> see FOREN Practical Guide

The paper will start by exploring how the notion of regional innovation policy and foresight relates to small candidate countries, in terms of relevance, rationale and feasibility. The paper argues that in view of the centre-periphery and other spatial disparities apparent even in small countries, their national innovation policy has still to embody a strong regional flavour and to be firmly rooted at the local level. Given that in small countries, the distance from national to regional to local levels is shorter, it is possible for them to develop more effective and sustainable innovation policies by exploiting the proximity and overlap of national and regional networks and competencies. Indeed, the governance and resource shortfalls affecting small candidate countries as well as the pressures resulting from EU accession, are likely to drive their governments to explore possible synergies between national and regional innovation policies, at the strategic vision-development and policy formulation phase. The paper argues that these are precisely the types of inherent strengths that small candidate countries should be seeking to exploit, by re-orienting existing networks so as to reinforce the interlinkage or overlay of national and regional policies.

The particular features of EU regional foresight activity, especially the participative, social and embedded approaches, would appear to be highly relevant in this context, as the means for realigning existing networks or developing new ones. Networks play an ambiguous role in small states: on the one hand, they have the advantage of better communications and tight-knit internal relations, yet on the other hand, there is the difficulty of how to transform networks with entrenched interests, as they often involve few outsiders and access to them is restricted. Regional foresight experiences in cohesion countries offer important insights for small countries in the pre-accession phase, in terms of the networking, capacity-building and organisational learning impacts that could be generated through regional foresight activity in this crucial catch-up phase. The review of foresight-type activity in small candidate countries, although very limited, highlights a number of major pitfalls to be avoided in this respect. The ongoing STRATA eFORESEE<sup>4</sup> project will no doubt add to this list, whilst hopefully generating positive experiences of relevance to other candidate countries and regions.

## **2. Regional innovation policy and foresight in small candidate countries: rationale, relevance and feasibility**

Regional innovation policy has become a recognised RTDI<sup>5</sup> priority in member-states and an EU priority as reflected in the growing prominence of the RITTS<sup>6</sup>, IRE<sup>7</sup> and other regional networks. This is also based on increased evidence of the region-specific nature of networks, knowledge (tacit), competencies, institutions and incentive structures emerging in current innovation systems literature. Given the wide range of pressing national policy priorities facing candidate countries in the current pre-accession phase, how important or relevant is regional innovation policy? A recent DG Research Study<sup>8</sup> on the impact of the

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<sup>4</sup> The eFORESEE project is aimed at the Exchange of Foresight Relevant Experiences among Small Enlargement Countries (<http://www.eforesee.info>)

<sup>5</sup> Research, Technological Development and Innovation

<sup>6</sup> Regional Innovation and Technology Transfer Strategy (<http://www.inforregio.org/innovating>)

<sup>7</sup> Innovating Regions in Europe (<http://www.innovating-regions.org/>)

<sup>8</sup> Impact of the enlargement of the European Union towards the associated central and eastern European countries on RTD-innovation and structural policies (Directorate-General Science, Research and Development, 1999)

enlargement on the RTD-innovation and structural policies of the CEECs<sup>9</sup>, noted that the R&D systems within many accession countries are concentrated at the centre, in the capital or a few large cities. The Study emphasized the need for the drawing up of regional policies and regional development plans. It recommended “support for enhancement of regional development by training and supporting local actors in the development of RTDI strategies and plans” (p. 38). The same study identifies in the CEECs a gap in the provision of innovation support services for SMEs, e.g. business consultancy, intermediaries, management training, best-practice examples. The Study recommends that the EU supports CEECs in developing these services in accordance with international best practice, but tailored to the needs of local SMEs.

What about small candidate countries – are regional innovation policies relevant and necessary? Given that growing regional disparities are apparent even in the small CEECs and assuming that these can cause similar inequities and divides within the national economy, the same study highlights the need for the promotion of regional innovation policies in Slovenia and Estonia to redress income disparities as a priority. For Slovenia, such policies could help to encourage investments in human resources, training, R&D and innovation support infrastructure. The Study concludes that even small countries cannot afford to ignore the regional dimensions of RTD, particularly as regional economic disparities are continuing to grow and become more transparent (p.263).

A similar follow-up study analysing the RTDI sector in Cyprus<sup>10</sup> in 1999 also commissioned by the EU, had as one of its three main purposes: “orientation for possible RTDI related structural aid schemes at Community level to reduce spatial disparities, particularly regional technology gaps” (p. 3). The study recommends a decentralisation of responsibilities for managing RTDI away from the centre to the research institutes – these institutes are currently too focused on the policy orientation of the Ministry they report to, as well as being dependent on foreign funding for policy implementation. The study envisages that the decentralisation of RTDI management will bring about greater flexibility in finance for RTDI and increased responsiveness to the needs of local industry.

A similar study on Malta’s RTDI system has not been commissioned to date, but the Government has recently approved recommendations by the Malta Council for Council and Technology (2001) that a national RTDI audit and technology foresight exercise be carried out in the coming years. Although it is envisaged that main priority will be given within these initiatives to measures aimed at strengthening the effectiveness of the national RTDI setup, the regional dimension will also have to be addressed given growing disparities between the centre and periphery, as well as the north and south of Malta, and in addition the noticeably different character of the sister island, Gozo. Despite its small size, Malta reflects a microcosm of distinct yet often overlapping communities (coastal area - touristic sites, ports and fishing villages, inland - small farming villages, industrial estates, heritage sites and churches) with their particular needs and competencies. Diversified and region-specific

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<sup>9</sup> Central and Eastern European Countries

<sup>10</sup> Analysis of the potential of Research, Technological Development and Innovation (RTDI) Sector in Cyprus - Making RTDI work for Economic Development Final Report (PriceWaterhouseCoopers, 1999)

innovation strategies are not only relevant but necessary for redressing socio-economic disparities and to protect and preserve the unique character of these communities.<sup>11</sup>

Within this context, regional foresight could constitute an important tool for “establishing a more systematic dialogue with representatives of regional and local governments ...at an early stage in shaping policy.”<sup>12</sup> The advantages of using regional foresight for this purpose are at least twofold. Regional foresight could provide the mechanisms for ensuring that coherent European, national and regional innovation policies are developed through more open consultation with the key stakeholders at the regional and national levels. Regional foresight could also contribute to the capacity-building and organisational learning required at the national and regional levels for these policies to be implemented effectively and sustainably. As yet there are no studies on the full extent of regional disparities in candidate countries, however, it is important that these countries learn from the successful regional innovation policy experiences of member states, especially cohesion countries and in particular the role played by national and regional foresight in contributing to their success.

Given that smaller candidate countries are likely to encounter difficulties in generating the appropriate financial and human resources to carry out foresight activity at both the national and regional level, alternative approaches could be explored. For example, an adapted (hybrid) type of foresight could involve linking together the different levels of national and regional governance within the one activity<sup>13</sup>. This **national+regional foresight** activity could take the form of combining through complementary, synergetic processes, a focus on developing national strategic vision, whilst at the same time also addressing regional interests and priorities. Building this interlinkage presents a particular challenge in small countries, where networks are aligned and reinforced through complex patterns, determined by historical, political, social, cultural and economic interactions, typical of close communities. Apart from these contextual obstacles, there is always the danger that regional interests and priorities are subsumed or captured by the priorities of central government. The next section explores foresight’s potentially strategic role in re-aligning entrenched networks in small candidate countries through its capacity-building and organisational learning impacts.

### **3. Governance, capacity-building, networking and organisational learning impacts of Regional Foresight: the relevance for small countries**

As indicated in the FOREN Practical Guide, foresight can be used to “inform policy-making, build networks, and enhance local capabilities for tackling long-term issues”. This is supported by the review of regional foresight experiences generated within the EU to date, which highlight the networking, capacity-building and organisational learning impacts of the more process-oriented<sup>14</sup> regional foresight activity. What needs to be further researched, is what factors account for the greater success of foresight in some regions rather than in

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<sup>11</sup> The author is not in a position to comment on the extent to which this is also the case in the other small candidate countries (Cyprus, Slovenia and Estonia) - although other Mediterranean islands e.g. Sicily, Crete, Sardinia and Cyprus would tend to share these characteristics.

<sup>12</sup> Commission of the European Communities, 2001, European Governance A White Paper

<sup>13</sup> See “Bringing It All Back Home: Linking National and Regional Foresight” by Miles and Keenan (PREST), JRC IPTS Newsletter No 61

<sup>14</sup> see FOREN: A Practical Guide to Regional Foresight (EC, 2001) eds JRC-IPTS et al. (page 21)

others. For example, in the case of Ireland, these relate to already existing competencies for strategic planning and evaluation, which contributed to the success of foresight. Such factors influence the extent to which best practice (or good practices) in foresight are directly transferable to different regional and national contexts. The effective adaptation of foresight approaches to local context entails further study as to which foresight best practice is relevant and most likely to work in a particular country or region. In the case of small candidate countries, the regional foresight experiences of cohesion countries are likely to be more relevant, however, even small countries have their own individual particularities. Thus, while Malta and Cyprus are both small island states in a pre-accession phase, the extent to which the following analysis of the relevance of regional foresight to small countries (based on the Maltese context) is equally relevant for Cyprus, cannot be assumed.

### **3.1 Realigning networks in small island states: what role for regional foresight?**

In small states, particularly islands, society and governance revolve round close communities and are dominated by tight-knit networks of prominent individuals. As noted by Baldacchino (2001)<sup>15</sup>, “the value of the discrete and enterprising person in a small territory is more pronounced”, based on the relative ease of individuals to obtain monopoly status in an area of knowledge, and therefore their ability to provide a personalised service at the expense of institutionalisation. The small family business which is the basis of the economic structure in most small states, is in fact an extension of the individual’s personal power and draws the extended family and employees into a tight network, defying the intrusion of industrial relations as constituting a form of disloyalty or sabotage.

Thus, prominent and enterprising individuals emerge as strategic players in small states, taking over in time a number of key roles in society, spanning government, university and the private sector. Combining multiple roles allows these high-profile individuals the possibility to extend their range of competencies and insights, but even more importantly their network of contacts and allies. Indeed, these individuals may be considered as networks in themselves:

- individually, they act as the point of entry or link to the different organisations they represent; and
- collectively, these individuals develop the power to shape and determine the very alignment of networks. Where these individuals interact and cooperate with each other (because of involvement in the same political, church, business, voluntary groups), a more entrenched pattern of shared interests and power-sharing emerges.

As in larger countries, the particular alignment of networks may have positive or negative impacts at a national or regional level, however the capture of networks by powerful groups of self-interested individuals has a potentially greater negative impact on small territories. These networks will often extend beyond the country to include powerful interests abroad, whilst marginalising and often excluding local less prominent but competent players.

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<sup>15</sup> Baldacchino, G. , 2001, “Human resource management strategies for small territories: an alternative proposition” *International Journal of Education Development* 21(205-215).

Two key trends resulting from this are:

- the increased intervention of foreign interests and influences on local networks, which may have both positive or negative impacts; and
- the brain drain, as local players who are not able to enter these networks (or choose not to), react by leaving the country.

In the current pre-accession phase, there are a number of change factors which are likely to affect the existing configuration of networks in candidate countries :

- the pressures to restructure the economy very rapidly (e.g. privatisation, updating the regulatory framework, reducing budgetary deficits...) in compliance with the EU Acquis, within the context of generally adverse global economic conditions;
- the perceptions/ misperceptions that accession to the EU will result in adverse socio-economic changes: e.g. local SMEs and micro-enterprises will be forced to go out of business and there will be an influx of cheaper/more skilled labour from the enlarged EU; and
- the push to capitalise on the EU pre-accession and structural funds and other benefits of EU accession, coupled with concerns over the lack of consultation by central government on how these funds are to be used.

These change factors are driving the more proactive individuals within these networks to consider forging new, potentially more beneficial alliances in response to the emerging opportunities and threats. Their decisions are bound to be based on the need to access in a strategic way new sources of knowledge and power over resources, both within the country and abroad. Their action will transform the current pattern of networks: some networks are likely to become less relevant, whilst others will extend to include individuals holding access to relevant knowledge and power. This current scenario has important implications for governance, as the time is opportune to influence this realigning of networks, so as to avoid their possible capture by narrow, vested interests. This will have important implications for restraining negative trends of monopoly and exclusion (outlined above). In this context, regional foresight provides a highly relevant and appropriate set of tools and processes for influencing the decisions and actions of prominent individuals, as well as empowering less prominent players to participate in the consultation and decision-taking process. By drawing these prominent individuals into foresight exercises, it is possible to expose them to broader, longer-term scenarios and new forms of collaboration and learning.

More broadly, it is envisaged that the main relevance of foresight for small candidate countries will relate to its potential role in addressing the following:

- a generally inward-looking attitude (and insularity in Malta's case), evident especially in bureaucratic circles, small enterprises and the public at large – this is related to the fact that there is limited awareness of the emerging global scenario and major globalisation processes underway;

- a tendency for the more successful players in academia and private and public sectors to network outside the country rather than inside – Tsipouri<sup>16</sup> observes a similar trend in academia in cohesion countries;
- a general public attitude of sapped responsibility<sup>17</sup> and subsidy mentality (deriving in Malta’s case from being under a colonial government up to 1963), evident surprisingly also in the private sector – this translates into an over-dependence on national government and a tradition of looking towards government for delivery of all types of services;
- an over-preoccupation with national politics and its divisive aspects rather than more collaborative forms of governance and consensus-building;
- trends of short-termism<sup>18</sup> in policy and decision-taking in the political parties and both the public and private sectors – policies tend to be reactive rather than proactive, often reflecting situations of crisis management;
- a lack of administrative and technical capacity combined with institutional immaturity<sup>19</sup> particularly at the level of local government – compliance with the EU Acquis is entailing the setting up of a number of new institutions (e.g. new regulatory authorities), which apart from their lack of institutional maturity, have still to define their relationships and collaboration with other national and regional agencies; and
- a tendency towards individuality and dispersed resources, as individuals build up their own teams round them and are unwilling to share resources and know-how. This is also reflected at the level of organisations and contributes to the general lack of critical mass.

As indicated by Tsipouri in her review of regional foresight experiences in cohesion countries, the long-term impact of foresight activity depends on the particular national and regional context. Thus Ireland’s more advanced administrative capacity and Spain’s tradition of regional autonomy account for the success of foresight in these countries and the limited impact in Greece and Portugal. It is interesting to note that Ireland (the only one of the cohesion countries which has succeeded in institutionalising foresight to date) has focused more on national foresight exercises which have taken into account the regional dimension - combined with some regional initiatives, as in the case of the Shannon region. Whilst recognising the learning impacts of foresight in cohesion countries, Tsipouri makes a number of important recommendations for improving the conduct of foresight which are equally relevant for small candidate countries:

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<sup>16</sup> See the paper by Prof Lena Tsipouri on “Regional Foresight in the Cohesion Countries: What Can the Candidate Countries learn from this Experience?”

<sup>17</sup> observed also in Southern Italy – see L’occupazione al primo posto: Panoramica sui patti territoriali per l’occupazione in Italia (DG REGIO EC, 1999) or <http://inforegio.cec.eu.int/pacts>

<sup>18</sup> as noted by Tsipouri in cohesion countries (p.3).

<sup>19</sup> as also noted by Tsipouri

- the need to change existing informal rules;
- bringing in champions from the private sector or securing the political commitment at the regional level;
- earmarking a percentage of EU technical assistance for foresight;
- setting performance indicators for foresight activity to ensure quality;
- governance: clarifying the roles between national, regional and local levels.

The next section features a review of the very limited foresight-type experiences of small candidate countries and the insights that may be drawn from them.

#### **4. Foresight-type activities in small candidate countries**

To date, the group of small candidate countries (Malta, Cyprus, Estonia and Slovenia) under review have not carried out foresight activities at either the national or regional levels. There are one or two examples of foresight-type activity in some of these countries, but it is difficult to determine which activity can qualify as such and how relevant the experience generated is in terms of contributing to what can be termed foresight best practice. Cyprus, Malta and Estonia are currently undergoing their first experience of a national foresight activity as part of an EU IHP STRATA project, entitled eFORESEE (Exchange of Foresight Relevant Experiences for Small European and Enlargement Countries) and some preliminary observations can be recorded of the experiences to date. We start by reviewing some foresight-type activities in Cyprus and Malta.

##### **4.1 Foresight-type activities in Cyprus**

The recent IPTS Enlargement Futures Project (2001)<sup>20</sup> recorded no previous or ongoing foresight activities in Cyprus at a national or regional level. However, a number of foresight-type activities have been underway recently, including an initiative by the Ministry of Commerce, Industry and Tourism to set up two specialised committees to exploit options for the creation of a viable hi-tech industry and to improve Cyprus' attractiveness in terms of FDI. Interestingly, these initiatives have also aimed to tap Cypriot human resources in the diaspora, in order to promote the development of the local economy. Similarly, the national S&T report (1998) prepared by the Planning Bureau (Ministry of Finance), the national body coordinating R&D, identifies a narrow set of priority S&T areas (informatics, medical research, environment-saving technologies, energy, biotechnology, agrotechnology, geological sciences) that the country should focus on. The extent of the consultation processes and stake-holder involvement as well as the time horizons under considerations are not known and therefore it is difficult to ascertain to what extent these initiatives qualify even as foresight-type activities. As from 1 January 2002, Cyprus' Agricultural Research Institute is one of the partners in the FP5 IHP STRATA project eFORESEE.

##### **4.2 Foresight-type activity in Malta: The National Strategy for Information Technology (NSIT) case study**

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<sup>20</sup> JRC IPTS (Seville, 2001), Enlargement Futures Project Final Report

The first foresight-type exercise held in Malta dates back to 1993-4 and focuses on the development of a National Strategy for Information Technology (NSIT). The exercise commissioned by the Malta Council for Science and Technology was lead by a University-based project team.

The NSIT Project was allocated a budget of approximately 250,000 Euros and was to be completed within a year. The Project combined two convergent approaches:

- (i) a top-down macro perspective, reflecting the linking of IT and economic/innovation strategies; and,
- (ii) a bottom-up micro perspective, focused more specifically on a range of sectoral initiatives and incorporating the efforts of twenty-seven working groups.

One of the strengths of the NSIT Project was that it brought together a range of interests and expertise, including various University and Government departments, public corporations and parastatal agencies, private companies and professional bodies. Representatives of the community or local authorities were however not formally represented.

The main results of the NSIT Project were:

- ◆ “documents which synthesize the rationale, research and recommendations of the NSIT Project,
- ◆ processes which have already had significant success in influencing policy, action, and plans in various sectors (it is fair to say the NSIT project has influenced organisations like Telemalta, METCO, MDC, the Department of Education, the University, the Banks, etc.) and
- ◆ action thrusts which result from the strategy process and embody a coherent set of IT related initiatives that span many sectors of the Maltese economy and society”.<sup>21</sup>

### **The NSIT Micro-Perspective’s Ten Strategic Thrusts<sup>22</sup>**

#### **Externally -Oriented:**

- A. Augment Malta’s profile as an international broker of services and goods; and,
- E. Seek and provide (financial) assistance for IT RTD and business ventures.

#### **Internally-Oriented:**

##### Economic:

- B. Build an outward looking IT industry;

<sup>21</sup> Camilleri, J., 1994, National Strategy for Information Technology . 1.

<sup>22</sup> ibid. 5.

C. Develop an indigenous modern business outlook through process re-engineering;

Education:

F. Meet the national need for IT human resources;

G. Exploit IT in education and in-career training;

J. Create an IT culture within society as a whole;

Infrastructure and support framework:

D. Set up sector-wide IT networks;

H. Ensure an adequate telecommunications infrastructure for the IT service needs;

I. Provide an open and supportive legislative framework for IT.

Source: Adapted from Camilleri, 1994b

With the benefit of hindsight, it is possible to note that more attention should have been given to income-generation through the exploitation of economies of scale and use, i.e. through hubbing and smart public-private sector partnerships. However, for Malta, the NSIT Project was a ground-breaking initiative on how consensus-building policy exercises should be conducted, despite the insufficient representation of citizen and consumer interest groups. The NSIT Project thus constituted an important policy learning curve in its own right.

As the first foresight-type activity, the NSIT Project provides useful insights for the future conduct of foresight exercises in Malta. In this context, a questionnaire-based survey on the NSIT Project is currently being carried out by the Malta Council for Science and Technology. The questionnaire is to provide a useful input in the preparation for the launch of the first eFORESEE Malta pilot which will be focussed in the area of Information and Communications Technologies (ICTs). A simple one-page questionnaire has been e-mailed to those experts who were involved in the NSIT Project, mainly the coordinators of the 27 working groups. The primary aim of the survey is to gauge (eight years on) the opinion of these experts on the following:

- the usefulness and relevance of the Project,
- its accuracy in identifying windows of opportunity,
- the extent to which the recommendations have been implemented to date,
- ways of improving on the process,
- new concerns and issues that would now need to be addressed,
- other stakeholders that would now need to be involved, and
- whether they would be willing to participate in the eFORESEE ICT Pilot.

To date 8 out of the 50 contacted have sent replies to the questionnaire. The preliminary results of the survey indicate that:

- the NSIT Project is on the whole perceived as having been a useful exercise in defining a strategic direction to national IT policies.

- The majority of the respondents however recorded their disappointment at the level and method of implementation: (i) a number of the (still valid) NSIT recommendations have not been implemented to date or only just now being addressed; whilst (ii) some recommendations were implemented in an incoherent way, due to fact that the proposed coordinating body (NITU) was not set up and there was insufficient follow-up interaction between the public and private sectors.
- Perceptions of the success or failure of the Project are highly dependent on the sector (infrastructure, education or business) and the profile of the respondent, e.g. the Maltacom representative perceives the infrastructure part of the NSIT Project as a success, as the recommendations relating to the upgrading of the telecomms infrastructure had been implemented by Maltacom in the ensuing eight years.

#### **NSIT-inspired Government initiatives identified by the respondents**

- The Telecommunications Regulation Act
- The Telecommunications Services Regulations 2000
- The establishment of a Telecommunications Authority and its related Act
- The Data Protection Act
- The White Paper on the legislative framework for information practices
- The e-government and m-government initiatives
- The setting up of the Malta Communications Authority (2001)
- The setting up of the eMalta Commission
- The setting up of the Malta College for Arts, Science and Technology

In terms of insights into how to increase the relevance and usefulness of such projects, particularly in the perception of the main stakeholders but also the general public, a key issue identified by respondents is the time lag in implementation of the recommendations, which they each attribute to various factors:

- Lack of resources (in particular financial)
- Lack of a long-term implementation plan approved by both political parties (to overcome policy shifts which take place when there is a change in national government)
- Lack of an institutional setup to champion, monitor and fine-tune the implementation process – the NSIT recommended the setting up of the National Information Technology Unit (NITU) specifically for this purpose
- Lack of drive and will

- Lack of specialized strategic, management and other technical skills
- Lack of critical mass – there are cultural and institutional barriers which inhibit the pooling of resources (in small communities, individuals (and iorganisations) tend to be over-protective of their own territory and are often hesitant to work collaboratively or to share information and resources with others).
- Lack of widespread awareness of the importance of a long-term strategic national ICT plan
- Lack of a strategic and coherent approach (poor coordination and streamlining of the various initiatives of Ministries, Commissions, parastatal and private sector organisations).

These insights into the NSIT experience are relevant for the conduct of foresight exercises in small candidate countries, because they highlight the need for careful handling of such exercises, in terms of:

- Communicating in advance to the stakeholders in precise and clear terms what constitutes foresight and related activity – it is important that there are no misconceptions that foresight activity implies/requires direct implementation of results.
- Ensuring that government is not perceived as the main beneficiary or target of foresight activity – indeed more emphasis is to be placed on private sector involvement and governance.
- Reality check – foresight is not to be projected as the panacea<sup>23</sup> for all problems affecting small states and expectations regarding outcomes of foresight need to be kept realistic.
- Ensuring on the other hand that the foresight activity is given enough publicity, in particular its tangible and intangible benefits need to be identified and marketed (even if in realistic terms).
- Investing in the more long-term impact of foresight, i.e. instilling a foresight culture and embedding the relevant skills.

These insights are to inform the first eFORESEE pilot to be launched in Malta in May/June 2002.

#### **4.3 The STRATA eFORESEE Project: some preliminary experiences**

The eFORESEE project which officially started in January 2002, is a two-year STRATA project aimed at anticipating and responding to the needs of policy makers, involved in the formulation and implementation of foresight activities in EU15+ smaller economies and

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<sup>23</sup> Also highlighted in the FOREN Practical Guide (pg. V)

regions. eFORESEE addresses decision-making processes involved in setting up foresight activities, as well as the challenge of managing and implementing specific foresight actions. EFORESEE focuses on the Knowledge Management needs of foresight and explores the possibility of applying benchmarking techniques to improve the efficiency of foresight over time.

The project is primarily concerned with defining and highlighting the potentially strategic role of foresight in the accession process, and in the integration of candidate countries into the European Research Area. The three partner candidate countries, Malta, Cyprus and Estonia, coordinated by a Brussels-based coordinator (Dr Patrick Crehan of Crehan, Kusano and Associates), are each to carry out two foresight pilot actions. Deciding on the specific themes of these pilots has led to intense discussion and brainstorming both on the part of the individual partners and within the consortium. In the case of Cyprus, whilst agriculture had been chosen as the sectoral focus for the first pilot, the specific theme(s) to be addressed was discussed at a meeting held recently in Cyprus between 21-22 March. The aim of the meeting was to identify national priorities in the field of agricultural policy in the light of accession to the EU and how these priorities could be addressed through the eFORESEE project. One of the key deliverables expected of this pilot is the harmonization of Cyprus Agricultural Policy with EU Common Agricultural Policy.

Estonia and Malta are both focusing on the area of ICTs as the backdrop for their first pilot actions. A major concern which has emerged with both countries, is how to overcome the strong inclination to link the focus and scope of the pilot to the FP6 IST Programme. Due to the substantial funding which this Programme offers and the restricted national research funds available, linking the eFORESEE ICT pilot to the FP6 IST action lines offers itself as a pragmatic way forward. In Malta's case, it presents an effective approach for marketing the eFORESEE ICT pilot among the local research and business community, whose underlying concerns in signing up to the pilot is "what will tangibly come out of this exercise? will it be another NSIT exercise with many of the ideas and recommendations left on the shelf for lack of funding?" However, in recognition of the dangers of restricting the Malta ICT pilot to the pre-defined, restricted set of priorities and approaches of the FP6 IST programme, the decision has been taken to keep the two separate. A conscious effort is therefore to be made to explore as vast a range of opportunities and niches as possible and to focus on implementation mechanisms at a later stage. The Malta ICT pilot is to focus on exploring Malta's potential to emerge as a node for ICT-based education, training and learning services.

In disseminating information on the eFORESEE project locally and signing up potential stakeholders for the first pilot, the Malta eFORESEE partner (MCST<sup>24</sup>) decided to issue in March 2002 an open call for expressions of interest to participate in the ICT pilot. From the response generated (which has been substantial), it has become clear that there is a general lack of awareness about foresight – what it means, how it is carried out, who can make a contribution, and in particular why it is a relevant and worthwhile activity. It has become apparent that the following levels of awareness and skills/training needs will have to be somehow addressed, if the pilot is to be effective:

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<sup>24</sup> Malta Council for Science and Technology

- Level 1: Basic Awareness of what Foresight entails for stakeholders
- Level 2: Basic Skills in conducting a Foresight activity for core group <sup>25</sup>
- Level 3: Specialised training for facilitators and technical secretaries
- Level 4: Specialised training to carry out technology mapping and KM<sup>26</sup>
- Level 5: Evaluation and benchmarking skills

The effectiveness and lasting impact of the project depends on the extent to which these needs can be met, particularly through processes of collaborative learning, generated by involving all the eFORESEE partners, as well as other cohesion and candidate countries currently carrying out foresight activity (e.g. Greece, Bulgaria and Romania) in the learning process.

## **5. Foresight in small candidate countries: rationale and scoping**

This paper highlights the fact that small states, like regions, have particular needs and concerns to address in carrying out foresight activity. These relate in the first instance to policy constraints due to limited resources: financial, spatial, institutional, infrastructural, and human. In Malta's case, these resource constraints are reflected in the particular character of its close-knit communities and networks, and the entrepreneurial, individualistic nature of its people. In the current pre-accession phase, small candidate countries are faced by yet another set of policy constraints, relating mainly to how to implement effectively the EU Acquis within the agreed timeframes, without unduly or unnecessarily upsetting local practices and traditions. Indeed, the accession challenge involves a range of pressing policy concerns, from reconciling conflicting interests to investing in appropriate capacity-building and institution-building measures. Within this context, foresight has a particular role to play in helping small candidate countries to meet the accession challenge through more strategic, coherent and participatory approaches. In the process, foresight itself is bound to be shaped and possibly adapted by the small candidate country context. Based on the experience generated to date within the eFORESEE project, the scoping of foresight activity in these countries, could feature:

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<sup>25</sup> Core group constitutes the full-time eFORESEE team, the champions, experts and technical secretaries

<sup>26</sup> Knowledge management

- a strong orientation towards exploring opportunities and options in resource-generation rather than resource-allocation;
- the strategic use of networks to interlink regional and national levels of governance and to promote more coherent innovation policies;
- a close linkage to key policy needs – foresight activity could provide a vital input into the National Development Plans and pre-accession capacity-building efforts;
- shorter time horizons (pressures for short-term/medium-term focus and results) but greater frequency of foresight activity (due to fast changing environment internally and externally);
- a focus on the niche within the niche: identifying realistic windows of opportunity;
- close attention to balanced approaches, e.g. between external and internal networking;
- the use of more popular means of dissemination, e.g. radio, television, newspapers, in addition to the website and publications ;
- an emphasis on building a coalition of resources and synergies of cross-sectoral policy efforts and related resources to ensure critical mass;
- concerted efforts to promote human resources development and organisational learning: empowerment, teamwork, and embedding of foresight and evaluation skills.

### **In Conclusion**

This paper draws on the work carried out by the FOREN team and the other members of the HLEG on Regional Foresight. The relevance and usefulness for candidate countries of regional foresight experiences in member states and in particular cohesion countries, is evident, especially in promoting networking, capacity-building and organisational learning. In this context, it is important to draw attention to where more work needs to be done to promote foresight best practice and its contribution to governance and the enlargement process. The FOREN Practical Guide provides a very useful background document on EU regional foresight. In practice, actually designing and carrying out a foresight activity requires a high level of hand-holding and tacit skills which go beyond the codified knowledge and insights provided in the FOREN Guide. It entails more step-by-step guidance on the preparatory, implementation and evaluation aspects of the foresight activity, knowing what works best in what context, and on-the-job training and learning. Extending the FOREN Guide to the candidate country context could prove an important first step in this direction.