

GRANT AGREEMENT
NUMBER — 692191 — SmartEIZ

SmartEIZ – H2020-TWINN-2015

**Strengthening scientific and research capacity of the Institute of Economics, Zagreb
as a cornerstone for Croatian socioeconomic growth through the implementation of
Smart Specialisation Strategy**

Work package:	WP6 Dissemination of results
Deliverable Title:	D6.4 International Dissemination conference
Task 6.2:	Organization of conferences and round tables on topics of Innovation in Croatia
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The SmartEIZ round table named 'New issues relevant for Smart Specialisation Strategy in European 'periphery' countries' was held in Dubrovnik on October 26, 2018 within the SINCERE Conference.

Since one of the goals of SmartEIZ was to strengthen the capacities of EIZ staff in methodologies within the area of Smart Specialisation Strategy, at the end of last year we started to prepare two events. The first was the SmartEIZ conference that took place on September 25 - 26 this year, and the second was the round table within the SINCERE conference

Regarding the round table, at the 4th Steering Committee and the Advisory Board meeting this year, which was organized by UNU-MERIT, it was proposed to present the research that had passed through trainings within the SmartEIZ project, and which could have impact on the Smart Specialisation Strategy. That proposal was supported by the members of the Advisory Board, and we received an offer from Elena Cefis to present her work on the topic of Firms' Innovation and the Challenge of Economic Crises, which she considered relevant for the round table in Dubrovnik. That proposal was accepted.

Information about the SmartEIZ round table was published on the following websites:

- SINCERE Conference Internet Portal - <http://www.sincere.hr/additional-activities/>;
- SmartEIZ Internet Portal - <http://www.smarteliz.eu/news-category/round-table-new-issues-relevant-smart-specialisation-strategy-european-periphery-countries/>

Regarding the programme of the round table, in the first presentation, Marina Tkalec explored the impact of war and occupation on firms' performance outcomes in Croatia, followed by Elena Cefis who spoke about the influence of innovation that includes digital technologies on firms' survival through the crisis. Dubravka Jurlina Alibegović spoke about the Smart City model in Croatia, whereas Ivana Rašić Bakarić tackled the topic "The impact of cluster networking in the Croatian Wood Cluster".

List of presentations:

- Marina Tkalec – Economic Consequence of War: Evidence from Firm Level Panel Data

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- Elena Cefis – Firms’ Innovation and the Challenge of Economic Crises
- Dubravka Jurlina Alibegović – Digital Transformation of Croatian Cities: Current Experience and Challenges
- Ivana Rašić Bakarić – The Impact of Cluster Networking – the Case of the Croatian Wood Cluster

27 participants attended the round table, and in majority they were researchers from Croatia, but there were also participants from all parts of Europe. Among them was Adnan Efendić, the leader of the work package related to policy implications within H2020 project “Closing the Gap between Formal and Informal Institutions in the Balkans”.

Regarding the content of the presentations from the round table, Marina Tkalec analysed the impact of war and occupation on firms in Croatia. She proposes that during the occupation firms’ exit rates were significantly subdued in the whole country, irrespective of occupation. After the war, the exit of the firms intensified. She divides the results into three clusters. She finds a clear and very strong positive effect on a firm’s exit in a firm’s location in a municipality that was occupied at some point in time.

Elena Cefis presented a paper on new venture performance. Focal point of her presentation was a survival of these companies during a financial crisis. In her presentation, the author emphasized the significance of innovation, since basically new ventures are based largely on innovations, whether they are incremental or radical. In times without crisis, innovations reduce a possibility of exit from the market, but increase firms’ probability to be bought by other companies. In the same period, the premium for innovations appears among new companies, as opposed to the established companies. This is not characteristic for high-tech companies. Furthermore, the presentation showed that every fourth company survives a period of 15 years. During a crisis, focusing on product innovation is a basis for survival. Process innovation enables the increased efficiency, but it doesn’t bring the overcoming of a crisis. Regarding the implications, it is important to support product innovation.

Dubravka Jurlina Alibegović presented the current experiences and challenges in implementing the Smart City model, and the development of Smart City indicators in Croatian large cities. For her, the special focus should be on local innovation capacity aiming to develop and implement digital policies that can transform day-to-day life for residents, workers and entrepreneurs. This is important because one of the dimensions of Smart Cities

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is innovative and effective resource management, as well as innovative and effective governing of processes and public services. This enables the application of advanced digital technology solutions using advanced tools to access structured data necessary for good decision-making. The paper that went through the first SmartEIZ workshop on Assessing Innovation Policy pointed to the significance of promoting the agenda of the use of Smart City indicators in Croatia's cities.

Ivana Rašić Bakarić presented the results of her research related to perceptions and attitudes of members of the Croatian Wood Cluster gathered in two fields. The first field was the strength of cooperation and networking among cluster members and with players outside the cluster. The second field included the effects of clustering on operational performance of the manufacturing SMEs (members of clusters) and effects of clustering on the operational performance of the cluster. She concluded that clustering is generally not perceived as significantly important for the performance of companies. Finally, she presented the results of regression. Regarding this, she concluded that success of the performance of the Croatian Wood Cluster is significantly positively associated with cooperation with research, scientific, and high education institutions, and with strong cooperation among cluster members. What is interesting about this paper is that it shows that in the Smart Specialisation Strategy (S3) in Croatia an emphasis has been put on 13 clusters which were founded within the S3, and with the presentation of this research at the fourth SmartEIZ workshop in Milan, as well as at this event, the attention has been brought on the existence of business clusters that were founded before the S3.

Regarding the questions concerning the presentations, most attention was given to the first presentation dedicated to the issues of war and productivity in Croatia. Methodological improvement of the work was proposed in a sense of finding a similar sample of municipalities in a similar country (e.g. Slovenia) in order to analyse better the very effect of the war. It is almost impossible to analyse separately the impact of the war on the productivity of companies, because such an impact has an embedded part that also applies to the institutional environment in which the companies operated. When it comes to the rest of the papers, regarding the paper "Digital Transformation of Croatian Cities: Current Experience and Challenges", the questions were related to the methodology. Namely, the values of individual indicators were negative. The author explained that this was related to marginal values.

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In conclusion, we plan to share the results of this round table with a broader audience through the SmartEIZ Newsletter. This increases the possibility that the results of the works presented at the round table will be applied in the socio-economic practices of the EU periphery countries.