strategy (53). This strategy could be the missing link that countries need to integrate their research and economic sectors; it would make better use of human resources in science and engineering, while inciting researchers to migrate from the government and higher education sectors to industry.

The concept of 'smart specialization' was developed by an expert group (Foray et al., 2009) as a tool to accelerate pan-European development through an 'integrated industrial policy for the globalization era' and an Innovation Union, the latter strategy having been adopted by the EU in 2010 (Hollanders and Kanerva, 2015, Table 9.7). The concept takes a regional, rather than country-level approach to innovation policy, in order to concentrate resources in a handful of priority sectors.

The S3 Platform was established by the European Commission at the Joint Research Centre’s Institute for Prospective Technological Studies in Seville, Spain, in order to provide member countries with support, such as guidelines for the development of Research and Innovation Strategies

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**Figure 10.3: Trends in human resources in Southeast Europe**

*Change in numbers of tertiary graduates from Southeast Europe, 2013–2017 (%)*

- **Serbia:** -52 (women), -53 (men)
- **North Macedonia:** -8 (women), -10 (men)
- **Montenegro:** -49 (women), -45 (men)
- **Bosnia & Herzegovina:** -24 (women), -21 (men)
- **Albania:** -0.1 (women), 0.4 (men)

*Note: The observed period for Albania, Bosnia and Herzegovina, Montenegro and Serbia is 2013–2017; for North Macedonia, it is 2013–2015.*

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**Researchers by sector of employment, 2018 (%)**

- **Business:** 8.4%
- **Higher education:** 89.2%
- **Government:** 1.8%
- **Private non-profit:** 0.6%

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**PhD (women)** 105, **PhD** 147, **Master's (women)** 84, **Master's** 80, **Bachelor's (women)** 35, **Bachelor's** 32, **Government** 29.3, **Higher education** 62.4, **Private non-profit** 3.7, **Business** 8.2
Southeast European researchers enjoy gender parity. A large proportion of researchers are engineers among both men and women.

The European Commission’s guidelines advise governments to select priority sectors only based on the outcome of direct interaction between policymakers and the private sector, in what has been termed ‘the entrepreneurial discovery process’ (Gianelle et al., 2019). The selected areas for intervention should correspond to specific societal and environmental challenges or reinforce the health and security of citizens. Governments could, for example, promote the use of ICTs for active ageing, explore solutions to reduce traffic congestion or develop innovative materials for eco-construction (Gianelle et al., 2019). This phase is currently being funded by the EU as the bloc’s first ‘pilot action’.

The EU’s second pilot action will identify and scale up bankable interregional projects that can create European value chains in priority sectors, such as big data, the bio-economy, resource efficiency, connected mobility or...