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THE FUTURE OF SMART SPECIALISATION: PUBLIC POLICY COHERENCE AND THE STABILITY OF POLICY INSTRUMENTS

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APRESENTAÇÃO DA UMPP / UMPP PRESENTATION

A Unidade de Monitorização de Políticas Públicas (UMPP) da Universidade de Évora é uma estrutura técnica e científica dedicada à produção de conhecimento e informação sobre conceção, monitorização e avaliação de políticas públicas.

A UMPP foi criada com o apoio do Programa Operacional Regional do Alentejo 2007-2013 (INALENTEJO) e tem como objetivo principal promover a avaliação e monitorização das políticas públicas implementadas ou em processo de implementação na unidade territorial NUTS II do Alentejo, em Portugal e na União Europeia, bem como assegurar a ampla disseminação desse conhecimento neste âmbito territorial.

A competitividade dos países, das regiões e das empresas está cada vez mais dependente das condições em que uns e outras tomam decisões e as concretizam de forma eficiente e eficaz. Neste sentido, a capacidade e competência na definição e implementação de políticas públicas por parte do Estado e a assertividade na concretização de estratégias e iniciativas bem sucedidas por parte das demais organizações são hoje fatores decisivos para o desempenho das sociedades em que se inserem.

A relevância, pertinência, coerência e valor acrescentado das políticas públicas são hoje aspetos absolutamente cruciais para as condições de desenvolvimento dos países, dos territórios, das organizações e dos indivíduos. Desde logo, em função dos contextos regulamentares e de enquadramento que estabelecem, dos mecanismos de incentivo e estímulo em que assentam, dos paradigmas e visão de futuro para que apontam, do nível de sofisticação e inovação que lhe está associado e da intencionalidade estratégica que imprimem e transmitem, numa perspetiva de médio e longo prazo, aos setores e atividades a que se destinam.

Num momento em que é cada vez maior o nível de exigência técnica e científica associado ao processo de planeamento da economia, da sociedade e dos territórios, e à construção e salvaguarda das suas condições de competitividade e de desenvolvimento, a Universidade de Évora entendeu criar uma Unidade de Monitorização de Políticas Públicas dedicada à produção de conhecimento e à avaliação e monitorização de políticas públicas aplicadas, ou em processo de aplicação nesta região.

A UMPP pauta a sua atividade por princípios de rigor, isenção, transparência e responsabilidade, e uma preocupação constante de auscultação e colaboração com as entidades e agentes da região Alentejo, mas também relativamente às de âmbito nacional e internacional.

Convidamo-lo(a) a conhecer o trabalho que fazemos.

The Public Policy Monitoring Unit (UMPP) of the University of Évora is a technical and scientific unit dedicated to producing knowledge and information on the design, monitoring, and evaluation of public policies.

UMPP was established with the support of the Alentejo Regional Operational Programme 2007-2013 (INALENTEJO). Its main mission is to promote the monitoring and evaluation of public policies that have been implemented, or are currently being implemented, in the NUTS II region of Alentejo, in Portugal and the European Union while also ensuring the broad dissemination of knowledge in this field across the territory.

The competitiveness of countries, regions, and organisations increasingly depends on the conditions under which decisions are made and translated into effective and efficient action. In this context, the State's capacity to design and implement public policies, together with the ability of other organisations to deliver successful strategies and initiatives, has become a decisive factor in the performance of the societies in which they operate.

The relevance, consistency, coherence, and added value of public policies are now crucial to the development prospects of countries, territories, organisations, and individuals. This is reflected in the regulatory and institutional frameworks they establish, the incentive mechanisms on which they are built, the paradigms and future visions they promote, the degree of sophistication and innovation they embody, and the strategic direction they provide to the sectors and activities they are intended to support over the medium and long term.

At a time when the technical and scientific demands associated with planning the economy, society, and territories – and with strengthening and safeguarding their competitiveness and development – are becoming ever more complex, the University of Évora created UMPP as a dedicated unit for the production of knowledge and for the monitoring and evaluation of public policies applied, or in the process of being applied, in the region.

UMPP carries out its work in accordance with the principles of rigour, impartiality, transparency, and responsibility, while maintaining an ongoing commitment to dialogue and collaboration with institutions and stakeholders in the Alentejo region, as well as with partners at national and international level.

We invite you to explore our work.

UMPP POLICY PAPERS

Os UMPP Policy Papers são documentos síntese elaborados sobre questões de natureza metodológica, ou de debate técnico e científico, em torno de questões avaliativas ou de monitorização de políticas públicas. Os UMPP Policy Papers abordarão, entre outros aspetos, exercícios de avaliação e análise em torno de políticas ou de instrumentos de política pública concretas, e serão concebidos com a preocupação de apresentar recomendações ou propostas de orientação futura.

Esta publicação destina-se a cumprir um dos objetivos da UMPP, nomeadamente a produção de conhecimento e de informação sobre a conceção, monitorização e avaliação das políticas públicas implementadas ou em processo de implementação na Região Alentejo, em Portugal e na União Europeia, bem como promover a disseminação dessa informação no contexto regional, nacional e europeu.

O UMPP Policy Paper No. 8 | 2026 tem como principal objetivo analisar o futuro da *Smart Specialisation* no contexto da evolução da Política de Coesão da União Europeia, discutindo o seu papel enquanto instrumento de política pública territorialmente sensível, sofisticado e acumulativamente construído ao longo das últimas programações europeias. O texto procura demonstrar que a *Smart Specialisation* não deve ser entendida apenas como uma exigência técnica de programação, mas como uma arquitetura de governação com relevância estratégica para articular competitividade, inovação, coesão territorial, aprendizagem institucional e transformação estrutural diferenciada entre regiões.

Em simultâneo, este Policy Paper pretende contribuir para o debate sobre a coerência das políticas públicas europeias no período pós-2027, defendendo que essa coerência depende não apenas do alinhamento entre objetivos estratégicos, mas também da estabilidade e da capacidade evolutiva dos instrumentos de política. Neste sentido, o trabalho sustenta que o aprofundamento da *Smart Specialisation* é essencial para enfrentar assimetrias territoriais, prevenir trajetórias de estagnação regional e reforçar a capacidade da União Europeia para governar transições económicas, tecnológicas, demográficas e territoriais de forma mais equilibrada, inteligente e justa.

UMPP Policy Papers are concise publications addressing methodological issues and technical and scientific debate in the field of public policy monitoring and evaluation. Among other topics, they include evaluation and analytical exercises focusing on specific public policies or policy instruments, and are designed to present recommendations and proposals for future action.

This publication contributes to one of UMPP's core objectives: the production of knowledge and information on the design, monitoring, and evaluation of public policies implemented, or in the process of being implemented, in the Alentejo Region, while also promoting the dissemination of this knowledge at regional, national and European levels.

The main objective of the UMPP Policy Paper No. 8 | 2026 is to analyse the future of *Smart Specialisation* in the context of the evolving EU Cohesion Policy framework, discussing its role as a territorially sensitive, sophisticated and cumulatively developed public policy instrument

across successive European programming periods. The paper seeks to show that *Smart Specialisation* should not be understood merely as a technical programming requirement, but as a governance architecture of strategic relevance for articulating competitiveness, innovation, territorial cohesion, institutional learning and differentiated structural transformation across regions.

At the same time, this *Policy Paper* aims to contribute to the debate on the coherence of European public policies in the post-2027 period, arguing that such coherence depends not only on the alignment of strategic objectives, but also on the stability and evolutionary capacity of policy instruments. From this perspective, the paper maintains that the further development of *Smart Specialisation* is essential to address territorial asymmetries, prevent paths of regional stagnation and strengthen the European Union's capacity to govern economic, technological, demographic and territorial transitions in a more balanced, intelligent and fair way.

THE FUTURE OF SMART SPECIALISATION: PUBLIC POLICY COHERENCE AND THE STABILITY OF POLICY INSTRUMENTS

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This Policy Paper is published by UMPP – Public Policy Monitoring Unit, University of Évora. It is intended as a contribution to the debate on the future of Smart Specialisation, the territorial evolution of EU Cohesion Policy, and the coherence and stability of public policy instruments in Europe. The views expressed are those of the author.

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Abstract

This Policy Paper argues that the future of Smart Specialisation should not be treated as a narrow technical matter concerning the continuity of a single instrument within EU Cohesion Policy. It should instead be understood as a broader test of the European Union's capacity to preserve public policy coherence, territorial intelligence, cumulative institutional learning and strategic stability while redesigning its development architecture for the post-2027 period.

Over the last decade, Smart Specialisation has evolved from a formal enabling condition into a more sophisticated framework for territorial prioritisation, entrepreneurial discovery, regional diversification and multilevel policy coordination (Balland et al., 2019; Fonseca & Maguire, 2024). It can no longer plausibly be interpreted as a dispensable programming layer.

This paper advances six core claims.

First, Smart Specialisation rests on a robust analytical foundation based on relatedness, knowledge complexity and regional diversification (Balland et al., 2019).

Second, this same analytical logic reveals a major challenge: the geography of innovation has a dark side, because the most advanced regions are structurally better positioned to diversify into related high-complex activities, while lagging regions tend to remain confined to related low-complex trajectories, creating a spatial inequality feedback loop (Pinheiro et al., 2025).

Third, because of this asymmetry, the future of Smart Specialisation cannot be framed only as a matter of efficiency; it must also be framed as a matter of territorial inclusion, balanced opportunity and long-term political legitimacy (Rodríguez-Pose et al., 2024).

Fourth, public policy coherence depends not only on the alignment of strategic objectives but also on the stability and cumulative learning of policy instruments (Jabri & van der Valk, 2025).

Fifth, the post-2027 architecture requires stronger evidence-informed policymaking ecosystems, structured foresight and more explicit territorial intelligence if it is to sustain place-based transformation under conditions of uncertainty (OECD/European Commission, 2025; Futuribles International, 2026).

Sixth, weakening or diluting Smart Specialisation in the post-2027 framework would risk removing one of the few mature instruments capable of linking competitiveness, innovation, cohesion and place-based development in a coherent way (Kah & Ferry, 2025; Neto, 2026a).

A distinctive feature of the present manuscript is that it explicitly situates this argument within a broader line of work developed by the author. Neto (2026a) argued that geography has become a strategic variable for productivity, innovation, resilience and cohesion and that Smart Specialisation should be understood as the most mature policy instrument available to territorialise Europe's renewed competitiveness agenda.

Neto (2026b) argued that economic, social and territorial cohesion should be understood as a central condition of intergenerational fairness and as a territorial guarantee of opportunity. Neto (2026c) reinterpreted territorial cohesion as a framework for governing differentiated transition in Europe and explicitly connected cohesion, place-based capability and intergenerational justice.

The present paper builds on and extends that trilogy by asking what becomes of Smart Specialisation if public policy coherence is weakened precisely through instability in the instruments that support territorial intelligence and strategic learning.

The paper concludes that the appropriate response is not the displacement of Smart Specialisation, but its evolutionary redesign.

Such redesign should include stronger strategic directionality, continuous entrepreneurial discovery, deeper integration with skills and demographic adaptation, more systematic interregional complementarity, stronger monitoring and evaluation, more explicit evidence-informed governance arrangements, and a clearer embedding in wider place-based governance

architectures (European Commission, 2025; Holla et al., 2026; Larrue, 2021; Rubio & Alcidi, 2026). A credible post-2027 reform should therefore deepen, rather than bypass, Smart Specialisation.

Executive Summary

This paper starts from a simple but far-reaching proposition: there is no durable public policy coherence without a minimum degree of stability in the instruments through which policy is implemented. This proposition is particularly relevant to the future of Smart Specialisation.

Smart Specialisation has reached a level of analytical and institutional maturity that makes its weakening difficult to justify. Recent research has shown that a sound Smart Specialisation framework can be built around the concepts of relatedness and knowledge complexity. Regions benefit from diversifying into more complex activities, but these transitions are more feasible when they build on local related capabilities (Balland et al., 2019). This gives Smart Specialisation a much stronger analytical basis for strategic selectivity than was available in its formative years.

However, the same body of work also reveals a major tension. The geography of innovation has a dark side. The most economically advanced regions are generally better placed to diversify into related high-complex activities, while lagging regions are often confined to related low-complex trajectories. Unless this asymmetry is explicitly addressed, Smart Specialisation may reproduce and even reinforce territorial divergence (Pinheiro et al., 2025).

This territorial asymmetry is not only an economic issue. It is also a political and normative one. Regions caught in prolonged development traps are significantly more likely to support Eurosceptic parties, and the risk, intensity and duration of such traps all reinforce political discontent (Rodríguez-Pose et al., 2024). Territorial policy therefore matters not only for growth and innovation, but also for democratic legitimacy and social cohesion within the European project.

The present manuscript argues that this problem should be read together with the author's recent UMPP Policy Papers. Neto (2026a) established that Smart Specialisation should be treated as a strategic governance architecture for territorialising Europe's new competitiveness agenda. Neto (2026b) argued that cohesion should be interpreted as a territorial guarantee of opportunity and as a core instrument of intergenerational fairness. Neto (2026c) then reframed territorial cohesion as a forward-looking framework for governing differentiated transition.

Read together, these three contributions imply that the future of Smart Specialisation cannot be treated as a minor programming issue. It is deeply connected to the future of territorial competitiveness, to the fairness of development trajectories, and to the governance of differentiated transition in Europe.

The latest round of references reinforces this argument in four complementary ways.

First, the mission-oriented innovation policy literature shows that transformation requires coordinated policy mixes, stronger directionality and integrated implementation rather than fragmented interventions (Larrue, 2021).

Second, the literature on evidence-informed policymaking ecosystems stresses that leadership, coordination, culture, skills, interaction with academia and feedback mechanisms are indispensable if evidence is to shape decisions consistently (OECD/European Commission, 2025).

Third, recent work on human capital and the demographic turn highlights that Europe's future competitiveness depends on lifelong learning, workplace learning, territorial conditions and the ability to avoid a shrinking talent pipeline being concentrated in a few "superstar" hubs (European Commission, 2025; Holla et al., 2026).

Fourth, recent assessments of the proposed 2028–2034 MFF architecture and the Innovation Fund highlight the risks of unclear intervention logics, centralised governance, volatile resources, delayed implementation and under-realised impacts when ambitious strategic instruments lack stable and coherent delivery frameworks (European Court of Auditors, 2026; Rubio & Alcidi, 2026).

The paper concludes that Smart Specialisation should remain an explicit and visible component of the post-2027 architecture. It should be redesigned, not diluted.

Future reform should focus on stronger strategic directionality, continuous entrepreneurial discovery, corrective attention to unequal diversification opportunities, more robust interregional complementarity, better integration with skills and demographic adaptation, stronger monitoring and evaluation, better structured evidence-informed governance, and a more stable programme environment that allows territorial learning to accumulate (Fonseca & Maguire, 2024; Jabri & van der Valk, 2025; Kah & Ferry, 2025).

Keywords

Smart Specialisation; Cohesion Policy; public policy coherence; policy instruments; relatedness; knowledge complexity; regional diversification; regional inequality; development trap; place-based policy.

1. Introduction

The future of Smart Specialisation deserves to be debated in more demanding and more strategic terms than is often the case. Too frequently, it is still treated as a technical requirement of research and innovation programming, a funding filter, or a useful but

ultimately replaceable component of EU Cohesion Policy. This paper adopts a different position. It argues that Smart Specialisation should now be understood as one of the most developed territorial policy instruments produced by the evolution of European Cohesion Policy and that its future is inseparable from a broader institutional question: can the European Union plausibly seek greater policy coherence while weakening the stability of one of the few instruments through which territorial learning, place-based selectivity and multilevel governance have been progressively institutionalised (Balland et al., 2019; Fonseca & Maguire, 2024)?

This question has become more pressing because Smart Specialisation now operates in a changing and increasingly unstable policy environment. The current cycle is marked by overlapping programme closure, delayed implementation, growing reliance on flexibility mechanisms and repeated reprogramming pressures linked to the Mid-Term Review and the incorporation of new strategic priorities. Recent evidence from programme authorities points to administrative overload, planning uncertainty and reprogramming fatigue, alongside fears that the territorial mission of Cohesion Policy may be blurred by constant reprioritisation (Jabri & van der Valk, 2025). These wider developments matter because sophisticated territorial instruments do not function in an institutional vacuum. Their performance depends on continuity, credibility and the possibility of cumulative learning.

At the same time, the debate on Smart Specialisation itself has matured significantly. There is now a stronger analytical basis for understanding regional diversification and strategic selectivity, but also a clearer recognition of the uneven territorial conditions under which diversification occurs (Balland et al., 2019; Pinheiro et al., 2025). Smart Specialisation has therefore moved well beyond the earlier question of whether regions should have strategies. The more demanding question now is how regions with highly differentiated capabilities, institutional settings and structural constraints can engage with a policy framework that is at once path-dependent, transformation-oriented and territorially differentiated.

A further reason for revisiting Smart Specialisation now is that this manuscript does not emerge in isolation. It is conceived as part of a broader line of work developed by the author across recent UMPP Policy Papers. Neto (2026a) examined how the Draghi and Letta Reports reframe the European Union's competitiveness agenda through a territorial lens and argued that Smart Specialisation is the most mature policy instrument currently available to territorialise Europe's renewed competitiveness agenda, while also proposing an evidence-informed roadmap for Portugal's S3 in 2025–2027 and 2028–2034. Neto (2026b) argued that economic, social and territorial cohesion should be recognised as a central condition of intergenerational fairness and proposed a conceptual shift from cohesion as convergence alone to cohesion as a territorial guarantee of opportunity. Neto (2026c) reinterpreted territorial cohesion as a framework for governing differentiated transition in Europe and explicitly linked territorial capability, institutional capacity and intergenerational justice. The present paper builds on and extends all three contributions.

The latest references supplied for this final version make the argument more demanding in two additional respects. First, they show that Europe's strategic environment is now being shaped simultaneously by silent but powerful megatrends, including demographic contraction, ageing, climate pressures, fiscal strain and geopolitical turbulence, and that serious prospective work

must attend not only to shocks but also to high-inertia transformations (European Commission, 2025; Futuribles International, 2026). Second, they show that implementation quality is becoming just as important as strategic ambition: clear intervention logics, evidence-informed governance ecosystems, structured analysis of technological options, and credible territorial monitoring are now indispensable for any complex public policy architecture that claims to be both strategic and place-sensitive (European Court of Auditors, 2026; OECD/European Commission, 2025; Rubio & Alcidi, 2026).

The argument developed here is therefore twofold. On the one hand, Smart Specialisation remains one of the few instruments capable of territorialising a renewed European agenda around competitiveness, innovation, resilience and structural transformation. On the other hand, its future cannot be secured by simple continuity.

It requires a more explicit recognition of the dark side of innovation, the territorial nature of development traps, the political consequences of prolonged spatial asymmetry and the limits of agglomeration-led policy reasoning (Pinheiro et al., 2025; Rodríguez-Pose, 2026; Rodríguez-Pose et al., 2024). For this reason, the future of Smart Specialisation is not only a question about one instrument. It is a test of whether Europe can still govern structural change territorially and coherently.

2. Smart Specialisation in the Territorial Evolution of EU Cohesion Policy

A distinctive feature of the present manuscript is that it should be read as part of a cumulative line of argument developed by the author in recent years. Earlier work had already reflected on the future of the place-based approach in the post-2020 EU framework and on the need to rethink smart specialisation in light of broader territorial and social dimensions (Neto, 2020; Neto et al., 2018). More recently, that line of research was explicitly deepened through three UMPP Policy Papers.

The first of those, Neto (2026a), examined how the Draghi and Letta reports reframe the EU competitiveness agenda through a distinctly territorial lens and assessed the implications of that repositioning for Smart Specialisation as a place-based governance framework. It argued that implementing the orientations proposed in those reports cannot be achieved through a less place-sensitive approach and that geography has become a strategic variable for productivity, innovation, resilience and cohesion.

It also proposed an evidence-informed roadmap to strengthen Portugal's S3 for 2025-2027 and 2028-2034. The second, Neto (2026b), aimed to demonstrate that economic, social and territorial cohesion should be understood, within the post-2030 reform of EU policies, as a central condition of intergenerational fairness. The third, Neto (2026c), reinterpreted territorial

cohesion as a framework for governing differentiated transition in Europe. The present paper should therefore be read as the next logical step in that trajectory.

Smart Specialisation itself emerged as part of a wider move away from undifferentiated, imitation-based and top-down approaches to regional development. Its original rationale was that regions differ fundamentally in their knowledge bases, institutional capabilities and structural opportunities, and that development policy should therefore build on territorial specificity rather than replicate the same priorities everywhere (Balland et al., 2019).

From the outset, its ambition was not to make regions more specialised in a narrow sense, but to support forms of strategic diversification grounded in local capabilities and future-oriented transformation.

Over time, however, the role of Smart Specialisation expanded significantly. In the 2014–2020 period it functioned mainly as a conditionality for research and innovation investments. In 2021–2027 it became an enabling condition and acquired a more clearly governance-oriented character. Recent evidence indicates that the new framework places greater emphasis on continuous stakeholder engagement, stronger governance, interregional cooperation, monitoring and evaluation, capacity-building and synergies with other programmes (Fonseca & Maguire, 2024).

In practical terms, Smart Specialisation increasingly structures how regions organise territorial intelligence, policy learning and adaptive strategy-making.

This evolution matters because it means that Smart Specialisation should no longer be interpreted merely as a formal requirement in programme design. It now occupies a broader institutional space at the intersection of place-based policy, regional innovation systems, territorial governance and policy coordination (Kah & Ferry, 2025).

It is one of the clearest examples of how Cohesion Policy has tried to move beyond simple financial allocation towards more territorially differentiated and capability-sensitive forms of intervention.

The latest European Parliament study on the 2028–2034 MFF proposal reinforces this point. Rubio and Alcidi (2026) argue that the proposed National and Regional Partnership Plans are not underpinned by a clearly articulated intervention logic for promoting cohesion, and that more integrated planning can offer opportunities only if the cohesion rationale is clarified, territorial impact assessments are strengthened and regional authorities retain meaningful roles in implementation.

From the perspective of this paper, that diagnosis is directly relevant: it suggests that the future of Smart Specialisation cannot be detached from the wider institutional architecture within which cohesion objectives are defined, interpreted and delivered.

3. Relatedness, Knowledge Complexity, Directionality and the Analytical Core of Smart Specialisation

A major strength of the current debate is that Smart Specialisation now rests on a much clearer analytical basis than in its early years. Balland, Boschma, Crespo, and Rigby (2019) argue that a coherent Smart Specialisation framework can be built around the concepts of relatedness and knowledge complexity. Their analysis shows that diversification into more complex technologies is attractive but difficult and that the most viable path for regions is to move into more complex activities that remain sufficiently related to their existing capabilities.

In this way, Smart Specialisation becomes a place-based policy for renewing and upgrading regional economic structures by building on what regions already know and can plausibly become.

This analytical framing is highly consistent with the author's own earlier and recent work. The 2018 article by Neto, Serrano, and Santos had already suggested the need to move from RIS3 toward a broader social and territorial dimension of smart specialisation, while Neto (2026a) explicitly recast Smart Specialisation as a governance architecture for linking regional capabilities with industrial transformation, skills, resilience and strategic autonomy.

The convergence between these contributions is important: it shows that the case for Smart Specialisation is not merely procedural, but strategic and developmental (Neto et al., 2018; Neto, 2026a).

The mission-oriented innovation policy literature sharpens this conclusion. Larrue (2021) defines mission-oriented innovation policies as coordinated packages of policy and regulatory measures tailored to mobilise science, technology and innovation around well-defined societal objectives within a specified timeframe, spanning different stages of the innovation cycle and combining supply-push and demand-pull instruments.

This matters for Smart Specialisation because it clarifies that strategic directionality is not simply a matter of rhetorical ambition. It requires governance, co-ordination and implementation capacities capable of holding together coherent portfolios across actors, scales and policy instruments.

Recent work on embedding mission-oriented approaches in Smart Specialisation points in the same direction. Rather than seeing missions and place-based strategies as incompatible, the emerging literature suggests that S3 can serve as a territorial platform for challenge-oriented transformation, provided that directionality, participation, experimentation and accountability are better balanced (Molica et al., 2026).

The implication is not that Smart Specialisation should abandon its place-based character, but that it should become more capable of linking local capabilities to larger European missions in coherent and territorially differentiated ways.

The implications for policy design are considerable. First, Smart Specialisation is fundamentally about branching and transformation rather than static specialisation. Second, policy must recognise that not all diversification paths are equally valuable, because complexity matters. Third, place-based strategy requires an understanding not only of present strengths but of the architecture of future possibilities.

In that sense, Smart Specialisation is more than consultation or alignment. It is an attempt to structure regional transformation under conditions of uncertainty and path dependence (Balland et al., 2019).

Yet this framework also implies that the challenge is demanding. Regions do not choose their future paths from a neutral starting position. They are constrained by inherited capabilities, institutional environments and their position in the wider knowledge space.

This makes Smart Specialisation demanding not because its logic is weak, but because it directly confronts the structural unevenness of regional development.

4. The Dark Side of the Geography of Innovation

If the relatedness-and-complexity framework has strengthened the analytical core of Smart Specialisation, recent work by Pinheiro, Balland, Boschma, and Hartmann (2025) has highlighted one of its most important warnings. Their study of 283 European regions shows that the same processes that underpin regional diversification may also reinforce territorial inequality.

Only the most economically advanced regions have the opportunity to diversify into highly complex activities. These regions tend to focus on related high-complex activities, while lagging regions tend to focus on related low-complex activities, thereby generating a spatial inequality feedback loop.

This is a decisive insight for the future of Smart Specialisation. It means that the logic of related diversification is not automatically territorially benign. If regions are guided only by the activities closest to their existing capability structure, advanced regions may continue to move upward along high-value pathways, while weaker regions become confined to lower-complexity trajectories.

In such circumstances, a policy instrument designed to improve the innovativeness of the European knowledge system may disproportionately benefit regions that are already ahead (Pinheiro et al., 2025).

The policy significance of this finding is considerable. It means that Smart Specialisation cannot be defended solely as an efficiency-enhancing framework. It must also be judged by its capacity to mediate unequal diversification opportunities. This point connects directly with Neto (2026b)

and Neto (2026c). If territorial inequalities are mechanisms through which opportunity and disadvantage are distributed across the life course and between generations, then an innovation framework that passively reproduces uneven capability structures would sit uneasily with the idea of cohesion as a territorial guarantee of opportunity and with the broader argument that Europe must govern differentiated transition more fairly.

In this respect, the future of Smart Specialisation must be framed not only in terms of smartness, competitiveness or strategic directionality, but also in terms of fairness, territorial capability and development opportunity. This is one of the main ways in which the present paper extends the author's previous line of work.

5. Regional Development Traps, Discontent and the Political Stakes of Territorial Policy

The significance of unequal diversification opportunities becomes even clearer when viewed through the lens of the geography of EU discontent. Rodríguez-Pose, Dijkstra, and Poelman (2024) show that many European regions are either stuck in, or at risk of entering, a regional development trap.

These are regions experiencing relative decline in economic growth, employment and productivity, compared both to their own past trajectories and to national and European peers. Their analysis demonstrates a strong connection between being in a development trap and support for Eurosceptic parties, especially in middle- and high-income regions. It also shows that the longer the period of stagnation, the stronger the support for parties opposed to European integration.

This evidence has direct implications for Smart Specialisation. If territorial policy instruments fail to help regions escape prolonged underperformance, the consequences are not only economic. They are political.

Territorial stagnation can translate into discontent, alienation and opposition to the institutions associated with European integration. Territorial policy must therefore be assessed not only by its direct impact on innovation or productivity, but also by its contribution to legitimacy, inclusion and perceived fairness (Rodríguez-Pose et al., 2024).

This line of reasoning also resonates strongly with the author's UMPP Policy Papers No. 5 (2026) and No. 6 (2026). The former explicitly argued that cohesion should be understood as a core instrument of intergenerational fairness and as a territorial guarantee of opportunity. The latter argued that territorial cohesion must be rethought as a framework for governing differentiated transition and that intergenerational justice is inseparable from the territorial conditions under which different generations live, study, work and participate.

The present paper extends that argument into the domain of Smart Specialisation: if S3 is to remain legitimate, it must help prevent territorial development traps from hardening into permanent and politically corrosive patterns of divergence (Neto, 2026b, 2026c).

There is thus a strong case for thinking of Smart Specialisation not only as an innovation framework, but also as part of a broader territorial strategy to prevent trapped development trajectories from becoming economically and politically entrenched.

6. Beyond Agglomeration Myths: Place-Sensitive Prosperity and the Relevance of Smart Specialisation

The recent critique of agglomeration-centred development thinking further strengthens the case for Smart Specialisation. In Why size really doesn't matter, Rodríguez-Pose (2026) offers a wide-ranging critique of the assumption that urban agglomeration and density are the automatic engines of prosperity. He argues that the evidence remains deeply inconclusive: some large cities flourish, others stagnate, and many smaller or intermediate cities outperform their larger counterparts.

The real sources of prosperity lie less in scale itself than in institutional quality, the resilience of local ecosystems and the strength of inter-territorial linkages. He also stresses that conventional agglomeration models have paid insufficient attention to the territorial inequalities and political discontent produced when prosperity clusters in a small number of favoured locations.

This critique is particularly relevant for the Smart Specialisation debate because it challenges any implicit assumption that territorial development can be reduced to concentration in a limited number of major metropolitan hubs. If prosperity does not flow automatically from city size or density, and if smaller places can perform strongly when ecosystem and institutional conditions are favourable, then place-sensitive instruments remain indispensable.

Smart Specialisation is relevant precisely because it aims to mobilise territorial specificity, rather than subordinate all development logic to metropolitan concentration (Rodríguez-Pose, 2026).

This insight also resonates with Neto (2026a), which argued that the Draghi and Letta reports should be read through a territorial lens and that implementing their orientations requires stronger place-based strategies and deeper Smart Specialisation, capable of mobilising local assets, capacities and ecosystems in alignment with European priorities.

The convergence is significant: both lines of argument point away from scale fetishism and toward territorially intelligent development policy (Neto, 2026a; Rodríguez-Pose, 2026).

7. Governance, Implementation, Evidence and Human Capital in Smart Specialisation

The future of Smart Specialisation cannot be assessed solely at the conceptual level. It must also be judged in light of the practical lessons emerging from its governance and implementation. Recent IQ-Net work on Smart Specialisation in the 2021-2027 period shows that the framework has become central to efforts to bridge regional innovation gaps by focusing investment on local strengths and by requiring stronger stakeholder engagement.

The same evidence points to several maturing features: more continuous governance, more systematic interregional cooperation, greater emphasis on monitoring and evaluation, and increasing attention to synergies with other programmes and instruments (Fonseca & Maguire, 2024).

This evidence supports two broad conclusions. First, Smart Specialisation is still evolving and its institutional potential is not exhausted. Second, its main current challenges concern governance quality, coordination and operationalisation rather than a lack of strategic relevance. In other words, the problem is not that the instrument has become obsolete. The problem is that it is demanding and therefore requires deeper institutionalisation (Fonseca & Maguire, 2024).

This diagnosis is fully consistent with Neto (2026a), which argued that the Portuguese experience showed both the gains and the weaknesses of S3: improved coherence and productivity effects, but also episodic entrepreneurial discovery, diluted selectivity, fragmented skills alignment, monitoring deficits and uneven administrative capacity.

The present paper retains that diagnosis, but places it in a wider argument about instrument stability and public policy coherence.

The evidence-informed policymaking literature provides a useful vocabulary for this next step. OECD and the European Commission (2025) emphasise that healthy evidence-informed policymaking ecosystems require leadership, institutional co-ordination mechanisms, an enabling culture, feedback mechanisms, adequate skills and training, and frequent interaction with academia.

In this view, evidence use is not merely a technical matter of collecting data. It is an ecosystem property that depends on the interface between evidence supply, policy demand and the organisational and systemic conditions under which they meet.

This is directly relevant to Smart Specialisation, whose effectiveness depends on the quality of discovery, monitoring, learning and inter-organisational co-ordination.

Read through the lens of Smart Specialisation, the OECD/European Commission (2025) report suggests that S3 governance should be conceived less as a static strategic document and more

as an ecosystem of demand for evidence, supply of expertise and brokerage capacities operating across individual, organisational, inter-organisational and system levels. Its core lesson is that effective evidence-informed policymaking depends on frequent interactions between policymakers, researchers and knowledge brokers, on institutionalised co-ordination mechanisms, on continuous capacity-building, and on a culture of enquiry capable of translating heterogeneous evidence into usable action.

This is directly relevant for S3 because entrepreneurial discovery, domain monitoring, portfolio adjustment and interregional learning all require precisely these conditions. A weak evidence ecosystem risks turning Smart Specialisation into a formal compliance exercise; a strong one allows it to become an adaptive governance architecture capable of learning from implementation, revising priorities and aligning territorial strategies with changing external conditions (OECD/European Commission, 2025).

The same report also highlights the political dimension of evidence use. Across the surveyed countries, citizens' perceptions that government uses the best available evidence are strongly associated with trust in national government, while poor co-ordination, siloed structures and weak interfaces between science and policy erode that trust (OECD/European Commission, 2025).

For Smart Specialisation this matters in two ways. First, S3 increasingly operates in politically sensitive domains – industrial transformation, decarbonisation, labour market adjustment and territorial trade-offs, where legitimacy cannot be sustained by technocratic programming alone. Second, if post-2027 Cohesion Policy is likely to become more integrated, more performance-based and more exposed to rapid reprioritisation, then the legitimacy of territorial choices will depend even more on transparent evidence use, institutionalised dialogue and visible learning loops.

In that sense, densifying the evidence architecture around S3 is not only a managerial requirement; it is part of the democratic sustainability of place-based policy (Jabri & van der Valk, 2025; OECD/European Commission, 2025; Rubio & Alcidi, 2026).

This human-capital dimension deserves stronger emphasis than it often receives in the Smart Specialisation debate. Holla, Schady, and Silva (2026) argue that human capital is not built in sectors alone, nor solely across abstract stages of the life course, but in concrete settings—homes, neighborhoods and workplaces – where daily interactions, incentives and opportunities shape cumulative trajectories over time.

Their settings-based approach is highly relevant for S3 because it reinforces the idea that capability-building cannot be reduced to firm subsidies, laboratory excellence or higher-education provision in isolation.

Territorial transformation depends on whether regions can align innovation policy with the places where skills are actually formed, reinforced, eroded or activated. In practical terms, this means that S3 domains need to be linked not only to research, entrepreneurship and industrial upgrading, but also to local learning environments, access to services, mobility patterns and the

labour-market quality of workplaces that convert education into productivity (Holla et al., 2026).

The settings perspective also deepens the paper's argument about differentiated transition. Holla et al. (2026) stress that human capital accumulation is cumulative, that skills beget skills, and that constraints in one setting can undermine investments made in another.

Applied to Smart Specialisation, this implies that regions with weaker homes, poorer neighborhoods or lower-quality workplaces may struggle to benefit fully from innovation opportunities even when strategic priorities are formally well chosen.

It also suggests that territorial capability should be interpreted more broadly: not only as the presence of firms, universities and clusters, but as the capacity of a territory to convert innovation investments into sustained human development and learning.

This insight strengthens the intergenerational and territorial-justice arguments advanced in Neto (2026b, 2026c), while also supporting the case for more integrated S3 policy mixes that connect skills, social infrastructure, labour-market inclusion and place-sensitive innovation support (Holla et al., 2026; Neto, 2026b, 2026c).

The same lesson appears in the UK Parliament's Flying Blind report. The report argues that governments cannot simply pour more money into innovation systems without a data-driven approach that comprehensively monitors, maps and supports innovation-led clusters, and warns that it is unacceptable for major public R&D funders to be unable to measure and map levels of investment, outputs and regional impacts properly (House of Commons Science, Innovation and Technology Committee, 2026).

The metaphor is apt for Smart Specialisation: without robust territorial intelligence, it is impossible to know whether policy is enabling diversification, learning and capability-building or merely reproducing inherited patterns.

Human capital and capability accumulation are also integral to this implementation challenge. Holla, Schady, and Silva (2026) argue that human capital is built not only through sectors and life-cycle stages, but also in concrete settings – homes, neighbourhoods and workplaces – where daily interactions shape learning, health and opportunity.

Their emphasis on workplace learning, neighbourhood effects and coordinated policy action across settings is highly relevant to Smart Specialisation, especially where territorial competitiveness depends on skills pipelines, local ecosystems, labour-market participation and learning on the job. A future-oriented S3 cannot treat talent as an external input; it must recognise that human capital is territorially produced, territorially constrained and territorially mobilised.

8. Policy Coherence and the Stability of Policy Instruments

The central analytical proposition of this paper is that public policy coherence depends not only on the alignment of strategic goals, but also on the stability and cumulative learning of policy instruments.

The Innovation Fund provides a particularly instructive cautionary lesson for the future design of Smart Specialisation-linked instruments. The European Court of Auditors (2026) recognises that the Fund occupies an important niche in the technology development cycle, especially in the demonstration phase and in what is commonly described as the valley of death, where few alternative sources of finance are available.

However, it also finds that the Commission adapted calls and budgets to emerging priorities without a structured analysis of technological potential, that one in five initially awarded projects had been cancelled, and that delays in financial close and implementation were common.

Most importantly, early results in terms of greenhouse gas reductions were far below expectations: by June 2025, the portfolio had delivered only a very small fraction of the reductions initially anticipated for the same period (European Court of Auditors, 2026).

These findings matter because they show how easily ambitious transition instruments can become trapped between strategic inflation and weak delivery realism. For the argument of this paper, the lesson is not that result-based or mission-sensitive funding should be avoided. It is that such funding requires stronger ex ante intelligence, more credible maturity assessments, more realistic indicator architectures and better alignment between portfolio ambition and territorial implementation capacity.

Smart Specialisation can learn from this experience. If post-2027 policy expects S3 to connect competitiveness, decarbonisation and industrial transformation more tightly, then the governance of priorities, milestones and expected territorial outcomes cannot rest on overoptimistic assumptions or abstract technological promise. It must be grounded in structured analysis, implementation feasibility and continuous evidence feedback – precisely the dimensions that the Innovation Fund audit found to be insufficiently robust (European Court of Auditors, 2026; Larrue, 2021; Rubio & Alcidi, 2026).

In public debate, coherence is often treated as a question of whether different agendas point in the same direction: whether competitiveness aligns with cohesion, whether sustainability aligns with industrial policy, or whether resilience aligns with innovation.

These are important questions, but they remain incomplete unless one also asks whether the instruments through which these goals are pursued are sufficiently stable to permit cumulative learning, institutional memory and adaptive reform.

This is especially important in the current European context. Recent evidence on closure, delivery and the Mid-Term Review highlights how overlapping programme cycles, late audits, flexibility mechanisms and repeated reprogramming have created significant strain on programme authorities.

Although flexibility instruments may help respond to shocks and emerging priorities, they also increase administrative burden, legal complexity and audit exposure. Many authorities have warned that frequent strategic adjustments can weaken predictability, disrupt pipelines and blur the territorial mission of Cohesion Policy (Jabri & van der Valk, 2025).

The latest European Parliament assessment of the Commission's MFF proposal adds further weight to this concern. Rubio and Alcidi (2026) argue that the proposed NRPP architecture risks a more centralised governance model, weaker territorial logic and insufficient clarity about how cohesion is actually to be pursued.

For this reason, they call for a clearer intervention logic, dedicated cohesion recommendations, territorial impact assessments, protection of integrated local development and stronger incentives for interregional innovative investment and Smart Specialisation.

The relevance to the present paper is immediate: policy coherence cannot be sustained if instruments are simultaneously expected to deliver territorial intelligence while being embedded in architectures that weaken territorial accountability and clarity of purpose.

The cautionary lesson from implementation can also be observed in the Innovation Fund. The European Court of Auditors (2026) recognises the Fund's high potential, but finds slow progress, substantial accumulation of financial resources, project delays and lower-than-expected greenhouse gas reductions. It recommends a more structured analysis to guide allocation decisions and faster deployment mechanisms.

The lesson is broader than the specific case. Strategic instruments with ambitious objectives do not become effective simply by virtue of their political importance. They require stable governance, clear intervention logic, structured allocation choices and monitoring systems capable of learning from implementation.

The demographic and foresight literature further reinforces why this forward agenda cannot be incremental. The Demographic Turn frames Europe's situation as a structural paradigm shift in which the continent must simultaneously sustain innovation with fewer workers, protect the social licence for change and prevent public R&I systems from being squeezed by ageing-related expenditure.

It projects a shrinking labour force, a narrowing human pipeline for tertiary education and research careers, and a growing risk that R&I funding will come under pressure from pensions and healthcare costs. At the same time, it suggests that demographic change may be an opportunity to build a more distributed 'network of excellence' across the continent rather than concentrating talent and innovation in a small number of superstar hubs (European Commission, 2025).

This is highly relevant to Smart Specialisation because it points directly to the need for lifelong learning infrastructures, regional specialisation with wider European connectivity, and more deliberate strategies to avoid capability depletion in peripheral and ageing territories (European Commission, 2025).

A complementary lesson emerges from long-range foresight work such as Futuribles International's Vigie 2026 report, which argues that meaningful anticipation must combine attention to ruptures with careful analysis of slow-moving but high-impact structural trends. Its emphasis on what François Jullien termed 'silent transformations' is especially pertinent here: demographic ageing, declining fertility, ecological pressure, rearmament and resource constraints do not always produce spectacular policy moments, yet they reconfigure the background conditions under which all territorial strategies operate (Futuribles International, 2026).

For Smart Specialisation, the implication is that strategic intelligence cannot be episodic or reactive. It must combine entrepreneurial discovery with anticipatory capability, so that regional strategies are not only responsive to current strengths but also to long-wave structural changes in labour supply, climate exposure, geopolitical risk and social demand.

This strengthens the case for a more foresight-rich, demographically aware and territorially differentiated S3 architecture in the period 2028–2034 (European Commission, 2025; Futuribles International, 2026; Neto, 2026c).

This diagnosis is directly relevant to Smart Specialisation. A policy instrument that depends on territorial learning, stakeholder mobilisation, strategic signalling and capability accumulation cannot function well in an environment of permanent strategic volatility.

Smart Specialisation therefore requires not only reform, but a degree of stability in the broader programme environment. Without that stability, even well-designed instruments become harder to implement credibly (Jabri & van der Valk, 2025).

This argument also sharpens the implications of the author's previous work. If Neto (2026a) established that S3 is the most mature instrument available for territorialising Europe's competitiveness agenda, then the present paper asks what follows when mature instruments are destabilised.

If Neto (2026b) argued that cohesion is a territorial guarantee of opportunity, then instrument instability becomes a direct threat to that guarantee, because unstable frameworks are less capable of sustaining long-term capability-building. If Neto (2026c) argued that Europe must govern differentiated transition more intelligently, then destabilising one of the few instruments built for territorial intelligence would be a deeply contradictory move.

Instrument stability should not be confused with immobility. The argument here is not that Smart Specialisation should remain unchanged. It is that mature policy instruments require continuity precisely in order to be redesigned intelligently. Public policy coherence depends on more than thematic a lignment. It depends on whether Europe is capable of preserving and

reforming its most sophisticated instruments without repeatedly undermining the conditions under which they can learn and perform (Fonseca & Maguire, 2024; Jabri & van der Valk, 2025).

9. Foresight, Demography and a Forward Agenda for 2028-2034

If Smart Specialisation should be deepened rather than displaced, what should the next phase look like? The first requirement is to reconnect the debate on S3 with structured foresight and demographic realism. The Futuribles Vigie 2026 synthesis argues that anticipating the future means not only preparing for shocks, but also taking seriously high-inertia structural trends and "silent transformations" that deeply reshape the conditions of action (Futuribles International, 2026).

The European Commission's Demographic Turn reaches a parallel conclusion in the field of research and innovation, arguing that Europe faces not just an ageing population but a structural contraction of its working-age base and that the traditional "pipeline" model of human capital is becoming obsolete (European Commission, 2025).

The Demographic Turn is especially relevant because it reframes demographic change as a stress multiplier across four dimensions of the R&I ecosystem: human capital, financial stability, regional cohesion and market dynamics. It warns that unchecked R&I concentration may intensify "superstar" hubs and peripheral decline, but also argues that demographic change creates an opportunity to build a distributed "network of excellence" based on regional specialisation, lifelong learning and more resilient territorial ecosystems (European Commission, 2025).

This is highly compatible with a more advanced reading of Smart Specialisation. A forward agenda for 2028-2034 should therefore rest on seven priorities.

A first priority is explicit continuity. Smart Specialisation should remain a visible and clearly identifiable element of the post-2027 architecture. Submerging it within broader planning documents would reduce its strategic and institutional clarity (Jabri & van der Valk, 2025).

A second priority is corrective territorial intelligence. The next generation of S3 must explicitly recognise the asymmetrical distribution of diversification opportunities revealed by the dark side literature and identify how weaker regions can construct bridges toward more complex activities (Pinheiro et al., 2025).

A third priority is interregional complementarity. Regions with limited internal diversification options should be supported in building structured links to complementary regions, especially where they are peripheral or trap-prone (Balland & Boschma, 2021).

A fourth priority is integration with development trap prevention. If prolonged territorial stagnation fuels political discontent, then Smart Specialisation should be more clearly

connected to wider territorial resilience, employment, skills and productivity strategies rather than remaining confined to innovation support narrowly defined (Rodríguez-Pose et al., 2024).

A fifth priority is deeper place-sensitive institutionalism. In line with recent critiques of agglomeration orthodoxy and with the author's own recent work on territorial competitiveness and cohesion in transition, future S3 should rely less on implicit assumptions about metropolitan concentration and more on ecosystem quality, inter-territorial relationships and institutional robustness, implying stronger attention to second-tier cities, intermediary regions and smaller urban systems (Neto, 2026a, 2026c; Rodríguez-Pose, 2026).

A sixth priority is continuous governance and stronger evidence systems. The gains already made in stakeholder engagement, monitoring, evaluation and policy synergies during 2021–2027 should be consolidated and strengthened. Continuous entrepreneurial discovery should become standard practice, supported by better evidence systems, more effective learning loops and stronger interactions between administrations, academia and territorial actors (Fonseca & Maguire, 2024; OECD/European Commission, 2025).

A seventh priority is policy stability with intelligent flexibility. Strategic adjustment is necessary, but it must occur within an institutional rhythm that preserves territorial trust, planning credibility and implementation feasibility. Recurrent ad hoc reprogramming weakens the very conditions under which sophisticated territorial instruments can function (Jabri & van der Valk, 2025).

10. Policy Recommendations

The analysis developed in this paper supports the following recommendations for the future of Smart Specialisation and, more broadly, for the territorial coherence of EU development policy (Balland et al., 2019; European Commission, 2025; European Court of Auditors, 2026; Fonseca & Maguire, 2024; Jabri & van der Valk, 2025; Kah & Ferry, 2025; Neto, 2026a, 2026b, 2026c; OECD/European Commission, 2025; Pinheiro et al., 2025; Rodríguez-Pose et al., 2024; Rubio & Alcidi, 2026):

1. **Preserve Smart Specialisation as an explicit post-2027 territorial governance architecture, rather than dissolving it into generic national planning structures;**
2. **Recognise the unequal geography of diversification opportunity and treat it as a central design concern for future S3 reform;**

3. **Use Smart Specialisation as an anti-trap instrument, not only as an innovation instrument, connecting it more clearly with territorial resilience and opportunity agendas;**
4. **Shift from passive place-following to active place-shaping by helping weaker regions move beyond inherited low-complexity structures;**
5. **Build interregional complementarity into the core of future S3 design, especially for peripheral and capability-constrained territories;**
6. **Strengthen ecosystem-based and place-sensitive approaches, with greater attention to institutional quality, local resilience and inter-territorial relationships;**
7. **Consolidate continuous entrepreneurial discovery, monitoring and evaluation through stronger evidence systems and iterative learning loops.**
8. **Stabilise the broader programme environment and avoid repeated ad hoc reprogramming cycles that weaken long-term planning and institutional learning.**
9. **Integrate Smart Specialisation more explicitly with wider territorial instruments and territorial impact assessment practices;**
10. **Treat the future of Smart Specialisation as a question of European political legitimacy as well as policy design.**

11. Conclusion

The future of Smart Specialisation should not be settled through arguments of administrative simplification alone. It is not merely a technical issue. It is a strategic question about whether Europe wishes to preserve one of the few instruments through which territorial intelligence, place-based selectivity, cumulative institutional learning and strategic diversification have been meaningfully assembled.

The evidence reviewed in this paper points strongly in one direction. Smart Specialisation has become more analytically grounded, more institutionally developed and more relevant to wider European strategic concerns. The concepts of relatedness and knowledge complexity provide it with a far clearer analytical core than in its earlier phases.

The governance experience of 2021-2027 shows that it has also matured institutionally. At the same time, the literature on the dark side of innovation reveals that the same processes that make diversification possible may also reproduce territorial hierarchy unless explicitly corrected.

Smart Specialisation therefore remains highly relevant, but it cannot be defended through naïve optimism. It must be defended as a framework capable of becoming more territorially intelligent and more institutionally reflexive (Balland et al., 2019; Fonseca & Maguire, 2024; Pinheiro et al., 2025).

This conclusion is reinforced when the present paper is read together with the author's recent UMPP Policy Papers. Neto (2026a) showed that Smart Specialisation should be treated as a strategic architecture for territorialising Europe's new competitiveness agenda. Neto (2026b) showed that cohesion should be interpreted as a territorial guarantee of opportunity and as a core condition of intergenerational fairness.

Neto (2026c) argued that territorial cohesion must be rethought as a framework for governing differentiated transition in Europe. The present manuscript draws these threads together and adds a further claim: Europe's capacity to pursue those agendas coherently depends not only on choosing the right objectives, but also on preserving the stability of the instruments that make territorial intelligence operational.

The latest references deepen that conclusion in three ways. First, they show that Europe now faces demographic, fiscal and geopolitical pressures that make foresight, lifelong learning and territorial capability-building more important, not less (European Commission, 2025; Futuribles International, 2026).

Second, they show that evidence-informed policymaking ecosystems, leadership, co-ordination, skills and trustworthy data systems are becoming core conditions of effective public action rather than peripheral administrative concerns (House of Commons Science, Innovation and Technology Committee, 2026; OECD/European Commission, 2025).

Third, they show that ambitious funds and integrated architectures do not automatically deliver on their promise unless they are supported by coherent intervention logics, structured analysis and stable implementation systems (European Court of Auditors, 2026; Rubio & Alcidi, 2026).

The political stakes are equally significant. Development traps are strongly associated with territorial discontent and Eurosceptic voting. If territorial policy instruments fail to help regions build viable and higher-value trajectories, the costs will be measured not only in lower innovation or weaker productivity, but also in declining confidence in the European project itself.

In this sense, Smart Specialisation should be seen not only as a tool of innovation policy, but also as part of the broader architecture through which Europe seeks to maintain territorial legitimacy under conditions of structural change (Rodríguez-Pose et al., 2024).

The critique of agglomeration-centred development thinking reinforces the broader lesson. Prosperity is not guaranteed by size, density or metropolitan concentration. It depends on institutions, ecosystems, inter-territorial relationships and the capacity to generate inclusive, place-sensitive pathways of transformation.

Smart Specialisation remains one of the few European policy instruments capable of operating in that space. Precisely because it is imperfect, mature and still evolving, it should be deepened rather than displaced (Kah & Ferry, 2025; Rodríguez-Pose, 2026).

For that reason, the real post-2027 question is not whether Europe can afford to keep Smart Specialisation. It is whether Europe can afford to lose one of the few policy instruments it has that can still connect competitiveness, innovation, cohesion and territorial legitimacy within a coherent framework.

The appropriate response is therefore neither technocratic abandonment nor rhetorical preservation. It is evolutionary redesign with strategic stability.

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