Sustainability and wellbeing: The EU Strategic Foresight Report

Summary

EU Clusters Talks
6 September 2023, 8:30 – 9:45 CET  An initiative of the European Union
Sustainability and wellbeing: The EU Strategic Foresight Report

The European Cluster Collaboration Platform organised this EU Clusters Talk on 6 September 2023, 8:30 – 9:45 CET, to look learn about the findings in the report on strategic foresight and discuss how clusters can contribute to this strategic vision and readiness of the European Union to make the best of the opportunities presented in the report.

Agenda of the meeting
Moderation: Jennifer Baker

1. News from the European Cluster Collaboration Platform
   Nina Hoppmann, team member, European Cluster Collaboration Platform
2. Video: 2023 Strategic Foresight Report
3. Strategic Foresight Report
   Beata Kolecka, Head of Foresight & Strategic Communication Unit, Secretariat-General, European Commission
4. Panel debate
   Jan-Philipp Kramer, Head of EU Services, Prognos
   Theresa Gerdes, Head of Programme “go-cluster”, VDI/VDE Innovation + Technik
   Vincent Deschamps, Policy officer Innovation, General Directorate for Enterprises, French Ministry of Economy and Finance
5. Funding opportunities
   Nina Hoppmann, team member of the European Cluster Collaboration Platform

Key messages

- The 2023 Strategic Foresight Reports gives specific recommendations on how to tackle the key challenges on Europe’s way to sustainability.
- They give opportunities to a wide range of stakeholders, including clusters, to act upon the recommendations.
- In particular, clusters can support leveraging the Single Market, help SMEs with the adaptations in business models and practices for the green and digital transition, and pull investments to the region.
- Clusters can collaborate with educational institutions to tackle the skills gap in the workforce.
- Cluster can build the bridge to deliver the knowledge from the policy reports to the companies.
1. News from the European Cluster Collaboration Platform

Nina Hoppmann, team member, European Cluster Collaboration Platform

After the introduction by moderator Jennifer Baker, the following news item were presented:

1. EU Clusters Talks will take place on a weekly basis until end of December 2023
2. Invitation to join upcoming “Clusters meet Regions” events in Bulgaria, France, Czech Republic, Germany, Romania, and Poland
3. In-person EU Clusters Talk “Clusters meet Regions: An #EUClustersTalk on clusters as drivers of regional economic transition” at the EU Regions Week in Brussels on 12 October 2023, 11:30 – 13:00 CET
4. Invitation to come to upcoming C2Labs in Slovenia and Lithuania to work on project proposals
5. Call for Expression of Interest for venue providers for Cluster Booster Academy #3 is open until 22 September 2023
6. Three open stakeholder consultations for Transition Pathways for European industrial ecosystems
7. Invitation to attend the EU Industry Days in Málaga, Spain, on 4-6 October 2023

2. Strategic Foresight Report

Beata Kolecka, Head of Foresight & Strategic Communication Unit, Secretariat-General, European Commission

Beata Kolecka presented the 2023 Strategic Foresight Report and its focus on economic and social aspects of sustainability. The report is the fourth in a series and is aimed at using foresight for policymaking, a process that involves collective intelligence and input from various stakeholders. The report builds on the results of three previous reports on resilience, open strategic autonomy, and twinning the green and digital transition. It outlines key challenges and provides recommendations on how to address them.

Beata Kolecka outlined these key challenges for the EU’s sustainability transition:

- **Rise of geopolitics**, which leads to a climate of increased competition instead of cooperation;
- **Quest for net-zero and wellbeing**, which is at the heart of Europe’s twin transition;
- **Pressure on ensuring sufficient funds**, which highlights the need for more investment;
- **Demand for future skills**, as companies report a lack of necessary skills in the workforce;
- **Eroding of social cohesion**, as rising inequalities between Member States are visible;
- **Threats to democracy**, which link to the rising inequality.

Then, Beata Kolecka explained the recommendations outlined in the report:

- **The social contract needs to be adapted** to the new realities, emphasising social investment and protection. This adaptation is seen as crucial to ensure a just and inclusive transition.
• We need to **leverage the single market** to champion a resilient and sustainable economy and ensure open strategic economy. This includes completing the single market and addressing barriers to improve competitiveness while incentivising businesses to adopt sustainable models.

• It is important to **strengthen interlinkages between internal and external policies** to address global challenges. Collaboration with partners across the globe, acting in a Team Europe approach, is seen as essential for effective sustainability efforts.

• Supporting **shifts in production and consumption towards sustainability** is a key aspect of the recommendations. This involves efforts to decarbonise the economy, improve resource efficiency, and reduce environmental impact, as well as encouraging changes in consumption patterns.

• **Mobilising private investments** for sustainable transitions is recognised as crucial, and the role of capital markets union and banking union in unlocking private financing is emphasised. Public funding can be a catalyst for private investments, especially in riskier sustainable projects.

• **Public budgets need to be more sustainable**, with a focus on international tax reform and optimising spending. Shifting from taxing labour to other forms of taxation is considered, along with strengthening the quality and composition of public finances.

• It is proposed to **develop a well-being indicator** to measure progress beyond GDP. This indicator would consider various dimensions of sustainability, including social well-being and environmental impact, providing a more comprehensive measure of quality of life.

• We should **prepare the workforce** for the future. This involves improving skills and increasing labor market participation, given the evolving nature of skills required in the coming years.

• We need to **strengthen democracy and citizen engagement**, recognising that citizen involvement is crucial in revitalising democracy. It aligns with recommendations from the recent conference on the future of Europe.

• It is proposed to **reinforce the toolbox for preparedness and response to emergencies**, including complementing civil protection arrangements to ensure a prompt and effective response to future crises.

Closing her presentation, Beata Kolecka explained the ongoing work on adjusting GDP to include factors like health, education, and environmental damage, providing a more comprehensive measure of well-being. The model assigns monetary values to the different factors of well-being. She gave the example for the health-adjusted GDP per capita.

### 3. Panel debate

The panelists discussed the reflections made in the Strategic Foresight Report, the importance of foresight for the work of clusters, and how clusters can connect policy reports to businesses.

Jan-Philipp Kramer stressed the importance of strategic foresight as a **foundation for strategic action** rather than a mere prediction of the future. He observed that the report contains the concept of **“competitive sustainability”**, as sustainability alone may have limitations and needs to be intertwined with competitiveness. Furthermore, he explained the profound interconnectedness of various global
developments and that the report encourages thinking in an interconnected manner to address these complex challenges effectively.

Theresa Gerdes confirmed the difficult multi-crisis environment we are facing, encompassing challenges such as the climate crisis, implications of the war in Ukraine, skills shortages, inflation threats, and challenges to democratic principles. This broad perspective offers opportunities for a wide range of stakeholders, as actions to address the challenges extend to companies, social partners, and individuals.

Vincent Deschamps explained that the French Ministry of Economy and Finance uses these kinds of report to anticipate technological and societal changes and to guide their economy toward specific goals. Along with other sources from academia or NGOs, the reports help gain a comprehensive understanding of the societal challenges expected in the next 5 to 10 years.

Regarding the questions of how strategic foresight reports can be useful for clusters and in which areas clusters can act, the panellists agreed that clusters act as linchpins between environmental, social, and economic facets of sustainability, driving business decisions. They facilitate global cooperation, global buy-in and cooperation, and work to ensure that regional companies, especially SMEs, partake in and influence broader policy dialogues. They also serve as vital intermediaries between overarching policies and SMEs, ensuring even smaller businesses stay connected to global trends and discussions. Clusters should identify the specific areas or topics in the policy reports that are relevant to their industry or activities.

An important function of clusters is to deliver the messages to the small companies, and, in turn, make sure their voice is heard and their interests represented. They constantly monitor developments, anticipate future trends, and ensure these insights filter down to their member companies, helping them adjust strategies and remain future-ready. Thus, clusters can indeed serve as early warning systems for identifying challenges and opportunities ahead through foresight. Theresa Gerdes gave the example of a Bavarian food cluster that develops foresight scenarios for the food industry.

In addition, clusters play a pivotal role in pulling investments towards regions, especially in the transition to a net-zero economy. It can be observed that regions with well-developed clusters can attract significant investments. As highlighted by Vincent Deschamps, competitiveness clusters in France are also tasked with leveraging private funding for research and development and innovation.

Furthermore, Theresa Gerdes and Vincent Deschamps spoke about the collaboration with educational institutions to tailor curricula to the evolving industry needs. Clusters can map existing training and identify the skills needed by SMEs and large companies for future jobs, aligning training programs with industry needs.

Beata Kolecka explained that the strategic foresight reports are intended to be helpful to businesses, regional authorities, and other stakeholders with an interest in EU policies. While they may not cover every aspect, they serve as a basis for debate and starting point for further conversations and actions related to EU policies.

Regarding the question on individual interests of Member States, Vincent Deschamps answered that transparency about these differing views is essential. The reports highlight a strategic European vision and emphasise the importance of cooperation among Member States to achieve that vision. Strategic
autonomy is a key element in how European countries respond to geopolitical differences with other global players.

Closing the discussion, the speakers highlighted the importance of integrating insights from the policy reports into the cluster’s strategic planning process, even though it might cost additional time and effort. The allocation of time for foresight should be considered by the clusters in their work. A tool to help with the foresight activities is the ECCP Trend Universe.

4. Funding opportunities

Nina Hoppmann, team member of the European Cluster Collaboration Platform

Closing the EU Clusters Talk, Nina Hoppmann shared the following examples of funding opportunities:

1. 'Innovate to transform' support for SME’s sustainability transition; deadline 7 February 2024
2. Assessing and strengthening the complementarity between new technologies and human skills; opening date 4 October 2023
3. Startup Europe; opening date 11 January 2024
4. Opportunities for SMEs: Calls from Euroclusters; published on European Cluster Collaboration Platform