



NEWSLETTER

Issue #01, September 2018



From the editor

Welcome to the first edition of the European Observatory for Clusters and Industrial Change (EOCIC) newsletter, which follows up from the previous European Cluster Observatory. The aim of this publication is to provide, twice a year, a summary of the latest activities of EOCIC, as well as other cluster related activities undertaken.

This edition is dedicated to the key evolutions of the Observatory, including an update on its goals and services, and provides a summary of the latest outcomes of a number of conferences discussing European, national and regional cluster policy that took place in the past months.

One of the big events that my team organised was the second edition of the GROW your REGION conference, which was held in Valencia on 8-9 November 2017 with over 300 participants. This conference was a unique opportunity for policy-makers and practitioners dealing with smart specialisation and clusters to exchange their views on how to create regional growth and support SMEs in European regions. The close collaboration between the European Commission's Directorate-General for regional and urban policy (DG REGIO) and us (DG GROW) in organising this highly stimulating conference in cooperation with the Valencia Regional Authority made this event a success.

Moreover, this issue provides an update on the second edition of the EU Industry Day, which took place in Brussels on 22-23 February this year.

The event offered a chance for stakeholders contributing to European industrial competitiveness to display their activities, learn from each other, discuss cross-cutting issues and develop joint visions for the future.

The EU Industry Day was complemented by the first meeting of the European Cluster Policy Forum, which took place on Thursday 22 February. It focused on how cluster policies can effectively support industrial modernisation and growth in Europe. This forum brought together 28 representatives from 25 EU Member States who presented their challenges and best practices in cluster policy, and exchanged on the way forward.

So far, EOCIC has been very active in its role of supporting industrial modernisation. We look forward to sharing with you new insights on our work in the next newsletter!

I hope you will enjoy reading this newsletter and my team and I are looking forward to meeting you at one of the cluster events in 2018.

Ulla Engelmann

Head of Unit

'Clusters, Social Economy and Entrepreneurship' of the European Commission's Directorate General for Internal Market, Industry, Entrepreneurship and SMEs.



The European Observatory for Clusters and Industrial Change

The aim of European Observatory for Clusters and Industrial Change (#EOCIC) is to help Europe's regions and countries design better and more evidence-based cluster policies and initiatives that help countries participating in the EU's COSME programme¹ to:

- Develop world-class clusters with competitive industrial value chains that cut across sectors;
- Support industrial modernisation;
- Foster entrepreneurship in emerging industries with growth potential;
- Improve SMEs' access to clusters and internationalisation activities; and
- Enable more strategic inter-regional collaboration and investments in the implementation of smart specialisation strategies.

EOCIC builds upon the work undertaken by the European Cluster Observatory² and the European Service Innovation Centre³, but with a stronger and wider focus on the role of industrial change and its key drivers such as service innovation, entrepreneurship, key enabling technologies, digitalisation, creativity and eco-innovative and resource efficient solutions. The listed dimensions will be operationalised by a set of indicators, with a particular focus on measuring start-ups and scale-ups.



The EOCIC cluster database will ensure compatibility with previous results. It will show cluster strength based on a number of cluster stars, structural indicators such as labour productivity or number of enterprises, and will use the existing taxonomy of traded clusters and emerging industries.

In parallel, the Regional Ecosystem Scoreboard⁴ of the previous Observatory will be updated and broadened. It additionally develops indicators to display regional ecosystems with respect to the dimensions of industrial modernisation.

The Scoreboard will also include an updated version of the European Service Innovation Scoreboard that provides information on the impact of service innovation in European regions.⁵

¹ https://ec.europa.eu/growth/smes/cosme_en

² <http://ec.europa.eu/growth/smes/cluster/observatory/>

³ <http://ec.europa.eu/growth/tools-databases/esic/>

⁴

https://ec.europa.eu/growth/industry/policy/cluster/observatory/regional-ecosystem-scoreboard_en

⁵ The current version of the previous European Service Innovation Centre is available at http://ec.europa.eu/growth/tools-databases/esic/scoreboard/esic-database/index_en.htm

Tailored policy advice for regions in industrial transition

The European Observatory for Clusters and Industrial Change (EOCIC) is currently providing customised policy advice to 12 regions in industrial transition. The purpose is to help the regions to test new approaches in mastering industrial transformation and to serve as showcases for others. Cantabria (ES), Centre-Val de Loire (FR), East North Finland (FI), Grand Est (FR), Greater Manchester (UK), Hauts-de-France (FR), Lithuania (LT), North-Middle Sweden (SE), Piemonte (IT), Saxony (DE), Slovenia (SI), and Wallonia (BE) have been selected through a call for expression of interest to receive assistance on modern cluster policy in support of industrial modernisation.

The focus of the activity, running until 2019, is on modernisation driven by key enabling technologies, including advanced manufacturing, service innovation, digitalisation, creativity, and eco-innovation and resource-efficiency towards a circular economy. Concretely, EOCIC will offer:

- An assessment report of the region's position and potential role of cluster policy;
- A benchmarking report based on a regional survey;
- Support in the definition and implementation of specific actions by organising a one-day peer review meeting with external experts in the region;
- Concrete recommendations to develop the region's strategy for the economic transformation with a policy briefing; and
- A final workshop to discuss how to take the recommendations forward.

To reach a higher impact, this tailored policy advice package is part of a joint initiative



between DG GROW and DG REGIO to support the 12 regions in strategy development, cluster policy and a benchmarking exercise, with the help of EOCIC and the OECD⁶.

Concretely, EOCIC will provide tailor made advice to each region considering their specific challenges. Some examples of these challenges are:

- Involvement of regional public and private bodies when addressing and supporting industrial transition;
- Modernisation of businesses to remain competitive, including the integration of new ecological and digital processes;
- Establishment of an educational system that supports industrial modernisation and digitalisation (e.g. vocational training);
- Access to adapted and diversified regional, national and European funding;
- Support and promotion of innovation and technological development;
- Promotion of an entrepreneurial culture, both for business creation and growth;
- Strengthening strategic interregional cooperation;
- Competitive positioning in global value chains.

⁶ For more information on the support provided by the OECD visit: http://ec.europa.eu/regional_policy/sources/docgener/informat/industrial_transition/pilot_industrial_transition.pdf



Highlights of the GROW your REGION conference in Valencia

GROW your REGION⁷ is a joint initiative of DG GROW and DG REGIO where stakeholders from different regions come together to share, exchange and learn. The second edition of last November took place in Valencia, where it gathered more than 300 national and regional policy makers, cluster managers, representatives of different services of the European Commission and others discussing three main areas:

- Smart specialisation and cluster experiences and practices;
- Future actions for smart interregional collaboration;
- Novel ways of supporting innovation and accelerating industrial modernisation and SME growth.



After a high-level opening session on "Accelerating industrial modernisation together", four interactive sessions allowed the participants to discuss how clusters could boost smart interregional collaboration for more European "Silicon Valleys" and value chain linkages to bring benefits to regions and cities across Europe.

⁷ http://ec.europa.eu/growth/content/grow-your-region-conference-set-8-9-november-2017-boosting-smart-interregional-collaboration_en



The conference summary graphic reflects the richness of the debates and shows the 19 topics that rose from the conversations as important areas for future action.

Overall, the key takeaways from the conference were:

- The importance of interregional collaboration to support innovation, industrial modernisation and SME scale-up;
- The need to involve the right partners—policy-makers, SME intermediaries and industry—; and
- The need for dedicated support (including longer term funding), new initiatives and sustainable partnerships.

Finally, Ulla Engemann from DG GROW closed the event by presenting the Commission's vision towards Joint Cluster Initiatives. She also announced two calls launched in 2017, which are now closed after having attracted a high number of applications:

- European Strategic Cluster Partnerships for smart specialisation investments.⁸
- Test regions for industrial transition to be supported by EOCIC.

For more information on the GROW your REGION conference, don't forget to visit the dedicated news item on DG GROW's website, which also includes the video of the conference: https://ec.europa.eu/growth/content/300-participants-co-create-inspiring-future-cluster-initiatives-grow-your-region-conference_en

⁸ <https://ec.europa.eu/easme/en/cos-clustpartn-2017-3-02-european-strategic-cluster-partnerships-smart-specialisation-investments>



EU Industry Day and the European Cluster Policy Forum

EU INDUSTRY DAY

In September 2017, the European Commission presented a renewed EU industrial Policy Strategy⁹ that



brought together all existing and new horizontal and sector-specific initiatives to make European industries stronger and more competitive. The strategy also outlined the fora that will allow industry and civil society to steer future industrial policy actions: the annual Industry Day (the first edition of which took place in February 2017) and the High-Level Industrial Roundtable.

The second edition of the EU Industry Day took place in Brussels on 22-23 of February 2018. This two-day event attracted 600 attendees from a variety of industrial sectors, finance, research and innovation, government and public administration. It provided participants with an update on the Commission's strategic approach to industrial policy and the actions to further develop industrial competitiveness in Europe. It also served as a forum to display participants' activities that contribute to European industrial competitiveness, learn from each other, discuss crosscutting issues and develop joint visions for the future.

The high-level plenary opening session of the EU Industry Day celebrated that Europe is back and discussed the challenges ahead for making



growth sustainable and inclusive, notably by better training the workforce of tomorrow.

High level speakers at the event included *Jyrki Katainen*, Commission Vice-President for Jobs, Growth, Investment and Competitiveness; *Elżbieta Bieńkowska*, Commissioner for Internal Market, Industry, Entrepreneurship and SME; *Maroš Šefčovič*, Commission Vice-President for Energy Union; *Carlos Moedas*, Commissioner for Research, Science and Innovation; and *Antonio Tajani*, President of the European Parliament.

"We need to use clusters and interregional cooperation to accelerate industrial modernisation and create a critical mass to innovate"

– Lowri Evans, Director-General for the Internal Market, Industry, Entrepreneurship and SMEs



Amongst the multiple topics addressed during the conference¹⁰, one session was of particular interest: "Clusters and partnerships for stronger EU value chains". This enriching session hosted various speakers from different Member States, including Cluster Manager of the Year 2016 Bianca Dragomir. The three major takeaways can be summarised as follows:

- The available cluster tools must be better used to drive industrial modernisation;
- There is a bright future for industry in Europe, but a lot still has to be done to spread innovation at a more dynamic pace;

⁹ http://ec.europa.eu/growth/content/state-union-2017-%E2%80%93-industrial-policy-strategy-investing-smart-innovative-and-sustainable_en

¹⁰ See the agenda of the conference here: <http://ec.europa.eu/DocsRoom/documents/28002>

- The EU needs to include more the human element when presenting the outcomes of its activities/programmes. The EU should help citizens be aware of what is being done for them and for industry, especially SMEs.

In addition to the high-level conference and stakeholder workshops in Brussels, a large number of events took place all around Europe under the 'European Industry Week' brand.

EUROPEAN CLUSTER POLICY FORUM

As an integral part of the EU Industry Day, representatives from national ministries and some regional governments of 25 EU Member States met in Brussels on 22 February 2018 for the first meeting of the European Cluster Policy Forum, which was followed by a second meeting on 26 April 2018. In the 2017 EU Industrial Policy Strategy¹¹, the European Cluster Policy Forum is identified as one of the key actions for a smart, innovative and sustainable industry. The aim of the Forum is to establish a platform to discuss and improve the design and implementation of cluster initiatives in Member States.

The **first meeting** sought to open-up a discussion on how cluster policies can effectively support industrial modernisation and growth in Europe, to identify challenges ahead at European, national and regional level, and outline where policy-makers see needs for policy action. The **second meeting** discussed



more specifically cluster excellence, State-aid and cluster mobility.

Those meetings contributed to a better understanding of the opportunities and constraints policy makers in Europe face while designing and implementing their cluster policies.

During the discussions, participants presented their experiences, good practices and obstacles with designing and implementing their national cluster policies. Cluster policies in EU countries are at very different stages of development. Whilst some countries have a long tradition in supporting clusters, others have only recently launched cluster policies and programmes.

Coordination between the national and regional levels, and difficulties with reaching a critical mass of members in some sectors, emerged as common issues that Member States are currently tackling. The sustainability of funding for cluster-related initiatives is also critical to some countries. The EU State aid rules provide guidance for supporting innovation in SMEs through clusters and the local R&I infrastructures. For the uninitiated in State aid they seem rather challenging, therefore the Commission proposes to discuss cluster support and exchange best practices in the



¹¹ http://eur-lex.europa.eu/resource.html?uri=cellar:c8b9aac5-9861-11e7-b92d-01aa75ed71a1.0001.02/DOC_1&format=PDF

Working Group of Member States on the implementation of State aid modernisation.

In spite of these differences and challenges, Member States unanimously agreed that clusters are a driver for growth, competitiveness and internationalisation. They also acknowledged that clusters are not an end in itself, but rather powerful tools that increase enterprises' resilience to systemic and structural changes, while improving enterprises' capacity to embrace emerging technologies and make rapid progress in digitalisation. This is especially true for SMEs.

The current EU cluster initiatives and future directions presented by DG GROW were well received by the representatives of the Member States. Overall, EU initiatives aiming at improving the management of cluster organisations and fostering cross-sectoral and international cluster linkages received strong support. The key conclusions on Cluster Policies can be summarised as follows:

- Evaluations of cluster programmes are important to design evidence-based policies and to focus programme design on broader socio-economic outcomes;
- Collaboration between the national and regional level is key to avoid fragmentation and overlaps of cluster programmes;
- A one size fits all approach with regards to cluster policy does not work as Member States are very diverse both in size and in stage of development, which calls for customised cluster policy support;
- Supporting cluster development is a long-term process that requires sustained and adequate financing; and
- Substantial cross-sectoral and -regional data on clusters across the EU is being gathered but an open discussion on the most relevant use of this data and the option for new and other data collection methods needs to be continued.

Furthermore, with regard to Cluster excellence, the current European cluster labelling system was presented by the European Secretariat for Cluster Analysis. Other models of cluster labelling at national and regional level were also



introduced, such as the Spanish "Agrupación Empresarial Innovadora" label of excellence, the Hungarian Cluster Accreditation System, France Clusters' advanced certificate in cluster management and the Polish Cluster Management Standards scheme. In this context, all Member States recognised training for cluster managers as a determining factor for better operating and performing clusters across the EU.

On Cluster Mobility, current examples of mobility schemes for cluster managers at national and EU level (Innovation Express, Clusterix 2.0, Cluster4Smart and Erasmus for Young entrepreneurs) were presented and discussed, and the participants welcomed the idea of a European cluster mobility scheme – a kind of "Erasmus for Clusters" – proposed by the European Commission. Auspiciously, a **new call for proposals on cluster excellence** including this concept is planned to be published still in 2018.

Similarly, many Member States expressed an interest to actively participate in **European Cluster Weeks** across the EU. They believed that the organisation of cluster related events in various Member States under a common branding would be a success. Having signposting on the European Cluster Collaboration Platform and communication and awareness support from the European Commission will not only increase visibility and international participation to national and regional cluster events, but can also help raise awareness of opportunities awarded by EU cluster initiatives.

Those meetings of the Forum were fruitful events, with national representatives showing their appreciation for this type of mutual learning events in which national practices,

challenges and experiences are being shared in an interactive manner.

This appreciation is also reflected by the renewed interest and support expressed by Member States in the Council of the EU. The **Council Conclusions** from 12 March¹², for instance, *"calls for the further development of the European cluster policy, with the aim of linking-up and scaling-up regional clusters into cross-European world-class clusters, based on smart specialisation principles, in order to support the emergence of new value chains across Europe"*.

The next European Cluster Policy Forum will be organised on 15 November 2018 in Brussels and will focus on entrepreneurship and scaling-up.

Moreover, a **High-Level Expert Group on Clusters** will soon be established to provide recommendations on the best way to use clusters as a strategic tool for industrial policy. This Expert Group is foreseen to continue the discussions of the Forum and will be supported by the work of EOCIC. So stay tuned!

For more information on the Forum, see:

- the dedicated news item with key conclusions on DG GROW's website: https://ec.europa.eu/growth/content/first-european-cluster-policy-forum-sets-agenda-discussions-eu-countries_en ;
- the video of the event at <https://www.clustercollaboration.eu/eu-initiatives/european-cluster-observatory> or <https://www.youtube.com/watch?v=hoAtGU1casQ&t=19s>

¹² <http://www.consilium.europa.eu/en/press/press-releases/2018/03/12/eu-industrial-policy-strategy-council-adopts-conclusions/pdf>



Upcoming events

Co-creating strategic interregional collaboration: partnerships, clusters & SMEs

Date: 9 October 2018, during the European Week of Regions and Cities

Location: Brussels

Audience: Regional and local stakeholders participating to the European Week of Regions and Cities



Partnering event of European Cluster Partnerships

Date: 25 October 2018

Location: Brussels

Audience: Project coordinators of H2020 Innosup-1, ESCP-S3, ESCP 4i and Cluster Excellence



Third European Cluster Policy Forum

Topic: Entrepreneurship and scaling-up

Date: 15 November 2018

Location: Brussels

Audience: Representatives of EU national administrations working on cluster policy (Ministries of Economy, Industry, Innovation, Regional Policy, Entrepreneurship...)



Session on clusters during the SME assembly

Date: 21 November 2018

Location: Graz, Austria



European Cluster Days

Date: Multiple dates accross 2018/2019

Location: Multiple locations accross the EU

Events :

- 20-22 November 2018 – Hungary /Romania (Launch event)
- 28-29 November 2018 – Copenhagen, Denmark (Denmark Cluster Excellence)
- 1-5 April 2019 – Hannover, Germany (anchoring event during the Hannover Messe)
- **European Cluster Conference** (Closing event), 14-16 May 2019 – Bucharest, Romania

EU Industry Day

Date: 5-6 February 2019

Location: Brussels



European Cluster Conference

Aim: To discuss the latest trends in cluster policies and stimulate a high-level policy discussion on the challenges and needs to be addressed in the next programming period to make better use of clusters' potential. The Conference will take place during and receive support of the Romanian EU Presidency

Date: 14-16 May 2019

Location: Bucharest, Romania

Audience: Policy makers, practitioners, cluster managers and experts



Promoting cooperation in the Danube Region through the use of clusters

Date: June 2019

Location: Romania





CONTACT

The European Observatory for Cluster and Industrial Change is implemented through a service contract from the “Clusters, Social Economy and Entrepreneurship” Unit of the European Commission’s Internal Market, Industry, Entrepreneurship and SMEs Directorate-General.

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The EOCIC team is headed by Deloitte, in partnership with Valdani Vicari & Associati (VVA), Sociedade Portuguesa de Inovação (SPI), Maastricht University (MERIT), Fraunhofer ISI, Strasbourg Conseil, Centre for Industrial Studies (CSIL) and the Technical Research Centre of Finland (VTT)

For more information on the European Observatory for Clusters and Industrial Change visit:

<https://www.clustercollaboration.eu/eu-initiatives/european-cluster-observatory>

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