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From the editor

Welcome to the third edition of the European Observatory for Clusters and Industrial Change (EOCIC) newsletter. The aim of this publication is to provide a summary of EOCIC's latest activities and of other cluster-related activities.

This edition provides an overview of the outcomes of a number of recent events discussing European, national and regional cluster policies. It also provides an update of EOCIC's latest deliverables.

Particularly noteworthy was the European Cluster Conference on 14-16 May 2019 in Bucharest. This was organised by the European Commission's Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs and the Romanian Presidency of the Council of the European Union. The Conference focused on topics such as digitalisation and the skills gap, circular economy, shared value and social impact.

The fourth meeting of the European Cluster Policy Forum took place in Brussels on 14 March 2019. The 14 representatives of 13 EU Member States who attended the event discussed how cluster internationalisation and skills development can foster industrial change and growth.

This edition also provides an insight into the Joint Peer Review meeting of representatives of the 10 regions receiving tailored policy advice for industrial modernisation. That meeting took place in Turin on 4 April 2019. The meeting was an opportunity to discuss common challenges faced by the regions and to learn from peer experiences, based on the Summary Report on Policy Lessons Learnt. The key messages from that report are also covered in this newsletter.

The many activities provided by EOCIC also include the newly published the Smart Guide

for European Strategic Cluster Partnerships. This edition includes an article summarising the key findings of that report.

The Cluster Mapping Tool has also recently been published! This tool allows users to explore industry clusters and their regional economic environments around Europe and beyond.

Finally, we also report on a high-level conference on digital cities. This event was an opportunity to discuss how cities can seize the revolutionary potential of emerging technologies, such as Artificial Intelligence, data analytics, the Internet of Things and block chain for innovative business models, new market creation and to address societal challenges, climate change, resource efficiency and a circular economy.

We look forward to sharing with you more insights on EOCIC's work to support industrial modernisation in the next newsletter!

Ulla Engelmann
Head of Unit

Advanced technologies, Clusters and Social economy
at the Directorate-General for Internal Market,
Industry, Entrepreneurship and SMEs

THE EUROPEAN CLUSTER CONFERENCE

The 6th edition of the European Cluster Conference took place on 14-16 May 2019, at the Palace of Parliament in Bucharest. The event was a collaboration between the **European Commission's Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs** and the **Romanian Presidency of the Council of the European Union**.

The event brought together some 450 national and regional cluster policy-makers and practitioners from industry, research and academia to discuss connecting ecosystems. The conference started with a pre-conference EU cluster matchmaking event to establish connections among participants. This session attracted 149 clusters and generated 369 face-to-face meetings.



Slawomir Tokarski, Director for Innovation and Advanced Manufacturing in the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, set the scene in an opening speech which highlighted the valuable solution that clusters represent in addressing transnational changes faced by our society in terms of economy, climate and attitudes.

A **high-level policy round table** with ministry representatives from six EU Member States (Germany, Lithuania, Poland, Portugal, Romania and Spain) was introduced by a welcome speech by the Secretary of State in the Romanian Ministry of Economy, **Călin Bodea**. The participants in the round table agreed that

building connections is of utmost importance in benefiting from the link of clusters with strategic value chains.

Participants had the chance at the different conference sessions to hear how to stimulate strategic interregional discussion and link cluster-related EU initiatives with different services of the European Commission. They also engaged in interactive group discussions about clusters' key needs and priorities. These focused, in particular, on how to master digital transformation and sustainability, and to create shared value.



Alain Tubiana, Head of the University of Strasbourg's Master programme in Cluster Management ran a MasterClass-TER training for cluster managers and policy-makers.

Awards were presented to:

- Bianca Muntean representing the **Transylvania IT cluster**, European Cluster manager of the year 2019;
- David Seoane representing **impact connected car**, INNOSUP-1 cluster project of the year;
- Lubos Komarek representing **adpack²**, European Strategic Cluster Partnerships for Going International (ESCP-4i) of the year;
- Clotilde Nade, representing **the European automotive cluster network**, European Strategic Cluster Partnerships for Smart Specialisation Investments (ESCP-S3) of the year.



Ulla Engelmann, Head of Unit in the Directorate-General for Industry in her concluding remarks stressed how the discussions had served to confirm the importance of synergies in cluster policies.

A brief video with highlights from the two days of the conference brought the event to a close. Watch the video [here](#).



On the third day of the Conference, participants also had the opportunity to participate in side events on specific topics related to cluster policies.

Interested in learning more about the conference and its outcomes? Find all the relevant material [here](#).

EUROPEAN CLUSTER POLICY FORUM

The meetings of the European Cluster Policy Forum are an opportunity for the European Commission and Member States to discuss how to design better cluster policies to support smart, innovative and sustainable industrialisation in the EU.

The **fourth meeting** took place on 14 March 2019. Fifteen representatives of thirteen Member States gathered in Brussels for a discussion on how clusters and cluster policy can accelerate industrial change and growth through **internationalisation** and **skills development**.

Ulla Engelmann, Head of Unit of the Advanced Technologies, Clusters and Social Economy unit within the Directorate General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW) introduced the discussions with a high-level overview of the many ongoing EU cluster initiatives:

EU Cluster Initiatives

- Support to European regions in industrial transition (as part of the European Observatory for Clusters and Industrial Change - EOCIC)
- The European Cluster Excellence Programme
- Next phase of the European Cluster Collaboration Platform
- The EU Cluster Weeks (2018-2019)
- The European Cluster Conference
- The Digital Cities Challenge
- European Commission Expert Group on Clusters
- The future of European Cluster Excellence labelling
- Joint Cluster Initiatives
- Policy practices at national and EU level to boost internationalisation and skills development through clusters.

The forum was also an opportunity for Member States to provide an update on national **best practices** and **challenges** related to cluster policy. The discussion highlighted some common challenges in fostering cluster internationalisation. These include:

- difficulties in initiating international cluster collaboration,
- weak capacity for developing and collaborating internationally
- scarcity of funding for internationalisation initiatives and
- inadequacy of labour skills.



- **Luxembourg Digital Skills Bridge**, Nico Binsfeld

Max Lemke, Head of Unit for Technologies and Systems for Digitising Industry, Directorate-General for Communications Networks, Content and Technology (DG CONNECT) suggested further exploring cooperation between digital **innovation hubs and clusters** to bridge the digital skills gap and to support cluster internationalisation.

A specific session further developed the topic of **internationalisation through clusters**. As explained by DG GROW's representative, Christophe Guichard, helping SMEs go international is of utmost importance, since it is estimated that 90% of global growth will soon take place outside the EU. The EU has recognised this with several concrete measures promoting and supporting cluster cooperation as a means of entering global markets, e.g. the **Cluster Internationalisation Programme for SMEs¹** and the **EU Cluster Go International action through European Strategic Cluster Partnerships for Going International (ESCP-4i)²**.

It was clear from the day's discussions that there are challenges, but clusters are valuable multipliers for fostering internationalisation, skills development and digitalisation. This key conclusion has fed subsequent debates, notably during the European Cluster Conference in Bucharest.

The German and Polish representatives gave details of their national programmes to foster cluster internationalisation.

This edition of the European Cluster Policy Forum was the last under the current set-up as the **European Commission Expert Group on Clusters** is taking over responsibility for the follow-up.

The Forum's second thematic session was dedicated to **skills development through clusters**, in particular in the context of DG GROW's pilot **Blueprint for sectoral cooperation on skills³**, an action under the New Skills Agenda for Europe⁴. Participants were able to provide their feedback on topics and actions pre-selected for the 2020 pilot. The **Digital Skills and Jobs Coalition⁵** is another initiative to tackle digital skills gaps in Europe. Two relevant experiences coming from Luxembourg were also shared by:

JOINT PEER REVIEW MEETING OF MODEL DEMONSTRATOR REGIONS

On 4 April 2019, the European Commission's DG GROW and the European Observatory for Clusters and Industrial Change (EOCIC) organised a Joint Peer Review Meeting in Turin for the **10 pilot regions** receiving customised advice from EOCIC on modern cluster policy in support of industrial modernisation.

The meeting was designed to foster exchange of **experiences, practices and lessons learnt** among the model demonstrator regions. Representatives welcomed with enthusiasm the opportunity to learn peers' solutions to similar challenges in cluster policies.

- **PWC**, Bertrand Pedersen



¹ <https://www.clustercollaboration.eu/eu-initiatives/cluster-internationalisation>

² <https://www.clustercollaboration.eu/eu-cluster-partnerships/escp-4i>

³ http://publications.europa.eu/publication/catalogue_number/KE-07-16-170-EN-N

⁴ <https://ec.europa.eu/social/main.jsp?langId=en&catId=1223>

⁵ <https://ec.europa.eu/digital-single-market/en/digital-skills-jobs-coalition>

Ulla Engelmann, Head of Unit for Advanced technologies, Clusters and Social economy at DG GROW, welcomed the participants and outlined the scope and structure of the meeting. EOCIC also illustrated the results of its work on common challenges and joint solutions in the industrial transition of the 10 pilot regions.



Joint challenges faced by the regions were discussed in small groups during **World Café Sessions**. One session tackled the need to identify and develop **key skills** in the regions. The participants feel regions are experiencing skills mismatches and this is an important issue that should be taken into account in the Industrial Transition Agenda⁶. The solution is to build on clusters while defining skills agenda and developing skills programmes at regional level. Another session emphasised the importance of building on cluster capacity to develop relevant skills for the **internationalisation of SMEs**.

The participants also debated how they can implement at local level opportunities offered by the **circular economy**. Collaboration between different actors, clear ownership and pilot activities were highlighted as possible solutions. A similar approach was proposed to tackle the challenges and opportunities of **digitalisation**. Clusters can act as digital educators with SMEs that are struggling to understand the value of technology. In addition, ITC clusters can enable collaboration with other clusters and SMEs.

⁶ European Commission, Pilot action: Regions in Industrial Transition. Available at:

Interested in knowing more about regional experiences? Watch the video of the meeting and interviews with some of the regional representatives [here](#).

Summary Report on Policy Lessons Learnt

The previous article on the Joint Policy Review Meeting has already introduced the work of EOCIC in providing tailored policy advice to 10 pilot regions in industrial transition. After producing an assessment report per region, EOCIC built on the results of the assessment to provide concrete policy proposals for each region. The Summary Report of Policy Lessons Learnt provides an overview of the project.

Although the pilot regions differ in terms of geography and population, economic diversification and specialisation, and cluster development, they nonetheless face some **joint challenges**:

- Lack of access to research and innovation opportunities: this is common to East and North Finland, North and Middle Sweden, Hauts de France, Wallonia and Centre-Val de Loire,
- An absence of collaboration between different actors in the regional eco-system is experienced in: East and North Finland, North and Middle Sweden, Lithuania, Piemonte, Cantabria, Wallonia and Saxony,
- A need to improve productivity by higher added value networks and value chains is felt in: East and North Finland, Slovenia and Lithuania,
- A need to increase cluster management capabilities and capacities is experienced in: Cantabria, Slovenia, Lithuania, North and Middle Sweden, and Piemonte,
- The re-boosting of entrepreneurial dynamics is perceived as a priority in: North and Middle Sweden, East and North Finland, Piemonte, Wallonia and Centre-Val de Loire.

https://ec.europa.eu/regional_policy/en/information/publications/factsheets/2018/pilot-action-regions-in-industrial-transition.

The Summary Report on Policy Lessons Learnt provides tailored recommendations based on clusters' **strategy and capacity building**. On the one hand, clusters could support the regions in identifying and implementing regional strategies on innovation and industrial change through concrete actions. On the other, clusters provide a great incentive for the creation of networks and skills development which are relevant to strategy implementation.

In conclusion, the analysis of regional challenges made it possible to identify some key takeaways to develop a broad industrial transition strategy. For instance, EOCIC has identified five steps that regions need to go through to support their industrial transition. The steps involve a prior understanding of regional assets and challenges, development of a strategy, coordination between shareholders and building networks, implementation and assessment of success, and adaptation to changing circumstances.

Clusters are a catalyst during these five steps, they can help build trust and foster innovation during the initial phases by bringing together relevant and different actors, and are a key tool in delivering the agreed strategy. The great advantage of clusters is that they enable policy and strategy experimentation among selected stakeholders on a limited scale before rollout across the region.

The full report is available [here](#). Have a look at it!



HIGH-LEVEL CONFERENCE ON DIGITAL CITIES CHALLENGES



In what was a fitting send off for the Digital Cities Challenge, the participating cities came together in Brussels on 5 June with a host of city stakeholders from policy to business to academia for the High Level Conference: A Strategy for EU Cities in the 21st Century. With so many experts and smart city practitioners in one place, this event represented the perfect opportunity to **look into the future of cities and the policies and actions needed to shape them**, an opportunity that was grabbed with both hands by thought-provoking speakers and lively panel discussions. The event was about celebrating and recognising the accomplishment of the digital transition of the cities in Europe, but also preparing the ground for the future, to use the opening words of Timo Pesonen, Director General for Internal Market, Industry, Entrepreneurship and SMEs in the European Commission.

The conference touched upon various themes: **data**, as the big topic governing smart policy making and sustainable growth, with the clear message to the city ecosystems to keep control of their data and unleash their full potential; **skills and attracting talents**, so that cities prepare their people for a bright future; the concept of **cities as vibrant market creators**. The intention, however, was to put in the centre the idea of a visionary leadership and collaboration between citizens, business, academia and local governments, as the secret of success as cities-ecosystems design future strategies for smart sustainable growth, a concept which was underlined in the closing

remarks by Ulla Engelmann, Head of Unit for Advanced Technologies, Clusters and Social Economy in the European Commission.

The Conference was the culmination of 18 months of **coaching, collaboration, knowledge sharing and peer review** through the European Commission initiative, which led to the formation of a network, a declaration of cooperation and numerous digital strategies being developed.

Smart Guide for European Strategic Cluster Partnerships

EOCIC, with the support of DG GROW, has published a Smart Guide for European Strategic Cluster Partnerships on how to develop a successful partnership strategy and on possible actions to achieve joint projects and investments. This is part of EOCIC's activity for the European Commission in providing guidance to European Strategic Cluster Partnerships (ESCPs). ESCPs support SMEs in **global competition, innovation and internationalisation**.

The Competitiveness and Innovation Programme (CIP)⁷ launched cluster collaboration initiatives for the first time in 2012. In the years that followed, **European Strategic Cluster Partnerships for Going International (ESCP-4i)** and **the European Strategic Cluster Partnerships for Smart Specialisation Investments (ESCP-S3)** were introduced.

As outlined in the Smart Guide, EOCIC has identified six main challenges faced by ESCP members, which have given rise to five recommendations on how to successfully set up a **partnership strategy** and **joint activities**.

The first recommendation stresses the importance of establishing a sustainable **joint partnership strategy**, so that partnerships

bring together organisations with a similar focus and objectives. To assure sustainability, a preliminary analysis should identify the competences, complementarities, objectives and interests of clusters and their members. A clear structure is also needed – partnerships should have few, clear and precise objectives, as well as a coordinating structure that ensures commitment to these objectives.

Second, clusters are encouraged to rely on partnerships to **foster innovation**. Partnerships help clusters identify valuable collaborative opportunities, achieving higher added value and productivity, and managing activities related to innovation efficiently.

Third, to **foster cooperation** between clusters, it is advisable to organise cooperation events, which increase synergies among clusters and their members. In addition, cluster managers are encouraged to facilitate exchanges between clusters. Finally, **reviews and evaluations** of ongoing activities should be carried out regularly to measure the success of the partnership and to adjust the strategy if necessary.

The fourth recommendation suggests building on export groups to **foster internationalisation** and increase SMEs' capacity to export. These groups should include representatives from partner SMEs. Groups should facilitate the identification of the best third markets for export to ensure successful results.

The fifth and final recommendation is an invitation to explore technical assistance available at EU level to **foster investments**. The ESCP label represents an opportunity for SMEs and other organisations to attract investments. ESCPs can also help members develop competitive products, while facilitating matchmaking with the right partners and investors.

⁷<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=legisum%3An26104>

Interested in learning more about how to develop successful ESCP? Have a look at the full Smart guide available [here](#).

Cluster Mapping Tool



EOCIC has updated the Cluster Mapping Tool which is a support tool for cluster managers. The new version provides users with friendly navigation of hundreds of thousands of data records on **industry clusters** and their **regional economic environments** across the EU and neighbouring countries.

The revision has expanded the database, gathering new data from the European Cluster Collaboration Platform and the EOCIC, so that it now allows data comparison across **51 traded cluster categories** and **10 emerging industries** in Europe. In addition, the database has been extended with data covering **industrial change** and **entrepreneurship**.

The tool also measures **cluster strength**. The team identified four factors to show the extent to which clusters and emerging industries reach specialised critical mass. Users can explore those data through four modules. Two modules allow exploration by region and two by sector.

The first module provides an **overview of a selected region's cluster and regional context data**. Users can use filters to search per specified field. Once the user has selected the region of interest. The second module makes it possible to **identify the most productive and the most specialised sectors, or those with the most employment**. The third module provides an **overview of data for a selected sector across all regions**. The last module visualises a selected sector's cluster strength across all regions.

In the top menu bar, you can also find a help tab – providing guidance to the users for navigating the tool, information about the data base and the possibility to export the data. Finally, there is a **direct link to the Regional Ecosystem Scoreboard** – which presents information on the framework conditions for industrial change.

Another new feature is the "Export" function. Users can **print and download the chart** as an image in a number of different formats, or download the data table directly.

Discover all the functionalities of the tool and all the information available [here](#).



Commission Expert Group on Clusters

The European Commission's Directorate-General for Internal Market, Industry, Entrepreneurship and SME is currently in the process of launching an **expert group on clusters**. The group will consist of a maximum of 38 members, including **up to 28 governmental experts**, nominated by Member States, and **up to 10 experts representing relevant organisations that will be selected through a public call for applications**.

The set-up of this expert group was announced by the renewed EU Industrial Policy Strategy of 2017 and responds to the Council Conclusions of March 2018 and May 2019 that called for the **"further development of European cluster policy"** and highlighted that **"clusters are key for the implementation of the EU industrial policy strategy"**. The expert group timely follows-up on the fruitful discussions under the European Cluster Policy Forum.



Upcoming events

INTERNATIONAL CLEAN ENERGY CHALLENGE

Date: 22-26 July 2019

Location: Upper Austria

Aim: 33 young professionals and researchers under 33 will gather to discuss the energy transition challenge and develop innovative and concrete solutions for sustainable energy in buildings, industry and transport.

<https://www.clustercollaboration.eu/event-calendar/international-clean-energy-challenge>



INTERNATIONAL BIOPLASTICS CLUSTER MEETING AND CONGRESS

Date: 19 September 2019

Location: Horb am Neckar, , Germany

Audience: Invited Member States

<https://www.clustercollaboration.eu/event-calendar/international-bioplastics-cluster-meeting-and-congress>



European Week of Regions and Cities

Date: 7-10 October 2019

Location: Brussels

Aim: This annual 4 days event is a great occasion for cities and regions to showcase their capacity to create growth and jobs, implement European Union cohesion policy, and prove the importance of the local and regional level for good European governance.

https://europa.eu/regions-and-cities/about/nutshell_en



22nd TCI NETWORK GLOBAL CONFERENCE (TCI 2019)

Date: 8-10 October 2019

Location: Antwerp, Belgium

Audience: Government, business and academic specialists

Aim: Gather the main stakeholders to discuss strategic clusters for sustainable growth, and new trends and practices

<https://www.clustercollaboration.eu/event-calendar/22nd-tci-network-global-conference-tci-2019>



The European Observatory for Clusters and Industrial Change

The aim of the 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 programme](#) 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;
- Bring together Europe's cluster policy-makers and stakeholders during dedicated events;
- 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 Observatory](#) and the [European Service Innovation Centre](#), 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. Each of these dimensions is being operationalised by a set of indicators, with a particular focus on measuring start-ups and scale-ups.

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

In parallel, the previous [Observatory's Regional Ecosystem Scoreboard](#) is being updated and broadened. It is also developing indicators to display regional ecosystems in relation to the dimensions of industrial modernisation.





CONTACT

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

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There is more information on the European Observatory for Clusters and Industrial Change [here](#).

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EUclusterobservatory@EOCIC.eu

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