



# NEWSLETTER

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## From the editor

Welcome to the fourth and last edition of the European Observatory for Clusters and Industrial Change (EOCIC) newsletter. The aim of this publication is to provide a summary of the EOCIC's recent activities.

This edition provides an overview of the results of the latest reports and relevant events. It also highlights important cluster policy-related updates.

Should you be interested in learning more about existing national and regional policies in support of clusters, have a look at our article on the **European Cluster Programme report**.

The **European Panorama of Clusters and Industrial Change** report should also be of interest if you are looking for advice on how to help Europe's regions and countries to design better and more evidence-based cluster policies and initiatives. It gives a overview of the cluster landscape and insights that can help policy-making in order to accelerate industrial modernisation, boost entrepreneurship in emerging industries with growth potential and facilitate SMEs' access to clusters and internationalisation activities.

For those of you who are more interested in entrepreneurship, do not miss our article on the **Smart Guide to entrepreneurship support through clusters**. In this guide, the European Commission provides guidance to cluster policy-makers and cluster managers on designing and implementing programmes that accelerate the creation of start-ups, spin-offs and scale-ups in emerging industries and in specific value chains.

The article on the **Smart Guide to cluster policy monitoring and evaluation** focuses more on providing guidance to the designing and running of effective monitoring and evaluation systems for cluster policy.

We also highlight the services that EOCIC has provided to **10 industrial transition regions** and summarise the outcomes of the work carried out so far. To follow up on this, a **workshop** with these regions was organised on 7 November 2019.

This edition of the newsletter updates you on the latest news related to cluster policy, such as the new cluster internationalisation call, which was published in 2019 and the **Commission Expert Group on Clusters**, which met for the first time on 18 October 2019 and has kicked off a subgroup on **skills** given the particular interest in this topic expressed by its members.

As always, you will find upcoming events related to the cluster network at the end of the newsletter.

Be ready to team up in new calls on cluster excellence and cluster internationalisation during 2020 prior to the launch of the new generation of EU cluster initiatives under the next period of EU Programmes in 2021. The new Joint Cluster Initiatives of the Single Market Programme will be discussed at the **European Cluster Conference** in Berlin on 10-11 November 2020 that we are organising together with the German Ministry for Economic Affairs and Energy under the German Presidency of the Council of the EU. Save the date!

The Cluster team at the European Commission's Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW) hope you enjoy the read!

*Ulla Engelmann*  
Head of Unit F2  
DG GROW

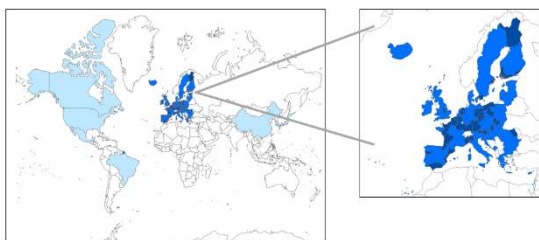
## Report on Cluster Programmes in Europe and beyond

One of the services provided by the EOCIC is a stocktaking of the national and regional policies in place to support clusters.

This analysis is based on information on cluster policies in EU Member States and regions, as well as selected countries outside Europe. It aims to provide a picture of cluster policies in Europe and further countries that may be used for mutual exchange and cluster policy learning. In total, information was collected on **cluster support in 29 countries and 49 regions in Europe, as well as 10 non-European countries**. In Europe, the stocktaking initiative could gather in-depth information on 30 national cluster programmes in 20 countries and 55 cluster programmes in 27 regions. The results of this analysis are summarised in the **European Cluster Programme report**, which is available [here](#).

The report summarises a **variety of existing approaches for supporting clusters** in Europe: while some countries and regions support cluster initiatives through specific public programmes, others integrate cluster support in their Operational Programmes, SME and/or innovation support policies, smart specialisation strategies, etc. The analysis also shows that there are differences as to the objectives considered the highest priorities, e.g. competitiveness of small and medium-sized enterprises or strengthening cooperation structures. Internationalisation plays an important role as well, particularly at the national level.

### Cluster policies: Stocktaking in Europe and beyond



In some countries, **cluster support through dedicated programmes** has been a high priority for several years – they either have programmes implemented over a longer period or have developed them further in order to address and support specific fields of cluster development.

In addition to delivering insight into the variety of cluster-supporting mechanisms in Europe, the report also looks at **cluster policies and programmes at international level**, focusing on the USA, Canada, Brazil, Mexico, Israel, China, Taiwan, Singapore, Japan and South Korea. These countries also consider clusters to be a central element for supporting innovation, research and development, collaboration and competitiveness. The report outlines the different national frameworks and specific economic policies, which impact the different strategies and set of instruments put in place to support cluster development.

## European Panorama of Clusters and Industrial Change

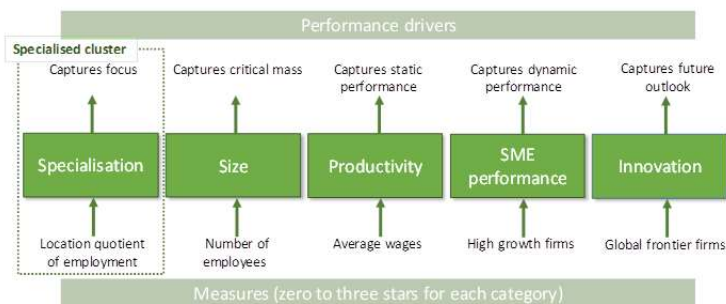
The aim of the **European Panorama of Clusters and Industrial Change** is to help Europe's regions and countries design better and more evidence-based cluster policies and initiatives in order to accelerate industrial modernisation, boost entrepreneurship in emerging industries with growth potential, and facilitate SMEs' access to cluster and internationalisation activities.

The report gives an overview of the European cluster landscape by **analysing cluster strengths and development trends across 51 sectoral industries and 10 emerging industries** (that cut across different sectors). The report maps clusters and measures cluster performance according to a revised methodology that analyses five categories: specialisation, size, productivity, SME performance and the presence of innovation leaders.

The statistical cluster mapping results also show the contribution of clusters to the competitiveness of the European economy by investigating the linkages between clusters and industrial change, entrepreneurship, growth,

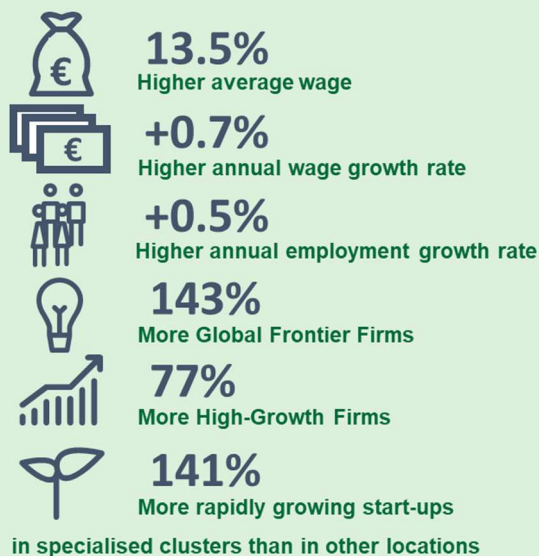
innovation, internationalisation and economic development.

#### Measuring cluster performance



The report demonstrates **why clusters matter** and how regions around Europe can profit from sharing high-level expertise and achieve tangible progress in industrial modernisation, boosting their business growth and creating high-value jobs through modern cluster policy.

## Clusters matter



The report shows that economic activities that are located in **specialised clusters account for about 19% of European jobs and 22% of European wages**. They also host a **higher number of innovative and high-growth firms**. This illustrates that the more companies there are in a certain set of industries in a region, the more likely it is that higher levels of productivity and innovation will be achieved.

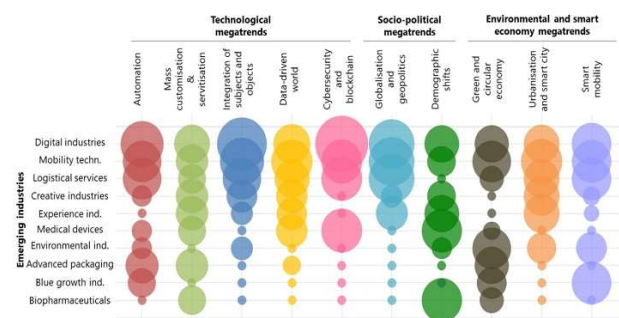
The full report and its results can be accessed [here](#).

## European Cluster and Industrial Transformation Trends Report

New trends in the emerging industries are discussed in the **European Cluster and Industrial Transformation Trends Report**. The report answers question like: What are the ongoing industrial transformation trends and changing specialisation patterns in Europe? What is the impact of global megatrends on European industries? What is the role of clusters in industrial transformation processes?

Emerging industries increasingly evolve at the borderlines of different competences and, hence, cut across and reshape traditionally defined sectors. The report provides fact-based analysis that can facilitate modern cluster policy-making in support of cross-sectoral emerging industries, by identifying promising areas of industrial transformation where new winners may emerge.

Building on a mix of qualitative and quantitative analyses, the report analyses where and how clusters of cross-sectoral industries are transforming themselves and where new specialisation patterns give rise to the emergence or renewal of industries. The **analysis looks at technological, socio-political and environmental & smart economy megatrends** and their expected impact on 10 emerging industries. It **highlights major disruptions**, e.g. from digitalisation and the transformation of value chains that represent challenges and opportunities for European emerging industries and clusters.



The report also **investigates the geographical configuration of cross-sectoral clusters** and the directions in which regions tend to cooperate across the borders. Finally, it critically **discusses the role of cluster policies to improve the favourable framework conditions** for the

development of emerging industries and the strengthening of cross-sectoral and cross-border collaboration and innovation.

## Priority sector reports on Biopharmaceuticals, Construction and Mobility Technologies

Three priority sector reports (Biopharmaceuticals and Mobility Technologies emerging industries and Construction industry) have been published that **respond to political priorities and developments and/or interest expressed by stakeholders**. These include cluster organisations and regions working together under the Thematic Smart Specialisation Platform for Industrial Modernisation.

The global biopharmaceuticals industry is a momentous driver of scientific advancement, and the source of innovative medicines addressing a wide range of human health-related needs around the world. With regard to the economic dimension, biosimilars (biopharmaceuticals highly similar to another already approved biological medicine) have recently gained increased attention in the EU. They can be available at considerably lower prices and the **biosimilar industry may change the commercial landscape profoundly** with global sales more than doubling to 15 billion euros by the early 2020s.

The construction industry plays a strategic role in the EU economy, accounting for 9% of gross domestic product (GDP) and 18 million direct jobs. While often considered a traditional and low-tech industry, **construction industry is undergoing important transformation processes**, driven by the introduction of new technologies, greater attention to environmental sustainability and energy efficiency with more smart, cross-sectoral linkages.

Mobility Technologies are a core part of the European manufacturing industry and are a clear focus for Europe's strategy to re-industrialize. The European mobility technology industry is estimated to employ between 11 and 13 million

people, with rather high levels of wages, productivity and average value added. The greatest payoffs in the sector are expected from innovations that **increase the effectiveness of low-emission mobility**, whether of the entire system, service concepts, powertrains or clean energy.

The three priority sector reports can be accessed [here](#).



## Smart Guide to entrepreneurship support through clusters

If you are curious to learn how clusters can boost entrepreneurship, how entrepreneurship policy-makers can make better use of clusters, and what can be learnt from good practices about supporting start-ups and scale-ups sustainably through clusters, the **Smart Guide to entrepreneurship support through clusters** may provide the answers to many of your questions.

The Smart Guide provides guidance to cluster policy-makers and cluster managers in designing and implementing programmes that accelerate the creation of start-ups, spin-offs and scale-ups in emerging industries and in specific value chains. By focusing on innovative entrepreneurship, this guide offers **practical help on how clusters can mobilise resources to support entrepreneurship effectively throughout the entire entrepreneurial life cycle**.

The guide shows that entrepreneurship support through clusters can be a driver of SME competitiveness, industrial modernisation and job creation. It presents **12 concrete good practice examples of entrepreneurship support programmes** delivered through a cluster approach.



## 12 good practice examples



As there is no "one-size-fits-all" approach, the good practices constitute a mix of support measures and implementation frameworks that can be activated within clusters to establish vibrant and resilient entrepreneurial ecosystems. The guide also identifies **7 Do's and Don'ts to guide cluster and entrepreneurship policy-makers** in designing effective entrepreneurship support **programmes**.

### *Do's and Don'ts for boosting entrepreneurship through cluster*

✓ Do's	✗ Don'ts
<ul style="list-style-type: none"> <li>Gather and use diverse group of stakeholders to develop regional cooperation around cluster initiatives to support entrepreneurship.</li> <li>Analyse local entrepreneurial conditions and address bottlenecks that hold back overall performance through a consistent and coherent set of actions</li> <li>Co-design and co-implement entrepreneurship programmes with cluster members, including SMEs.</li> <li>Design measures that differentiate between the needs of would-be entrepreneurs, start-ups, scale-ups and SMEs.</li> <li>Identify, engage and use cluster initiatives and cluster organisations to promote a smart entrepreneurship acceleration programme.</li> <li>Facilitate the creation of networks of start-ups and scale-ups.</li> <li>Break out of existing policy silo patterns.</li> </ul>	<ul style="list-style-type: none"> <li>Let one organisation implement entrepreneurship support on their own (without reaching out and teaming up with other relevant stakeholders).</li> <li>Develop stand-alone and fragmented actions that reinforce only one dimension of the entrepreneurial ecosystem.</li> <li>Implement a new or changed entrepreneurship programme without asking or testing with the main target groups.</li> <li>Apply a one-size-fits all approach.</li> <li>Focus only on increasing the number of start-ups.</li> <li>Just launch a business plan competition.</li> <li>Stay within the remit of only one policy area and only coordinate overlaps and build synergies once the programme is launched.</li> </ul>

Note: Shortened version

If you are interested in learning more, please access the Smart Guide [here](#).

## Smart Guide to cluster policy monitoring and evaluation

The forthcoming Smart Guide to cluster policy monitoring and evaluation provides **guidance for cluster policy-makers in designing and running effective monitoring and evaluation systems**. It aims to stimulate policy learning and tackles specific challenges in an area of increasing importance.

As is the case of other public policies, monitoring and evaluation are a crucial component of the cluster policy process. Given that cluster policies generally mobilise a range of instruments at the crossroads of different policies and at different levels of governance, its benefits are difficult to identify and quantify with standard monitoring and evaluation practices. **Cluster policy therefore requires tailor-made monitoring and evaluation approaches** capable of capturing the specificity of clusters and cluster policies.

The **Smart Guide to cluster policy monitoring and evaluation proposes a unified monitoring and evaluation framework** where implementation monitoring, result-oriented monitoring (ROM) and strategic evaluation are shown to be interlinked and part of the same process. The guide provides **specific highlights of how to monitor cluster partnerships and cluster organisations**, and it **includes a self-rating tool useful for cluster managers wishing to set up a cluster organisation**. It reviews the different purposes of evaluation, from cluster selection to policy learning, and shows examples of how evaluation results can feed into the policy process at strategic level.

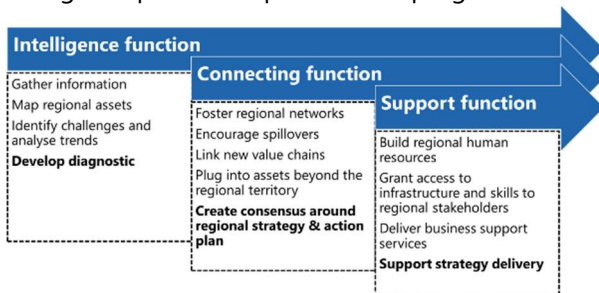
Overall, it **offers examples of indicators, methodological approaches and tools, and identifies a set of principles and tips** to follow in order to run an effective monitoring and evaluation system. In particular, it stresses the importance of adopting participatory approaches to ensure stakeholder involvement, and of combining different sources of evidence and methodological approaches to account for the complex nature of clusters and the effects of cluster policy. The Smart Guide also includes **numerous concrete cases** of monitoring and evaluation systems and approaches from different countries in and outside Europe to illustrate the options proposed.

The Smart Guide will be published soon at the European Cluster Collaboration Platform.

## Lessons from supporting regions in industrial transition

The European Observatory for Clusters and Industrial Change (EOCIC) has provided **customised advice on modern cluster policy in support of industrial modernisation to 10 regions in industrial transition** on behalf of the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW). The regions were selected as a result of an open call for expression of interest, published and assessed by Commission services. The Commission launched a first call for expression of interest on 29 September 2017 and, as a result of demand from regions, a second call was launched on 14 December 2017. Details on the selection procedure are available [here](#). The 10 regions supported on cluster policy included Cantabria (Spain), Centre Val de Loire (France), East & North Finland, Hauts-de-France (France), Lithuania, North-Middle Sweden, Piemonte (Italy), Saxony (Germany), Slovenia, and Wallonia (Belgium).

The work by the EOCIC for 10 regions in industrial transition has **defined a set of actions** which constitute a comprehensive strategy to foster regional economic transformation, identify collaboration and funding opportunities, and connect with other regions in regional and cluster partnerships. This pilot helped test new approaches to industrial transition and provide the European Commission with evidence to strengthen post-2020 policies and programmes.



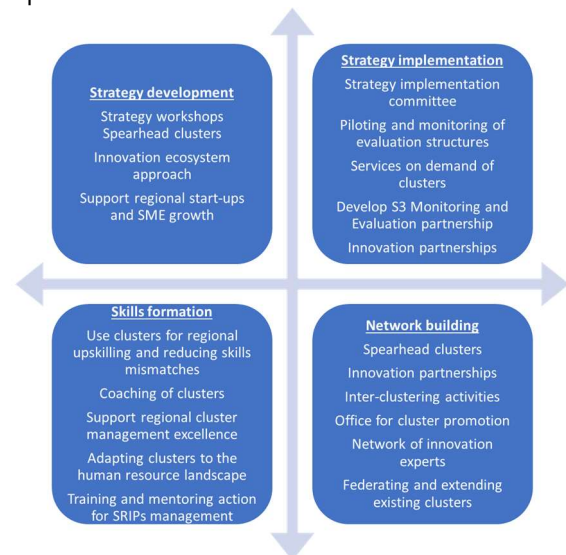
The outputs of the advisory services were:

- **10 Regional assessment reports** which summarise the key challenges of industrial modernisation for the region and the potential policy directions;
- **10 Policy briefing reports** which develop concrete policy proposals for each industrial transition region;

- a **Summary assessment report** setting out key challenges and potential policy directions in the 10 regions, highlighting synergies and complementarities and providing advice for developing a cluster focused industrial transition strategy;
- a **Regional survey report** of pilot regions in industrial transition aimed at gathering views from various types of stakeholder in the 10 pilot regions in industrial transition

The overall results and cluster policy lessons learned of the work carried out by the EOCIC in the 10 regions in industrial transition are reported upon in a [summary report on lessons learnt](#) from fostering modern cluster policy in regions in industrial transition.

In order to follow up on the work done in the 10 regions in industrial transition that engaged in the EOCIC cluster policy peer review process, DG GROW organised a **workshop on 7 November 2019 in Brussels** that offered a great opportunity to discuss the work carried out in these regions, any actions taken by the regions resulting from the tailored policy advice received, and next steps.



In parallel to the specific cluster-related support for the regions in industrial transition by EOCIC, the OECD also facilitated wider discussion on how to manage industrial transitions. It also published an [OECD report on regions in industrial transition](#) that also highlights the stimulation of industry clusters as recommended actions to prepare for the future of work and facilitate innovation diffusion.



## Commission Expert Group on Clusters

The European Commission's Directorate-General for Internal Market, Industry, Entrepreneurship and SME (DG GROW) launched the **expert group on clusters**. The setting up of this expert group was announced in the renewed EU Industrial Policy Strategy of 2017 and is a follow-up to the Council Conclusions of March 2018 and May 2019 that called for the “**further development of European cluster policy**” and highlighted the fact that “**clusters are key for the implementation of the EU industrial policy strategy**”.

The group consists of a maximum of 33 members, including **23 governmental experts**, nominated by Member States, and **10 individual experts selected through a public call for applications**.



The **first meeting** of the Commission Expert Group on Clusters took place on 18 October 2019 in Brussels. Experts flagged out in the discussions their main areas of interest, which included the following: using clusters to address societal challenges (equality, demography, climate-neutral economy) and boost digitalisation, skills for industry, internationalisation, and efficient forms of selecting and supporting new and established clusters, including the labelling of cluster organisations and new instruments for reaching out successfully to SMEs.

The **second meeting** took place on 6 February and the members further built on the previous

discussions by interacting in groups around the identified topics.



Moreover, a dedicated meeting of the **subgroup on skills** took place on 24 January, given the high interest the members had expressed in the topic.



The Expert Group is **expected to present a report with advice and recommendation before the end of 2020**.

More details on the Commission Expert Group on Clusters can be accessed [here](#).

## Upcoming event

### European Cluster Conference 2020

The European Cluster Conference 2020 is being organised by the European Commission's Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs in cooperation with the German Ministry for Economic Affairs and Energy under the German Presidency of the Council of the EU. It will take place in Berlin on 10 – 11 November. Save the date!



## Recent events

### Meeting of 50+ EU Gold-Label Clusters

A meeting with more than 50 managers of Gold-Label Clusters from 17 European countries was organised by DG GROW on 4<sup>th</sup> December 2019 in Brussels. It gathered about half of all Gold-label cluster organisations across in Europe. They together represent more than 6500 SMEs from across Europa, covering many sectors – from Energy, Health, Automotive and Agro-food. About 20 additional representatives from national cluster associations and organisations involved in the labelling of clusters also joined the discussions.



Participants discussed and exchanged their experiences with regards to practical aspects of cluster excellence labelling as well as expressed their needs for cluster policy actions at regional, national and EU level, including on the next generation of EU cluster initiatives, notably the Joint Cluster Initiatives under the forthcoming Single Market Programme.

The day before, additional meetings were organised with representatives of the national cluster associations that came together in the new European Cluster Alliance as well as of organisations involved in the working group on the setting-up of the future European Cluster Excellence Association and the European Secretariat for Cluster Analysis, which run the labelling scheme for cluster excellence.

The news item is available [here](#) and all slides presented at the meeting can be found [here](#).

### Digital innovation hubs, clusters and smart specialisation discussed at the European Week of Regions and Cities

One of the 333 sessions of the 2019 edition of the European Week of Regions and Cities



focused on the topic of how to boost industrial transformation by linking digitalisation, clusters and smart specialisation on 9<sup>th</sup> October 2019.

The presented concrete cases covered digital innovation hubs, investments from the European Regional Development Funds and an interregional partnership from the Smart Specialisation Platform for Industrial Modernisation. Different Commission services also gave overviews of the future post2020 initiatives with Digital Europe, Single Market Programme and Cohesion Policy. Slides from the presentation of the concrete cases that support digital transformation are available [here](#).

### Industry clusters connecting the Circular Economy

A very interesting conference took place in Kemi, Finland on 11-12 February 2020 with 130 participants, which demonstrated how clusters have been used to push for regional ecosystems transition to circular economy. It showed what can be done in the future, notably how green-tech clusters in Europe can be used to support the implementation of the new European Green Deal.



The outcomes of the Circular Economy and Cluster Conference and lessons on how to strategically connect Europe's ecosystems and boost SMEs' uptake of resource-efficient solutions will be brought into the European Cluster Conference. More information on the event is available [here](#).

# 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.

More information about the European Observatory for Clusters and Industrial Change is available at: <https://www.clustercollaboration.eu/eu-initiatives/european-cluster-observatory>





## 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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