



TCI GLOBAL WEBINAR

JANUARY 27, 2022

A LOOK INTO EUROPEAN CLUSTER POLICY



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Agenda

A look into European Cluster Policy

1. Welcome
by **Merete Daniel Nielsen**, President, TCI Network
2. **The European Cluster Policy Framework**
by **Ulla Engelmann**, Networks & Governance (Acting Director), DG GROW, European Commission
3. **Evaluation study of and potential follow-up to cluster initiatives under COSME, H2020 and FPI**
by **Jan-Philipp Kramer**, Principal, Head of EU-Office in Brussels at Prognos AG
4. **Looking ahead. The policy we need to strengthen European clusters**
by **Christian Ketels**, HBS Faculty member, Vice-Chair Innovation Fund Denmark, President of the TCI Network Advisory Board and the Advisory Board of ORKESTRA
5. **Open discussion with participants. The policy support we need to strengthen clusters.**
moderated by Christian Ketels
6. Wrap-up and closing

Welcome



Merete Daniel Nielsen

President, TCI Network



The European Cluster Policy Framework



Ulla Engelmann

Networks & Governance (Acting Director)
DG GROW, European Commission





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The European Cluster Policy Framework

TCI Global Webinar: A look into European Cluster Policy
27 January 2022

Ulla Engelmann
Head of Unit
Unit D2: Industrial forum, alliances, clusters
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- The cluster landscape in Europe
- Cluster policies in support of the twin transition (green and digital) and resilience
- Supporting clusters: Euroclusters
- Cluster internationalisation





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The cluster landscape in Europe





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Overview



An initiative of the European Union

- **Comprehensive picture** of clusters and cluster organisations in Europe
- Maps specialisation of economic activity across **201 regions in EU-27 countries**, based on sector data for employment and value added.
- Extends analysis to **14 pan-European industrial ecosystems** identified
- Explores the contribution of clusters to **green and digital transition**
- Develops a **new typology of regions** according to their specialisation profiles
- Analyses the relationships between specialisation and different dimensions of **regional performance**

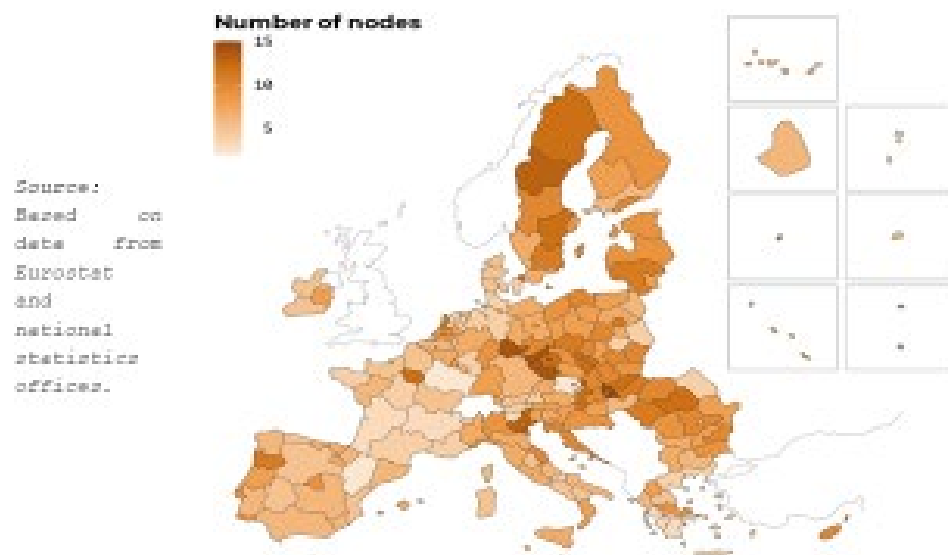


Clustering is a key feature of the European economy



Ulla Engelmann

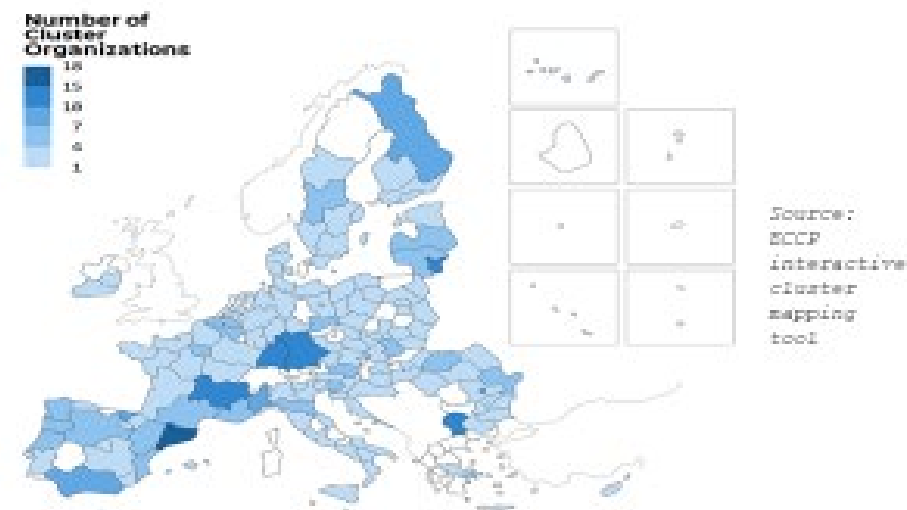
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- There are **1501 region-relevant specialisation nodes** across 201 EU-27 regions (Calculated using Location Quotients based on NACE 2-digit data on employment)
- These regional nodes of specialisation account for **24.4% of EU-27 employment**



An initiative of the European Union



- There are **1036 EU-27 cluster organisations** registered on the ECCP
- Their average membership composition is **70% SMEs, 10% large firms and 8% research organisations**



[European Cluster Panorama](#)

Strengthening the European economy through collaboration

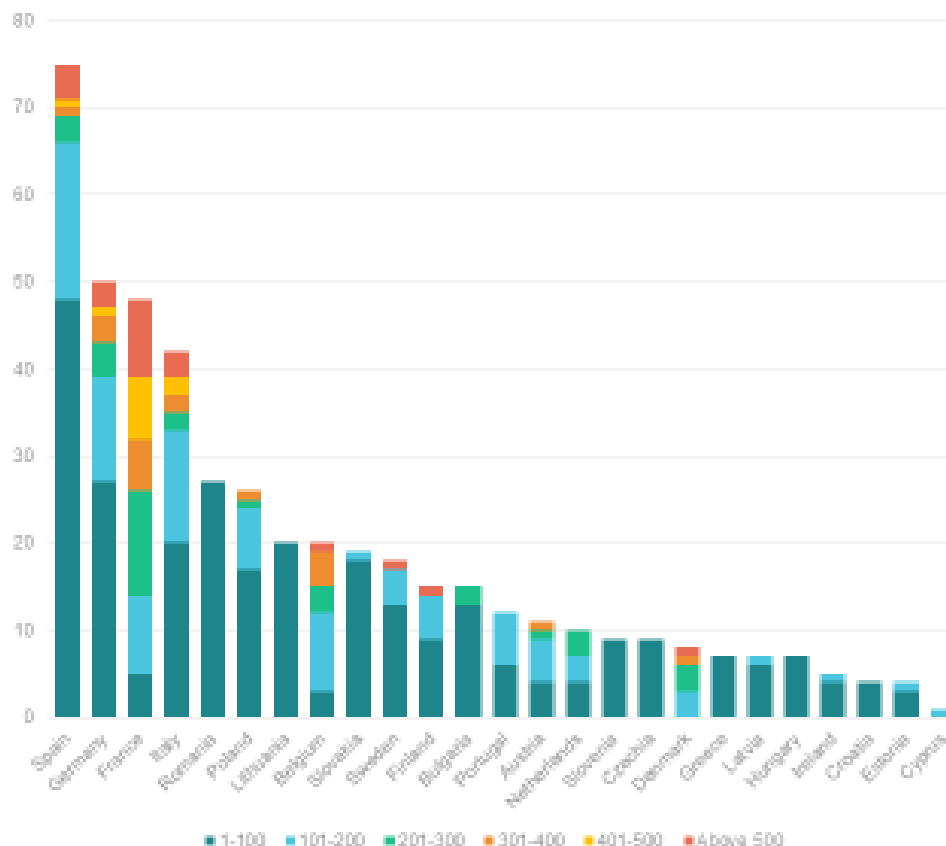


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Cluster organisations are present across EU but are diverse



Source: Based on ECCP profile data; sample of 468 cluster organisations with updated profiles on 29/11/2021

- 62 000 members of which 72% SMEs, 10% large firms, 8% research organisations
- 60% of EU cluster organisations have less than 100 members, 7% have more than 400 members
- Spain has 163 clusters registered at ECCP, 12 countries – <10 clusters
- SMEs range from 35% of cluster organisation members in Ireland to over 80% in Italy and Sweden
- large firms prevalent in Czech and Croatian (20%) and least in Italian and Hungarian cluster organisations (5%)





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EU regions with cluster organisations perform better

Where clusters are present:

- GDP per capita and labour productivity is higher
- Patents are produced
- R&D investments occur
- Human Resource is more science&tech tertiary education
- Risk of poverty and unemployment is lower

But,

- air pollution and carbon footprint is higher

Dimension	Indicator	Cluster organisations	Regional relevant nodes	Industry relevant nodes	
Outcome indicators	GDP per capita (PPP)	0.18		0.23	
	Air pollution (pm2.5)		0.19	0.31	
	Population satisfied with efforts to preserve the environment				
	Population at risk of poverty and exclusion		-0.18		
	Long-term unemployment		-0.26	-0.21	
Intermediate performance indicators	Apparent labour productivity	0.18			
	Employment rate		0.21		
	PCT patents per million population	0.20		0.16	
	PCT patents in ICT		0.18	0.17	
	Green PCT patents				
	CO ₂ emissions per electricity production		0.20	0.25	
Drivers of competitiveness:	Firm's behaviour	Business R&D expenditure	0.27		0.28
		PCT Patent co-invention	0.19		0.20
		Cross-firm capital formation			
	Business environment	Electricity production that comes from renewable sources			-0.28
		Public R&D expenditure			0.16
		Human resources in science and technology	0.18	0.21	0.29
		Population aged 25-64 with upper secondary or tertiary education		0.32	0.18
		Lifelong learning			
		Household with broadband access			
		Individuals purchases over the internet			
		Digital engagement (freq. of internet access)			
		Quality of Government			

Source: Based on data from Eurostat, national statistics offices, other statistical sources, and ECCP profile data; sample of 468 cluster organizations



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Cluster policies in support of the twin transition (green and digital) and resilience



New policy developments in the EU



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Revised industrial policy
COVID recovery
Transition pathways



- Need to:**
1. Strengthen **Single Market** resilience
 2. Analyse and address **strategic dependencies**
 3. Accelerate the **twin green and digital transitions**



Leverage clusters to achieve these policy objectives



Policy recommendations on cluster policy



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Fifteen specific recommendations, along with examples of good practices. It offers ideas for policymakers at European, national, regional, and local levels on how to leverage and support clusters.

- Leading the green transition
- Accelerating the digital transition
- Building resilience

clustercollaboration.eu/content/recommendations-cluster-policies-boost-resilience-and-foster-green-and-digital



EU Cluster Policy Toolkit

Searchable online database of cluster policy related measures/policies/prgrammes



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An initiative of the European Union

<https://clustercollaboration.eu/policytoolkit>



Country cluster policy fiches and technology fiches



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Cluster Policy Country Factsheets 27 EU countries, 26 non-EU countries

Contents.....

Introduction

1. Industrial ecosystems and cluster landscape.....

 Employment in the 14 ecosystems in the country

 Regionally relevant nodes.....

 Cluster organisations in the regions.....

2. National cluster policy, programmes and initiatives

3. State of play of cluster policy.....



- Technology generation
- Technology uptake
- Technology diffusion and production
- Start-ups and scale-ups
- Skills analysis

<https://clustercollaboration.eu/in-focus/policy-acceleration/country-factsheets-on-cluster-policies-and-programmes>





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Supporting clusters: Euroclusters



EU Funding supporting cluster organisations

From

COSME + H2020



INTERNATIONAL

78 Partnerships (4 generations) of
[European Cluster Partnerships | International](#)



EXCELLENCE

38 Partnerships (4 generations) of
[European Cluster Partnerships | Excellence](#)



SMART SPECIALISATION

9 Partnerships
[European Cluster Partnerships | Smart Specialisation](#)



INNOVATION

23 Partnerships
[INNOSUP-1](#)
HORIZON 2020

2014-2020

To

SMP

Joint
Cluster
Initiatives



EURO
CLUSTERS

2021-2027



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Euroclusters in a nutshell

WHAT FOR ?

- help in the implementation of the **updated EU Industrial Strategy** (green & digital transitions + resilience in industrial ecosystems)

HOW ?

- by creating vital **collaboration networks at EU-level** that will develop and implement supporting measures for SMEs

WHO?

- consortia of cluster organisations or their EU networks teaming up with other types of organisations supporting green and digital transition and building social and economic resilience



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Specific objectives of Euroclusters & Timeline



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NETWORK

- Resilience preparedness/business continuity plans

ADOPT

- SMEs supported which undertook business process innovation

GO INTERNATIONAL

- Collaboration agreements signed with third countries
- SMEs benefited from internationalisation

INNOVATE

- New-to-firm products/services identified

TRAIN

- Cluster organisations which received training
- SMEs investing in skills development

COMMUNICATE

- Social media followers
- SMEs supported coming from countries/regions different from those of Euroclusters partners





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Cluster internationalisation



Recent developments on internationalisation



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EU Global Gateway Initiative

New connectivity strategy to build quality infrastructure (digital, energy and transport) between the EU and the rest of the world – **engage clusters**

Increased interest in Africa

Use clusters to connect European and African businesses and support international value/supply chains between the two continents

EU-Africa Business Forum (14-18 February 2022) – seminar and online booth on clusters/ECCP and EEN

New administrative arrangement on cluster collaboration signed with Singapore in November 2020

Objective: to better exploit the opportunities created by the EU-Singapore FTA
(already existing arrangements with USA, Canada, Taiwan, South Korea)



International cluster matchmaking events

The challenge of going digital!

Joint events with the Enterprise Europe Network to better engage with SMEs

South MED countries – October 2021, digital

Singapore – November 2021, digital

Possible events in 2022 -

- Korea, Taiwan, Canada, Singapore and others, digital or hybrid



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Thank you



https://ec.europa.eu/growth/industry/policy/cluster_en
<http://www.clustercollaboration.eu>



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@Clusters_EU
@EREK_EU



<https://www.linkedin.com/company/european-cluster-collaboration-platform-eccp/>
<https://www.linkedin.com/company/resource-efficient/>



ECCP's European Cluster Panorama and Policy Toolkit - YouTube



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Visit the new [ECCP](https://www.clustercollaboration.eu), create/update your profile



Evaluation study of and potential follow-up to cluster initiatives under COSME, H2020 and FPI



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Principal, Head of EU-Office in Brussels
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Evaluation Study of & Potential Follow-Up to Cluster Initiatives under COSME, H2020 & FPI

Presentation for the TCI Global Webinar
"A look into European Cluster Policy"

Dr. Jan-Philipp Kramer (Prognos)

Virtual | 27/01/2022

EU Cluster initiatives 2014-2020

PLATFORM PROJECTS

PARTNERING PROJECTS

Horizon Europe
Innosup-1

European Cluster Collaboration
Platform

www.clustercollaboration.eu

European Resource Efficiency
Knowledge Centre

www.resourceefficient.eu

- Energy efficiency
- Resource efficiency
- Low carbon
- Circular economy

European
Observatory of
Clusters

Low Carbon
Action Plan

The ClusterXchange
pilot

- 14 partnerships
- > 1000 exchanges

EU clusters -
excellence

- 13 partnerships
- 69 clusters
- 21 EU countries

EU GO-International

- Neighbourhood (East & Magreb)
- Development (Africa & S. Amer.)
- US, Canada, Singapore, S. Korea etc.

Cluster S3 Partnerships

2

Source: adapted from European Commission/DG GROW

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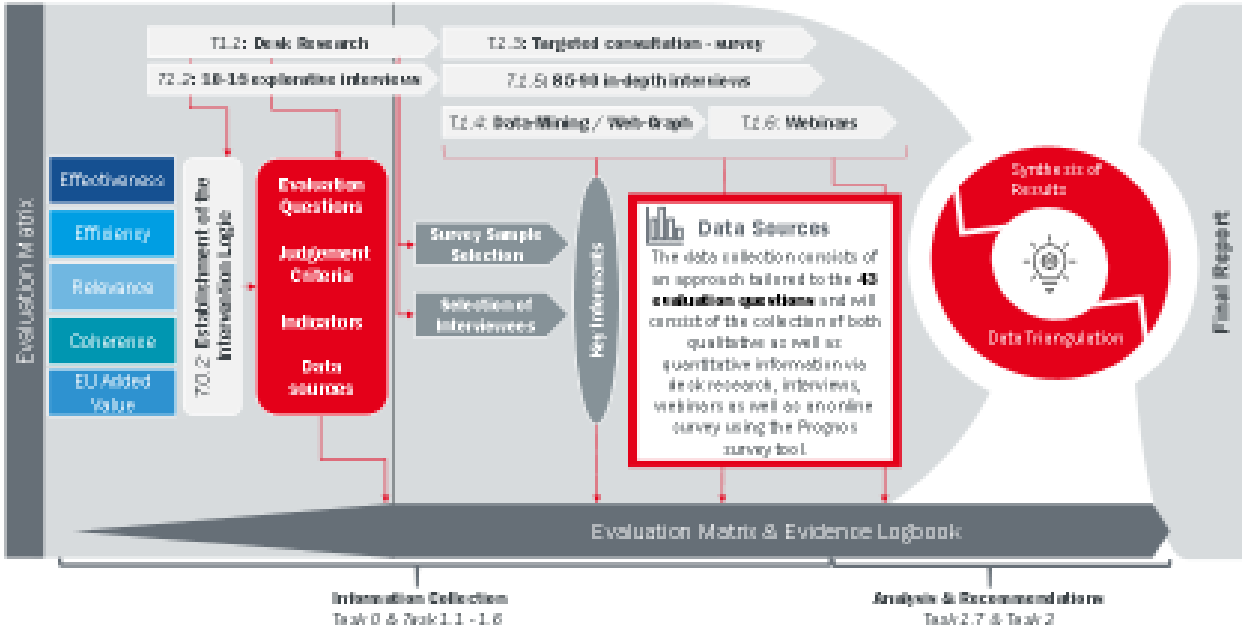
Scope of the study and its objectives:



Evaluation of the effects of
EU cluster support
programmes supported from
2014 to 2020

and **recommendations** for
upcoming programmes

Overview of the evaluation approach



Selected EU cluster initiatives and evaluation questions



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1

Partnering projects between Cluster Organisations

- **INNOSUP-1**
- **ESCP Go International (ESCP-4i)**
- **ESCP for Excellence (ESPC-4x)**
- ESCP for Smart Specialisation (ESCP-S3)
- Low Carbon Business Actions in Mexico & Brazil (LCBA)



Examples of evaluation questions

- To what extent has support from the Commission to clusters still responded to SME needs? (*relevance*)
- Has the type of support been effective for the SMEs & clusters that most need the support? (*effectiveness*)
- Are the different cluster initiatives implemented coherently between them? (*coherence*)
- What is the added value of the cluster initiatives being conducted at the EU level? (*EU added value*)



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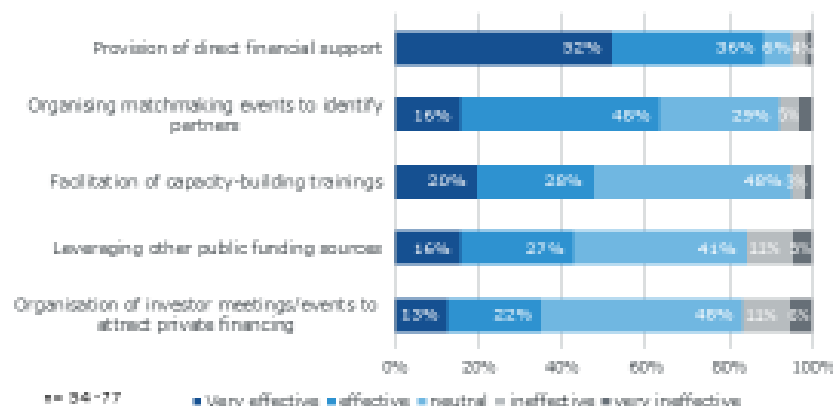


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Key findings on the partnering projects

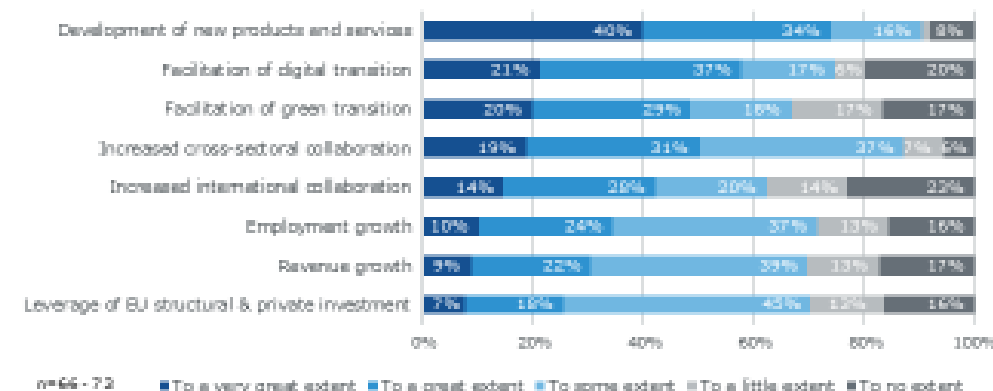
Effectiveness and effects of INNOSUP-1

Effectiveness of INNOSUP-1 - SME perspective



- **Financial support** provided through intermediaries has worked well and has been effective to initiate prototyping, feasibility studies etc.
- **Capacity building trainings** important, but need to be targeted and come hand in hand with financial support (e.g., funnel approach)

Effects of INNOSUP-1 on SMEs



Key effects of INNOSUP-1 on SMEs:

- Development of new products and services, facilitation of digital and green transition as well as increased cross-sectoral collaboration.
- Less strong impact on overall SME performance (revenue growth, employment growth).



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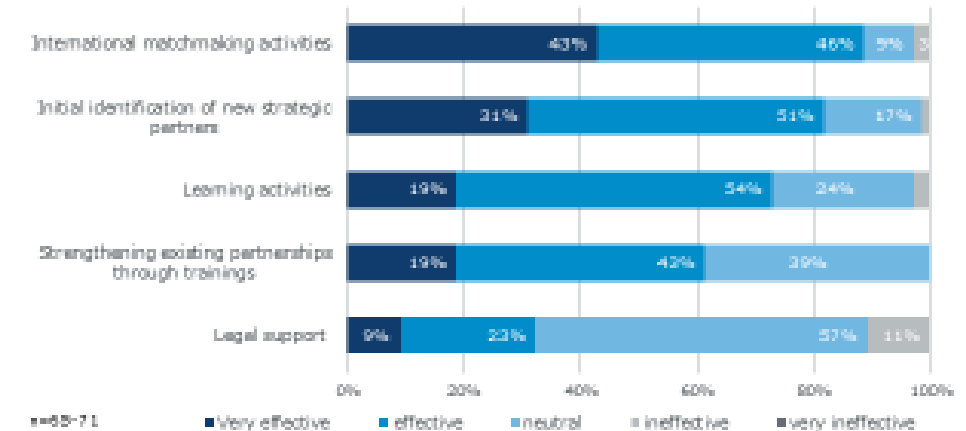
Effectiveness and effects of ESCP-4i

Effectiveness of ESCP-4i – cluster perspective



- Identification of strategic partners and matchmaking activities led to **increased collaboration and higher visibility** abroad of European cluster organisations and their members
- Limited evidence to what extent cluster partnerships were effective for SMEs to internationalise

Effects of ESCP-4i on cluster organisations



Key effects of ESCP4-i on cluster organisations:

- International matchmaking activities and initial identification of new strategic partners
- Learning activities and strengthened existing partnerships.



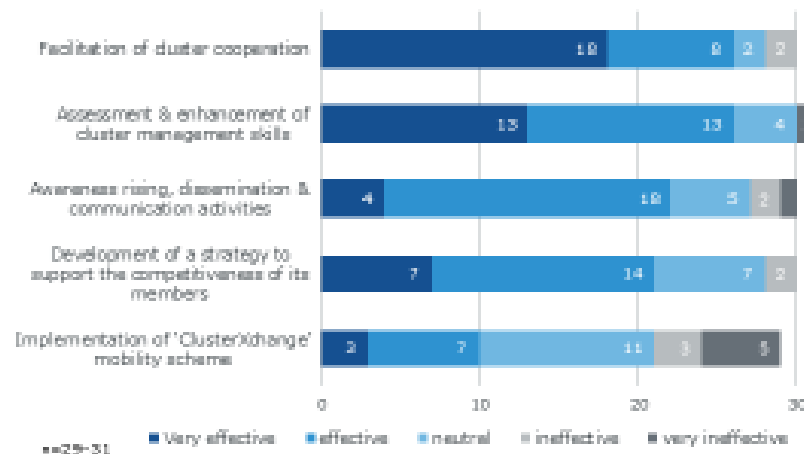
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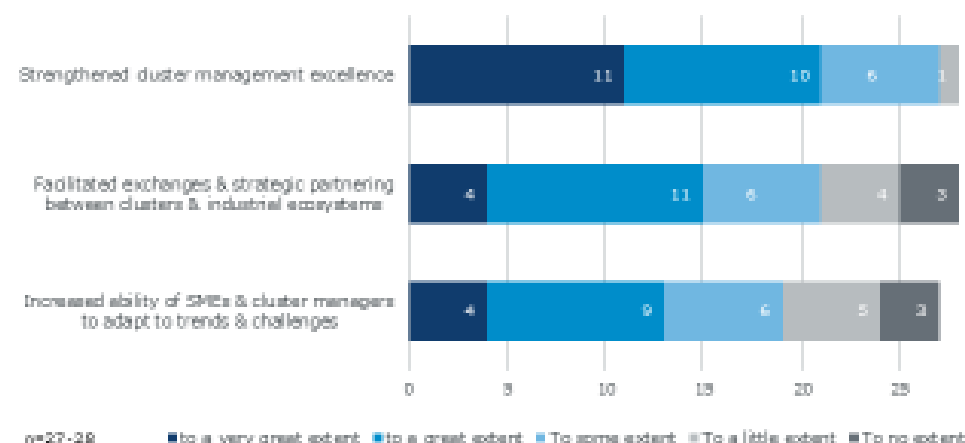
Effectiveness and effects of ESCP-4x

Effectiveness of ESCP-4x – cluster perspective



- Survey data & interviews suggest that the support was effective in **enhancing cluster collaboration** and **cluster management skills**.
- Implementation of "ClusterXchange" pilot scheme is considered as less effective by stakeholders – but: COVID-19 restrictions hampered its activities substantially.

Effects of ESCP-4x on cluster organisations



Key effects of ESCP4-x on cluster organisations:

- Strengthened cluster management excellence
- Facilitation of exchanges and partnering between clusters and industrial ecosystems.



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Selected statements from the interviews



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Training need to be really specific, if they are too generic then there is no need to spend resources on it; training and mentoring activities need to be very timely. (Cluster organisation – INNOSUP-1)

"I liked it that we were kind of forced to rethink our cluster strategy, cluster design, business model etc. We participated in some training & analysed our cluster organisation from the perspective of the business model. The activities helped us to evaluate our strengths and weaknesses – and we would never have found time to do it otherwise (Cluster organisation – ESCP-4x)

The participation at an international mission helped us to get in touch with new contacts, but it's hard to say if our participation has led to concrete business cooperation as it was only one single event (SME – ESCP-4i)

The ESCP-S3 helped us to become more visible, to establish more contacts and to become more actively engaged in policy-making. (Cluster organisation – ESCP-S3)

What is needed is boots on the ground in the target countries, with local knowledge and the ability to identify the real needs of end-users. (Cluster organisation – LCBA)

Image: Koroll; abstract of interview

Overview – Assessment per evaluation criterion for **partnering projects**



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Evaluation criterion	INNOSUP-1	ESCP-4i	ESCP-4x	ESCP-S3	LCBA
Effectiveness	●	●	●	●	●
Efficiency	●	●	●	●	●
Relevance	●	●	●	●	●
Coherence	●	●	●	●	●
EU added-value	●	●	●	●	●

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Legend: green = full fulfilment of criterion, yellow = limited fulfilment of criterion, red = no fulfilment of the criterion.

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Recommendations

Activities considered as particularly relevant from cluster support programmes by the European Commission

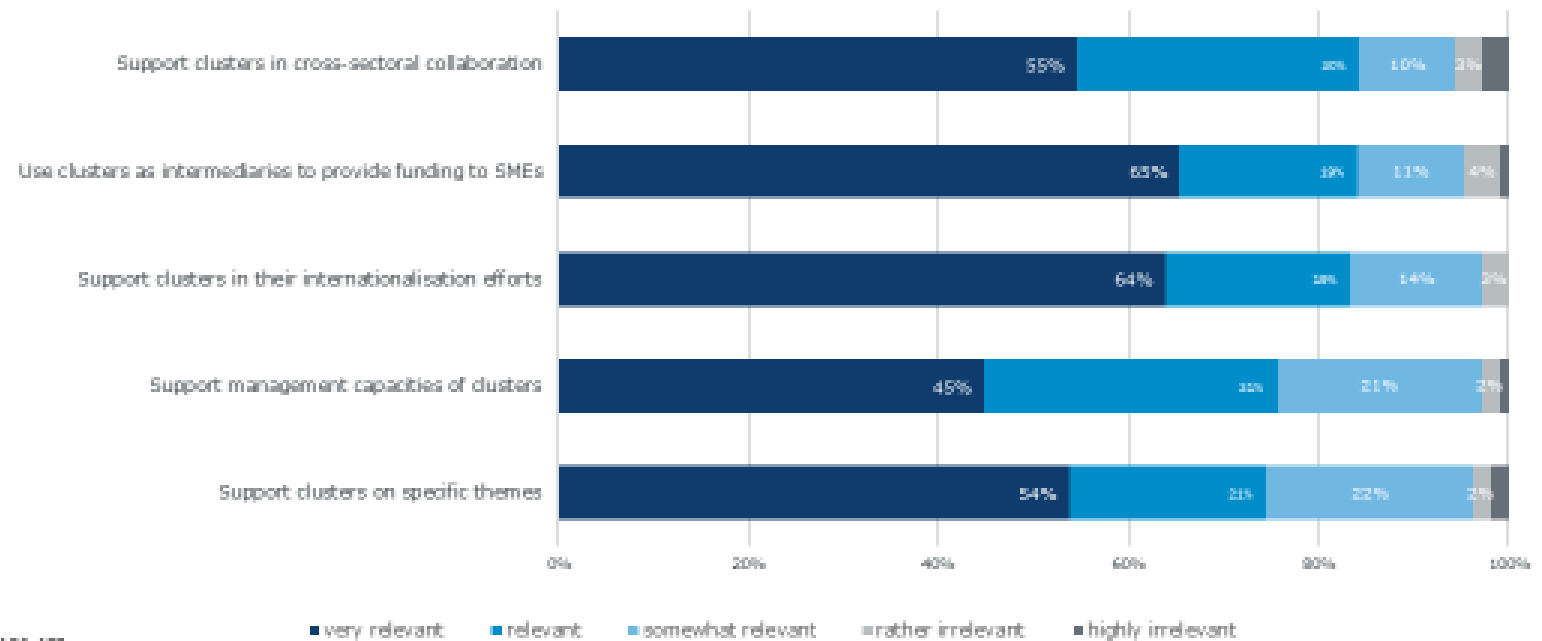
Majority of clusters regard activities related to cross-sectoral collaboration, providing funding to SMEs & internationalisation as most relevant



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Overview of recommendations

Overarching strategic recommendations					
Support cluster organisations on glocalisation journey		Focus partnering projects on blending digital adoption & sustainable value creation		Reinforce investments in upgrading cluster business models	
Recommendations for next generation of EU cluster support programmes			Recommendations for next generation of EU cluster platforms		
Partnering & cooperation to facilitate the digital & green transition & build resilience		Partnering & cooperation to match & develop skills and talents		Define the target group for the ECCP & EREK	Define the identity of cluster platforms compared to other (EU) platforms
Innovation support to SMEs		Internationalisation efforts of SMEs		ECCP4S3: Utilise ECCP to re-inforce Smart Specialisation	Utilise ECCP to foster long-lasting cross-border cluster collaborations:
Monitoring systems		Building complementarities with other EU Initiatives		Finetune information on ECCP to stimulate uptake by clusters	



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Thank you very much



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Looking ahead.

The policy we need to strengthen European clusters



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EU Cluster Policy Evaluation:

An Opportunity to Engage, Learn, and Develop



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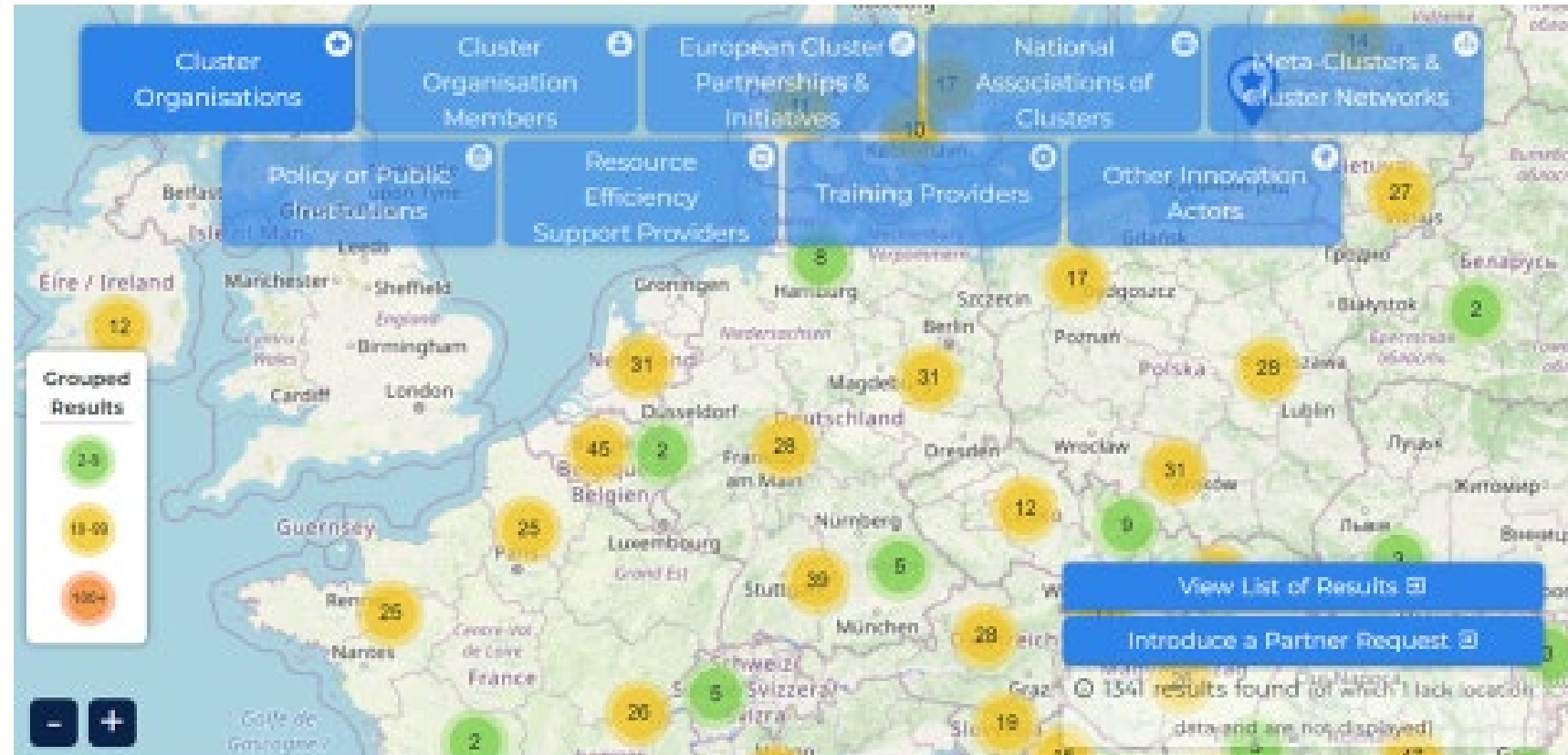
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27 January 2022*

Europe – Opportunities for Partnerships



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Europe – The Global Laboratory for Cluster Initiatives



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- Large number of cluster efforts across Europe
- Programs focused on key issues facing our economies ✓
- Participants report benefits ✓
- Administration has become easier ✓



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What Objectives Does the EU Cluster Policy Pursue?

- **The Dual Transitions, Resilience, ...**
 - Important to connect to political priorities of the Commission
 - And evaluation shows their relevance for project participants
- But little if any guidance on **HOW the cluster programs contribute to achieving these policy goals** concretely? Are the cluster programs central to achieving these goals?
- **How does this matter?**
 - Relevance for companies blurred
 - Lack of clarity on what activities policy aims to achieve
 - Tracking and evaluation becomes harder



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What **Objectives**
Does the
EU Cluster Policy
Pursue?

What is the
Role of the
EU Cluster Policy
In the Overall
Policy Mix?

- EU is not a nation state, but EC cluster policy often appears to act like it is.
- How does it engage with **member state cluster policies**? Strengthen, complement, ...
- How does it engage with **other EU policies** targeted at specific regions across Europe, e.g. regional policy, innovation?



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What **Objectives**
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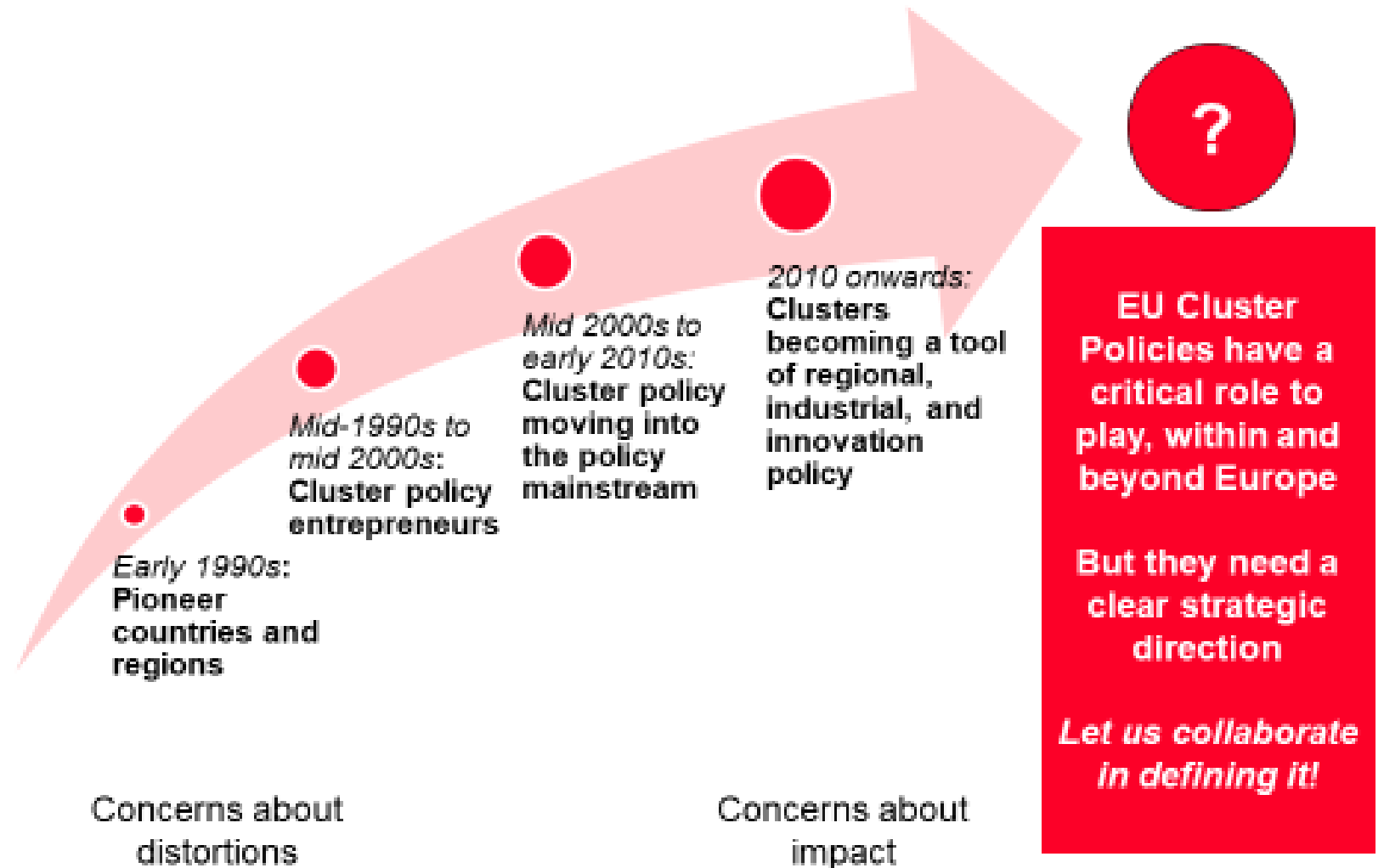
Is the
EU Cluster Policy
a **Learning**
Policy?

The Changing Face of European Cluster Policy



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The policy support we need to strengthen clusters

Open discussion with participants

TCI NETWORK

TCI GLOBAL WEBINAR

JANUARY 27, 2022

A LOOK INTO EUROPEAN CLUSTER POLICY


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Thank you and stay safe!