

STRATEGIC CLUSTER POLICIES FOR NEW GROWTH

SHAPING STRATEGIC PARTNERSHIPS FOR THE TRANSFORMATION OF OUR ECONOMIES

PROGRAMME

13.30-13.35: **Welcome** by Secretary-General **Dirk Van Melkebeke**

13.35- 13.45: **Key-Note** by Minister-President **Kris Peeters**

13.45-14.05: **SESSION ONE** cluster policy development in Europe

- **The emergence of new targeted cluster policies in Flanders** (Jan Larosse, Department EWI , Flemish Government)

- **The evolution of cluster policies in Basque Country** (Cristina Oyon, Strategic Innovation Manager , Basque Business Development Agency).

- **The internationalisation of clusters in Baden-Württemberg** (Günter Clar, Director of Regional Strategies & Innovation, at Steinbeis Europa-Zentrum (SEZ), Stuttgart.

- **The transition of innovation policy to system innovation policy in Finland** (Raine Hermans, Strategy Director, Tekes Finland.)

15.15-15.30: Pause

15.30-17.00: **SESSION TWO** Policy Debate moderated by Prof. **Koenraad Debackere**

15.30-16.15: **Expert debate** (speakers and additional experts: **Alberto Pezzi**, Director of Competitive Strategy and Clusters Division Catalonia; Board member TCI Cluster Network; **Carsten Schierenbeck**, Policy Officer, 'Clusters and support for SMEs', DG ENTR, EC)

16.15-17.00: **Cluster managers debate** (directors from lead-cluster platforms in Flanders and abroad):

Jan Van Havenbergh, Managing Director FISCH; **Peter Simkens**, Managing Director DSP Valley; **Henk Joos**, General Director FlandersBio; **John Blankendaal**, Managing Director Brainport Industries; **Marc Hufkens**, Managing Director Flanders' Bike Valley

17.00-17.10: Conclusions by the moderator

17.10 - 18.00: Network drink





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EWI-Focus on 'Strategic cluster policy'

Towards a targeted cluster policy in Flanders

Jan Larosse – Dep EWI

Vlaamse overheid



Overview

1. Setting the scene:

- A paradigm shift in the economy ... hidden beneath the surface
- New solutions, new policies: it is a 'discovery process'!



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- Transition policy / targeted innovation policy / new industrial policy
- Smart specialisation as a method for prioritisation (Concept Note of the Flemish Government of 8 March 2013)
- Vanguard Initiative New Growth through Smart Specialisation: international positioning to accelerate targeting



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Hidden beneath the surface ...



In depth analysis is needed : some highlights

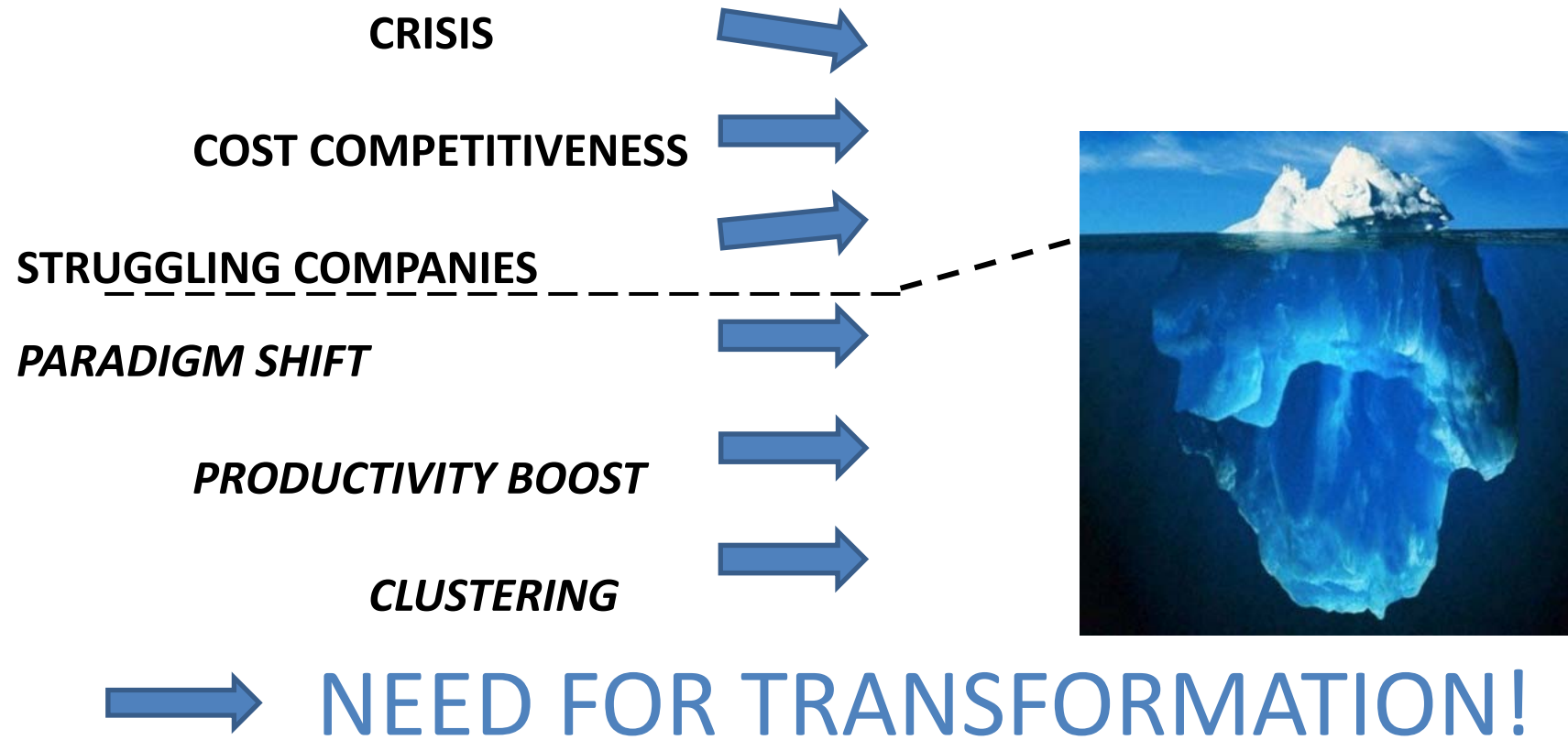


Hidden beneath the surface ...

1. A paradigm shift:
'Industry 4.0' = **New Industrial Revolution**
'glocalisation': re-industrialisation in Europe
'sustainable growth': by societal challenges
as markets of the future
2. Flanders' competitiveness problem:
1/3 = explained by labour cost evolution;
2/3 = by increasing **productivity slowdown**
3. Unexploited resources for a new productivity boost: **cluster development**
= open innovation (exploiting knowledge spillovers)
= 'economies of integration' in value chains
= smart specialisations in new growth markets of the future



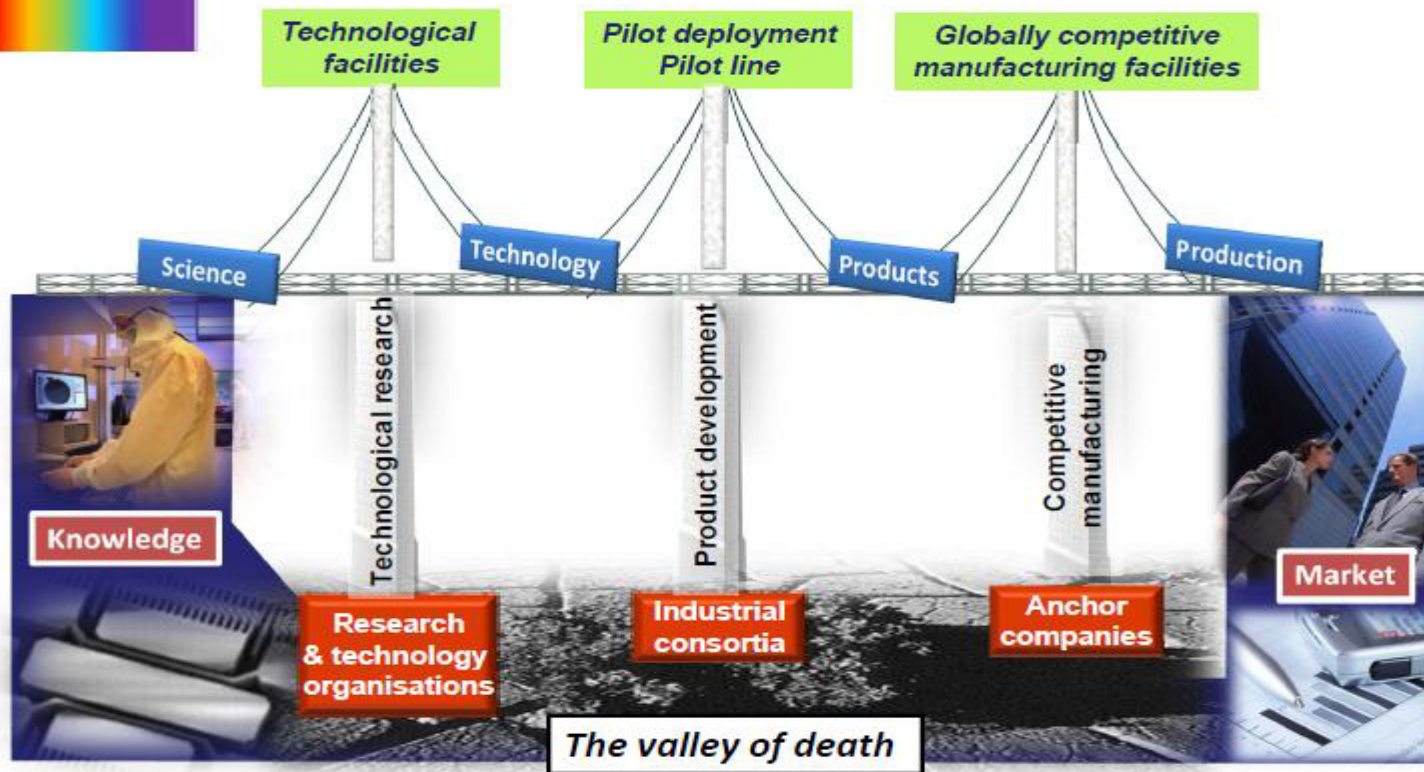
Hidden beneath the surface ...



Bridging the 'innovation gap'



European « three pillars bridge » to pass across the « valley of death »



EU 2020 – HORIZON 2020: Three priorities

Excellent Science

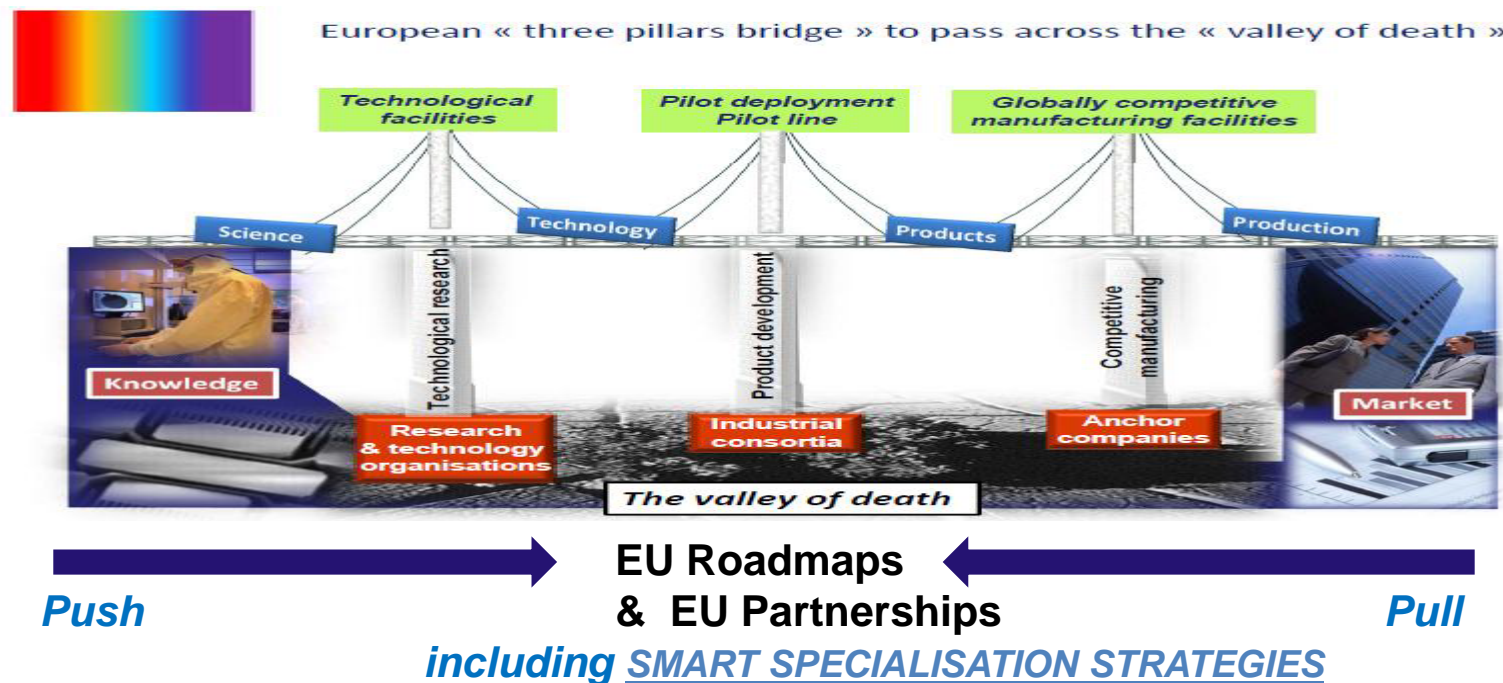
ERC

Industrial Leadership

Key Enabling Technologies

Societal Challenges

Health, Food, Energy...



Bridging ... with spearhead clusters

EU 2020 – HORIZON 2020: Three priorities

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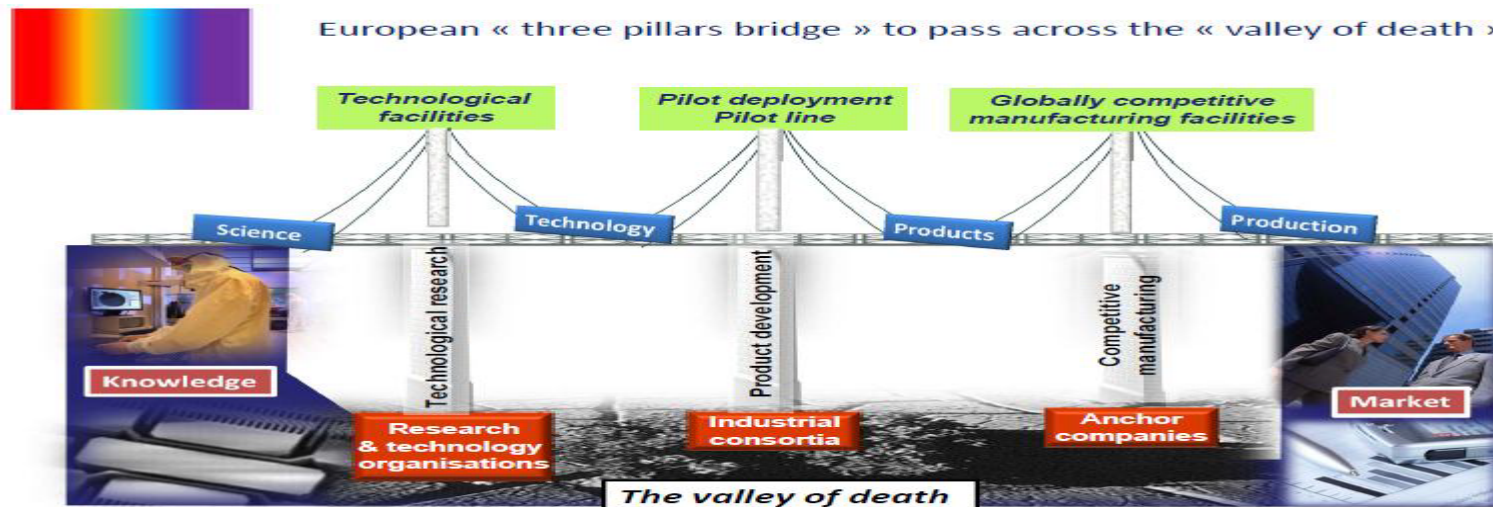
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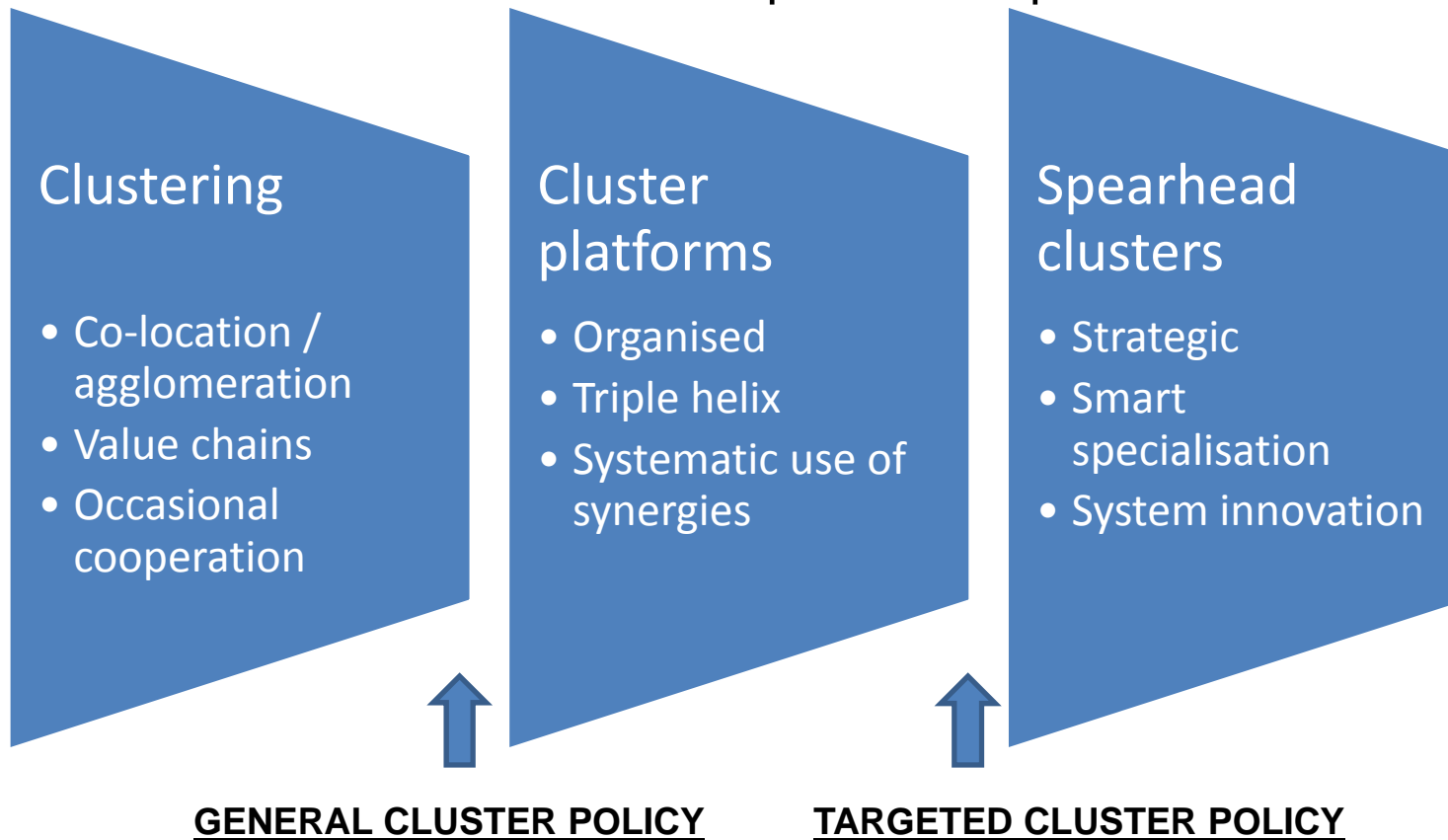
Vlaamse overheid



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Cluster development

Increasing self-organisation of interlinked companies and related institutes in a specific competence area



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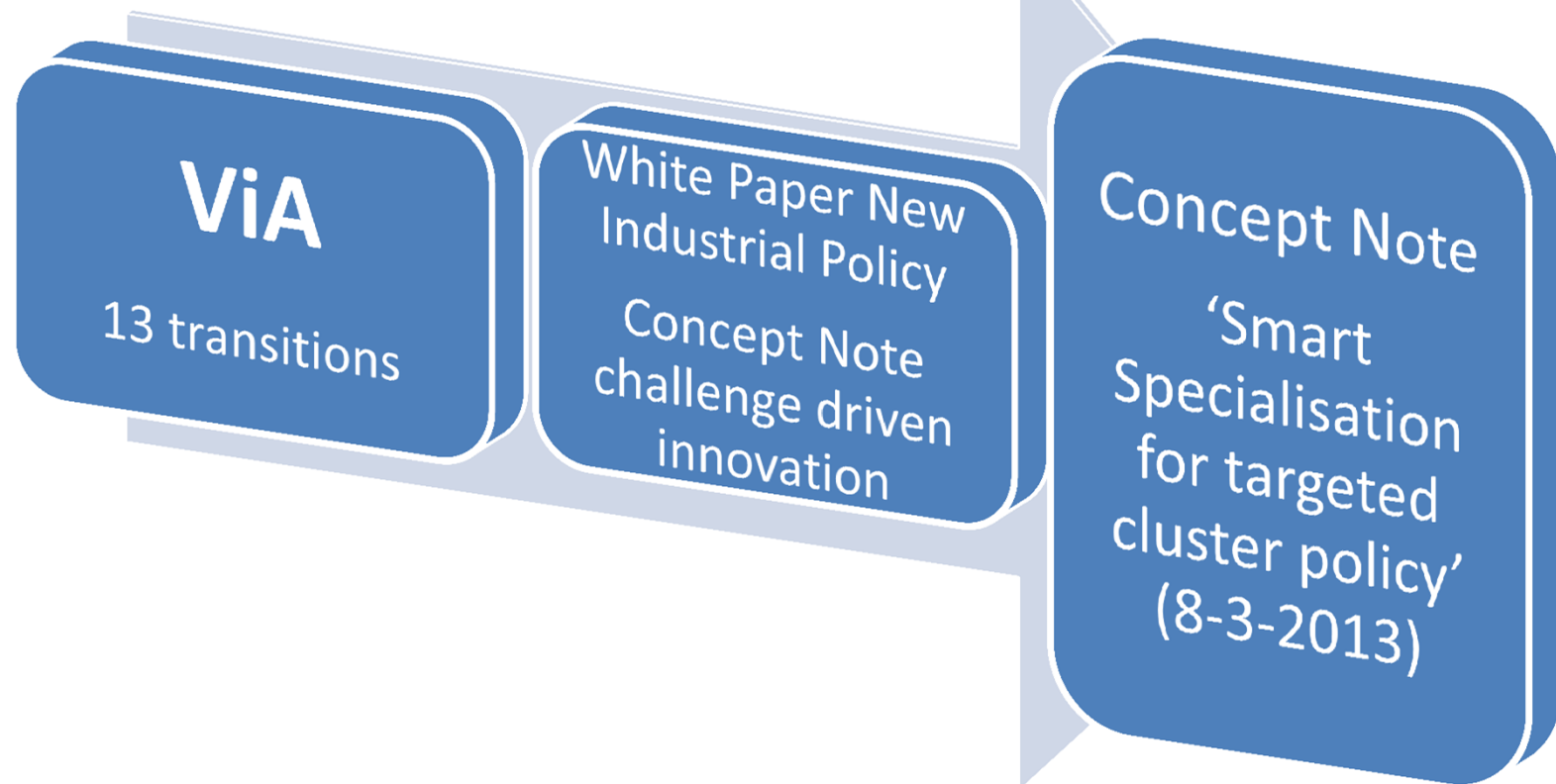
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Strategy development in Flanders : towards a targeted policy for an actor driven economic transition



Strategy development upto 2014

1. **Flanders in Action: transitions** at whole-of-gov level
2. Challenge driven **targeted innovation policy** (six innovation hubs)
3. **New Industrial Policy**: a new approach for transformation by value chains and clusters
Smart specialisation: giving focus
4. **Concept Note March 2013**: a method! / international positioning of local eco-systems & clusters!
5. **Vanguard Initiative**: interactive strategy development for interregional complementarities



1. Transition Management in Flanders

- **'Flanders in Action' & 'Pact 2020' (2009):** societal challenges as policy drivers! In line with EU 2020 strategy.
- Government-wide adoption of **'transition management'** with 'transition managers' for 13 transitions: but ... how to align departments for domain overarching policies?
- **Challenge-driven innovation** (6 innovation hubs: industrial transformation, green energy, innovation in care, sustainable mobility, eco-innovation, social innovation)
- **Different** (overlapping) strategic frameworks exist: sustainable development strategy, action plans for transformation NIB, targeted innovation strategy (Innovation Directory Groups), Foresight exercises (S&I Council),
- Need for **consolidation** of efforts! Transparant governance.



2. New Industrial Policy : an integrated approach for economic transformation

***Action Plan with 50
Actions in 4 policy
pillars and supporting
policies***

**Economic
pillar**

***A new approach by
value chains, clusters
and grand projects***

**Innovation
pillar**

**Framework conditions:
regulation; energy; FDI;**

Industry Council

**Competence
pillar**

**Infrastructure
pillar**



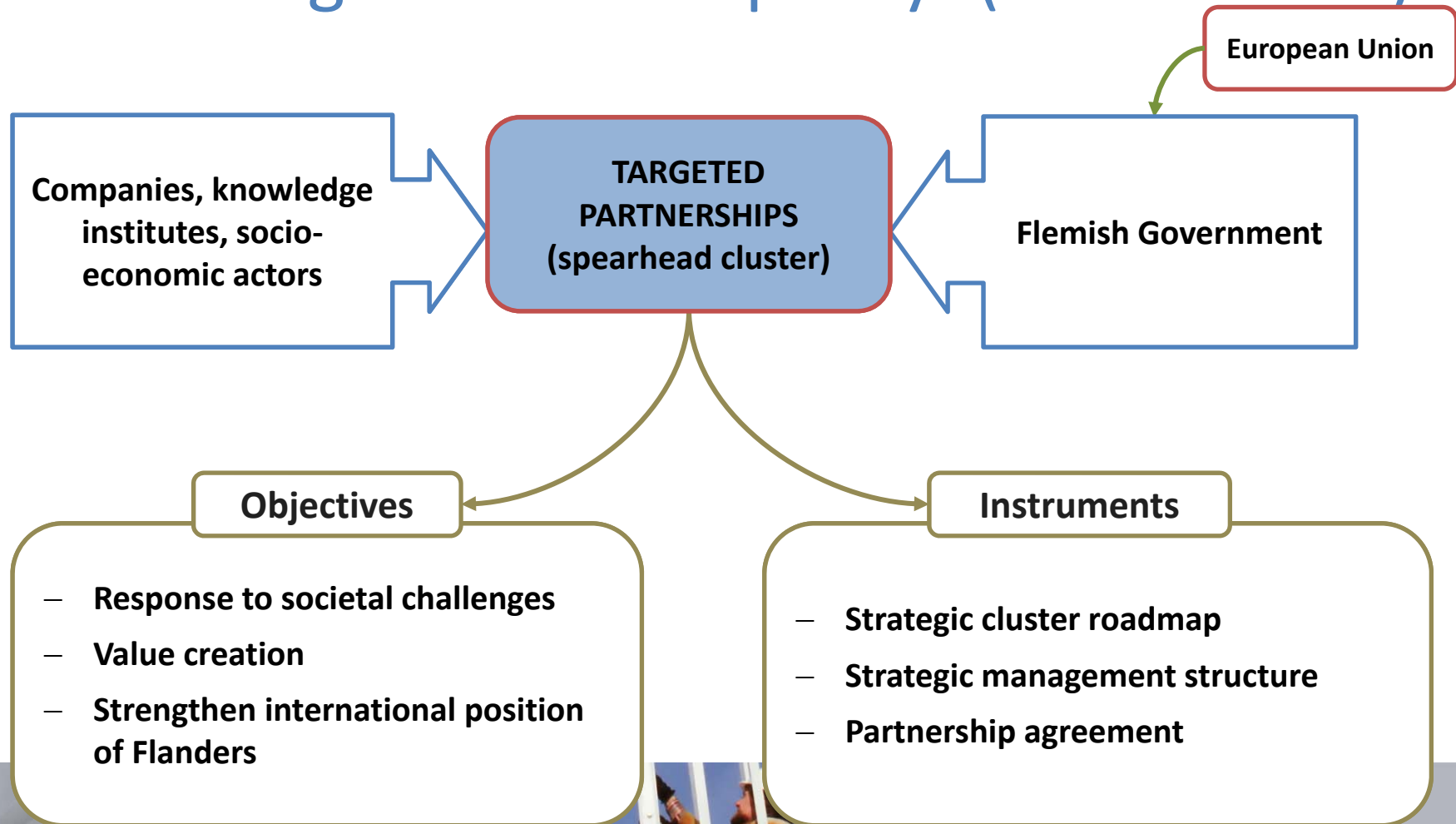
Smart Specialisation: a new approach for focussing transformation

- What are the key clusters? **Not** 'picking winners'
- Smart specialisation = bottom-up '**self-discovery** process'!
- OECD case-studies (2011): sustainable chemistry / Nano4Health = starting from **strengths**, with different transformation strategies.
- European context: smart specialisation as 'ex ante conditionality'
- Concept Note 'Smart Specialisation Strategy for a targeted cluster policy' (adopted by Flemish Gov, March 2013): **method for prioritisation** based on:
 - Bottom-up 'entrepreneurial discovery' process in local eco-system
 - International positioning
 - Strategic partnership for the implementation of validated roadmaps



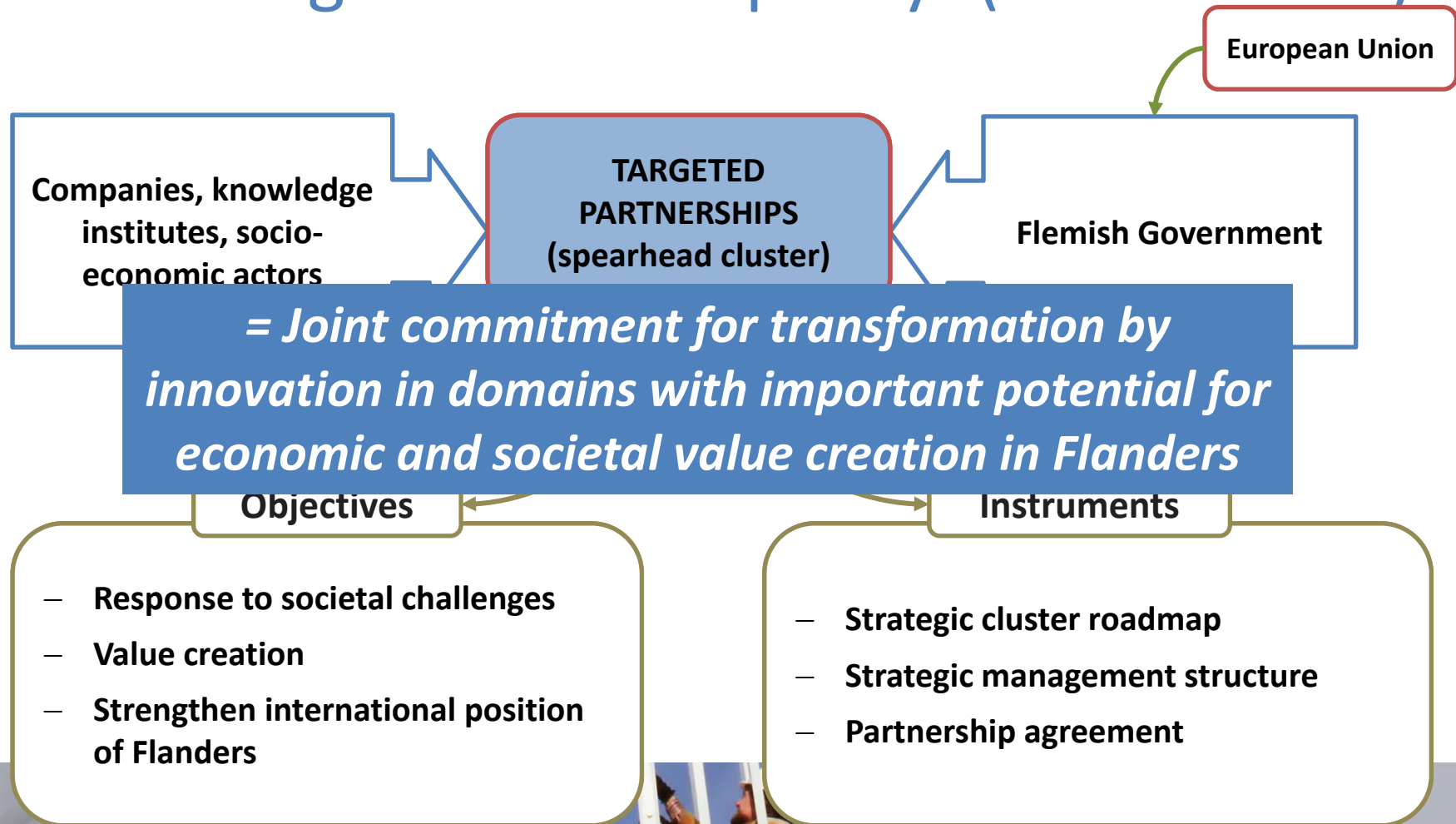
4. Concept Note

'A smart specialisation strategy for a targeted cluster policy' (March 2013)



Concept Paper

'A smart specialisation strategy for a targeted cluster policy' (March 2013)



Strategic partnerships between government and spearhead clusters

Instruments of a targeted cluster policy (in development)

1. A **'strategic roadmap'** that specifies objectives, milestones and commitments will be further developed in cooperation between the spearhead cluster and the Flemish government
2. A **'light' management structure will be supported by the Flemish government to strengthen the strategic capacity of the cluster platform**
3. A **'partnership agreement' will seal a long term commitment of all partners engaged in the execution of the roadmap. Operated via a 'structured dialogue', engaging earmarked budgets in the government instruments, accompanied by 'account managers'.**

Roadmapping for identification of smart specialisations

A **roadmap** in the context of New Industrial Policy is

- a **step-by-step plan** for the development of a **new value chain** within a strategy for **smart specialisation**
- with a clear **strategic focus** on industrialisation (e.g. new pilots to demonstrate new solutions and upscale them to the level of manufacturing).
- this roadmap reflects the deployment of an **eco-systeem** that is required to support this and
- the **commitments** of all participants
- It is a graphical visualisation of a strategy that oversees objectives and milestones in a mid-term time-frame.

Roadmapping is a structured search **process** through strategic interaction within and among clusters in order to identify value-creating opportunities and to implement them in strategic pathways



Roadmap-ping to organise the discovery process

Transition is a journey:

5 steps process



=

5. Vanguard Initiative New Growth by Smart Specialisation

"Regions as motors of new growth through smart specialisation – matching strategies for common goals"

8 November 2013

European Parliament, Rue Wiertz 60, 1040 Brussels (morning), Committee of the Regions, Rue Belliard 99-101, 1040 Brussels (afternoon)

**Launch
of the
Vanguard
Initiative
for smart
speciali-
sation**



Hermann Van Rompuy



Danuta Hübner



Johannes Hahn



Maire Geoghegan-Quinn



Kris Peeters



Ann Mettler

The Vanguard Initiative for New Growth by Smart Specialisation.

- **WHAT** – an initiative of **political leaders of regions** that commit to Europe's industrial future supported by smart specialisation, through the development of multi-level European investment and cluster initiatives for emerging and transforming industries in a European growth strategy.
- **WHY** – need to **deliver on jobs and growth and foster global competitiveness by investments in strategic priority domains** for Europe's re-industrialisation (with a focus on new pilot activities).
- **WHO** – regions with strong **industrial ambitions** and smart specialisation strategies for their structural renewal (beyond the ex-ante conditionality)
- **HOW** – by sharing information to **initiate bottom-up vanguard initiatives**, developing common roadmaps and multi-level approaches to stimulate investment and enabling local clusters with global potential to develop into world-class clusters
- **WHEN** – initiated to influence the European Council in February 2014 and future investment opportunities in priority areas for the re-industrialisation of Europe.



17 Participating Regions: milestones

8 November (High-Level Conference): 10 partners gathered on invitation of Minister-President Kris Peeters of Flanders

- *Basque Country*
- *Lombardy*
- *Malopolska*
- *Northrhein-Westfalia*
- *Rhône-Alpes*
- *Region Skåne*
- *Scotland*
- *Tampere region*
- *Flanders*
- *Wallonia*
- *South-Netherlands*
(*Limburg, Noord-Brabant & Zeeland*)

30 January (High-Level Meeting): 15 partners signed a **Letter to the European Council**

- *Asturia*
- *Baden-Württemberg;*
- *Norte*
- *Upper Austria*

New participants: 17 partners up to now.

- *Catalonia*
- *Silisia*

The partnership is **open to all that share its ambition**



Three Objectives

1. **Political engagement** of regions for interregional cooperation on the basis of smart specialisation in European strategic priority areas: exchange of good practices and alignment of roadmaps to achieve complementarities.
2. **Focus** on a investment boost in large-scale demonstrators and pilots for deploying lead-markets (such as KETs, bio-based products, sustainable construction, clean vehicles, smart grids, ...), supported by instruments at all policy levels
3. **Upgrading** regional clusters into world-class clusters through cross-border cooperation and networking in international value chains.



Three Objectives

1. **Political engagement** of regions for interactive cooperation on the basis of smart specialisation in European clusters: exchange of good practices and alignment of complementarities.
2. **Focus** on a investments and pilots for deploying innovative projects, sustainable construction, supported by instruments at all policy levels.
3. **Upgrading** clusters into world-class clusters through cross-border cooperation and working in international value chains.

A Framework for interactive development of S3 and alignment of cluster initiatives



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Where are we now?

Policy

EU 2020

VIA PACT 2020

Targeted cluster
policy

ROADMAPS

NIB CLUSTERS

Learning Platform

PRE-CLUSTERPROJECTEN

ACTOREN NIB

Entrepreneurship

EU 2020 7 Flagships (innovation, digital agenda, sustainable industrial policy, resource efficiency, poverty, youth and training)

FLANDERS' CARE	HERNIEUWBARE ENERGIE & SMART GRIDS	SLIMME MOBILITEIT	DUURZAAM MATERIAALBEHEER	FLANDERS FOOD
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SMART
SPECIALISATION



FISCH

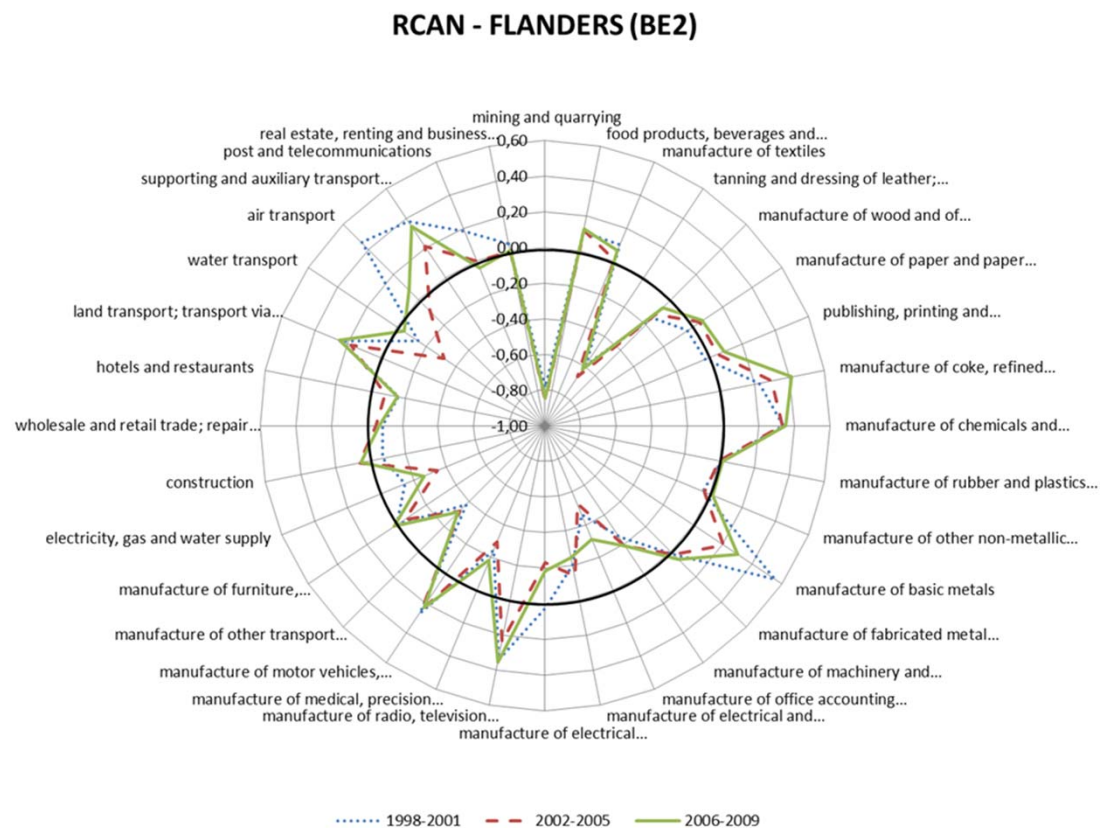
BIO BASE

DSP VALLEY

How to proceed?

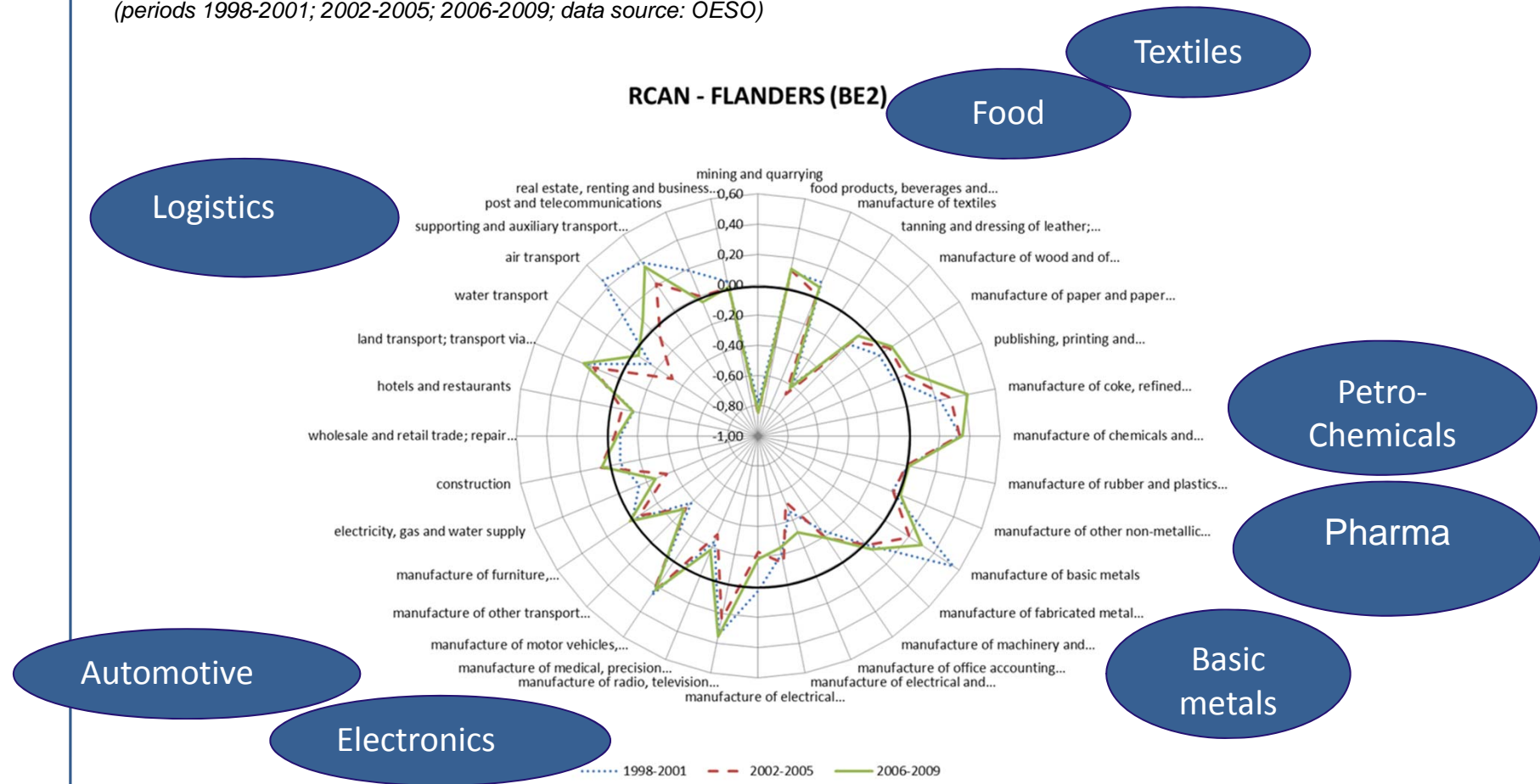
Starting from actual strenghts in the economy

*Relative economic specialisation of Flanders in terms of employment: compared to OECD-countries
(periods 1998-2001; 2002-2005; 2006-2009; data source: OECD)*



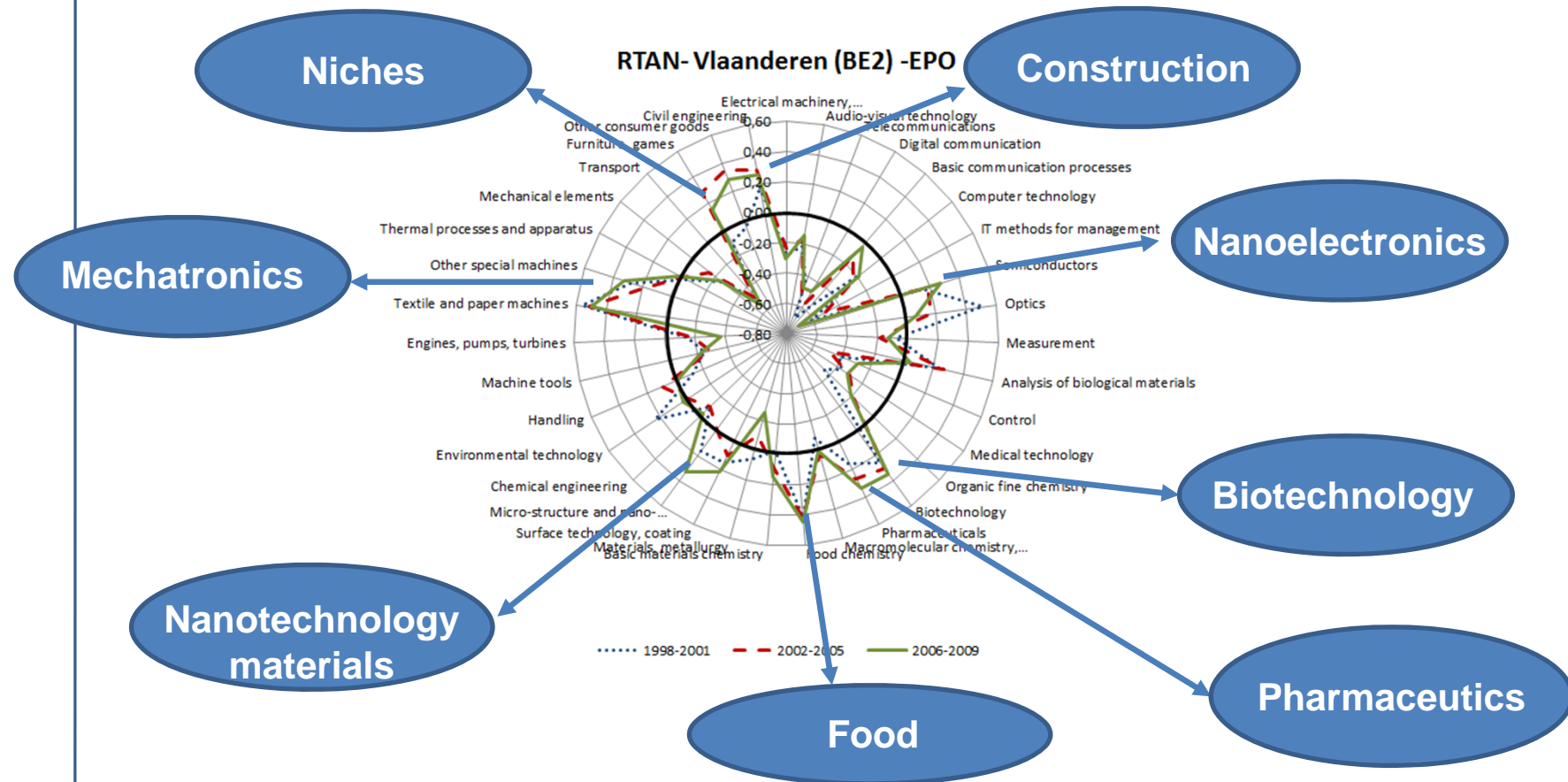
Relative specialisation in mature economic sectors

Relative economic specialisation of Flanders in terms of employment
(periods 1998-2001; 2002-2005; 2006-2009; data source: OESO)



Relative technological specialisation: matching

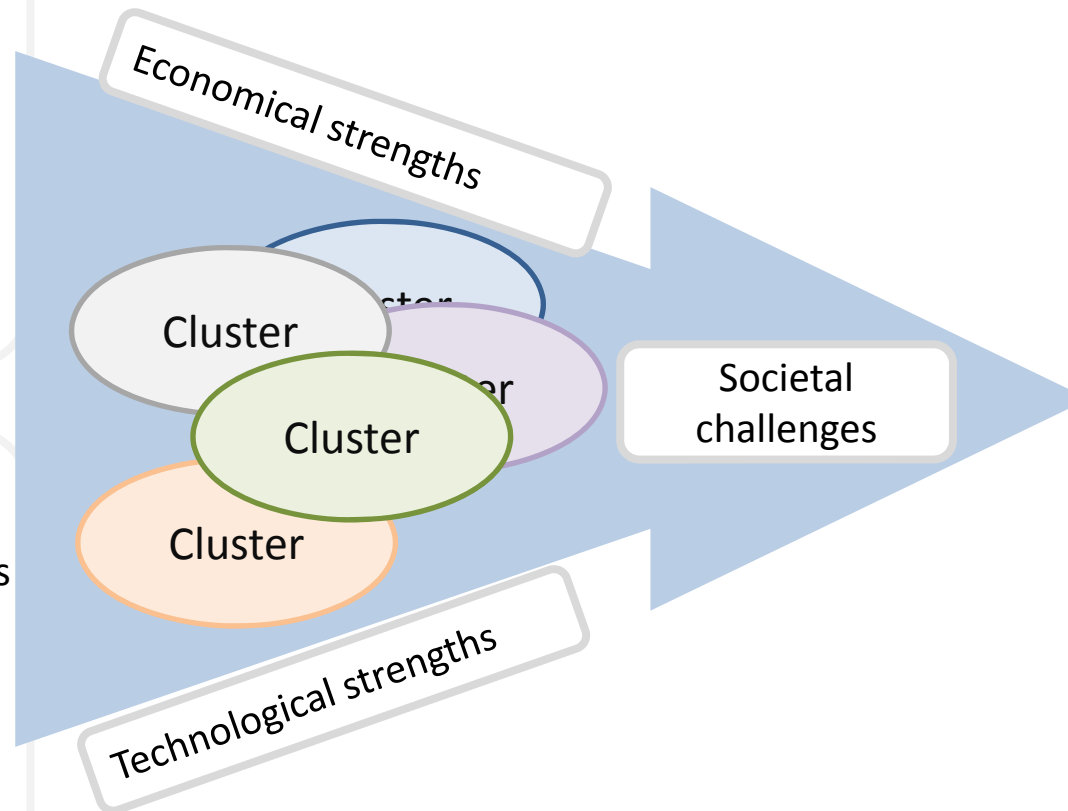
*Relative technological specialisation of Flanders
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Spearhead clusters

- (Petro-)chemicals
- Plastics
- Food
- Technical textile
- Logistics
- Pharma
- Many niches
- ...

- Bio-technology
- Nano-electronics
- Mechatronics
- New materials
- Measurement systems
- Imaging
- ICT-apps
- ...



ViA transitions:

- Energy
- Materials
- Space
- Housing
- Mobility
- Care / Health
- Food
- Poverty
- Cities
- ...

PACT 2020 (2.0)



Vlaamse overheid

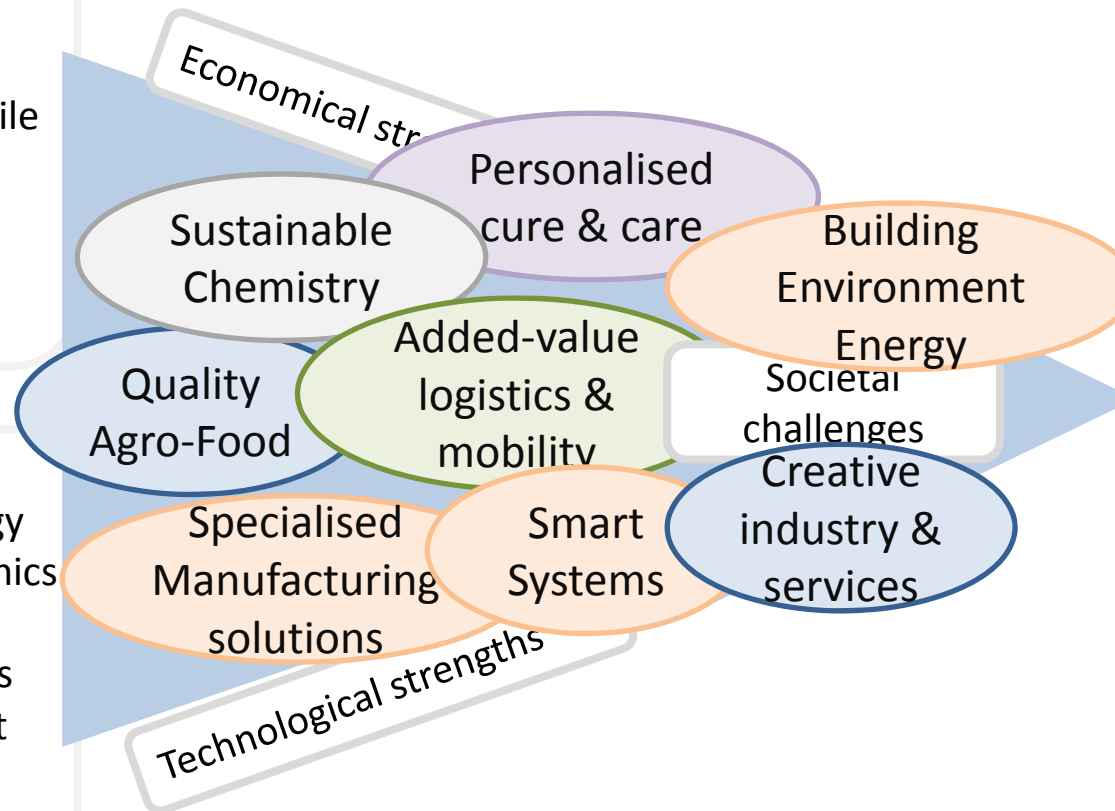


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13 ViA transities

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- ...

PACT 2020

Discovery of smart specialisations at cross-roads



Development of partnerships: increasing maturity levels

Smart specialisation:
(self) selection on
the basis of **criteria**:

- Response societal challenge?
- Substantial economic value-added?
- Strong international position?
- Critical mass?
- Additionality?
- ...

Experiments projects for value creating opportunities
by cross-sectoral innovation for transition challenges

Cluster platform organisation of
triple/quadruple helix, synergies from
networking

Roadmapping co-development
of vision and strategy for value
creation

Partnership
mutual commitment for
common goals

Targeted
cluster policy
with **portfolio** of
intensive
partnerships

↑
Toolbox of
support
instruments
(IWT, AO, FIT,
PMV-TINA, ...)

An Agenda for targeted cluster policy

1. Development of a **Smart specialisation strategy**
method for the identification of priority innovation efforts and international cooperations
2. Development of a **Programme for spearhead clusters**
 1. **Consolidation** of the innovation and economic cluster landscape in **spearhead domains** supported by **strategic management**
 2. Policy framework for whole-of-government **partnership agreements** for transformation (earmarked budgets and dedicated account managers)
 3. Organisation of **transversal teams of account managers** to conduct the structured dialogue with these spearheads in the context of the 'transitions'
 4. Enabling of **cluster organisation** in domains of future strength; and systematic **roadmapping** for European/global smart specialisations + development of **strategic intelligence**
 5. Management of the instrument **toolbox** for transversal support (including development of instruments for demonstration, procurement)
3. Development of a **Transformation and Innovation Pact**





Further questions? Please contact me!

Thank you

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