Tuesday 30th June 2020 at 15:00

Clusters for Next Generation EU
Dialogue between European Commissioner Thierry Breton and European Clusters Alliance

Agenda:

- **Initial remarks from Commissioner Breton**
  European Commissioner Thierry Breton
- **Presentation of the European Clusters Alliance**
  Antonio Novo Guerrero, European Clusters Alliance / Cluster IDiA
- **Clusters powering recovery and resilience**
  Ilaria Massari, Reindustria Innovazione
- **The role of clusters in the European industrial ecosystems**
  Athanasios Konstandopoulos, CERTH
- **Concrete references from European clusters: IoT4Industry and MINE.THE.GAP**
  Marielle Campanella, Pole SCS; Kristiina Jokelainen, Smart North
- **Proposals from the European Clusters Alliance**
  Krzysztof Krystowski, European Clusters Alliance / Silesian Aviation Cluster
- **Feedback from Commissioner Breton**
  European Commissioner Thierry Breton
- **Dialogue**
- **Closing remarks**
  Jean-Luc Beylat, European Clusters Alliance / AFPC

  The recording of the session is available here

Initial remarks from Commissioner Breton

Commissioner Thierry Breton was invited by the moderator Teodora Jilkova to open the session.

Since the beginning of the pandemic, European clusters and agents demonstrated their capability to react quickly, better than in China, US and other continents. The role of clusters is crucial in identifying the needs of European industries and where to allocate future investments. For these reasons, clusters will play a key role in how to support the recovery plan for Europe.

How to support the recovery, the transition, and the transformation?

The transformation will be driven by improving **resilience**, identifying bottlenecks, collecting needs, sharing solutions and best practices, going **green** and enabling **digital solutions: those are the keywords and the key pillars of the transition.**

Next Generation EU is the name of the next financial framework that will characterize the next seven years (2021/2018). The next funding program will help the 14 ecosystems to **develop cross-sectorial projects,** and to **link clusters with these industrial ecosystems**. In the future, it will be crucial to develop **collective actions, collaborations, and partnership**.

Commissioner Thierry Breton concluded the speech emphasizing that "*clusters are essential to accelerate the transformation*".

Presentation of the European Clusters Alliance

The President of European Cluster Alliance, **Antonio Novo Guerrero**, **introduced the Alliance and its objectives**. Clusters drive growth in Europe, showing better performance on key competitive and social indicators.

ECA should be considered as an exemplification of well-functioning ecosystems of related industries and competences. The mission of ECA is to **facilitate and maintain strong, close and trust-based collaborative relations between companies, helping public authorities to strengthen the competitiveness and prosperity of European economy**. Clusters, by bringing together different businesses, encourage innovation, job creation and international trademarks and patents.

Since the beginning of the current crisis, **ECA quickly activated** business-critical projects, mobilizing their member's capacity of investment in Europe, aligning the power of the networks with the top priorities of the European Union. It demonstrated open and fresh thinking, coalescing immediately with whoever was ready and willing to join forces: social movements, any other network, all the European institutions.

Now, ECA **needs to support the development of a coordinated recovery process**, redesigning a more flexible, green, digital and secure, competitive European economy. **Clusters are key actors in the deep transformations the Next Generation EU program will launch**.

Clusters powering recovery and resilience

The question was resilience was presented by **Ilaria Massari**, General Manager of REI - Reindustria Innovazione, a local development agency based in Cremona (Lombardy Region), Italy. In order for the EU recovery plan to be successful, there is the need to **quickly define new roles at any level, ensuring effectiveness and flexibility**.

How can we reorganize now and be prepared for new disruptions to come, investing in resilience instead of creating new resistance? It is essential to have a **fluid collaboration** between all the actors involved, at any level and cross-borders. This is only possible through clusters.

With the arrival of the COVID-19 crisis, clusters reaction at EU level has been forceful: a collective mobilisation with the **quick identification of disruptions** and the creation of the **European Rapid Alert Function**, led by the European Clusters Alliance together with European Commission. It is a constant framework destined to evidence problems in **regulation**, **coordination,** and **funding**, and all the consequent actions, as one of the main innovations in public policy never implemented.

Clusters can respond as quickly as possible to what the industry needs; they are business generators, magnets for talents and investors. Clusters are the best tool to promote European ecosystems and to recover internationally reputation of our industries on the global markets.

The role of Clusters on the European Industrial Ecosystems

Athanasios Konstandopoulos, from CERTH, looked at **the role of clusters** in the European industrial ecosystems from an evolutionary perspective.

In a first stage, individual innovators, inventors and other founders, formed the first cells, islands of excellence, where industrial production was set in motion. These cells at a subsequent evolutionary stage formed industrial value chains, in other words, ecosystems driven by specialization, producing/transforming/assembling components into final products. With the emergence of global challenges and opportunities, increased competition but also collaboration, a third stage emerged, that of **co-evolving ecosystems**. These are driven by **synergies**, including all previous drivers of individuality and specialization.

Clusters create new opportunities for an innovative and competitive Europe, fostering industrial symbiosis/sector coupling and circular economy approaches, in support of the European Recovery Plan and its associated pillars, such as the European Green Deal and the Digital Transformation**.**

What is the role of clusters in industrial ecosystems? How can we **improve the resilience** of the industrial ecosystem, both in times of crisis and for the future as our society advances? He submitted the thesis that "*resilience is a network property*" and clusters serve as **sensors** of the ecosystem, **catalysts** facilitating knowledge sharing and cross-sectorial/cross-regional synergies and finally operate as a **reactors** for the developing of innovative solutions.

Project examples: IoT4Industry and Mine.The.GAP

Marielle Campanella, from Pôle de compétitivité SCS, a French competitiveness cluster based in the region SUD in the field of digital technologies**,** gave a concrete example which shows **the relevance of clusters to participate to the European recovery plan of 14 ecosystems.** The main point was to encourage to consider clusters as **essential pipelines for channelling innovation investments towards their ecosystems**.

SCS is the leader of the **INNOSUP-1 project called IoT4Industry,** which focusses on the **Industry 4.0 value chain** for the integration of IoT technologies into machines, tools and industries based on the principle of **cascade funding.** IoT4Industry consists of **7 European clusters** from France, Italy, Germany, Belgium, and the UK: 3 from the digital sector (including SCS) and 4 from industrial sectors (including another French *pôle de compétitivité* CIMES).

The concrete example presented **how clusters support**, in a very efficient way, their ecosystems **by accelerating the relations between key actors in the value chain.** Thanks to **cross-border and cross-sectoral collaboration between ICT clusters and industrial clusters**, it is possible to provide efficient support to companies. **Matching digitalisation demands with technological offers** will be the **role of Digital Innovation Hubs** and digital clusters can naturally take this position.

Kristiina Jokelainen, from Smart North, presented the **INNOSUP-1 project MINE.THE.GAP.** This project will deliver systematic interregional collaboration aiming to **develop world leading sustainable practises to extract and to refine raw materials** crucial for the industrial and economic growth of EU. MINE.THE.GAP is tying together EU industrial and regional policies at the very practical level and it is supporting the development of the joint cluster activities to create a more permanent EU level operating environment for the sustainable raw material production by engaging strong regional ecosystems/clusters to join the forces and knowledgebase.

MINE.THE.Gap is aiming to upgrade SME competitiveness as industrial service providers to manage industrial symbiosis and to develop circular economy solutions, to strengthen the regional and interregional Business Hubs, and to recognise the social and industrial related value chains with necessary elements to improve. She pointed out that **the EU needs MINE.THE.GAP and associated projects to develop competitive and sustainable industrial ecosystems**.

Proposals on the European Recovery Package

Krzysztof Krystowski, from Silesian Aviation Cluster, is the vice-president of ECA. He recapped the main points and presented ideas for the future collaboration:

- Clusters are probably the **most effective form of supporting SMEs' development** because they are physically close and present in SMEs' daily activities, due to their bottom-up organization.
- Clusters **represent all sectors of the European economy**, but they are not strictly sectoral. Due to their network nature, they jointly run many cross-sectoral projects between companies and researchers from various Member States of the European Union.
- Clusters are probably the **best tool for integrating science** with the economy, operating not only at the interface of these two environments, but "incorporating" these environments inside the movement.
- Clusters are a huge "army". This has been demonstrated by COVID-19 crisis, during which European activity and cooperation coordinated by the **European Clusters Alliance achieved a surprising scale and effectiveness,** first in helping in the health crisis, and then in looking for ideas to how overcome the economic crisis and how to rebuild disrupted European value chains.
- Clusters can be a tool for implementing all the policies of the European Union, Green Economy, Digitalization, Circular Economy, and even a tool for implementing the European Defense Fund with the involvement of small and medium enterprises. Therefore, ECA asks for more trust and more responsibility to implement EU policies.
- Clusters should **become a partner of the Commission** to solve European economic challenges as a partner with large corporations. Clusters should **be part of the new EU Grand Plan, which is Next Generation,** as a kind of "hub" for both large companies and SMEs. Clusters need not only to make such programs more and financially much larger, but above all to include clusters in Europe's development policy as a permanent element of implementing this policy, a partner, but also a useful tool for the European Union's economic development.

Feedback from European Commissioner Thierry Breton

European Commissioner Thierry Breton highlighted the **next steps** for the clusters and the collaboration:

- **Include Cluster Associations in European recovery plan**: representing a vibrant economical sector, cluster associations must **be part of the recovery plans of the EU Member States**, which the Member States will present to the Commission in the last quarter of this year. Commissioner Breton will inform the Ministers of the State members about this meeting.
- **Shift from physical clusters to digital clusters**: geographical and industrial constraints in cluster organization and management can be overcome through digital channels, which have been proved very effective during the last few months of emergency. Creating digital clusters allow to **synergistically act as whole** entity representative of different clusters and needs across the territory and to improve **promptness in reactivity and decision making.**

- **Apply digital technologies and IT technologies in the cluster Ecosystem**: aligning industrial ecosystem with the best practices and infrastructure to improve recovery and sustainability in the long term.
- **Act as bridge and pivot for communication**: acting as a connection point between decisional spheres and local entities and actors, given the deep roots in the local industrial ecosystems that clusters have as key feature.
- **Adopt Digitalization and Sustainability Goals (Green Economy, SDG, etc.):** with the aim to recover from the sanitary crisis of COVID-19 and to increase resiliency of the supply chains in the European Industrial Ecosystem.

Closing remarks

The concluding remarks were drawn by Jean-Luc Beylat, President of AFPC:
- There are a lot of **new challenges.** Structuring a new pass for innovation is critical for Europe
- The EU strategy on identified verticals or ecosystems is very powerful to **reinforce opportunities in Europe** and to **leverage the economy** with a sovereignty-based approach
- **Reinventing services and industries** mean to think outside the former logic of the verticals ecosystems: the impact of digital, climate, and sovereignty show the importance of the system approach and the need to diversify skills, domain, culture, to connect public and private organisations
- **Strongly believe in the cluster approach:** they can connect SMEs on critical technologies and drive innovation journeys
- **Strongly believe in the value of networking clusters** in Europe, to enrich the set of competencies, to accelerate innovation and contribute to develop an internal market in Europe
- **Need of a strong support from the EC** to fund innovative public policies based on clusters