

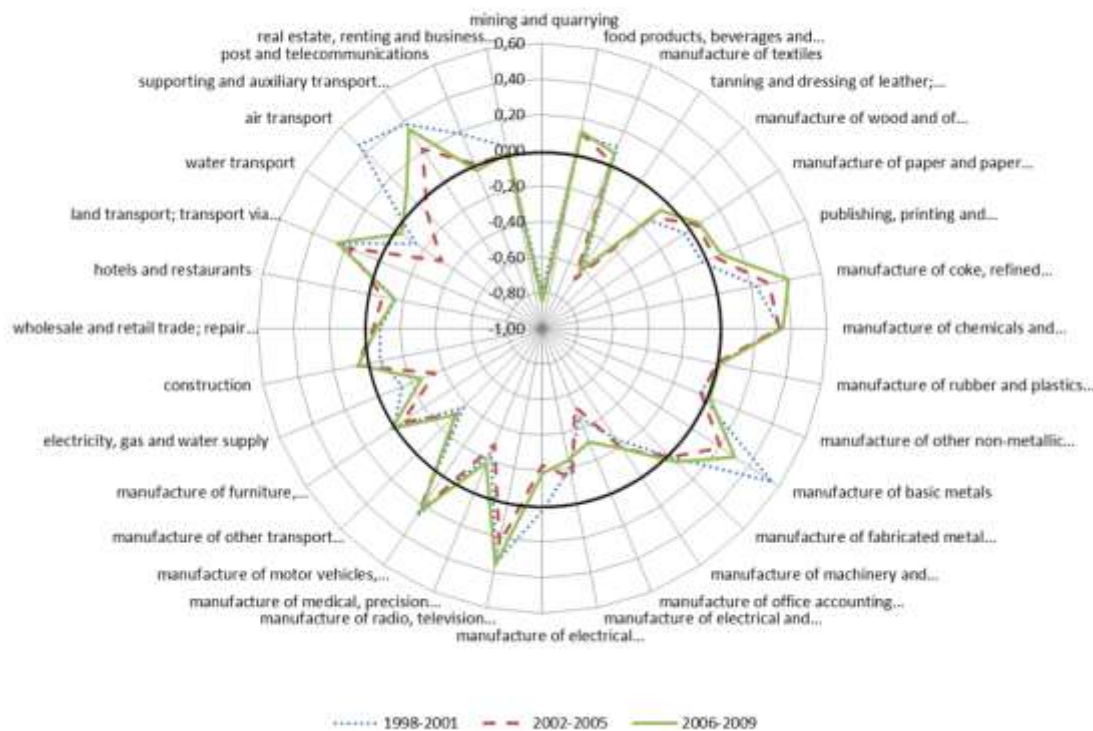


***Tools of strategic governance of industrial innovation:
Smart specialisation***

24 October, ECRN
Jan Larosse

Relative economic specialisations of Flanders

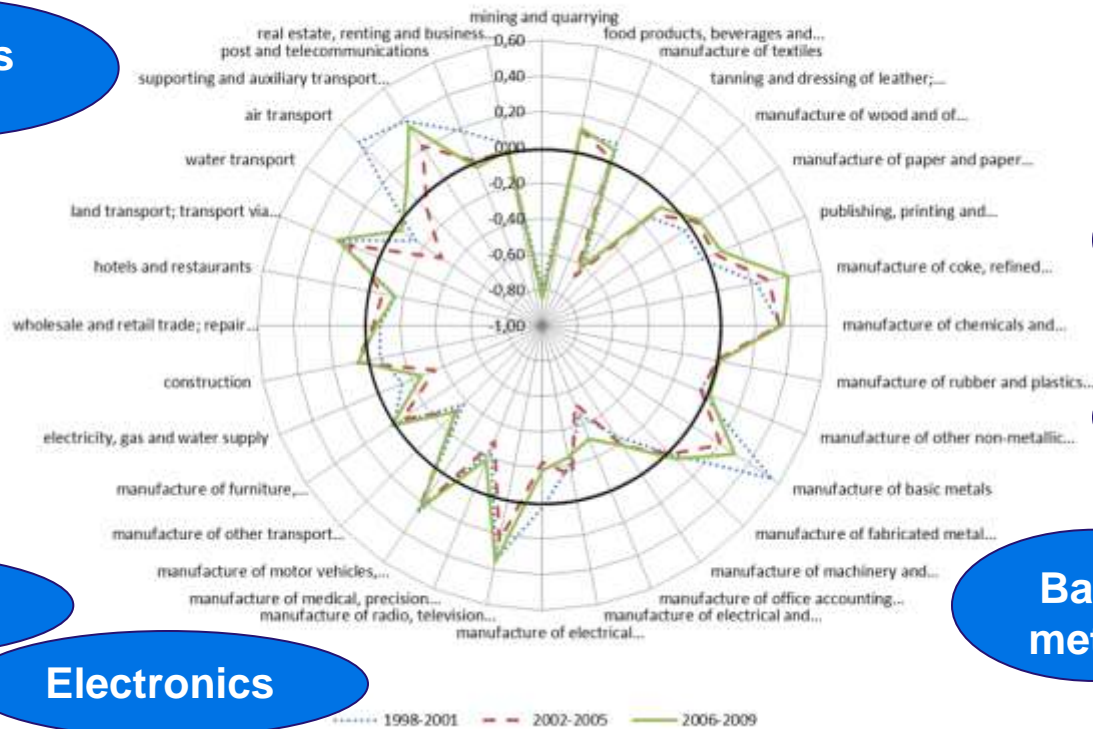
Relatieve economische specialisatie van Vlaanderen in termen van tewerkstelling (periodes 1998-2001; 2002-2005; 2006-2009; databron: OESO)
RCAN - FLANDERS (BE2)



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)

RCAN - FLANDERS (BE2)



Logistics

Automotive

Electronics

Food

Textiles

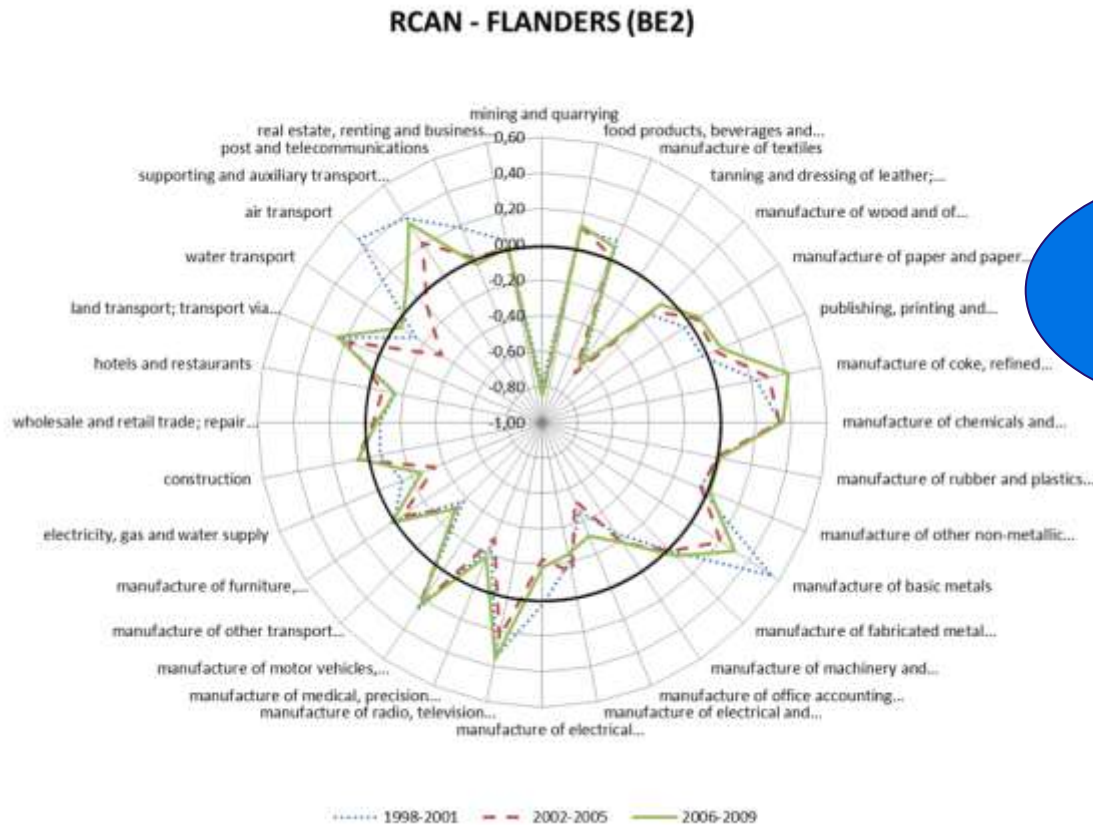
Petro-Chemicals

Pharma

Basic metals

Relative specialisation in mature economic sectors

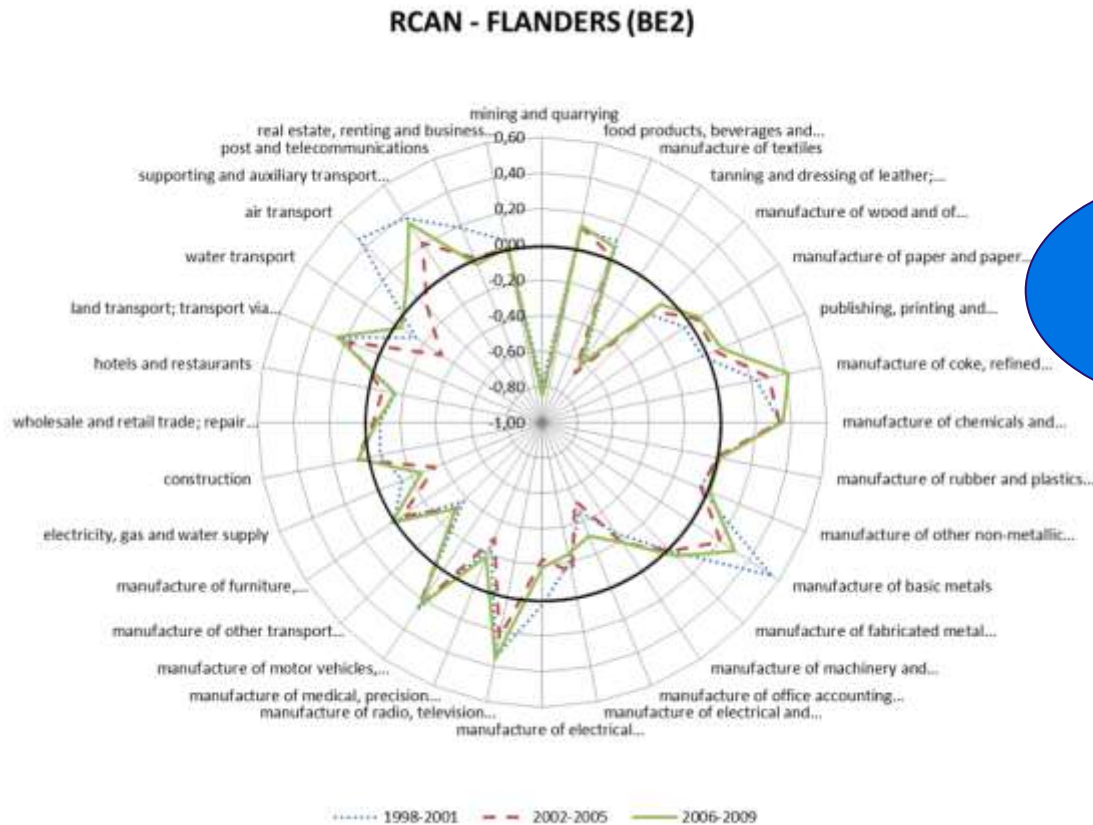
Relative economic specialisation of Flanders in terms of employment
(periods 1998-2001; 2002-2005; 2006-2009; data source: OESO)



Petro-Chemicals

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)



**Petro-
Chemicals**

**TRANSITION TO SUSTAINABLE CHEMISTRY:
FISCH**

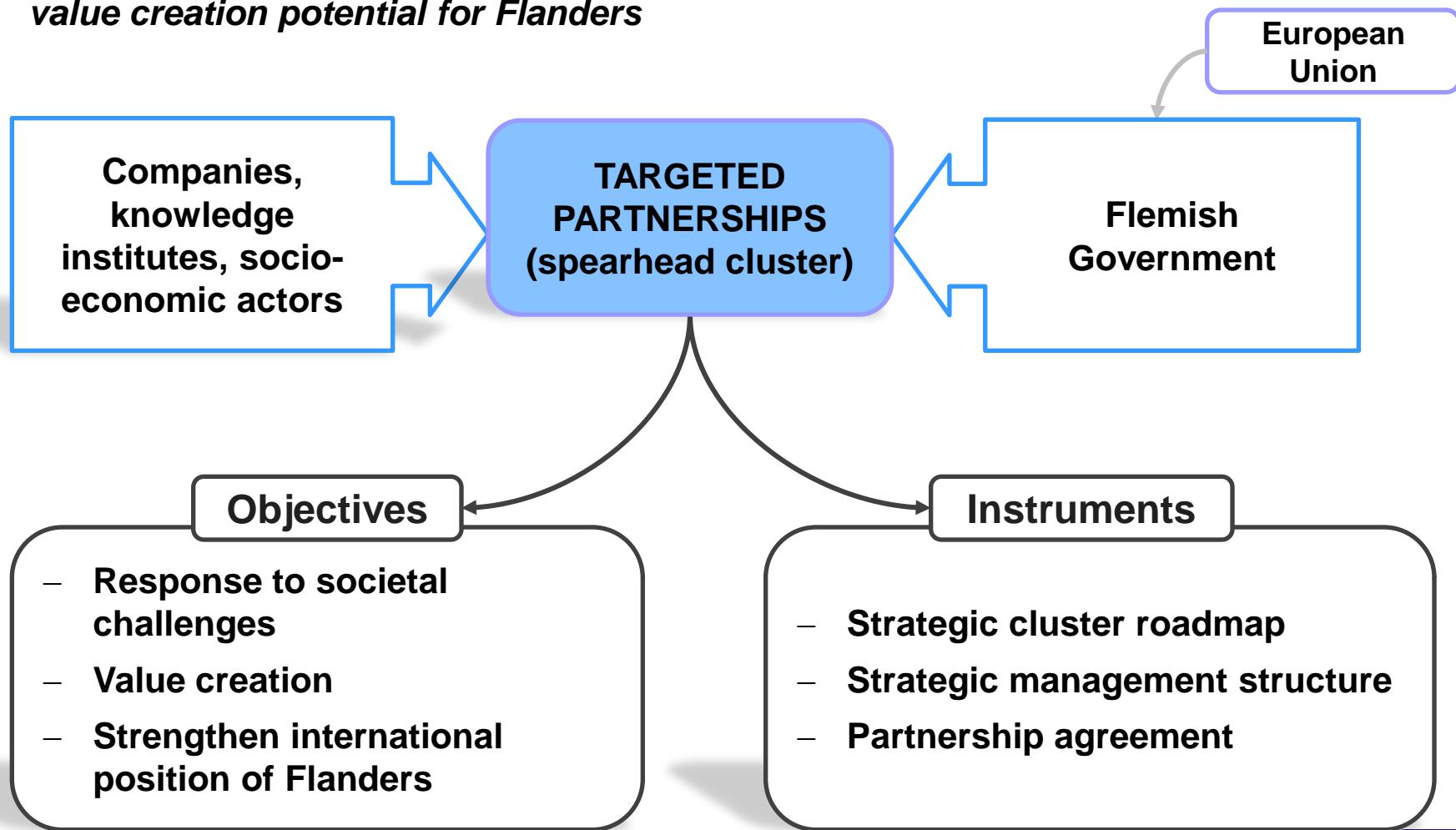
- **New Industrial Policy**
 - Towards a targeted cluster policy
 - FISCH: Strategic Innovation Platform for Sustainable Chemistry
- **Smart Specialisation**
 - ‘Entrepreneurial discovery’: bottom-up process driven by challenges
 - Role of Strategic intelligence
 - Roadmapping: strategic convergence process on common objectives (achieving co-investments in new value chains)
- **Vanguard Initiative ‘New Growth by Smart Specialisation’**
 - Towards an ‘Industrial Compact’ (European Council 2014)
 - Joint statement on role of regions in growth initiative
 - Smart specialisation as a coordination principle: ‘matching strategies for common goals’
 - Leading by example: cross-border cluster bio-based economy NL-FL-NRW

Towards a more targeted policy for transformation

- General evolution in policy development = development of a 'targeted approach'
 - 'Flanders in Action': Government future plan to join top-5 regions in 2020
 - From 'New business model' to 'Transition approach' (societal transitions)
 - Breakthroughs for Flanders? Large thematic areas to start with
= Transition driven growth strategy
 - 'Challenge driven innovation policy' (2010)
 - Formerly only 'bottom-up' innovation policy
 - Six 'innovation hubs' for societal challenges:
 - 'New Industrial Policy' (= economy-innovation-work)
 - Transformation policy by value chains, clusters and grand projects
 - Mobilisation for 'strategic action plans' and 'learning' by 'experiments'
(self-discovery process of smart specialisation!)
- Parallel with EU policy development process
EU 2020 - Innovation Union - Cohesion Policy - Industrial Policy : new strategic partnerships are required!

1. Eco-innovation
2. Green energy
3. Sustainable mobility and logistics
4. Innovation in care
5. Social Innovation
6. Industrial transformation

= Joint commitment for transformation by innovation in domains with important economic and societal value creation potential for Flanders



Targeted partnerships between government and spearhead clusters: operationalisation

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'**.

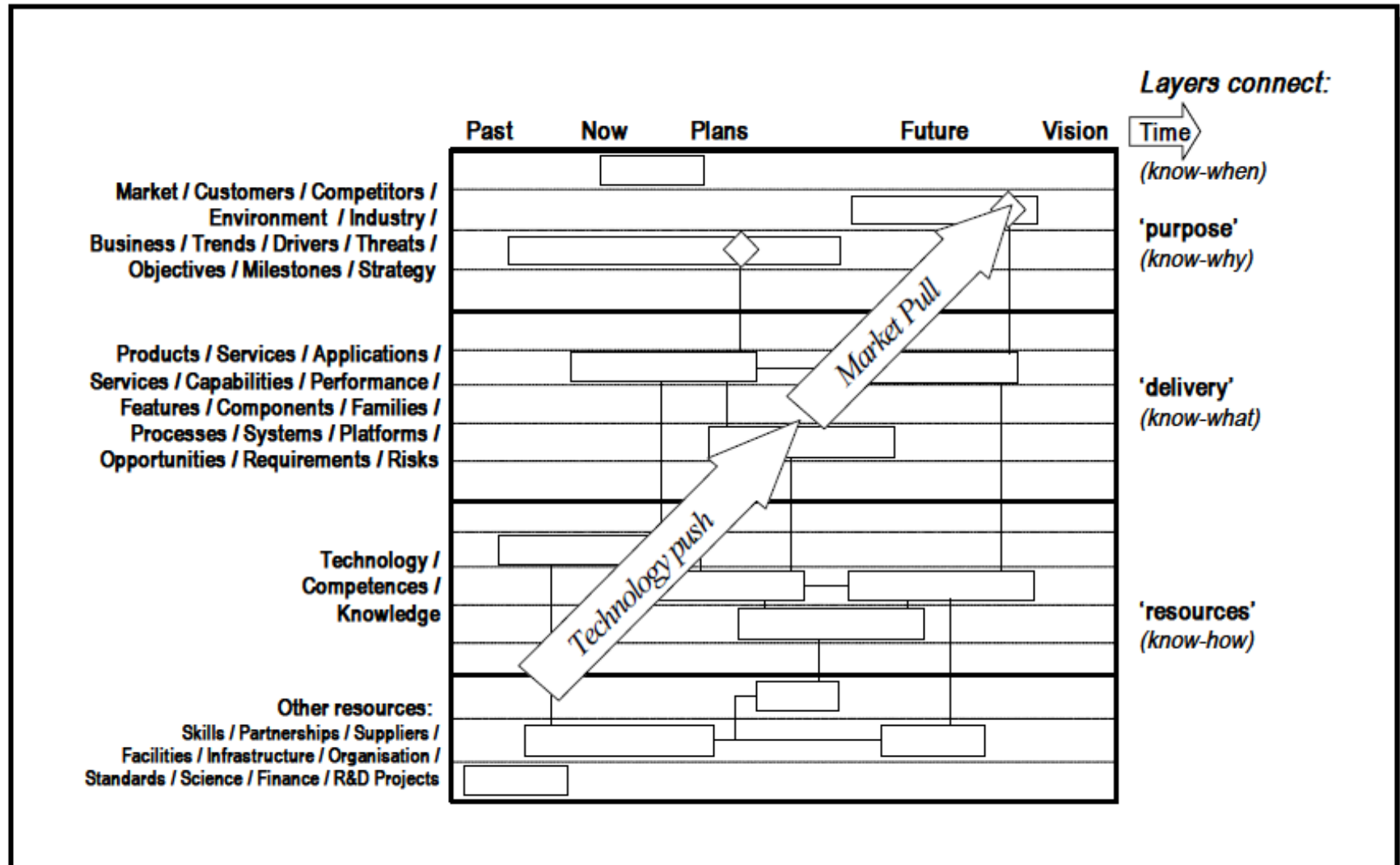
Roadmapping for identification of smart specialisations

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

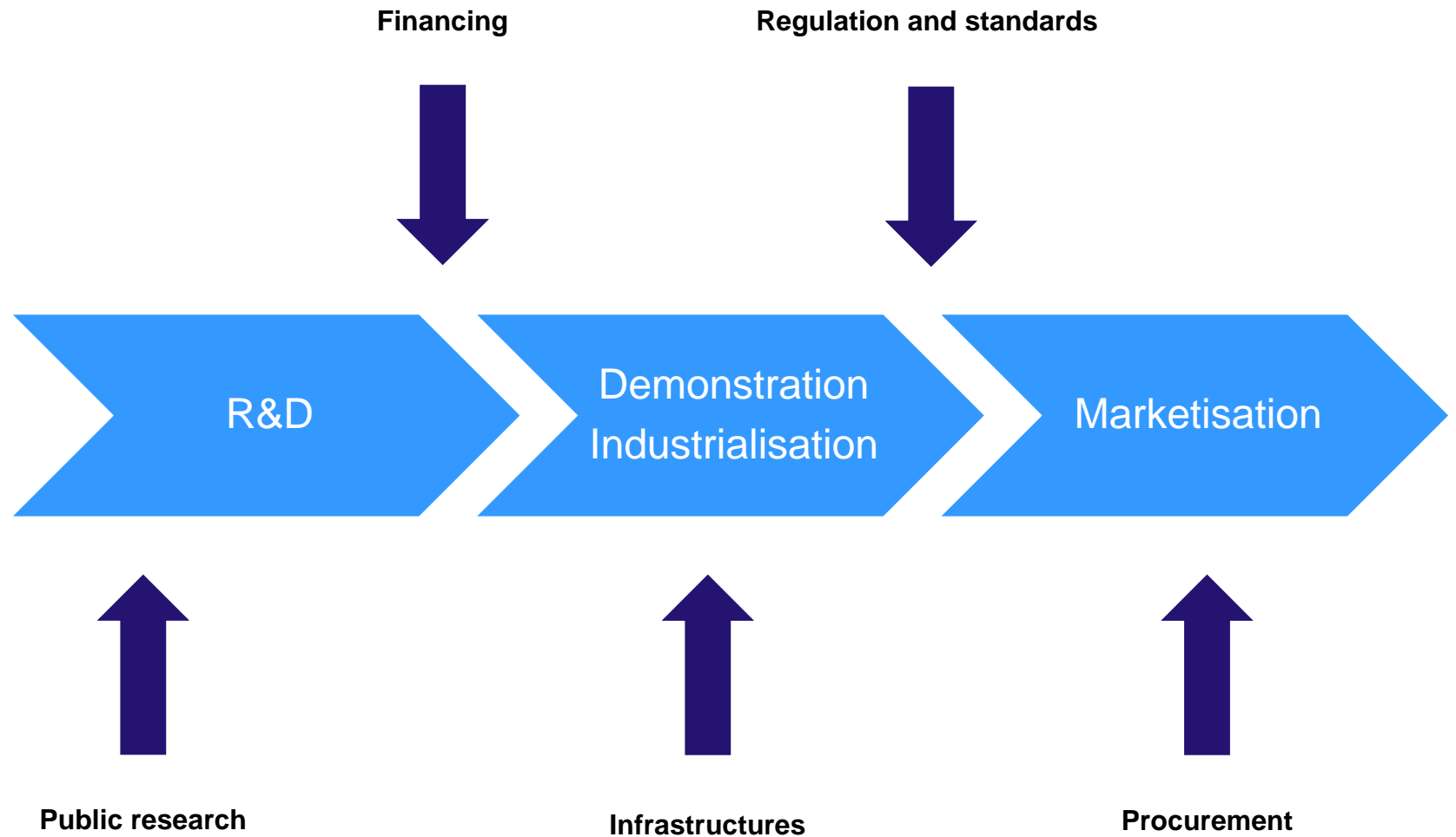
- a **step-by-step plan** for the development of a **new value chain** within a strategy for **smart specialisation**
- with a clear **strategic focus** on industrialisation (e.g. new pilots to demonstrate new solutions and upscale them to the level of manufacturing).
- this roadmap reflects the deployment of an **eco-system** 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.

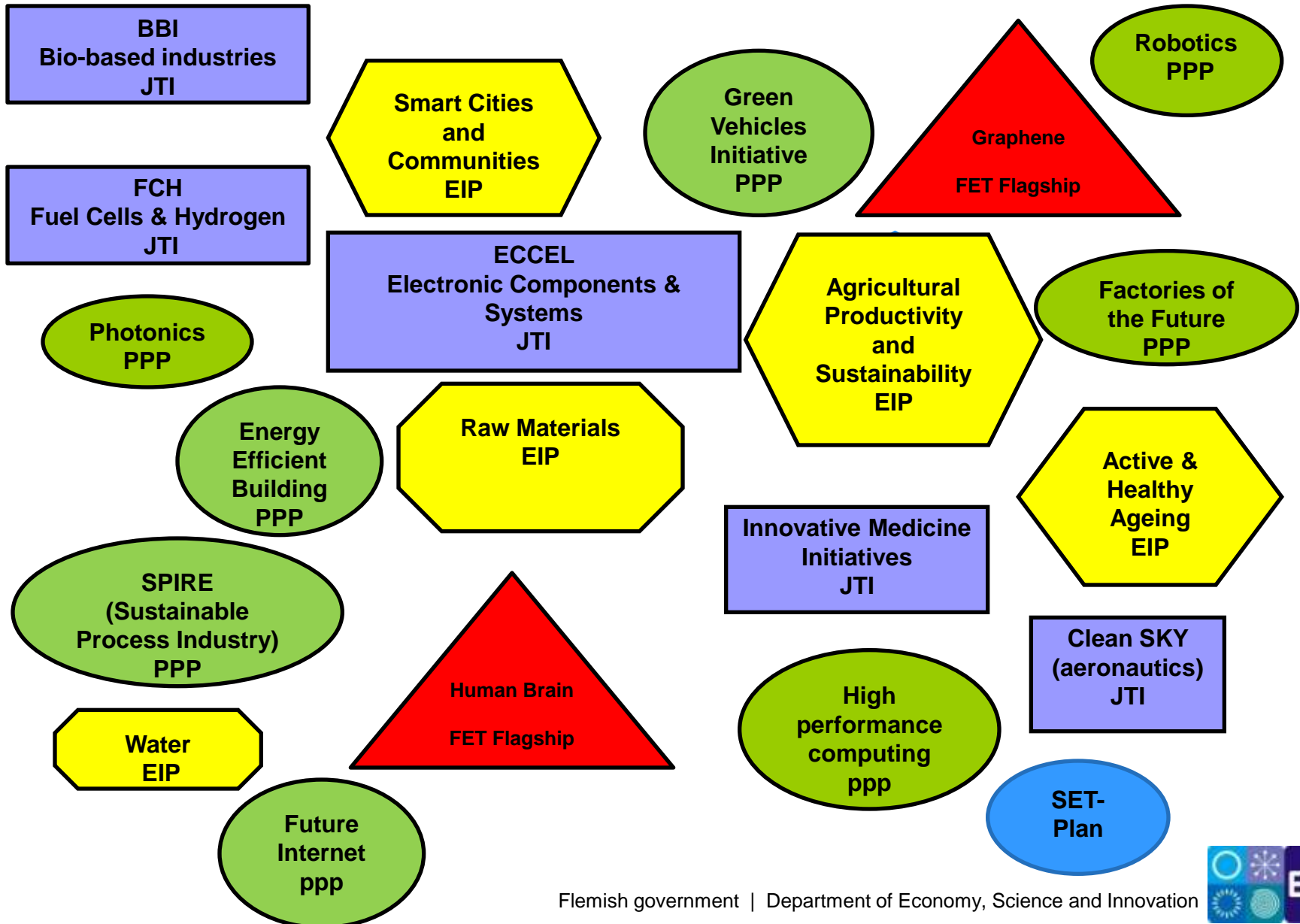
Roadmapping is a structured search **process** through strategic interaction within and among clusters in order to identify value-creating opportunities and to implement them in strategic pathways



Aligning the policy mix along the road map for new value chains



Matching Roadmaps: European Strategic Platforms



Vanguard Initiative ‘New growth by smart specialisation’

- a ‘**Vanguard**’ Initiative : leadership and strong partnerships are needed to achieve new growth by re-industrialisation. Drivers in the take-off of such **new industrial growth** are entrepreneurship (bottom-up dynamics) and societal challenges (top-down objectives).
- a ‘**Regional**’ Vanguard Initiative: regions are the **closest policy link** to the bottom-up growth dynamics for the renewal of our industrial fabric (place-based innovative partnerships and clusters).
- a joint operationalization of ‘**smart specialisation**’:
 - a coordination principle for our common efforts
 - well-suited in times of budget constraints to prioritise the public resources for innovation and industrial renewal,
 - based on an entrepreneurial discovery process of the region’s options for the future, and for exploiting synergies across Europe. (beyond ‘ex ante conditionality’)

The Vanguard Initiative for New Growth by Smart Specialisation.

WHAT – a vanguard initiative of **political leaders of regions** that commit to Europe's re-industrialisation supported by smart specialisation, via the development of multi-level European investment and cluster initiatives for emerging and transforming industries in an **Industrial Compact for Growth**.

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.

- 1. Matching strategic roadmaps** between all policy levels in support of the **European priority areas** that are identified by the Industrial Policy Communication of October 2012.

These priority areas are: Markets for advanced manufacturing and technologies for clean production; Markets for key enabling technologies; Bio-based product market; Sustainable industrial policy, construction and raw materials; Clean vehicles and vessels; Smart grids.
- 2. Aligning strategic investments** to open new industrial path ways through flagship projects such as demonstrators and pilots, identified in the European priority areas and fitting in the smart specialisation strategies.
- 3. Upgrading regional partnerships and clusters** with global potential which are identified in smart specialisation strategies to **European world-class clusters** that can compete globally.

February 2014: European Council on Competitiveness and Industrial Policy

(incorporate smart specialisation as a coordination principle and regional clusters as basis for new pilots for emerging & transforming industries)

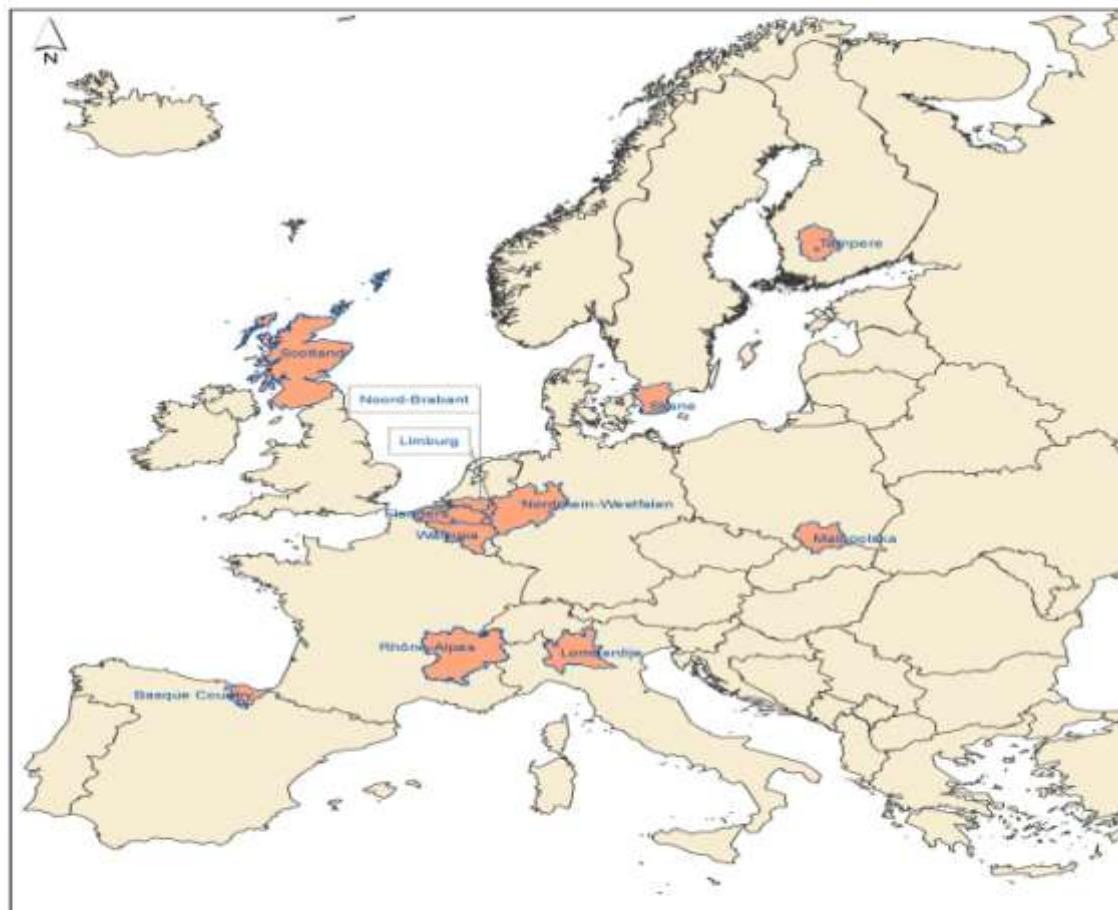
January 2014: Public presentation of the **Letter of Engagement** for Vanguard Initiative 'New growth by smart specialisation' to the President of the European Council

(meeting of wider group that want to engage)

8 November 2013: Launching (adoption of **Declaration** by core group of 11 Regions)

October-January: building a coalition of regions with ambition in industrial renewal in their smart specialisation strategies

VANGUARD INITIATIVE 'New Growth by Smart Specialisation'





Further questions? Please contact me!
Thank you

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