

EU Budget for the future

Industrial transition and smart specialisation

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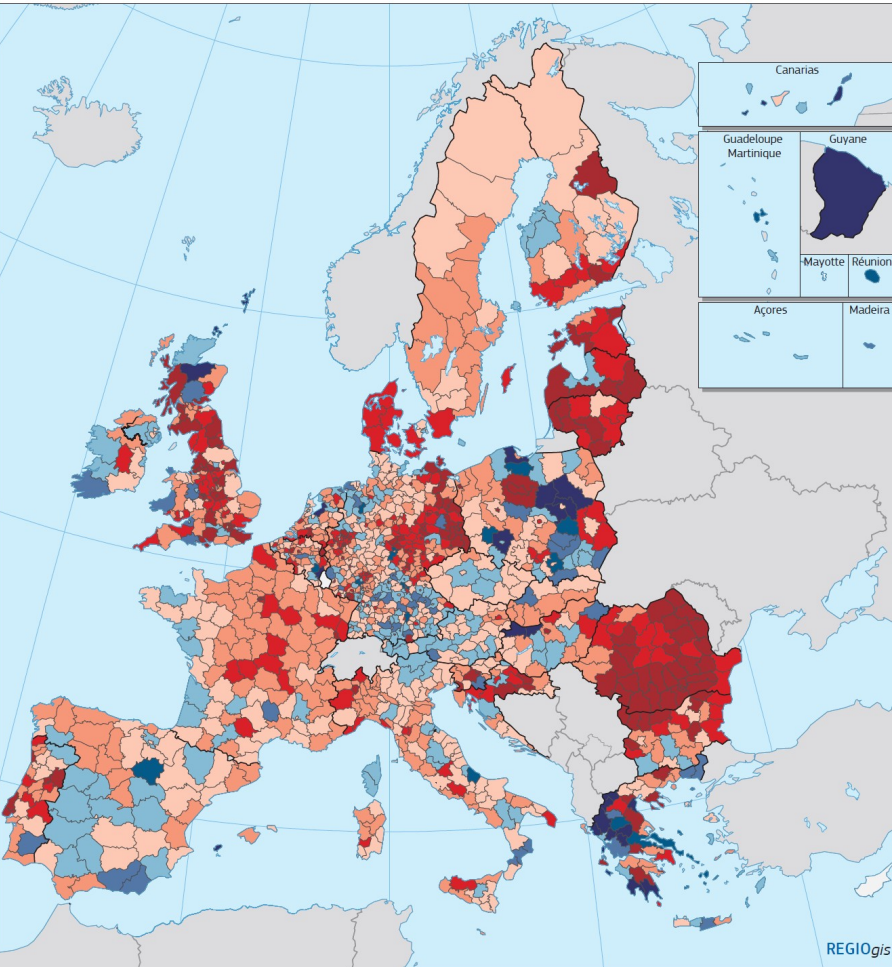
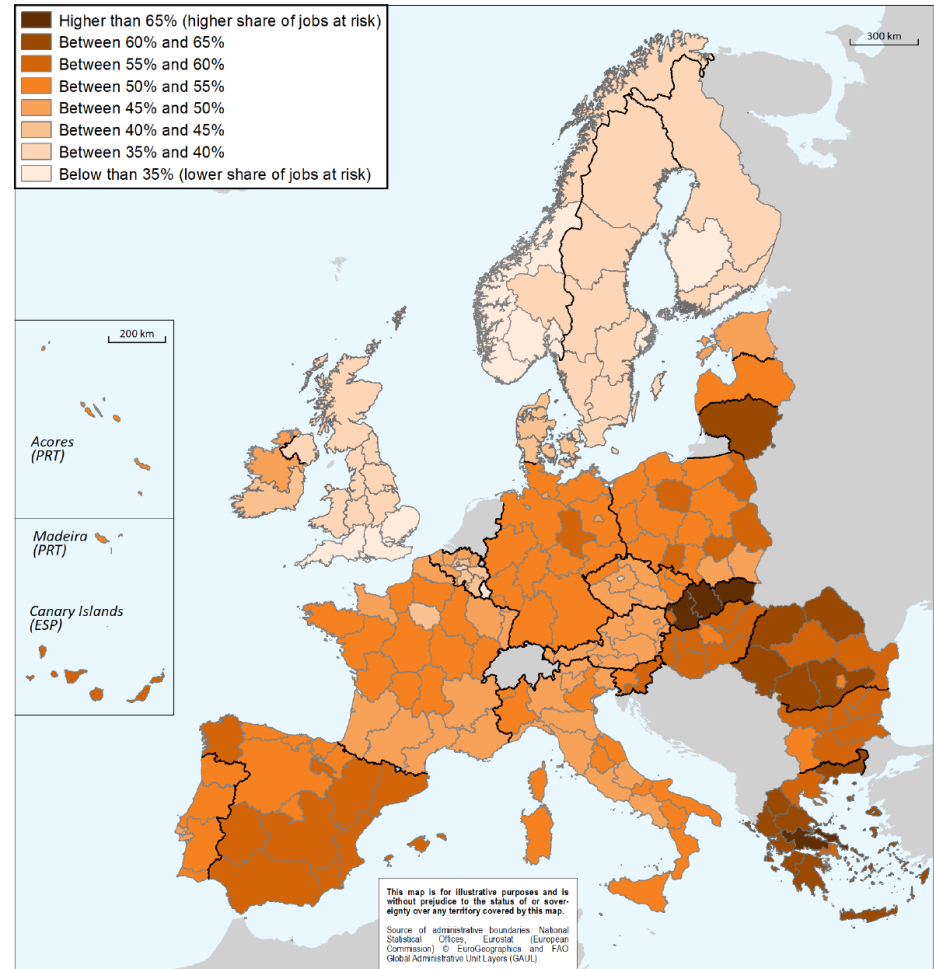
#CohesionPolicy
#EUinmyRegion



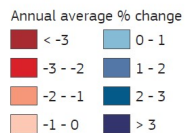
Europe's industrial transition: past and future

Share of jobs at risk of automation, 2011

Share of regional workers at risk of job automation higher than 50%

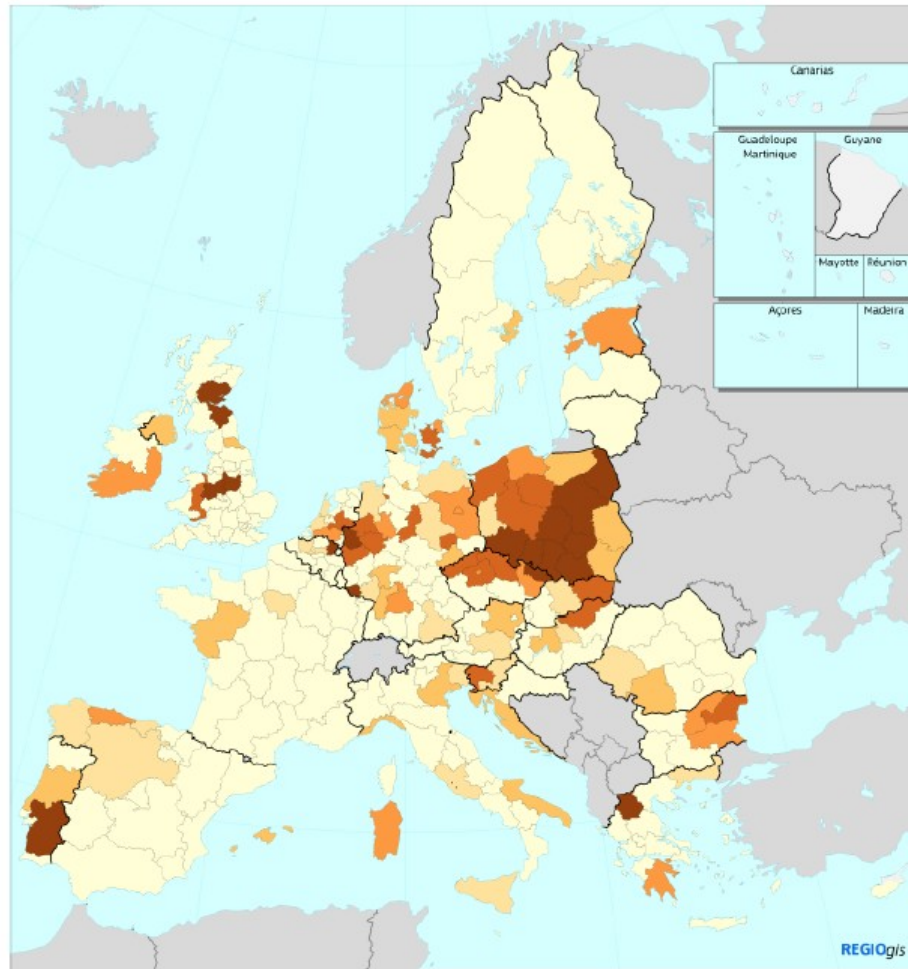


Change in industrial employment by NUTS3 region, 1990-2014



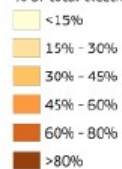
New German Länder: 1991-2014;
Croatia: 1995-2014
Source: Cambridge Econometrics

Electricity generated from hard coal and lignite



Electricity generated from hard coal and lignite, 2015

% of total electricity generated

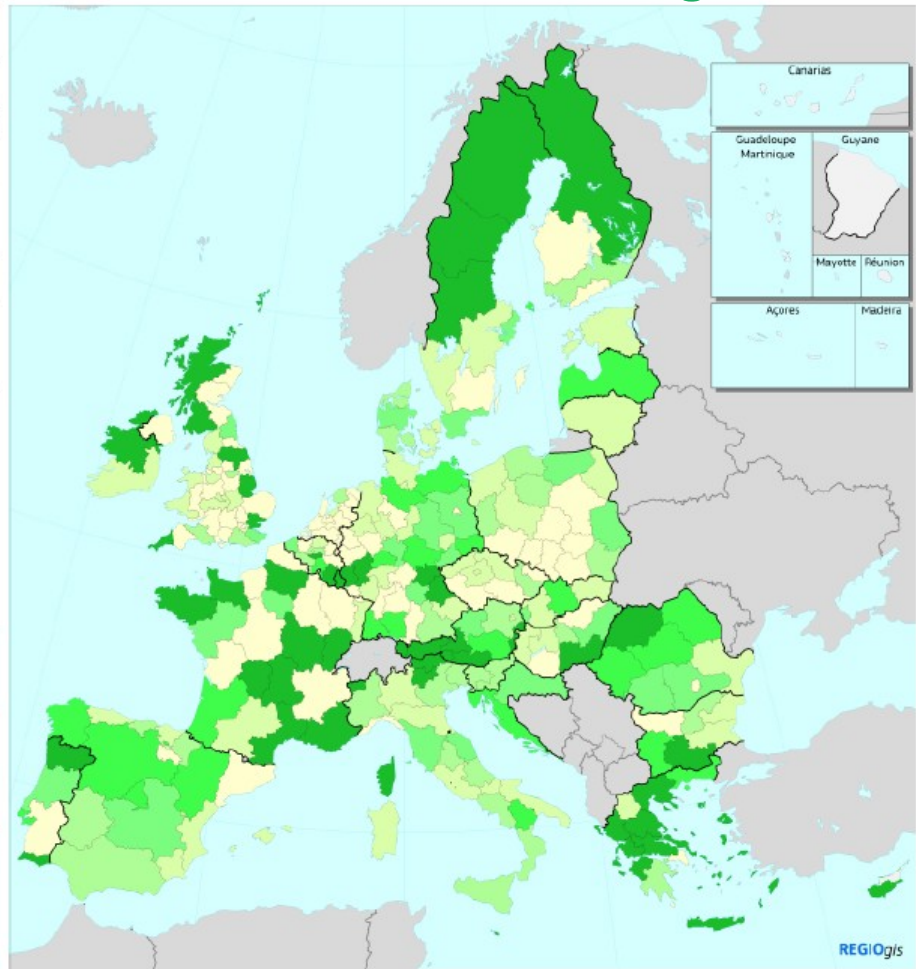


Source: JRC

0 500 km

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Electricity generated from renewable energies



Electricity generated from renewable sources, 2015

% of total electricity generated



Source: JRC

0 500 km

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Balance geographical policy challenges:

(Iammarino, Storper, Rodrigues-Pose)

Competitiveness: Maintain and enhance the economic dynamism of its most prosperous city-regions

Development: Address inequality between most prosperous cities and regions and much of the rest of the EU

- Particularly in the South and East of the Continent

Capabilities and opportunities: Temper frustration emerging from inter-regional inequalities throughout EU

- Need to spread opportunity and participation to less successful and/or declining regions
- Focus on capabilities: different from traditional regional policy

+ Ensure sustainability (circular economy, energy transition, climate change, natural capital etc.)

Smart Specialisation 1.0 - 2014-2020

- Place-based transformation embedded in local economy
- Dynamic entrepreneurial discovery process uniting key stakeholders around shared vision
- Evidence-based
- Mobilisation across different departments and governance levels – triple/quadruple helix
- Concentration of resources on priorities

Integrated into Cohesion Policy (2014-2020) as ex-ante conditionality:

- EUR 40 billion from ERDF to finance R&I projects (EUR 65 billion including co-financing)
- Over 120 smart specialisation strategies supported by the S3-Platform

It helped regions and MS in:

- developing a strategic approach to innovation
- prioritising R&I investments
- breaking down silos

PO1: a smarter Europe by promoting innovative and smart economic transformation

1. Enhancing research and innovation **capacities** and **the uptake of advanced technologies**;
2. Reaping the benefits of **digitisation** for citizens, companies and governments;
3. Enhancing growth and competitiveness of SMEs;
4. **Developing skills for smart specialisation, industrial transition and entrepreneurship**;

Enabling condition for smart specialisation

Policy objective	Specific objective	Name of enabling condition
1. A smarter Europe by promoting innovative and smart economic transformation	ERDF: All specific objectives under this policy objectives	Good governance of national or regional smart specialisation strategy

Fulfilment criteria for the enabling condition
<p>Smart specialisation strategy(ies) shall be supported by:</p> <ol style="list-style-type: none"> 1. Up-to-date analysis of bottlenecks for innovation diffusion, including digitalisation 2. Existence of competent regional / national institution or body, responsible for the management of the smart specialisation strategy 3. Monitoring and evaluation tools to measure performance towards the objectives of the strategy 4. Effective functioning of entrepreneurial discovery process 5. Actions necessary to improve national or regional research and innovation systems 6. Actions to manage industrial transition 7. Measures for international collaboration

Interregional innovation investments

WHAT

Interregional innovation investments through the commercialisation and scaling up of interregional innovation projects having the potential to encourage the development of European value chains ('component 5'). (ETC Art 3.5)

HOW MUCH

11.5 % of ETC Resources (i.e., a total of EUR 970m) for interregional innovation investments (component 5). (ETC Art. 9.2)

HOW

It shall be implemented under direct or indirect management. (ETC Art 16.1)

FOR WHOM

At the initiative of the Commission, the ERDF may support interregional innovation investments, as set out in point 5 of Article 3, bringing together researchers, businesses, civil society and public administrations involved in smart specialisation strategies established at national or regional levels. (ETC Art 61)

Testing new approaches I



Development of a comprehensive strategy for economic transformation

- **Broad innovation and inclusive growth building on smart specialisation strategy**
- **Multi-sectoral focusing on jobs, industrial sectors, business models, economy and society as a whole**
- **Addressing globalisation, automation, decarbonisation, emerging and digital technologies, skills and investment**

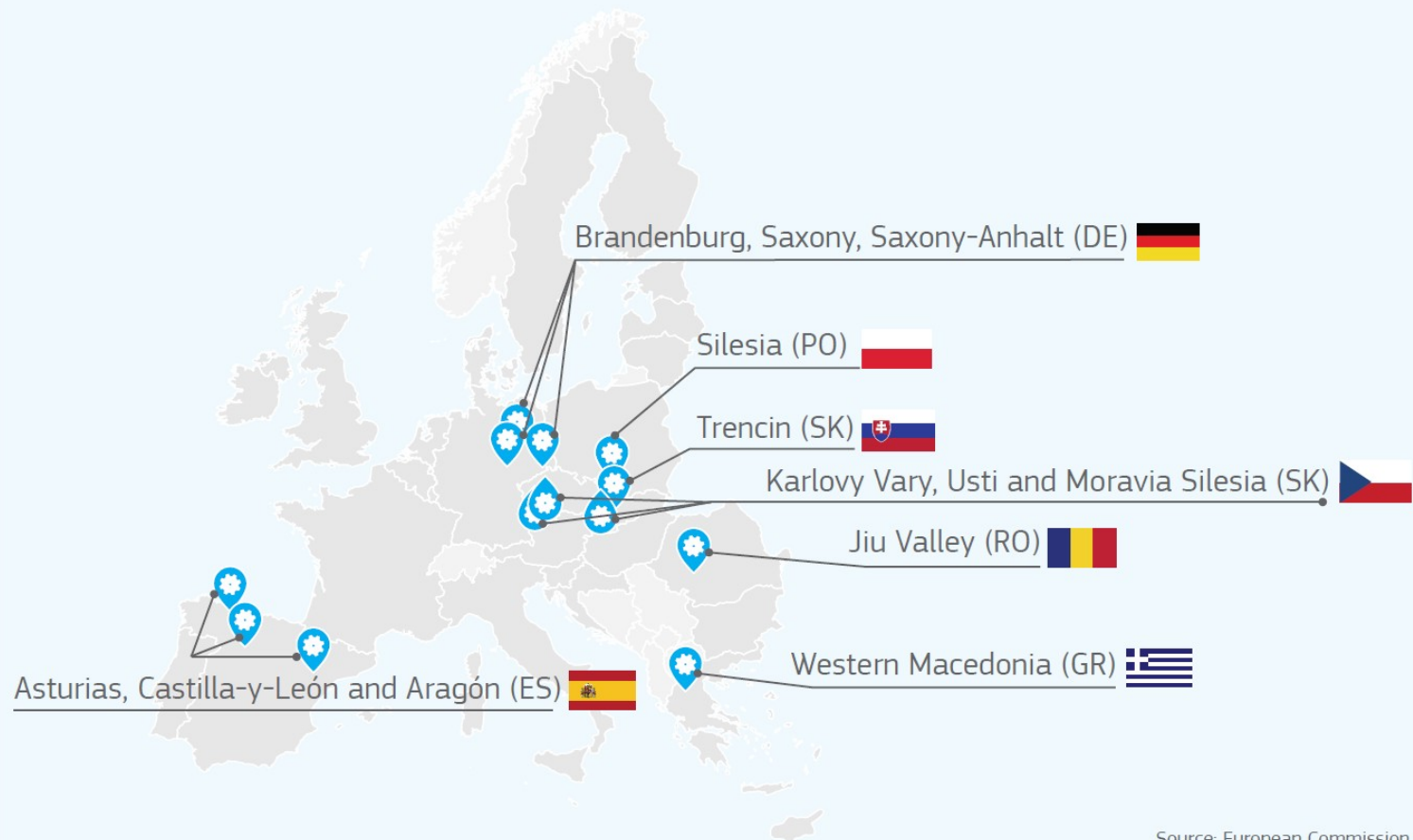


High impact actions

- Address a concrete challenge in the context of industrial transition with first results by end of 2019
- Novel, experimental, risk-taking, additional
- Transferable - contributing to learning at EU level
- Direct grant negotiated with EC
- Examples of topics proposed to date:
 - Improvement of traditional firm performance
 - Development of firms in the circular/low carbon economy
 - Promotion of socially inclusive innovation in agri-food sector
 - Cluster performance
 - Improving HR capacity of SMEs
 - Creating regional value chains
 - Managing transition to low carbon economy in car industry
 - Encouraging socially inclusive employment in cities

Testing new approaches II

EU'S COAL REGIONS IN TRANSITION INITIATIVE DELIVERS TAILOR-MADE ASSISTANCE TO 13 PILOT REGIONS IN 7 MEMBER STATES:



Preliminary takeaways

- Make innovation work for territorial inclusion
- Spend as much time thinking about technology upgrading as patenting
- Develop collective intelligence to address societal challenges
- Strengthen the complementary role of workers in technological change
- Build skills systems around companies rather than the labour market
- Look for the double dividends – green jobs, new services that match the territory
- Focus on value chains rather than industries

Thank you!