

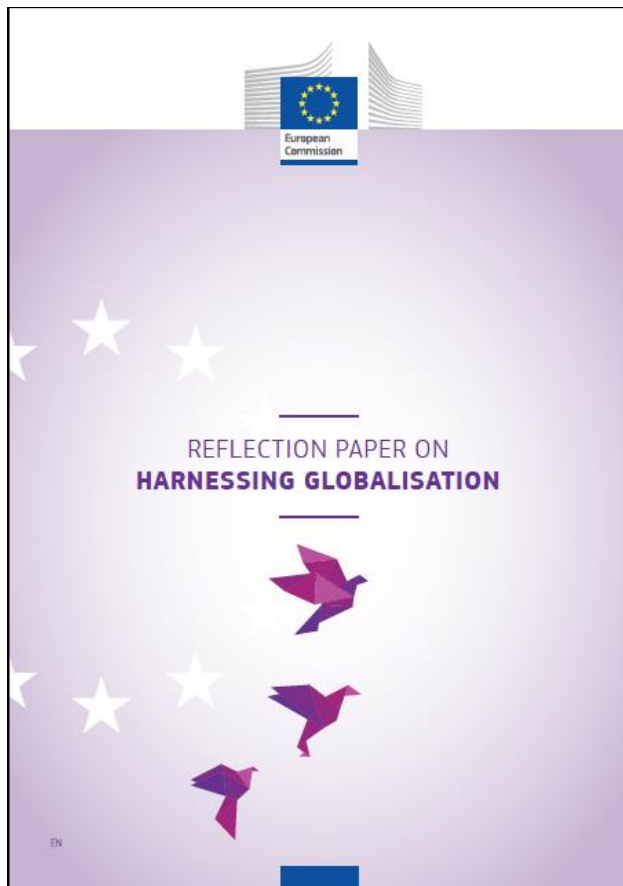


Pilot Action on Industrial Transition

Cantabria

**Seminario Online red IDI.
"Regiones en transición Industrial"
30 de Junio de 2020.**

Answering to concerns about globalisation and technological change



Building resilience through better sharing of benefits and promoting of long term competitiveness

- Robust social and education policies are key to ensuring resilience and fair distribution of wealth
- Major efforts are needed to make Europe a more competitive and innovative economy
 - Innovation, Investment, Sectoral Policies, Regulation and Taxation
- In close partnership with empowered regions

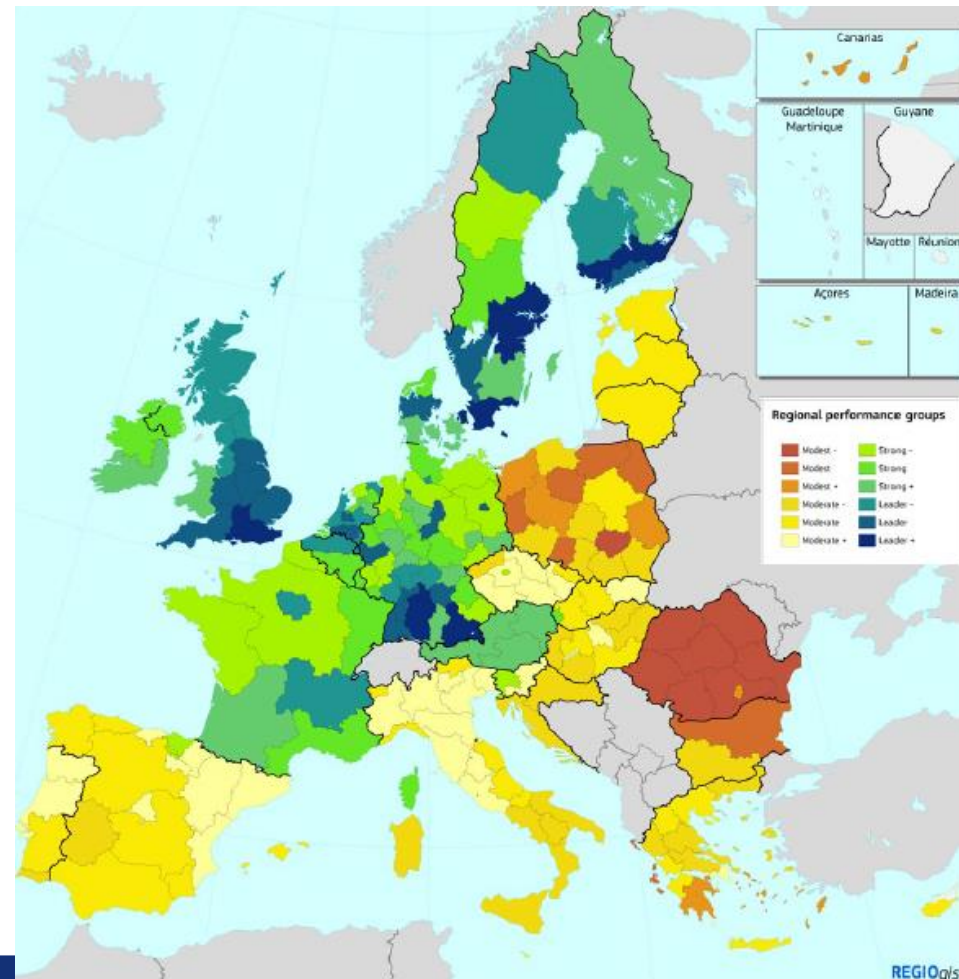
We need a vision for the future **to modernise our economy** by embracing digitalisation, technological and social innovation, decarbonisation and the circular economy.

Fundamental economic, social and environmental transformation happens at the local level, where business, civil society, administrations and people interact

A growing innovation divide

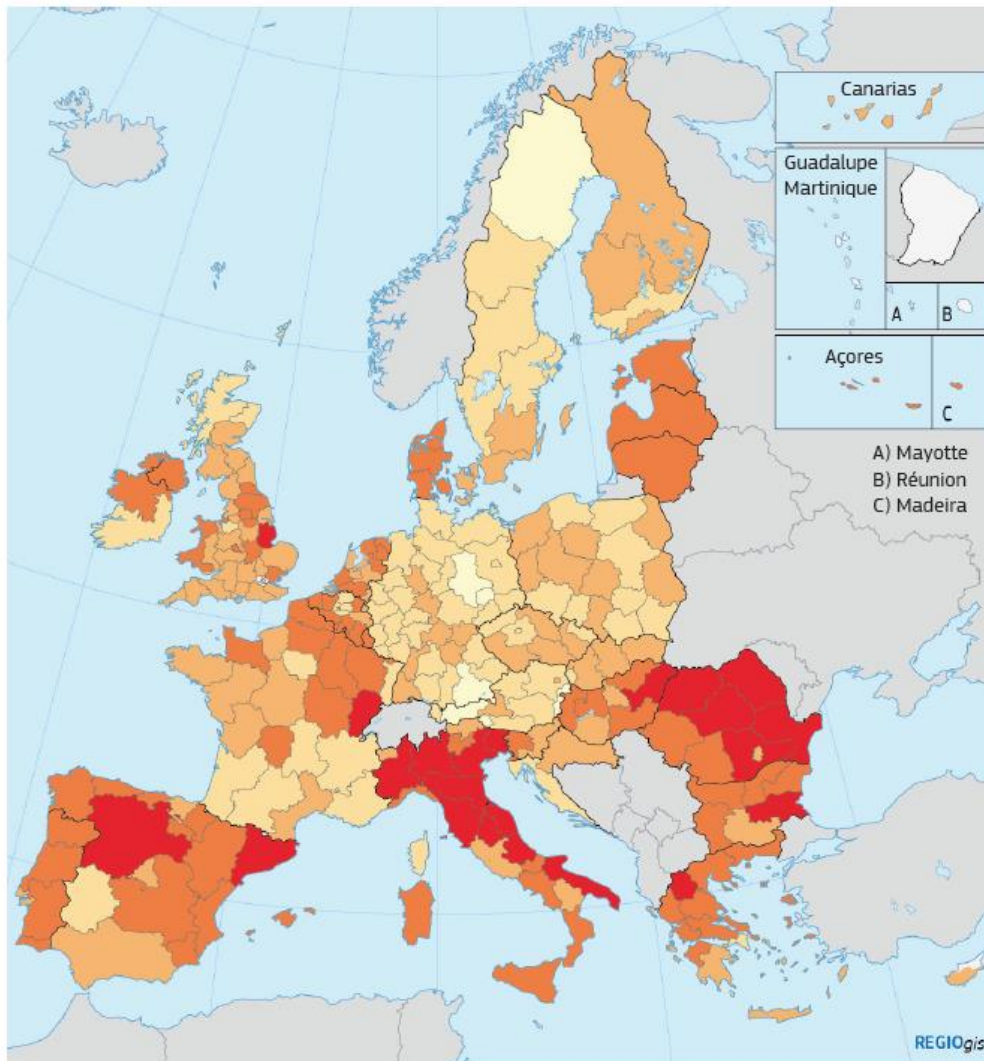
Regional **Innovation** Scoreboard 2017

- *The 2017 Innovation Scoreboard shows that several Member States perform less well than China and 5 member states less well than Turkey.*
- *The Regional Innovation Scoreboard shows 24% of EU regions are considered an innovation leader.*
- *Only one in ten EU regions has an R&D intensity that reached the Europe 2020 3% target of R&D expenditure in GDP.*
- *Regional innovation performance has diverged since 2011.*
 - It has increased for 60% of all regions, but declined for all regions in Romania, and for more than 50% of regions in the Czech Republic, Denmark, Finland, Germany, Hungary, Portugal and Spain.
 - In Italy, in 12 regions performance has have improved, while in 8 it has declined.



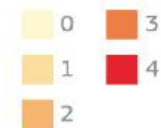


Globalisation: is Europe prepared?



Risk factors linked to globalisation and technological change

Number of risk factors out of 4 (see footnote)



A risk factor is defined as a negative value for the first indicator and a value above the EU regions average for the next indicators:

- Employment growth in the industry between 2000 and 2013 (EU: -1.3%)
- Share in employment of low-technology manufacturing, 2015 (EU: 5.5%)
- Share of people between 25 and 64 with a low educational attainment, 2015 (EU: 23.3%)
- Change in manufacturing ULC between 2003 and 2013 (EU: 14.3%)

Calls for expression of interest

➤ Main elements:

- ✓ National or regional authorities (NUTS 1 or 2) willing to work **on the basis of their respective S3** in order to promote broad-based innovation to **address the challenges of industrial transition**
- ✓ Focus on **more developed and transition** regions
- ✓ 12 regions/countries selected (2 calls)

➤ Objectives:

- ✓ **Develop a comprehensive strategy for regional economic transformation** building on their smart specialisation strategy, clusters and digitisation of industry plans
- ✓ **Identify** where possible **collaboration and funding opportunities** at European, national and regional level
- ✓ **Link with other regions** in regional and cluster partnerships
- ✓ **Focus on mutual learning and sharing of good practices** in innovation policy implementation, governance and monitoring
- ✓ **Test new approaches** in industrial transition and provide evidence **to underpin post-2020 policies and programmes**

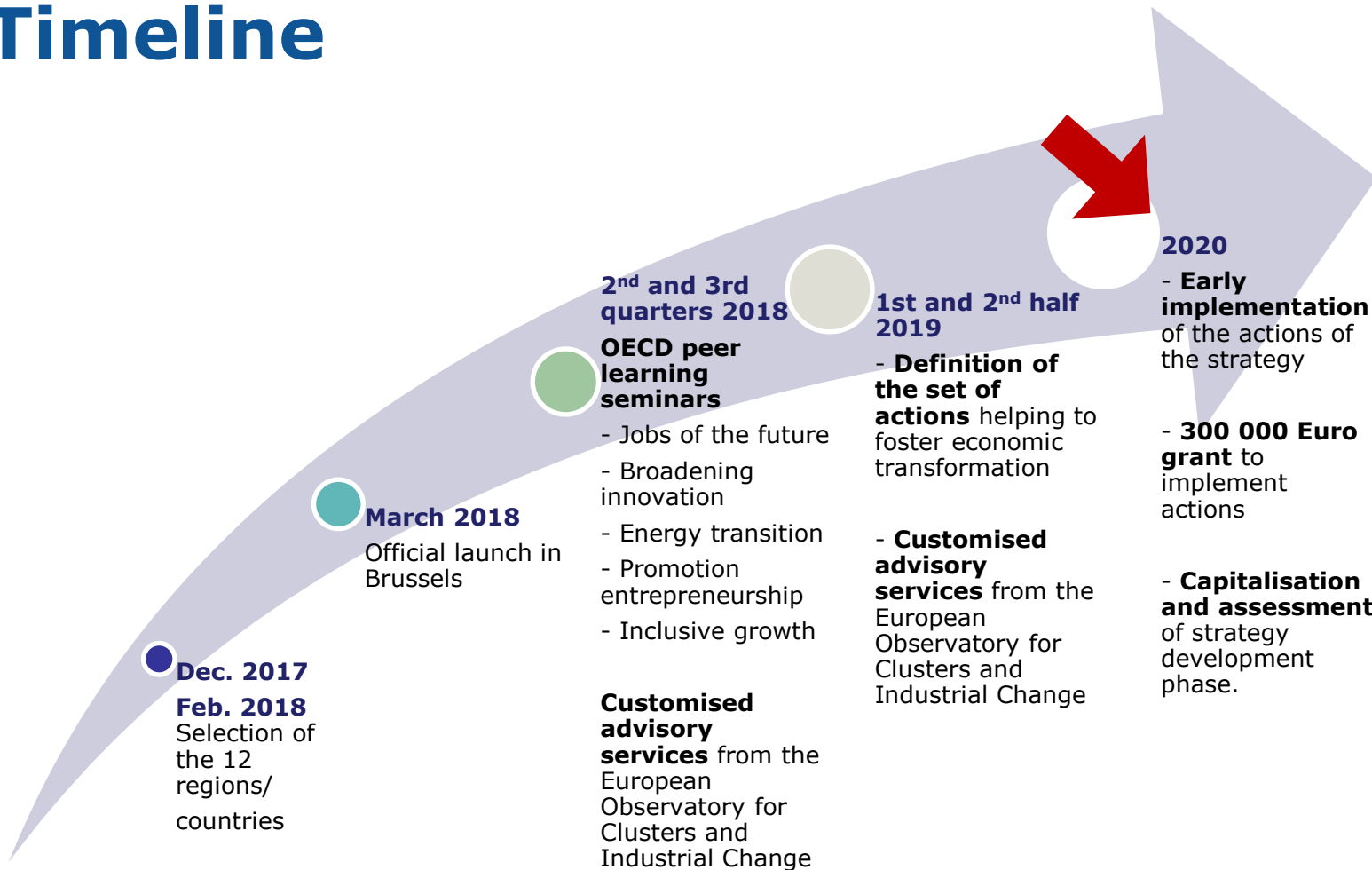


Development of a comprehensive strategy for economic transformation

- 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



Timeline



Support mechanisms (1)

- ***OECD led peer review/foresight exercise on challenges of industrial transition***
 - Preparing for the jobs of the future
 - Broadening innovation and innovation diffusion
 - Low-carbon energy transition
 - Promoting entrepreneurship
 - Encouraging inclusive growth
- ***Support from the JRC in benchmarking***
 - the regional innovation and research performance
 - smart specialisation strategy
- ***Customised advisory support services from the European Observatory for Clusters and Industrial Change***
 - a summary report of the region's position and potential role of cluster policy
 - a regional survey and European Cluster Excellence benchmarking report;
 - organising a one-day peer review meeting with external experts in the region;
 - providing a final policy briefing with concrete recommendations.

Support mechanisms (2)

- ***Regional support teams of Commission services led by DG REGIO on the use of various EU instruments for industrial transition***

This work will cover in particular:

- Reskilling and preparing for industrial and societal change;
 - Addressing investment barriers and improving access to finance;
 - Improving access to EU research, innovation and industrial competitiveness programmes;
 - Digitising the economy;
 - Energy transition.
- ***AMI list expert support for the development of a comprehensive strategy***
 - ***Grant of €300.000 for implementation of High Impact Action in 2020***



European
Commission

European Observatory for Clusters and Industrial Change EASME/COSME/2016/035

September 2018

DRAFT



REGIONAL ASSESSMENT REPORT:
Cantabria



European
Commission



Regions in Industrial Transition

POLICIES FOR PEOPLE AND PLACES



The Industrial Transition Toolkit: Assessing Policy Responses to Industrial Transition

- **Human Capital, Work, and Skills**
- **Broadening Innovation**
- **Stimulating Entrepreneurship**
- **Transitioning to a Climate-Neutral Economy**
- **Fostering Inclusive Growth**

Human Capital, Skills and Work: Key issues and policy challenges



Seizing the opportunities of rapidly evolving technologies



Updating labor force education and skills



Investing in new sources of employment and productivity growth

Broadening and diffusing innovation: Key issues

- Creating and nurturing open innovation systems
- Ensuring skills for innovation and adoption capacity
- Broadening the innovation policy perspective

Stimulating entrepreneurship: Key issues

- Innovative entrepreneurship to help renew old industrial structures
- Fostering intrapreneurship and boost innovation in old firms
- Establishing a supportive regional entrepreneurial ecosystem

Transition to a climate-neutral economy: Key issues

- Aligning climate action with macroeconomic and growth implications
- Coping with short-term structural changes
- Helping businesses profiting from transition

Inclusive Growth: Key issues

- Strengthening labour market inclusion and avoiding polarisation
- Adopting an integrated territorial approach to development
- Ensuring strong local governance and partnerships

Regional Innovation Strategy (Main Strategic Sectors)

Cantabria (ES13)

Tourism

Automotive components and Machinery

Agrofood

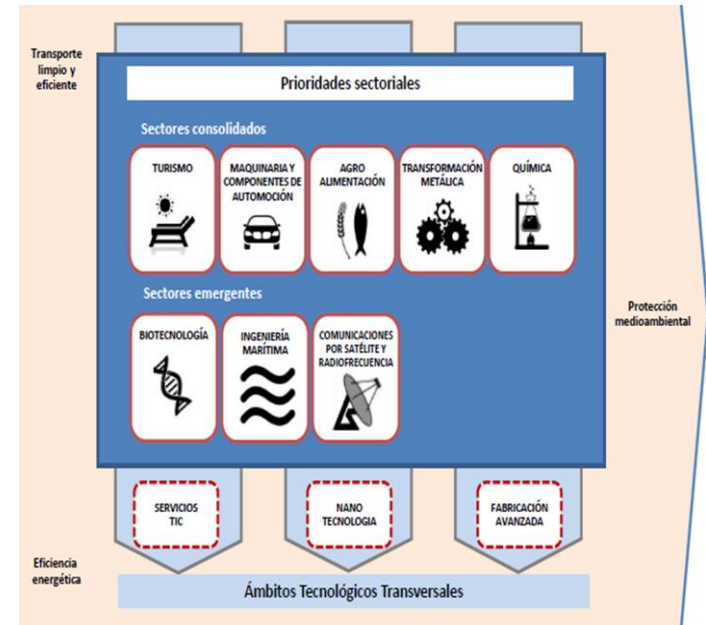
Biotechnology

Chemical Industry

Satellite and Space Communications

Metalic Transformation

Oceanic and Maritime Engineering



Regional Innovation strategy.

Global strategy around four main pillars:

Pillar 1. Cultural change and industrialisation model.

Pillar 2. Knowledge management.

Pillar 3. Technology Transfer.

Pillar 4. Industrial Entrepreneurship and results exploitation.

The strategy will develop seven specific actions within these four pillars

Factories of the future Cantabria

To develop a new industrial revolution based on digitalisation of industrial sector.

In accordance with national and international strategies (Spanish Connected Industry strategy and EU Factories of the Future).

Based on three main objectives:

- **Training and dissemination activities.**
- **Industrial Cooperation and Positioning.**
- **Industrial Consolidation and Growth.**

Cantabria overview on Industrial Transition/ High Impact Action

The total industrial results of the region the agrofood sector is a 21% of the total industry with total amount of 1.550 million of Euros of benefits in year 2017. Specially the agrofood sector has a total weight of 20% in terms of the total industrial employment.

In terms of productivity the agrofood sector in is the fifth position of the total industrial sectors. The sector invests only 0.7% of the total R&D expenditure in the industrial sector.

The agrofood sector is in the fourth position of the regional export market. The agrofood sector has a total of 390 companies, with 5 large companies (more than 250 employees) representing 1% of the total of the sector.

In relation with the activities of these companies, 30% are companies form the bakery and cookies market, Fishery products and cannery products represents 27% of this total and the other sectors with a higher percentage are Drinks sector, and milk and dairy products.

High Impact Action

➤ **Project definition:**

- ✓ The HIA supports the inclusive growth and capacity building in social areas, especially improving supply chains in primary industries. The main areas are:
- ✓ a) Canning industry
- ✓ b) Aquiculture related industry
- ✓ c) Dairy industry
- ✓ d) Forestry manufacturing industries

These areas are intensive in manpower, require support for inclusive growth, need to fix people and industry in the territory and are subjected to re-industrialisation programs.

➤ **Addressed challenges:**

- ✓ Industrial Renaissance towards smart specialization in agri-food
- ✓ From Small to Strong SMEs.
- ✓ Reinforcing the innovation ecosystem encouraging stakeholder's collaboration
- ✓ Capacity building in priority areas (digitalisation, entrepreneurship, reskilling)
- ✓ Sustainable and inclusive industrial growth

High Impact Action

Community aid will serve to:

1) Create opportunities throughout the territory, selecting 6 key projects with impact and replicability, which will benefit from the initiative.

2) Encourage stakeholder participation, create the environment and promote dissemination of the actions developed.

Industrial transition, highlighting aspects such as reskilling, collaboration, or support for groups at risk of exclusion, provides an element of novelty and experimentation to the usual policy instruments

HIA: some outcomes

- a) Involvement from social experts to promote the initiative, including social innovation and other regional stakeholders*
- b) Establishment of a Hub of knowledge resources. Identification of best practices, active companies and elaboration of a network.*
- c) Dissemination activities: seminars, workshops; promotion of multi-level associations, local working groups, collaboration with other regional players*
- d) Training and education activities in all thematic areas of the pilot.*

Policy learnings related to the definition of public policies of reindustrialization, and validate its effectiveness and usefulness

We have achieved from the pilot:

- A better understanding of the challenges of industrial transition
- Input into the design of smart specialisation mechanisms better targeted to the needs of middle-income regions
- Insights in how to design support, networking and knowledge exchange mechanisms
- Development of a number of regions leading on these issues
- Encourage better use of EU funds and synergies
- Strengthen partnership between Commission and regions

High Impact Action.

The target of our proposal is to promote "inclusive growth" in the actions and policies of industrial transition, innovation and entrepreneurship in Cantabria.

Some industries are labor intensive and closely linked to the region.

A social approach in terms of allowing the industrial transition of this sector, but highlighting aspects such as re-qualification, collaboration or support for groups at risk of exclusion, provides an element of novelty to the usual policy instruments.



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