



Interregional Collaboration & Industrial Value Chains in East and North Finland Regions

*East and North Finland Regions Industrial Transition: From
Strategy to Practice
Seminar – Oulu 4th of September, 2019*

Vincent Duchêne, PhD.
Senior expert & Managing Partner IDEA Consult – Brussels

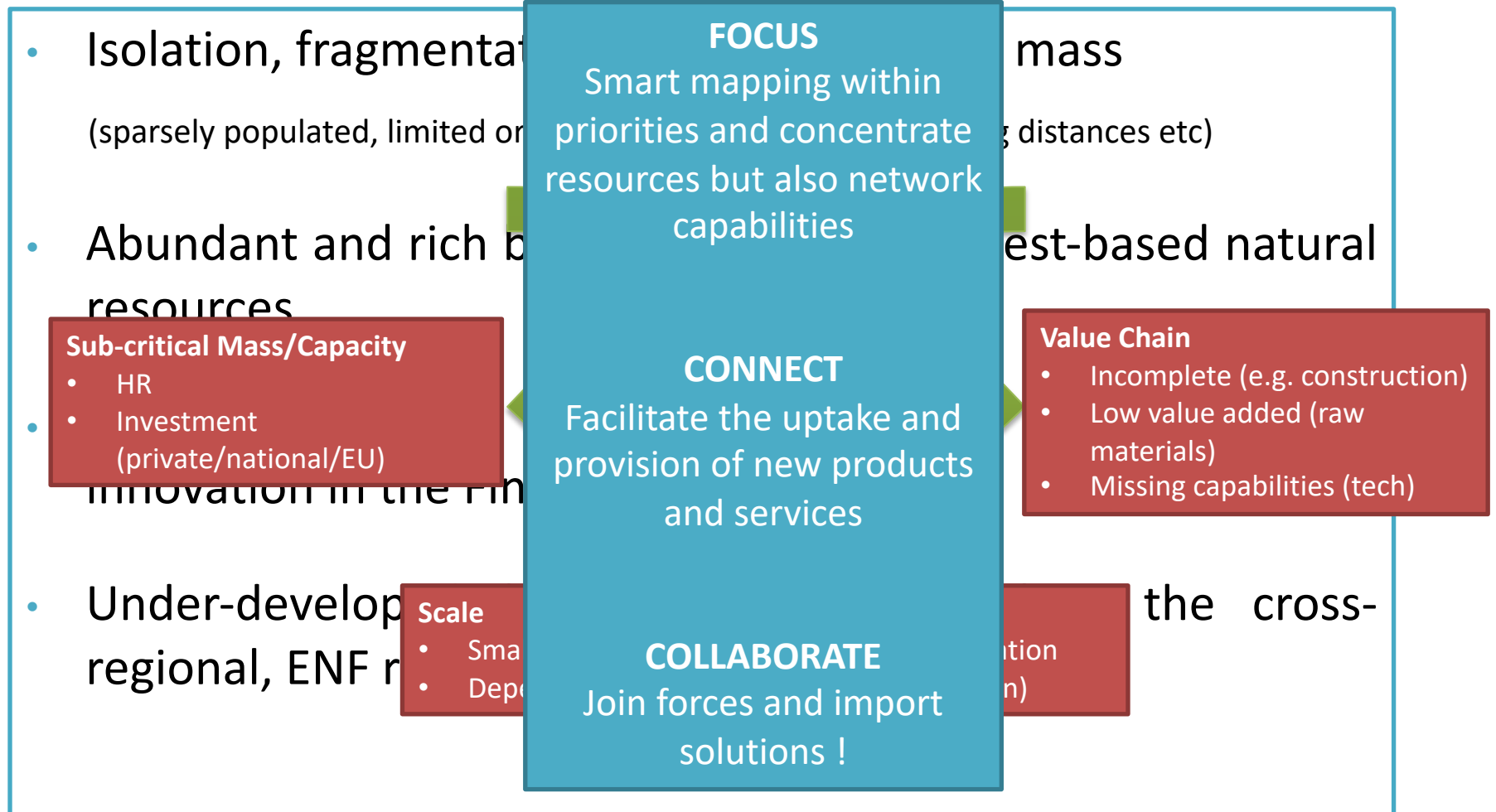
Why collaborate across regions?



Potential drivers for cross-regional collaboration

- Policy learning /alignment
- Access missing competencies
- Reaching critical mass
- Access to wider community of (potential) end-users
- Reducing duplication / redundancies / costs
- Increasing efficiency

East & North Finland Regions Challenges – setting the scene

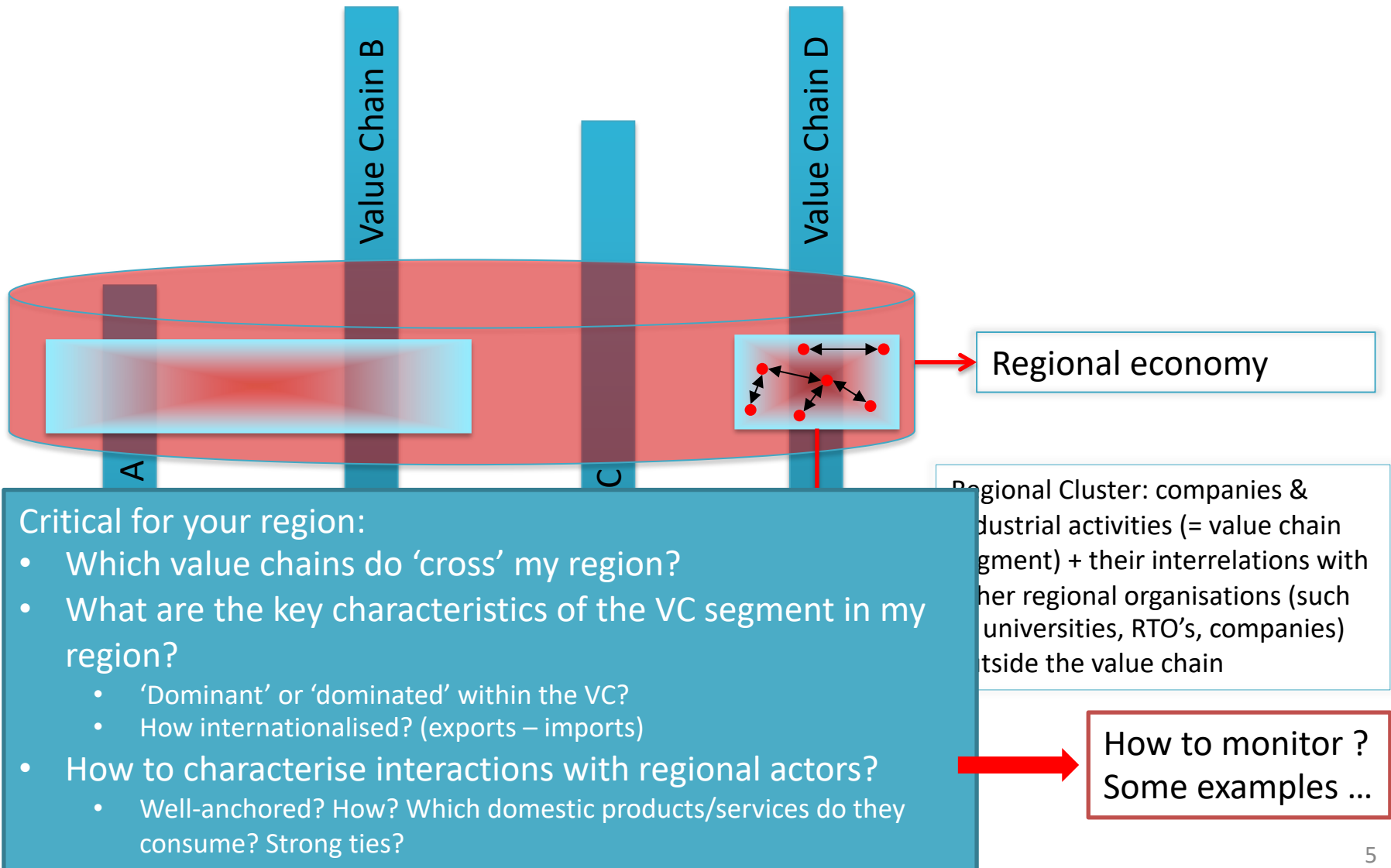


Europe Post-2020: Increasing policy attention and support for cross-regional collaboration

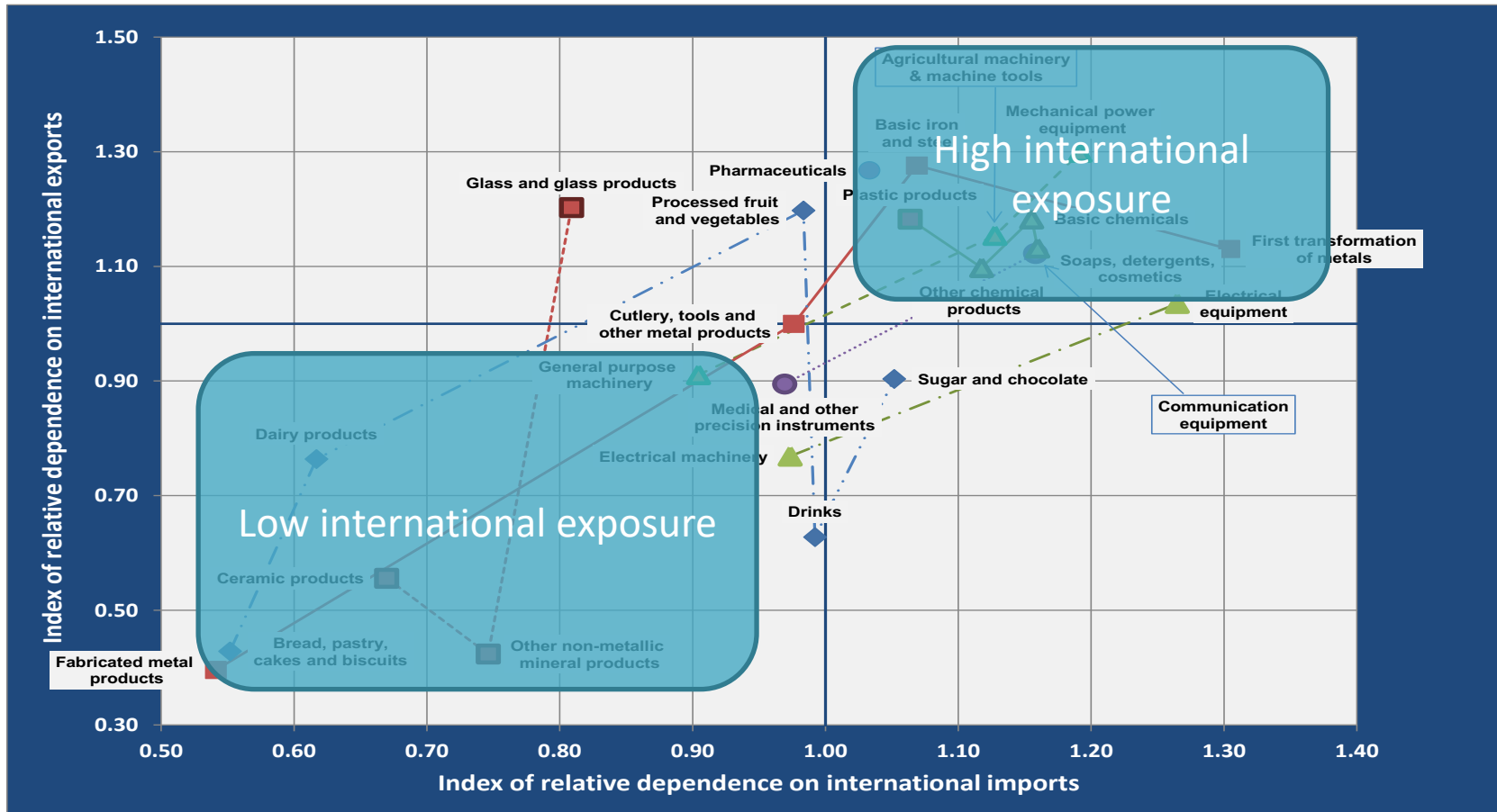


1. Industry modernisation = key challenge and high priority for Europe + *Technology deployment beyond R&D* (i.e. post-prototyping, testing, validation, certification, industrial uptake & scaling up - >TRL5) critical in that regard
2. However, support for technology deployment in industry involves wide range of activities that may not entirely lie in own region / country → need to combine complementary resources / infrastructure from different regions / countries
3. But, current public funding still largely inadequate:
 1. Either too selective and too research-driven (H2020, ERA-Nets, COST etc)
 2. Or too fragmented, purely regional (ESIF, ERDF)
 3. Or geographically 'skewed' (e.g. Interreg B geographically limited or fragmented in 'zones')
4. Therefore new trend: cross-regional support for tech deployment across the whole of Europe
 1. New initiatives, e.g. Vanguard Initiative (°2014), Thematic Smart Specialisation Platform for Industry Modernisation (°2016), 'Technical Support Facility' (°May 2019) supporting cross-regional plans for industrial investments, etc.
 2. New funding instruments beyond 2020, e.g. 'Component 5' under ERDF-regulation for 'Interregional Investment Projects' (€1,5bn 2021-2027), EIC, sustained/increased budgets under HorizonEurope for e.g. Fast Track, Innosup, FoF, pilot lines & demonstration etc. (ECHORD++, ActPhast, I4MS, ADMA Support centre, SUPERBIO etc.), IPCEI for critical value chains
 3. → from project-based to 'holistic' collaboration (& not only tech-driven)

Value Chains, clusters, regional economy

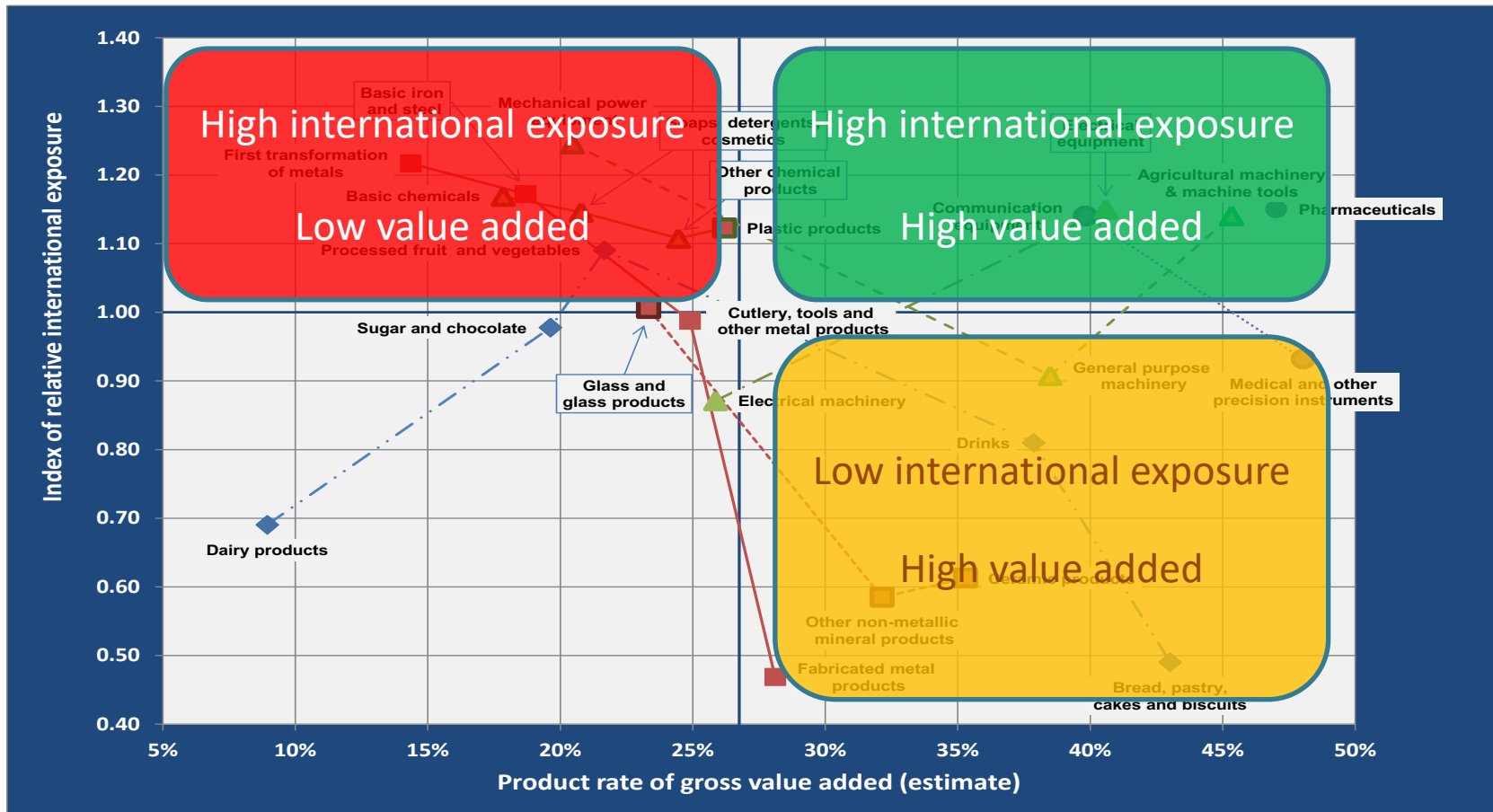


International exposure: dependency on imported inputs and exported outputs



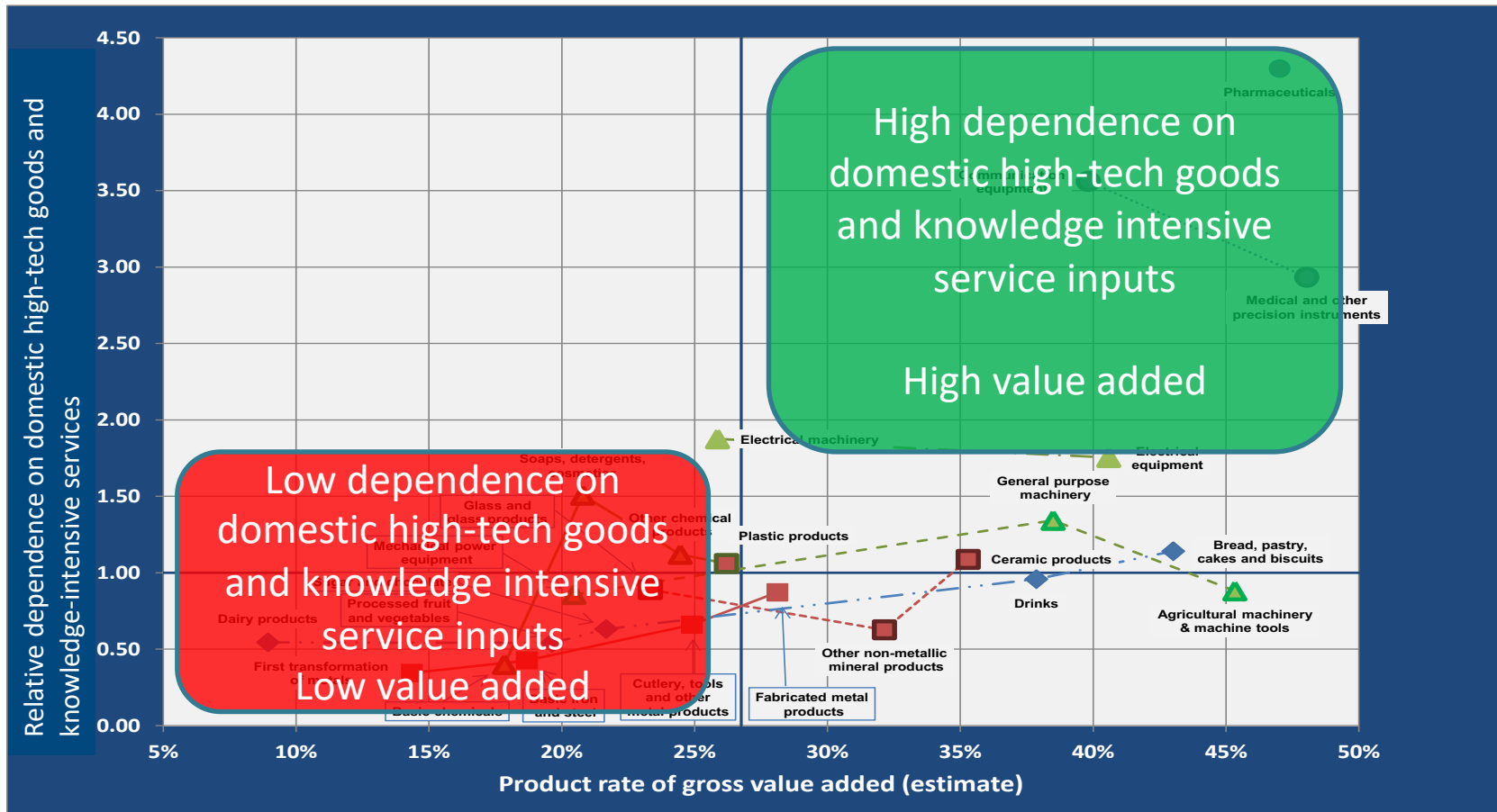
Source: IDEA Consult and Ecorys, « Industrial relationships in Wallonia (Belgium) and the integration of domestic industries in global Value Chains », 2014. Based on data from regional Input-Output tables (Federal Planning Bureau, Belgium)

International exposure and own added value: any link ?



Source: IDEA Consult and Ecorys, « Industrial relationships in Wallonia (Belgium) and the integration of domestic industries in global Value Chains », 2014. Based on data from regional Input-Output tables (Federal Planning Bureau, Belgium)

Is the value chain well-anchored in your region ? Is it sourcing knowledge from regional high added value activities?



Source: IDEA Consult and Ecorys, « Industrial relationships in Wallonia (Belgium) and the integration of domestic industries in global Value Chains », 2014. Based on data from regional Input-Output tables (Federal Planning Bureau, Belgium)

Conclusion



- Attention and support for cross-regional collaborations is increasing
- Deep understanding of interrelationships between regional actors / capabilities and relevant value chains is key to focus cross-regional collaboration on specific areas where:
 - ◆ Critical mass needs to be reached, and/or
 - ◆ New knowledge / technologies / competencies needs to be imported, and/or
 - ◆ Efficiency gains or scale effects can be realised ...
- Permanent redefinition of the role of clusters is needed in the light of VC developments