



European Committee  
of the Regions

Commission for  
Economic Policy

ECON

# Making Industrial Policy in Europe more Place-Based



# Opinion of the European Committee of the Regions on A place-based approach to EU industrial policy

**Rapporteur:** Jeannette Baljeu (NL/RE), Regional Minister in the Province of Zuid-Holland.

## The opinion

- was adopted at the CoR Plenary Session by unanimity on 26 June 2019
- calls for a coordinated European approach to ensure that European industry remains innovative and competitive.
- stresses the key role of regional and local authorities in establishing large-scale industrial cooperation that goes beyond ad-hoc initiatives and contributes to strengthening European value chains. Overall, a more holistic, multi-sectoral approach should be adopted that seeks to identify and harness local strengths and capabilities.
- underlines that the transition of companies to more sustainable and resource-efficient business models will both help the environment and provide competitive advantage. The place-based approach can contribute to a low carbon and circular economy that is a driver of innovation and new business and employment opportunities in a regional and local context.

*A place-based approach for European Industry is crucial if we want to remain competitive and face challenges such as the transition to a zero-carbon and digital economy. Therefore, we need to strengthen regional and local eco-systems by cooperating in the whole value chain and connecting these eco-systems throughout all European regions. Cooperation of local and regional stakeholders is key in this as we all face these challenges. We can learn from each other and grow the European industry in a sustainable way to a stronger, more innovative and competitive European Union.*

Jeannette Baljeu (NL/RE), Regional Minister in the Province of Zuid-Holland, CoR Rapporteur



# Engaging in the Institutional Policy Process

## Informal Competitiveness Council

Under successive Presidencies, the CoR has participated in Informal Meetings of Ministers responsible for Competitiveness (Internal Market and Industry) and has had the opportunity to contribute a territorial perspective to the Council's ongoing work on developing an overall strategic policy framework for European industry.



*The rapporteur, Jeannette Baljeu, with Nicolae Bădăläu, Minister of Economy in the Government of Romania, at the Informal COMPET in Bucharest on 3 May 2019*

## Industry 2030 Roundtable

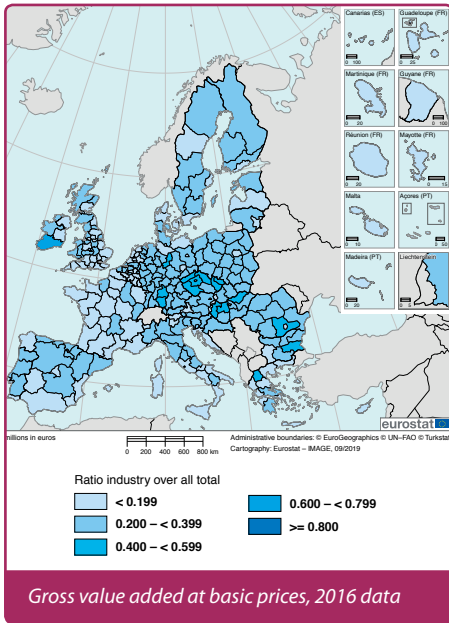
The report of the European Commission's high-level group on the future of European industry, published on 26 June 2019, outlines a vision for a European industry that leads on the global stage for the benefit of society, the environment and the economy alike.

Chaired by Vice President Jurki Katainen, the high-level group recommends specific policy actions towards a long-term industrial strategy. The report proposes that the success of Europe's industrial transformation should build on adopting breakthrough innovations, addressing climate change and focusing on the people and values that make Europe a role model for the rest of the world. It also recommends specific measures for innovation and technology take-up, the transition to a climate-neutral industry, strengthening Europe's global competitiveness and focusing on people and skills.

As the CoR's permanent observer on the roundtable, Jeannette Baljeu contributed the local and regional perspective, emphasising that the industrial model should create value in all European regions, which requires a vision for territorial inclusiveness. As key drivers of innovation, including for SMEs, well-functioning place-based ecosystems and clusters need to be generalised throughout Europe's regions. The CoR also advocated a more place-based approach to skills policy. It also underlined how regional and local authorities can contribute to realising the economic and business potential of a low carbon and circular economy, and advocated that the vision for European industry until 2030 should be aligned with the Sustainable Europe 2030 Strategy, in which regions have a key role. Regions are leading on a territorial approach to SDGs: the OECD finds that 65% of SDGs cannot be reached without regions and cities.

# Analytical work

## CoR studies on industry



## Territorial Impact Assessment Workshop on EU Industrial policy strategy (March 2019)

### Some enabling factors for a successful industrial strategy at European scale

- Education and skills
- Cybersecurity and protection of industrial know-how
- Digitalisation
- Research and Development
- Clusters – dynamic geographic concentrations of inter-connected firms and related innovation actors
- Quality and stability of legal standards for competition and state aid
- Supportive public policies in the field of economic and interregional cooperation.



*A bottom-up approach is needed: industrial strategy must be place-based and tailored to different contexts and local areas. A purely centralised approach will not work. Establishing connections and networks between places will also be crucial, as will effective communication, particularly when it comes to measures that may hurt some stakeholders.*

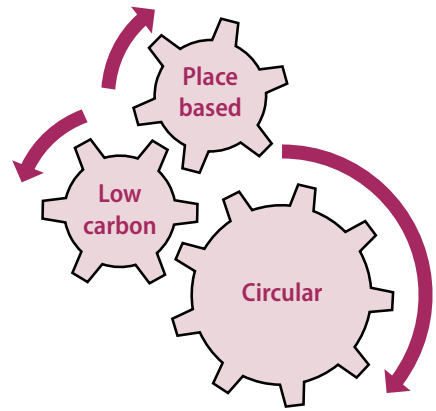
Alexander Lembcke, OECD

### There is no “one-size-fits-all” approach to industrial policy

Industrial policy's role is to provide an enabling framework that allows industry, particularly manufacturing, to invest and develop, combining a mixture of horizontal and cross-sectoral approaches. It should take account of key thematic challenges, such as those related to digitalisation and Industry 4.0, and also the overarching societal challenges arising from demographic ageing, immigration, climate change and environmental pressures.

# Place-Based Policy

In contrast to more traditional approaches to regional development, which focus mainly on compensating for disadvantage, the place-based approach emphasises tackling the root causes of problems. It requires governments to focus more on the local and regional dimensions, to differentiate between territories and take into account their specific assets and needs. It also underlines the need to empower regional and local stakeholders to influence and shape the policies that affect them.



*Circular economy is a sound and innovative place-based approach to industrial development ensuring lower use of energy and greenhouse gas emissions reduction.*



*Zuid-Holland has a strong regional innovation ecosystem: excellent knowledge infrastructure (ranging from intermediate vocational education to three universities), economic clusters of international significance, and cooperating governments at all levels that work to strengthen the regional economy. It is renowned as a real-life testing ground in which field labs test solutions to European societal challenges. A vital network of Field Labs, cooperating cross-border, cross-sector and cross-fund, plays a key role in the region's transformation into a Next Economy region.*



# Where to find further information?

- **Commission for Economic Policy (ECON)**  
<https://cor.europa.eu/en/our-work/Pages/econ.aspx>
- **CoR opinion on A place-based approach to EU industrial policy (adopted on 26 June 2019)**  
<https://cor.europa.eu/EN/our-work/Pages/OpinionTimeline.aspx?opId=CDR-5941-2018>
- **Meetings of the Council's Competitiveness Council**  
<https://www.consilium.europa.eu/en/topics/enterprise-industry/>
- **Industry 2030 High-Level Roundtable**  
[https://ec.europa.eu/growth/industry/policy/industry-2030\\_en](https://ec.europa.eu/growth/industry/policy/industry-2030_en)
- **2017 study on the Future of industry in Europe**  
<https://cor.europa.eu/en/engage/studies/Documents/The%20future%20of%20industry%20in%20Europe/future-of-industry.pdf>
- **2019 study on Implementing a place-based approach to EU industrial policy strategy**  
[https://cor.europa.eu/en/engage/studies/Documents/CoR\\_Industry.pdf](https://cor.europa.eu/en/engage/studies/Documents/CoR_Industry.pdf)
- **2019 Territorial Impact Assessment on industry**  
<https://cor.europa.eu/en/our-work/Pages/Territorial-Impact-Assessment.aspx>
- **OECD – industry and entrepreneurship**  
<https://www.oecd.org/industry/>



**European Committee  
of the Regions**

Created in 1994 following the signing of the Maastricht Treaty, the European Committee of the Regions is the EU's assembly of 350 regional and local representatives from all 28 Member States, representing over 507 million Europeans.

Rue Belliard/Belliardstraat 101 | 1040 Bruxelles/Brussel | BELGIQUE/BELGIË | Tel. +32 22822211  
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