



EUROPEAN CLUSTER
COLLABORATION PLATFORM

Country factsheet

Croatia

An initiative of the European Union





Contents

Contents	2
Introduction	3
1. Industrial ecosystems and cluster landscape	5
2. National cluster policy, programmes and initiatives	9
3. State of play of cluster policy	15
Bibliography	18



Introduction



This document presents an overview of the cluster policy in Croatia. Given its importance to contextualise the cluster policies (and related) analysed in the factsheets, a comprehensive outlook of the country in socioeconomic terms can be consulted in the [European Semester Country Report for Croatia](#).

The European Semester was an instrument introduced to coordinate the EU Member States economic policies and address the economic challenges faced by the EU. Its goals are “to ensure sound public finances, to prevent excessive macroeconomic imbalances in the EU, to support structural reforms to create more jobs and growth, and to boost investment”. Thus, it focuses on the following areas: business environment; financial and fiscal stability; green economy; public administration; labour market and skills; and, social protection and cohesion.

The COVID-19 pandemic has caused an unprecedented economic shock to the European and global economy. In response, policymakers at EU and national level have acted decisively and at short notice to make available very significant financial resources, notably through the Recovery and Resilience Facility, to tackle the threat of a prolonged downturn. [National recovery and resilience plans](#) have been drafted in each Member State to ensure a recovery that addresses the challenges identified in the European Semester. In Croatia, clusters are directly mentioned and eligible for grants in the [National recovery and resilience plan](#).

01

Industrial ecosystems and cluster landscape



EUROPEAN CLUSTER
COLLABORATION PLATFORM

Strengthening the European economy through collaboration

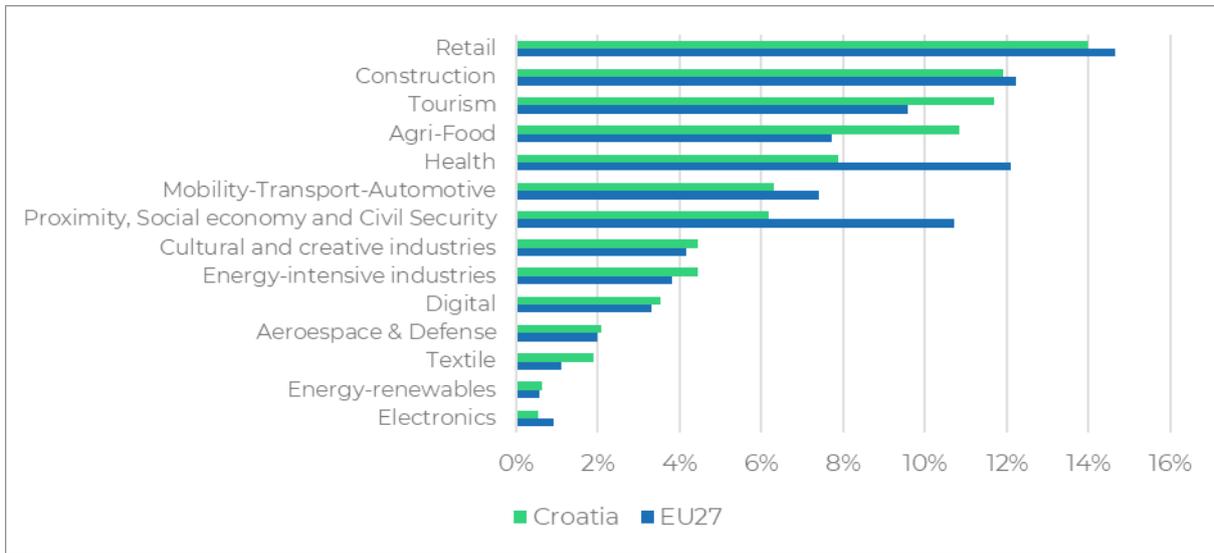


1. Industrial ecosystems and cluster landscape

Employment in the 14 ecosystems in the country

As part of its Industrial Strategy (March 2020), the European Commission has selected 14 industrial ecosystems that are particularly relevant in Europe and encompass all players operating in a value chain. The following graph shows the proportion of the country’s employment accounted for by each ecosystem, as well as the equivalent figure for the EU27 on average. The ecosystems are ordered, from top to bottom, according to the amount of employment in the country. When the bar for the country is higher than that of the EU27, it indicates that the country is more specialised in that ecosystem.

Graph 1: Employment in the ecosystems



Source: Own elaboration from Eurostat and National Statistical Offices



Regionally relevant nodes

Economic activity, and therefore employment, is not equally distributed in all regions. Specialisation can be measured through Location Quotients (LQ) that reflect the relative specialisation of an activity in a region compared to the EU average. If the LQ for a given activity-region combination is above 1.5, it is considered a specialisation node, and if the activity accounts for at least 1 % of total employment in the region, it is considered regionally relevant. The following tables show the total number of regionally relevant specialisation nodes in each region in the country and identifies the top five most specialised of these nodes. The first table focuses on the 88 NACE 2-digit activities or sectors, totalling 19 in the country, while the second table is based on the 14 ecosystems, which total 3 in the country.

Table 1: Regionally relevant sectoral nodes

Region	Number of nodes	Node 1	Node 2	Node 3	Node 4	Node 5
HR03: Adriatic Croatia	10	H50 - Water transport	C30 - Manuf. of other transport equipment	I55 - Accommodation	E38 - Waste activities	D35 - Electricity, gas & steam
HR04: Continental Croatia	9	C16 - Manuf. of wood products	J61 - Telecommunications	E38 - Waste activities	C14 - Manuf. of wearing apparel	K65 - Insurance, pension funding

Source: Own elaboration from Eurostat and National Statistical Offices

Table 2: Regionally relevant ecosystem nodes

Region	Number of nodes	Node 1	Node 2
HR03: Adriatic Croatia	1	Tourism	-
HR04: Continental Croatia	2	Textile	Agri-Food

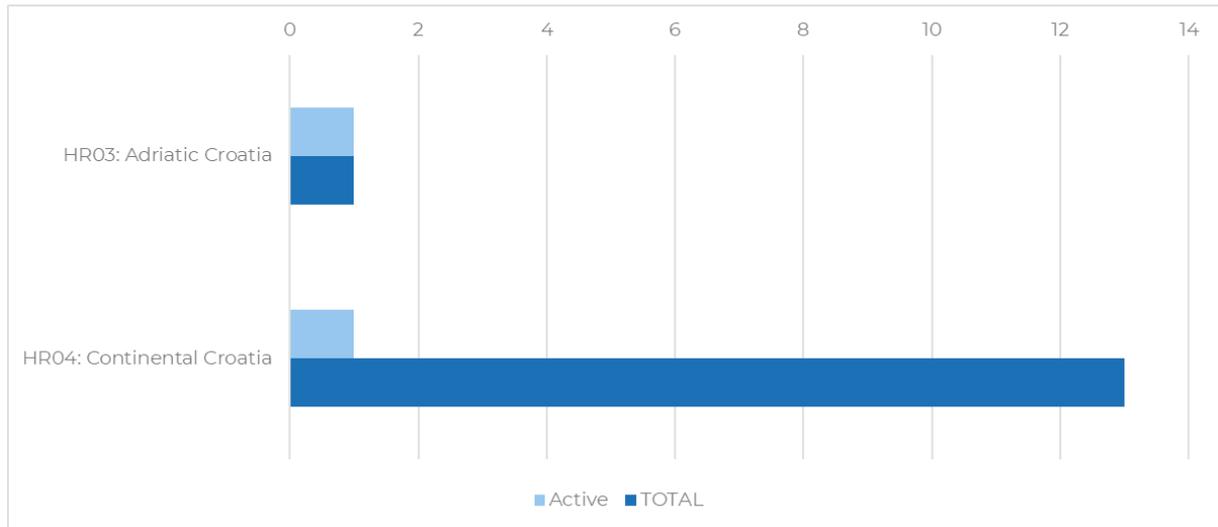
Source: Own elaboration from Eurostat and National Statistical Offices



Cluster organisations in the regions

There are 14 cluster organisations registered on the ECCP in the country, 2 of which can be considered active on the ECCP, having updated their profiles during the first half of 2021. The following graph shows the presence of cluster organisations in the different regions.

Graph 2: Cluster organisations profiled and active on the ECCP



Source: Own elaboration from Eurostat and National Statistical Offices

02

National cluster policy, programmes and initiatives



EUROPEAN CLUSTER
COLLABORATION PLATFORM

Strengthening the European economy through collaboration



2. National cluster policy, programmes and initiatives

Policy type:	National cluster policy	National cluster policy
Policy name:	Cluster development strategy in the of Croatia 2011-2020 Republic	Croatian Competitiveness Clusters
POLICY OBJECTIVES 	<p>Strengthening cooperation between companies or industry and RTDI actors</p> <p>Supporting internationalisation activities</p> <p>Enhancing the visibility of clusters</p> <p>Fostering R&D activities, technology development and implementation</p> <p>Supporting cluster excellence and professionalisation of cluster management</p> <p>Supporting the consolidation of existing cluster organisations</p> <p>Enhancing territorial cohesion (through RIS3)</p> <p>Strengthening the network of cluster organisations/cross-clustering</p> <p>Promoting employment and upgrading skills and competences</p> <p>Connect to global supply chains</p>	<p>Strengthening cooperation between companies or industry and RTDI actors</p> <p>Increasing competitiveness and boosting scale up of SMEs</p> <p>Supporting internationalisation activities</p> <p>Fostering R&D activities, technology development and implementation</p> <p>Fostering innovation and strengthening innovation ecosystems</p> <p>Supporting cluster excellence and professionalisation of cluster management</p> <p>Supporting the consolidation of existing cluster organisations</p> <p>Strengthening the network of cluster organisations/cross-clustering</p> <p>Promoting entrepreneurship, start-ups and spin-offs</p> <p>Promoting employment and upgrading skills and competences</p>
	<p>The strategy for the clusters development of the Republic of Croatia for the period 2011-2020 is the first national (strategic) document for cluster development. It defines the strategic approach, as well as concrete goals and measures for clusters development in Croatia. Goals set in the Strategy are:</p> <ul style="list-style-type: none"> • Improving the management of Croatian cluster policy, 	<p>The Croatian competitiveness clusters (hereafter CCCs) are a policy tool set in the Croatian Smart Specialisation Strategy. CCI are envisaged as networks of various actors that promote national competitiveness of entire sectors or industries in Croatia. Model of competitiveness clusters in Croatia resonates with the concept of cluster organisations and include organised efforts that involve cluster firms, government, and/or the research community.</p>



	<ul style="list-style-type: none"> • Strengthening clusters and members of cluster organisations, • Fostering innovation and knowledge transfer, • Fostering internationalisation of clusters, • Skills development, • Network support and collaboration with clusters from EU and Central and Eastern Europe, • Supporting information and communication activities of clusters and • Effective use of EU funds and other community programmes. 	
<p>POLICY FOCUS</p> 	<p>Sectoral</p> <p>The focus of the Strategy is on sectors that are identified as high value-added for the Croatian economy. This includes sectors such as pharmacy, ICT, renewable energy sources, biotechnology, and automotive industry. Other potential sectors however are not excluded, as the document is meant as an overarching broad document for the clusters development in Croatia. The Strategy's focus is also on research and innovation, and on creating new networks within and beyond existing disciplines.</p>	<p>Sectoral</p> <p>The main goal of the Croatian Competitiveness Clusters is to cooperate in strategic thinking, activities and projects aimed at the involved stakeholders in the identified industrial sectors of the five priority areas identified in the Croatian Smart Specialisation Strategy (S3). The five priority areas of S3 are: 1) Health and quality of life, 2) Energy and sustainable environment, 3) Transport and mobility, 4) Security and 5) Food and bio-economy.</p>
<p>RESPONSIBLE AUTHORITIES</p> 	<p>Both drafting and implementation</p> <p>Oversees the implementation</p> <p>The policy was developed and implemented by the Ministry of Economy, Entrepreneurship and Crafts.</p>	<p>Both drafting and implementation</p> <p>Provides funding</p> <p>Oversees the implementation</p> <p>The policy was developed and implemented by the Ministry of Economy, Entrepreneurship and Crafts.</p>
<p>BENEFICIARIES</p> 	<p>Research organisations</p> <p>Academic institutions</p> <p>Technology centres</p> <p>Cluster organisations</p>	<p>Research organisations</p> <p>Academic institutions</p> <p>Technology centres</p> <p>SMEs</p>



		<p>SMEs</p> <p>Large firms</p> <p>Start-ups</p> <p>Business associations</p>	<p>Large firms</p> <p>Business associations</p> <p>Start-ups</p> <p>Policy makers</p>
		<p>The focus is on clusters organisations and on increasing the participation in clusters organisations by targeting Croatian companies (small and large). Collaboration with research organisations is considered important for skills development and fostering innovation.</p>	<p>The formal structure of Croatian Competitiveness Clusters is based on the "triple helix" model, which implies the involvement of the private sector, the research sector and the public sector.</p>
<p>INSTRUMENTS</p>	Financial	<p>Funding collaboration initiatives</p> <p>Support to R&D projects, SMEs becoming cluster members, etc.</p> <p>Financing networking events</p>	<p>Funding collaboration initiatives</p> <p>Support to R&D projects, SMEs becoming cluster members, etc.</p> <p>Application to labelling schemes and similar initiatives</p> <p>Financing networking events</p> <p>Supporting market entry (e.g. testing, proof-of concept, prototyping, demonstration projects)</p>
	Technical assistance	<p>Support for soft skills development: coaching, management training, upskilling/reskilling</p> <p>Support for hard skill development: knowledge transfer, intellectual property, entrepreneurship, export advice, market intelligence</p> <p>Support for networking and partnership building (at national and/or international level)</p> <p>Marketing activities: advertising, communication, events, fairs, and so on</p> <p>Other: Assistance in obtaining funding from dedicated EU funds.</p>	<p>Support for soft skills development: coaching, management training, upskilling/reskilling</p> <p>Support for hard skill development: knowledge transfer, intellectual property, entrepreneurship, export advice, market intelligence</p> <p>Support for networking and partnership building (at national and/or international level)</p> <p>Marketing activities: advertising, communication, events, fairs, and so on</p>
	Explanation	<p>The focus of the cluster development strategy is cluster empowerment. Clusters receive support in the form of funding, information, training, and counselling to assist in the process of forming and establishing new cluster organisations. Additional assistance is offered to help relevant members access EU funds.</p>	<p>Financial resources are intended for activities of connecting / networking cluster members, providing information on markets or relevant programmes, and activities for promoting and branding clusters externally as well as for supporting joint activities (joint research and development activities within projects). Improving the specific business environment of the</p>



			cluster is named as a goal of funded activities as well (for example joint analysis of development potentials and potential foreign investments).
HISTORY 	Period	Limited period	Limited period
	Ending year (for policies with limited period)	2020	2020 (implementation extended for next 8 months)
	Starting year	2011	2016
	Explanation	The Strategy for clusters development is set for the period 2011-2020.	The policy is set for 48 months, from 2016 to 2020.
BUDGET 	Overall	Not indicated in the sources.	Not indicated in the sources.
	Annual	Not indicated in the sources.	Not indicated in the sources.
	Source of funding	National funds and EU-funded programmes (IPA, ERDF, ESF, Cohesion fund).	The Croatian Competitiveness Clusters policy programme is co-financed with 85% from the European Regional Development Fund, while 15% is financed by the members of cluster organizations in accordance with their activities. National funds reach around 2 million HRK yearly (265,576 EUR).
POLICY EVALUATION	Availability	No policy evaluation.	In-itinere
	Results	No evaluation has been published to date.	No specific evaluation of the project has been conducted, but positive results according to press release of the Ministry. It is known from media sources that in total 12 competitive clusters have been established so far. An economic overview of the competitiveness clusters in Croatia has been performed in 2018 by the researchers of the Economic institute of Zagreb. The economic overview was based on the survey conducted among the members of the Croatian Competitiveness Clusters (CCs). Overall, the results show that CCC's members find that the progress/performance of their CCCs is not strongly visible, especially, when quantifiable results are considered (e.g. growth of employment and FDI volume). An issue that should raise attention among policy makers is that roughly 60% of respondents find that CCCs did not develop enough strength to be sustainable and thus deliver results. Ensuring sustainable financing is of crucial importance for the members of Croatian Competitiveness cluster organisations.



<p>POLICY ALIGNMENT WITH THE EU PRIORITIES</p> 	<p>Green economy Digitalisation</p>	<p>Green economy Digitalisation Social inclusion</p>
---	---	---

03

State of play of cluster policy



EUROPEAN CLUSTER
COLLABORATION PLATFORM

Strengthening the European economy through collaboration



3. State of play of cluster policy

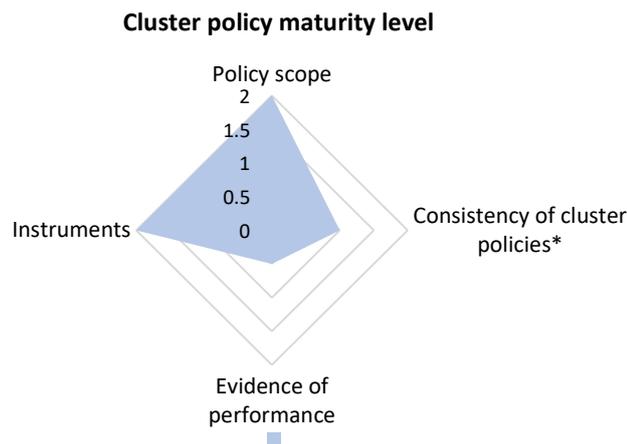
The data below illustrates how the country ranks in terms of maturity of cluster policy. The maturity index is based on a combination of factors presented in Chapter 2 and which are scored based on their existence:

- **Policy scope:** whether the country has a dedicated cluster policy, or cluster creation and/or development is targeted through broader policies (existence of broader policies = 1 point; existence of targeted cluster policies = 2 points)
- **Consistency of cluster policies:** assessment of the duration and experience of the country in doing cluster policies. This dimension assesses only existing cluster policies and not broader policies (no cluster policies available = 0 points; < 10 years of experience or > 10 years (but interrupted) = 1 point; > 10 years (but with clear continuity = 2 points)
- **Evidence of performance:** the existence of monitoring and evaluation mechanisms determines the degree of policy development in the country (no evaluations = 0 points; existence of evaluations of past policies or in-itinere = 0.5 points; existence of ex-ante and/or ex-post evaluations = 0.5 points)
- **Instruments:** whether the policies provide any instruments to support the policy implementation, being these financial and/or technical assistance (1 point for each type of instrument available)

It is important to note that the maturity does not reflect the performance of a country, but only the degree of development of their cluster policy at the moment when the data was collected (2020). The maturity index illustrates how the country scores for each of these four dimensions (policy scope, consistency of cluster policies, evidence of performance and instruments) compared to the maximum score that they can reach.

	Croatia	Maximum score
Policy scope	2	2
Consistency of cluster policies*	1	2
Evidence of performance	0,5	1
Instruments	2	2

* This dimension is scored solely if the country has a dedicated cluster policy and it assesses only cluster policies



State of play of cluster policy in the country

Policy evaluation (for terminated policies)

No policy evaluation

Croatia has in place national cluster policies, but because their national strategy for cluster development for the period 2011.-2020 will finish in 2020, no policy evaluation has been conducted yet. Similarly, the Croatian



	Competitiveness Clusters is still ongoing. It is expected that some evaluation will be conducted after the completion of the period.
Policy approach in the country	Policy support for the activities of cluster organisations
Continuity	The cluster development at policy level started in Croatia in 2011, when the Cluster development strategy in the Republic of Croatia 2011-2020 was adopted. In 2016, as part of the Croatian Smart Specialisation Strategy, Croatia introduced the concept of competitiveness clusters as important policy tools for smart specialisation of the country. Croatian Competitiveness clusters' (CCIs) main goal is to strengthen national industries/ sectors. So far, 13 CCIs have been created in the automotive, wood-processing, food-processing industry, defence, chemical, electro and production machinery and technologies, ICT, maritime, construction, textile, health, personalized medicine, creative and cultural industries. Croatia does have in place specific national strategies for cluster development and is directing them more towards the strategic development of the country, focusing on the competitive industries. As the national Cluster development strategy will terminate in 2020 (the strategy was predicted for the period between 2011 and 2020), it remains uncertain whether the country will update its current strategy or adopt a new one.
Consistency	< 10 years
	The first national strategy for cluster development was adopted in 2011. The strategy indicated the period 2011-2020. It is yet to be seen whether Croatia will adopt a new strategy for the next period. Additionally, Croatia introduced the Croatian Competitiveness Clusters (CCIs) as part of their Smart Specialisation Strategy. The fact that Croatia embedded the concept of competitiveness clusters in their smart specialisation strategy indicates that the country is actively seeking the development of clusters in Croatia.



Bibliography





Bibliography

Croatia National Recovery and Resilience Plan (2021-2016). Available at:

https://ec.europa.eu/info/sites/default/files/recovery_and_resilience_plan_for_croatia_hr.pdf

2030 National Development Strategy. Available at:

[Nacrt NRS 2030 i Dodaci sa amandmanom v2 \(europski-fondovi.eu\)](http://www.europski-fondovi.eu)

Cluster development strategy in the Republic of Croatia 2011-2020. ('Strategija razvoja klastera u Republici Hrvatskoj 2011.-2020'). Available at: www.europski-fondovi.eu/sites/default/files/dokumenti/Strategija_razvoja_klastera.pdf

www.europski-fondovi.eu/sites/default/files/dokumenti/Strategija_razvoja_klastera.pdf

Smart Specialization Strategy for the period from 2016 to 2020 and Action Plan for the implementation of the Smart Specialization Strategy of the Republic of Croatia for the period from 2016 to 2017. ('Strategija pametne specializacije za razdoblje od 2016. do 2020. Godine i akcijski plan za provedbu strategije pametne specializacije Republike Hrvatske za razdoblje od 2016. Do 2017. Godine'). Available at: http://europski-fondovi.eu/sites/default/files/dokumenti/Strategija_pametne_specijalizacije_RH_2016_2020.pdf

http://europski-fondovi.eu/sites/default/files/dokumenti/Strategija_pametne_specijalizacije_RH_2016_2020.pdf

Anić, I., Bačić, K. and Aralica, Z. 2018. Klasteri konkurentnosti u Hrvatskoj. In Ekonomski pregled, Vol. 69, No. 5, 571-593. Available at: https://hrcak.srce.hr/index.php?show=clanak&id_clanak_jezik=307206

InvestCroatia. Klasteri konkurentnosti. Available at: <http://investcroatia.gov.hr/klasteri-konkurentnosti/>