



EUROPEAN CLUSTER
COLLABORATION PLATFORM

Country factsheet

Finland

An initiative of the European Union





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Introduction



This document presents an overview of the cluster policy in Finland. 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 Finland](#).

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.

Despite the somewhat limited shock that the COVID-19 pandemic had on the Finnish economy, the country has taken multiple measures to deter the impacts. These are set namely under [the Sustainable Growth Programme](#), drafted by the Finnish government, which utilises the Recovery and Resilience Facility funding and is structured around four pillars of green transition, digitalisation and data economy, employment and skills, and social and health services. The clusters have been included in the programme especially in terms of innovation, research and skills. The drafting of the programme included several stakeholder hearings and consultations that also included organisations from the industrial clusters.

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Industrial ecosystems and cluster landscape



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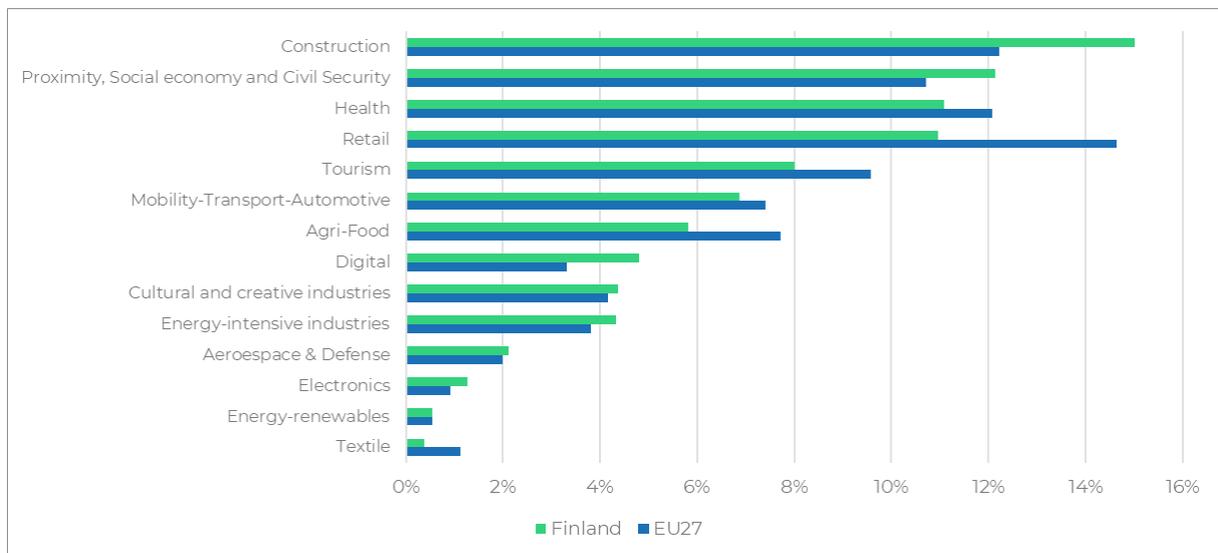


1. Industrial ecosystems and cluster landscape

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 40 in the country, while the second table is based on the 14 ecosystems, which total 5 in the country.

Table 1: Regionally relevant sectoral nodes

Region	Number of nodes	Node 1	Node 2	Node 3	Node 4	Node 5
FI19: West Finland	8	C17 - Manuf. of paper products	C28 - Manuf. of machinery & equipment	C33 - Repair, installation of machinery	P85 - Education	R93 - Sports, amusement, recreation
FI1B: Helsinki-Uusimaa	10	J58 - Publishing activities	Q88 - Social work without accommodation	J62 - Computer programming, consultancy	C26 - Manuf. of electronic & optical products	N78 - Employment activities
FI1C: South Finland	6	C17 - Manuf. of paper products	Q87 - Residential care	S94 - Membership organisations	F41 - Construction of buildings	O84 - Public adm., defence, soc. security
FI1D: North and East Finland	9	A02 - Forestry & logging	C16 - Manuf. of wood products	P85 - Education	C24 - Manuf. of basic metals	C26 - Manuf. of electronic & optical products
FI20: Åland Islands	7	H50 - Water transport	R92 - Gambling & betting	Q87 - Residential care	H53 - Postal & courier activities	F41 - Construction of buildings

Source: Own elaboration from Eurostat and National Statistical Offices

Table 2: Regionally relevant ecosystem nodes

Region	Number of nodes	Node 1	Node 2
FI19: West Finland	0	-	-
FI1B: Helsinki-Uusimaa	2	Digital	Electronics
FI1C: South Finland	0	-	-
FI1D: North and East Finland	1	Electronics	-
FI20: Åland Islands	2	Mobility-Transport-Automotive	Tourism

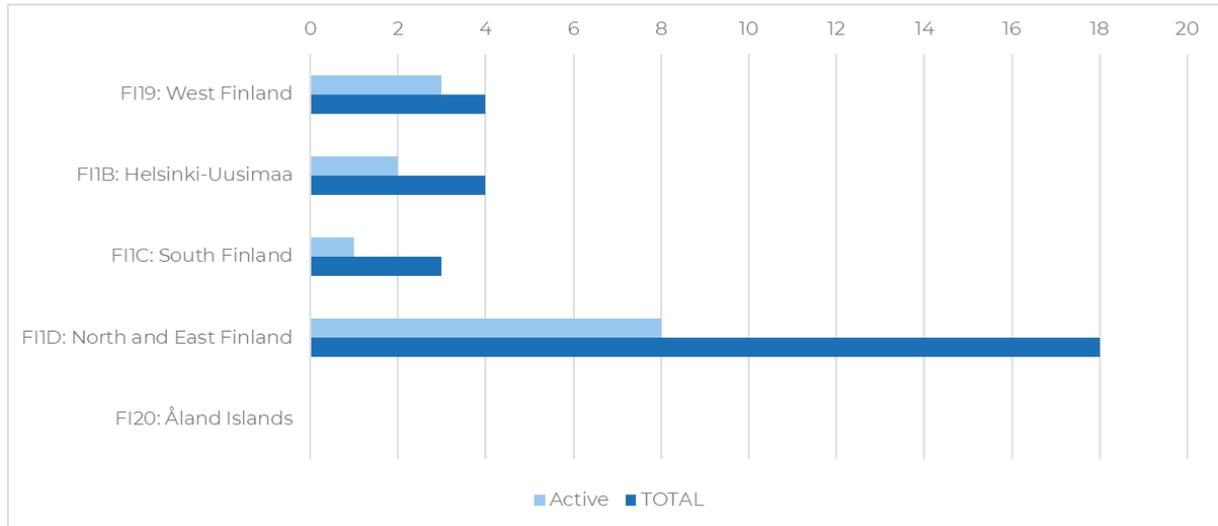
Source: Own elaboration from Eurostat and National Statistical Offices



Cluster organisations in the regions

There are 29 cluster organisations registered on the ECCP in the country, 14 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

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National cluster policy, programmes and initiatives



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2. National cluster policy, programmes and initiatives

Policy type:	Broad policy
Policy name:	National Priorities of Regional Development 2020-2023 Regional development policy and structural change
<p>POLICY OBJECTIVES</p> 	<p>Strengthening cooperation between companies or industry and RTDI actors</p> <p>Increasing competitiveness and boosting scale up of SMEs; Supporting internationalisation activities</p> <p>Fostering R&D activities, technology development and implementation</p> <p>Fostering innovation and strengthening innovation ecosystems</p> <p>Supporting the consolidation of existing cluster organisations</p> <p>Promoting social and sustainable economy and other solidarity-based initiatives</p> <p>Promoting employment and upgrading skills and competences</p> <p>Enhancing territorial cohesion (through RIS3)</p> <p>Strengthening the network of cluster organisations/cross-clustering</p> <p>Cluster analysis and support for policymaking</p> <p>Connect to global supply chains</p> <p>The national priorities of regional development for 2020-2023 set the national level policy for regional and cluster development. It is decided by the ministry of economics and will set the larger framework for the aims and focus points for regional development. It includes the national and regional aspects, which are then implemented regionally by the local authorities in the regional development strategy.</p>
<p>POLICY FOCUS</p> 	<p>Cross-sectoral</p> <p>The priorities highlight the need for cross-sectoral collaboration between the clusters,. There is no specific information provided on the focus of clusters. Typically, the clusters are seen as network organisations with thematic focus. However, cluster organisations should not concentrate on building their own deep knowledge on, for example, digitalisation or green technologies, but to ensure they have basic understanding and good connections to expert</p>



		clusters/EDIHs/other in that specific field. The main skill and ability of the cluster manager/organisation should be the ability to build networks, to facilitate the growth and speak the language of the SMEs, to raise awareness, to share good practices and to be intermediaries.
RESPONSIBLE AUTHORITIES 		<p>In charge of drafting</p> <p>Provides funding</p> <p>Oversees the implementation</p>
		The ministry of economic affairs will oversee the regional development, which will use both specific sectoral and areal focused national funding and EU funds.
BENEFICIARIES 		<p>SMEs, cluster organisations, research organisations, academic institutions, start-ups, business associations, large firms, NGOs, technology centres, general population</p>
		The programme is a holistic entrepreneurship strategy that considers different enterprises from microenterprises to large multinationals. It is supported by active participation of other stakeholders, including civil society organisations, public administration, church etc.
INSTRUMENTS 	Financial	Funding collaboration initiatives; Innovation vouchers, support to hire PhDs, cooperation with R&I actors
	Technical assistance	-
	Explanation	The strategy uses the following national financial instruments to support regional development: entrepreneurship funds, employment funds, R&D focused funds, different investment and development funds that are divided in sectors, and EU funding. The use of these instruments is not described in detail on strategy level
HISTORY 	Period	Limited period
	Ending year (for policies with limited period)	2023
	Starting year	2020



	Explanation	The strategy is renewed every four years. The previous strategy was set for years 2016 to 2019.
<p>BUDGET</p> 	Overall	The policy does not have separate budget as it is executed as part of the overall states funding framework.
	Annual	-
	Source of funding	The Government of Finland, EU funds. The strategy uses following national financial instruments to support regional development: entrepreneurship funds, employment funds, R&D focused funds, different investment and development funds that are divided in sectors, and EU funding.
<p>POLICY EVALUATION</p> 	Availability	ex-ante
	Results	<p>The legal requirements are set to provide an impact assessment and evaluation of the public programs. The programme memo also has a preliminary evaluation of the impacts. The programme is divided in six different areas: environmental, community development, innovation and R&D, skills and education, participation and welfare, and regional development. Each of these is evaluated in terms of the economic, social and environmental impacts. Overall, the programme areas are estimated to have positive impacts in all areas, except participation and welfare approach which is neutral in other than in social aspect.</p> <p>There is a lack of overarching ex-post evaluation.</p>
<p>POLICY ALIGNMENT WITH THE EU PRIORITIES</p> 		<p>Green economy</p> <p>Digitalisation</p> <p>Social inclusion</p>

03

State of play of cluster policy



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3. State of play of cluster policy

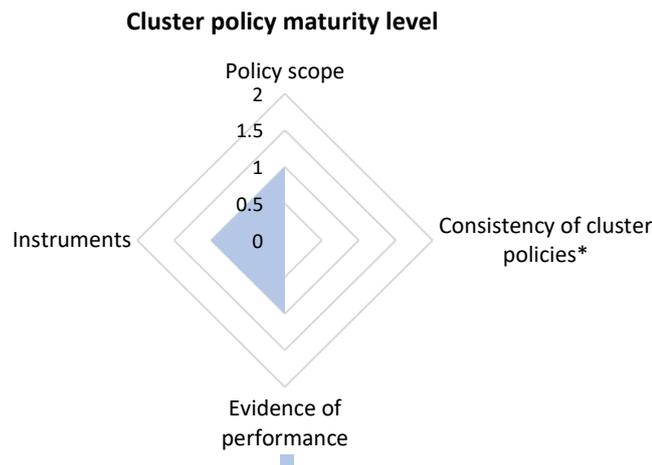
The data below illustrates how the country ranks in terms of maturity of cluster policy. The maturity index is based on a combination of factors presented in Chapter 2 and which are scored based on their existence:

- **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.

	Finland	Maximum score
Policy scope	1	2
Consistency of cluster policies*	0	2
Evidence of performance	1	1
Instruments	1	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)

Availability of evaluations for terminated policies

Evaluation of 2016-2018 areal innovation and pilots is available. On overall specific policy areas of the programme have been successful on providing individual funding and guiding the local clusters to the targets of the national



	strategy. The only notable concerns raised have been regarding the long-term continuity of the strategy, although this was evaluated in 2018 before the total impact of previous programme was fully explored.
Policy approach in the country	<p>Policy support for the activities of cluster organisations</p> <p>Cluster approach used directly by national/regional development agencies</p> <p>Specific policies to support cooperation projects</p> <p>Broad-based framework policies to support cooperation effectiveness</p>
Continuity	<p>The broad policy framework is set by each Finnish government and will be followed up on ministry level. The ministry conducts ex-ante evaluation of the policy. The regional development strategy is based on the law on regional development which set in 2014 (356/2014). It is the umbrella structure that sets the strategic targets for other specific national development programmes. The first regional development plan was established in 2016 to 2019, and the second one is in place from 2020 to 2023. The programme is subject to ex-ante evaluation and programme specific ex post evaluations.</p> <p>The role of cluster organisations is understood as being to ensure there is basic understanding and good connections to expert clusters/EDIH's/other in that specific field. The main skill and ability of the cluster manager/organisation should be the ability to build networks, to facilitate the growth and speak the language of SMEs, to raise awareness, to share good practices and to be intermediaries. On the other hand, ecosystems are seen as frameworks for economic activity, analysis and policy, and a way of interconnecting a variety of actors. By integrating new players, ecosystems are considered to operate more efficiently than 'distinguished clusters or networks'.</p>
Consistency	<p>No cluster policy available</p> <p>The development plan is a broad policy. Programme based regional development policy in Finland dates back to 1989. The current structure has been laid in 2008 when the Finnish ministry of Economy was reformed (official: Ministry of Economic Affairs and Employment). The law on regional development was set in 2014 (356/2014).</p>

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