

## The emerging industries in our complex scenario

In 2019, the European Panorama for Cluster published the report “Emerging Industries: Driving strength in 10 cross-sectoral industries”.

Even though the social and economic conjuncture changed rapidly for the Covid-19 pandemic, this report highlights some structural features of our economic scenario that could be useful to discuss.

As stated by the title, the report focuses on emerging industries and, more in detail, it aims at expressing the relevance that 10 “new industries” play for our entire economic system.

The reason why these clusters are so interesting for the European Observatory for Clusters and Industrial Change is that the companies active in these sectors show, among others, two main characteristics: first, a business model that could generate significant results in terms of gross added value and, second, they’re working on products and services that could lead to a cross-sectoral innovation among different industries.

The clusters included within the macro-area of the “emerging industries” are 10, and among them, there are at least three clusters that interest us closely: the digital, the experiential, and the creative industries. The inclusion of these clusters in the framework on one hand confirms, once again, how immaterial and intangible assets are relevant for the entire economy, while on the other hand, it implies a wider reflection about the so-called value-chain within the industrial and the production system in its whole.

Without taking into account the pandemic emergency and its effects on the global economy, which influence our short-term strategies but change just a little our long-term programs, it is possible to affirm that what we’re going to live in the very next future is an economic scenario where institutional entities (such as European Commission and similar) will define paths in order to reach few but ambitious goals: innovation (included digital innovation) in every aspect of our daily life since the production to the consumption of products and services; human, social, environmental and economic sustainability, and the impacts that such sustainability generates in the overall social system.

In this general framework, the role of the digital, creative, and experiential industries is the realization of cross-sectoral innovations that, potentially, could positively affect more “developed” industries.

More in detail, looking at the experience of the last two decades, innovations in these clusters could affect in a positive way the value-chain of the “mature” markets in a wide set of potential connections. For example, emerging industries can influence developed industries by helping them in answering to the needs of an everlasting changing society, or reducing production costs by introducing new technologies in the production cycle, or increasing their revenues by strengthening the perceived benefits that customers attribute to their products or services.

Nevertheless, with a more down-to-earth approach, it worth saying that emerging industries, especially creative industries, are mostly composed of companies with a little average number of employees and with a low-level of capitalization.

This is not a good point for our market evolution: innovation needs investments, and more precisely, innovation needs high-risk investments.

Creating innovations, both product, and process innovations, require creative, digital, and experiential enterprises to invest employees’ time in developing products characterized by long-term payback periods, or, as more and more frequently happens, the definition of innovation services are outsourced to young start-ups founders.

It is to say that who is in charge of the realization of one of the most important elements of our economic development are individuals who risk their time and often do not have sufficient patrimonial resources, nor they have adequate working-team.

Synthetically, On the one hand, we have big companies, which often do not show the right “agility” and

“culture” to innovate. On the other hand, we have agile companies, that often do not have sufficient capital and market knowledge.

In the middle, there are banks, investors, and universities, working as intermediaries, and thus profiting from each passage.

Instead, what we should have, is a real enterprises-innovators connection, that could allow the realization of more balanced growth for both, the developed and the emerging industries.

The scenario we're living, characterized by a “forced” openness towards changes, represents the right moment for developing a new value-universe, where the externalities are internalized, and taken into account, as to make digital, experiential and creative industries, sustainable. For real.



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