

Smart Recommendations for Policy Makers

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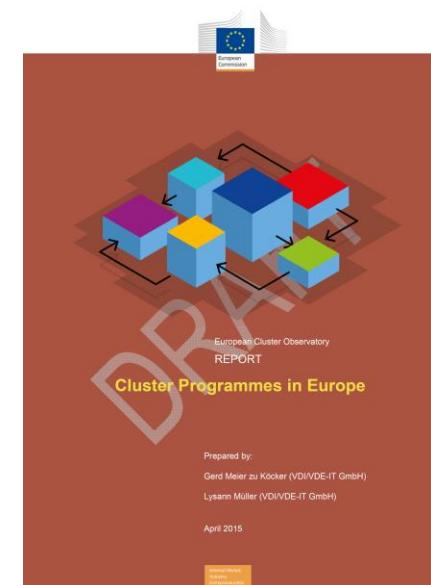
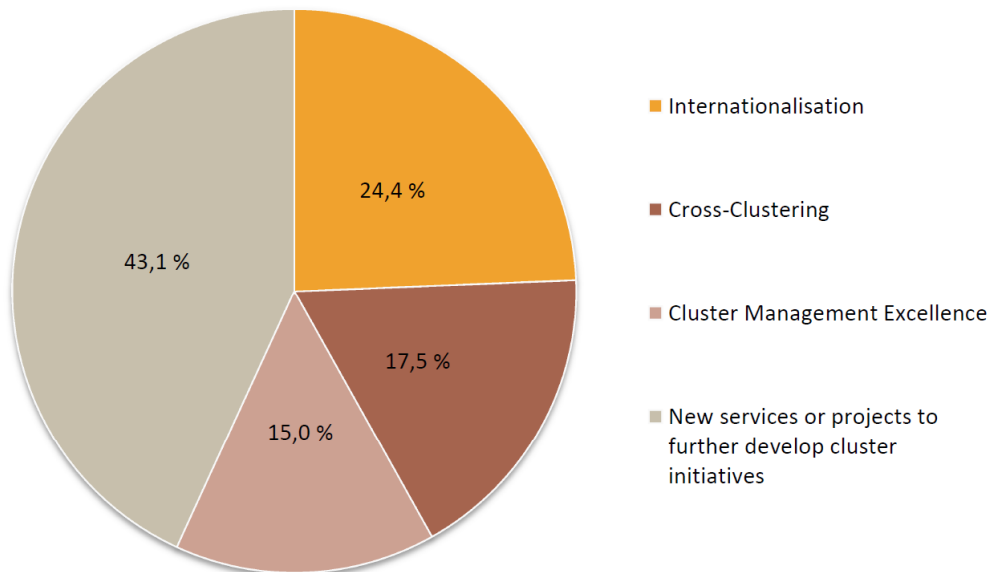
Why are some regions doing better than others?

Cluster Policy and Involvement of Cluster Initiatives in Regional Economic Development Varies Over Europe

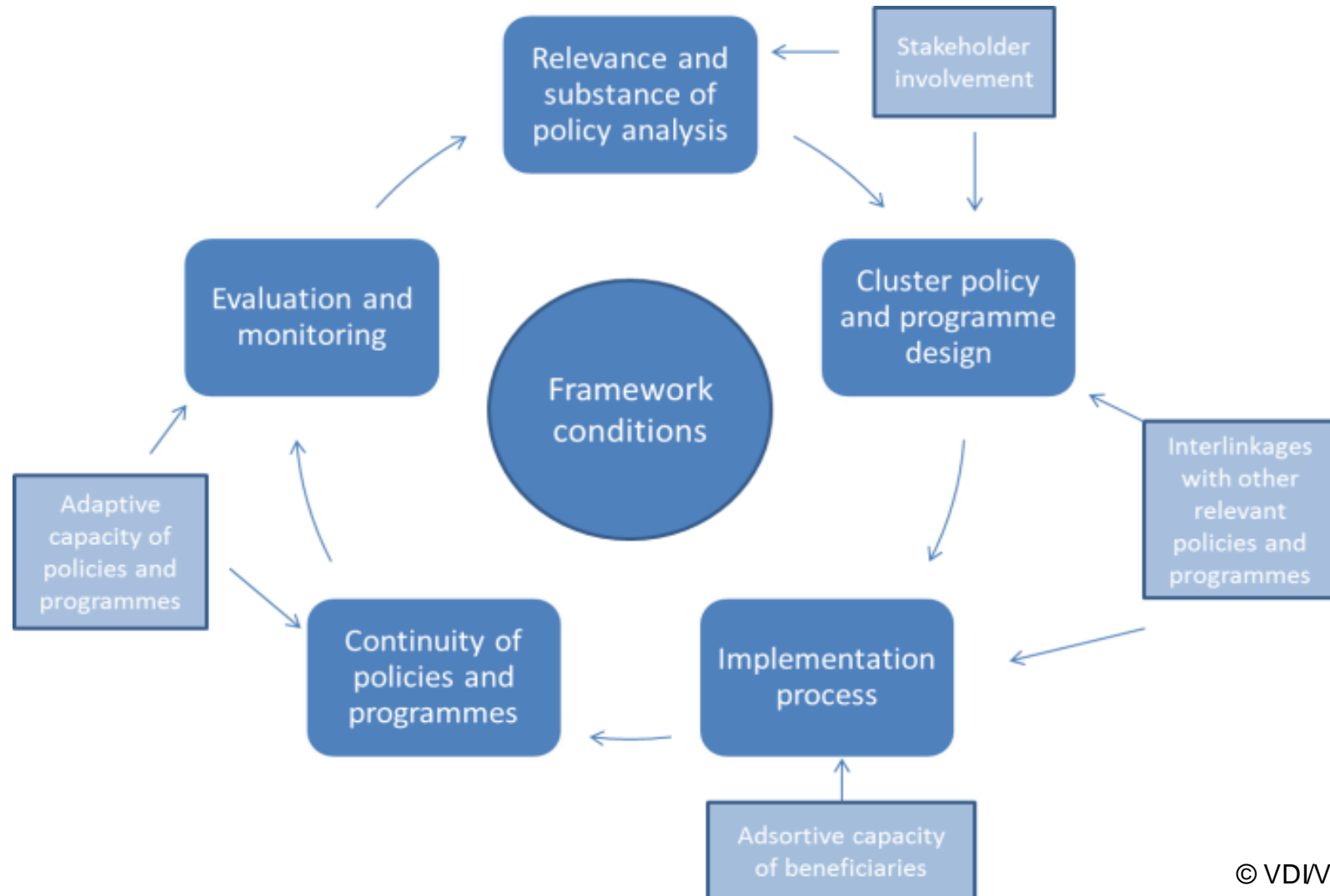
Making better
use of clusters

- Cluster initiatives as active tool for regional development policy vs. ignored by regional policy
- RIS based on cluster (initiatives) vs. not involved in RIS development
- High continuity of supporting cluster initiatives vs. frequent changes / lack of continuity
- Strong financial support of cluster initiatives vs. no support at all

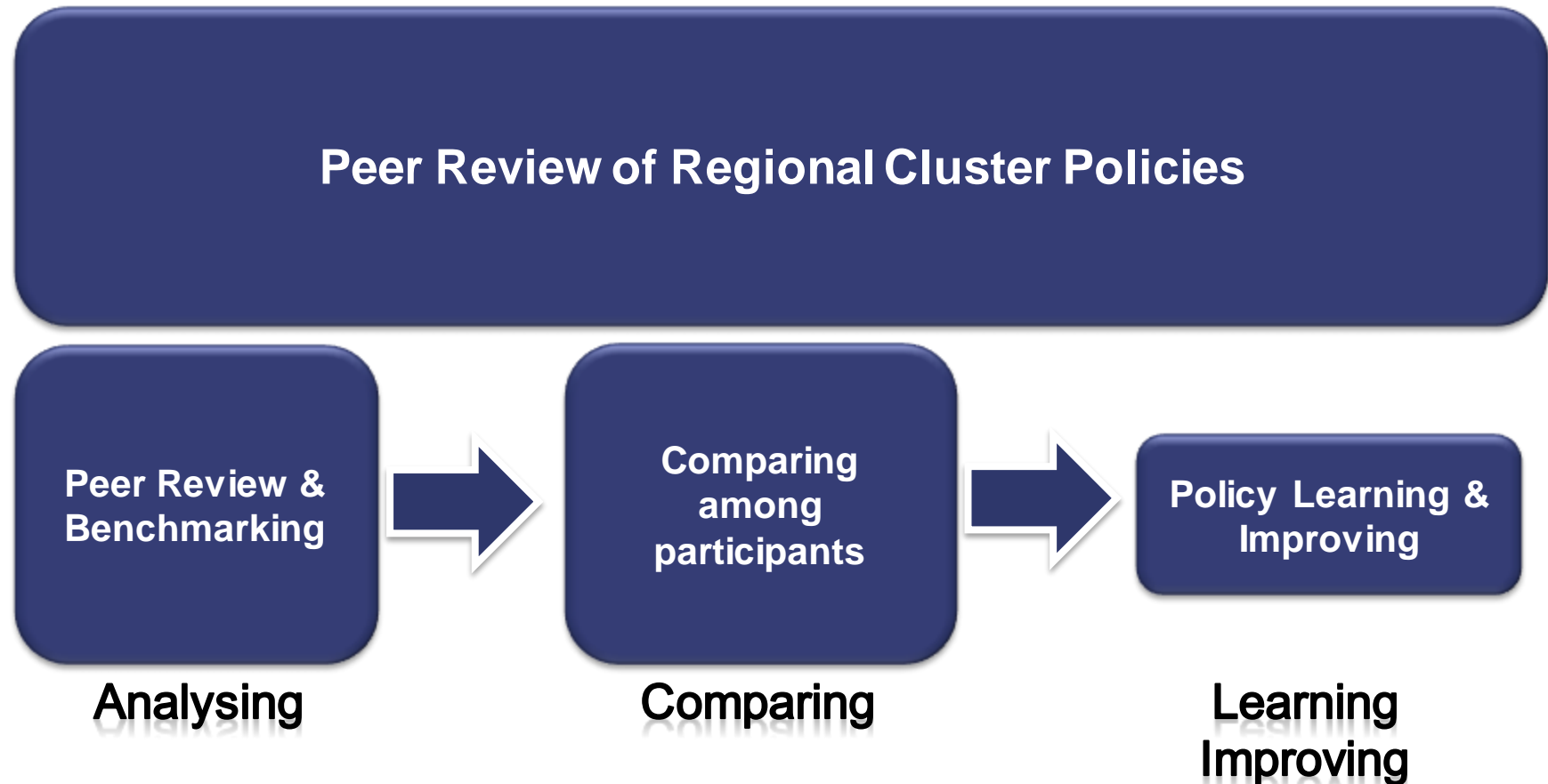
Where funding is intended for



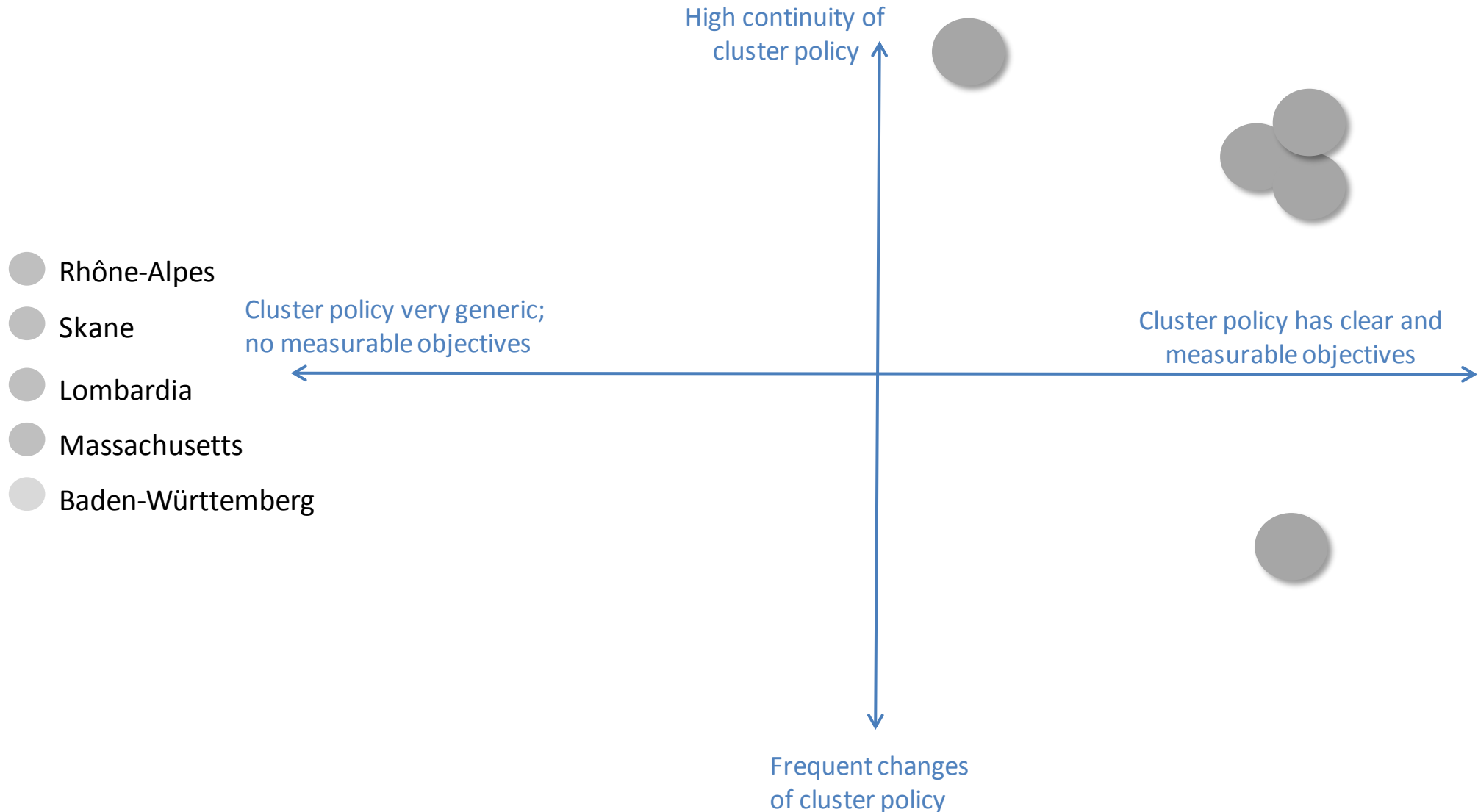
The Key Determinants for Cluster Policies



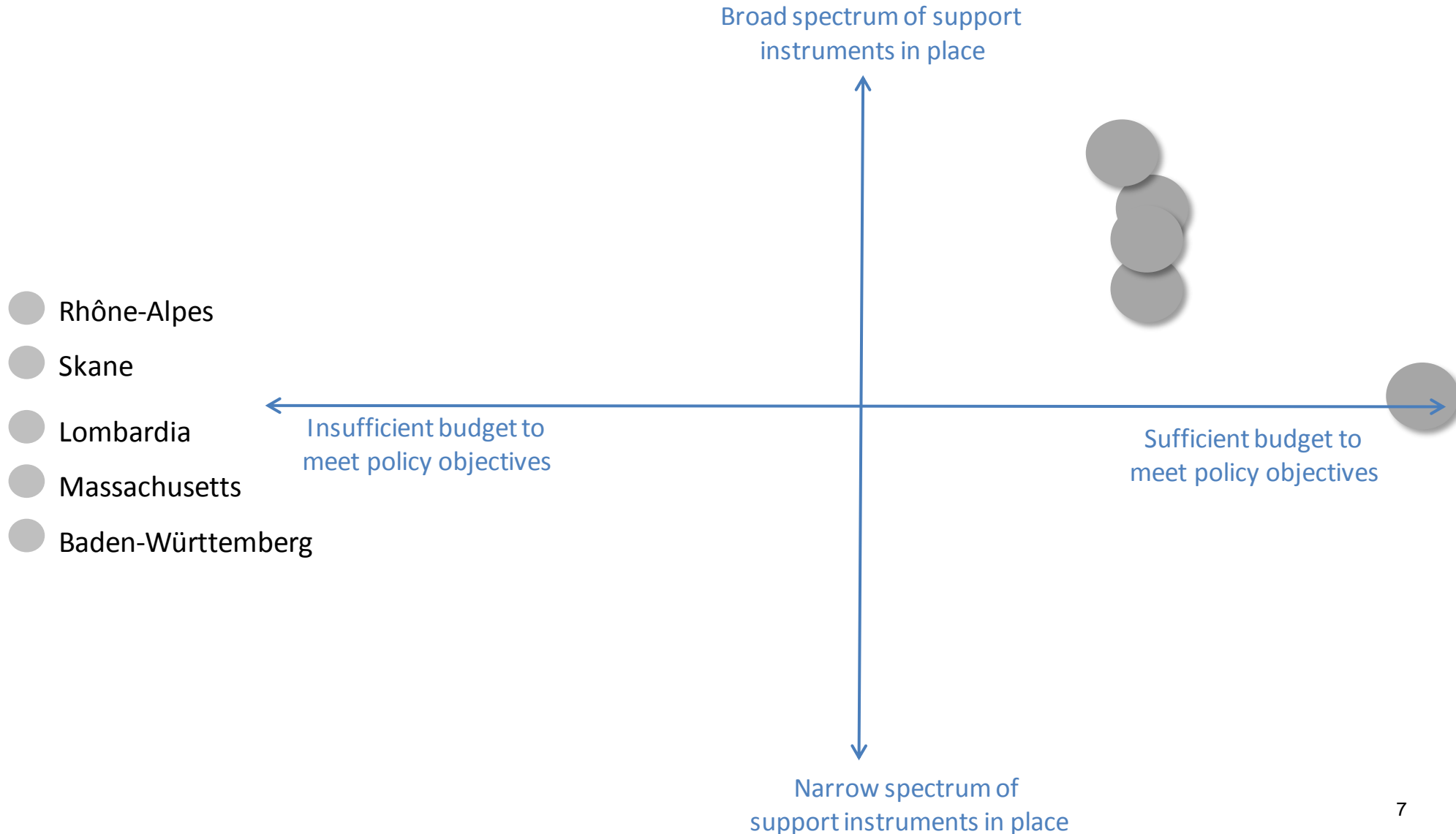
Peer Review as New Approach to Improve Cluster Policy



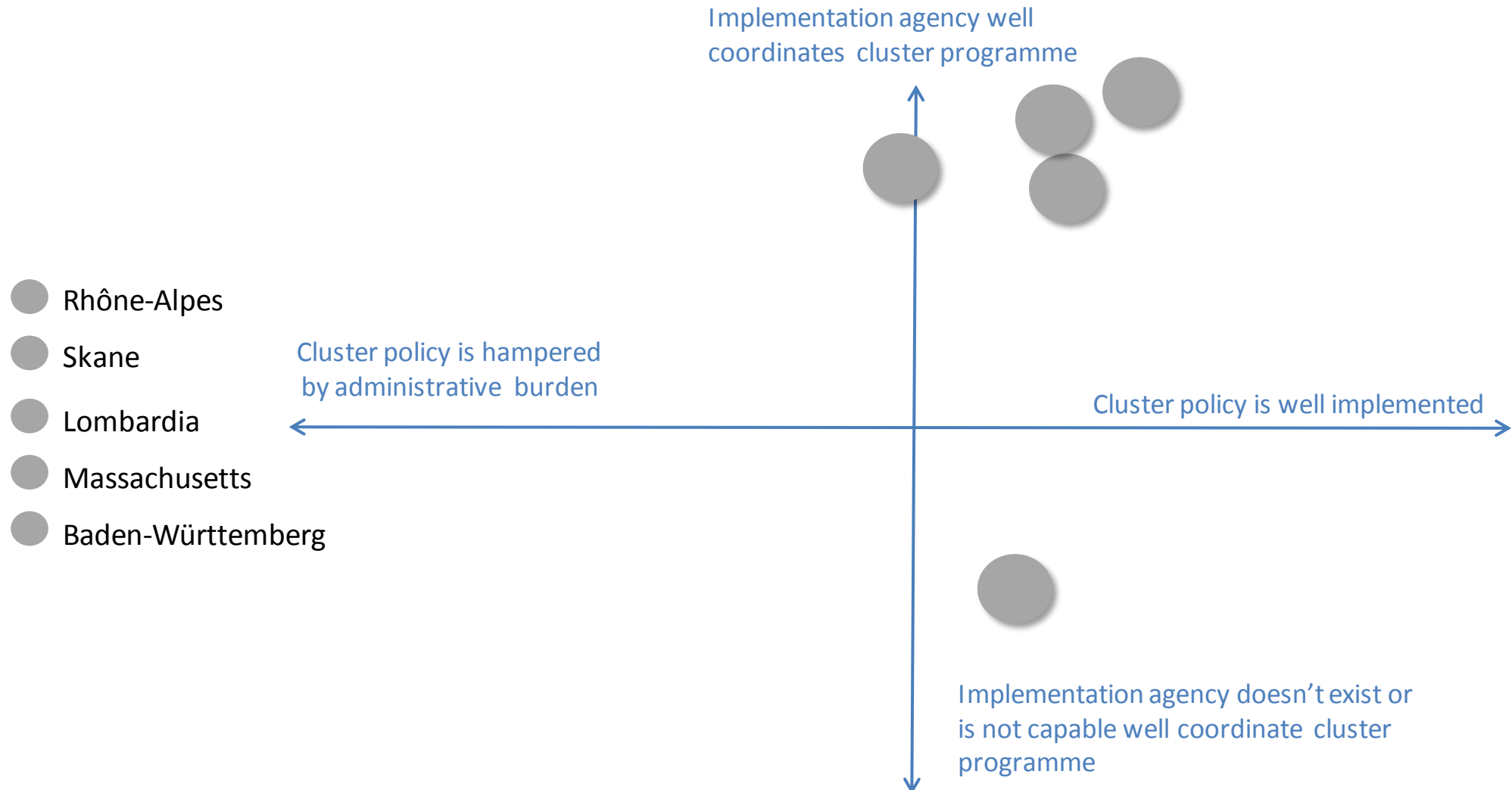
Characteristics of Cluster Policy for Selected Advanced Region (I)



Characteristics of Cluster Policy for Selected Advanced Region (II)

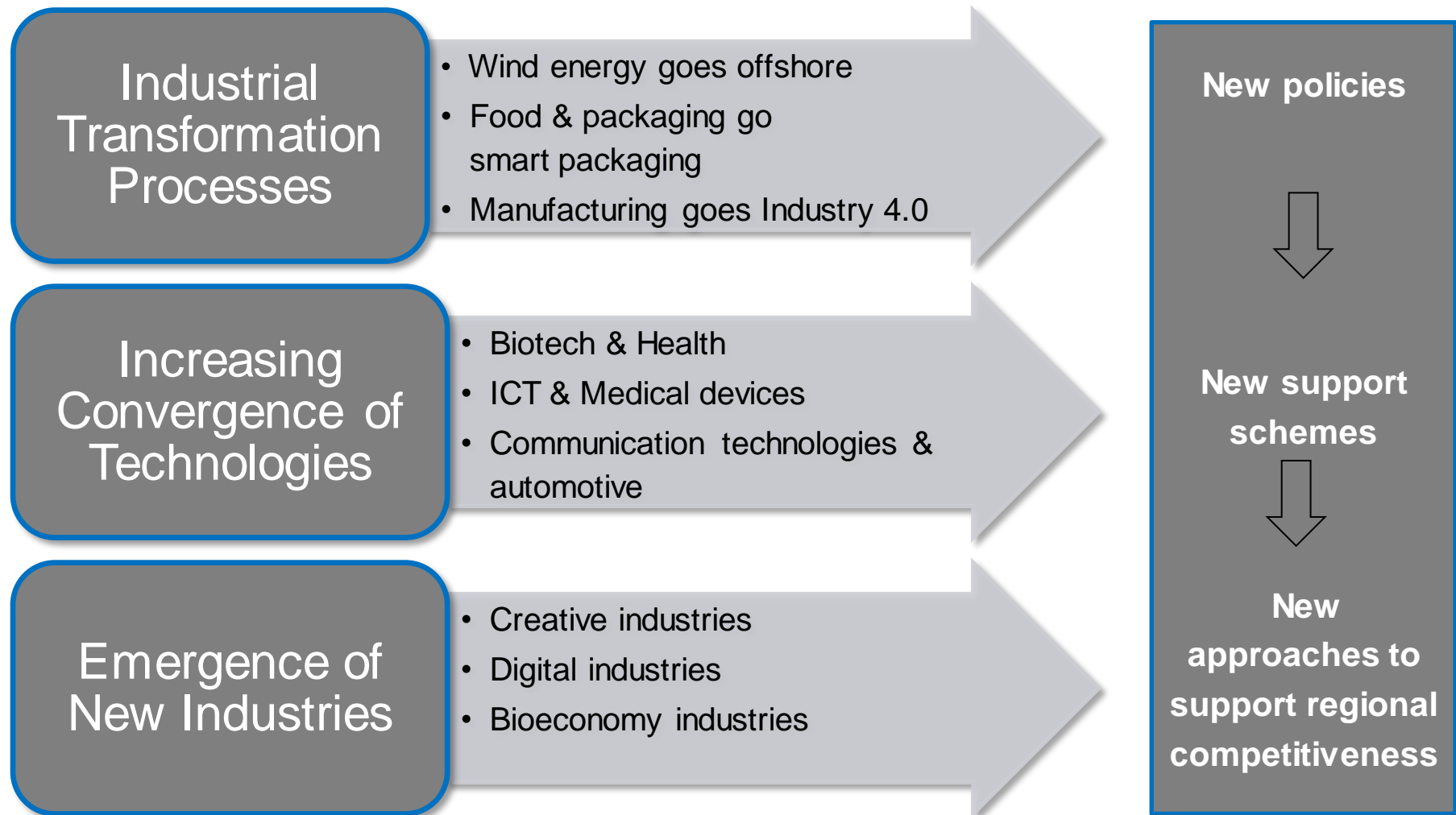


Characteristics of Cluster Policy for Selected Advanced Region (III)



How innovations happen today

Current and Future Challenges Driven by Technologies, Markets and Society



Examples for Innovation in the Field of Emerging Industries (Advanced Packaging)

Food



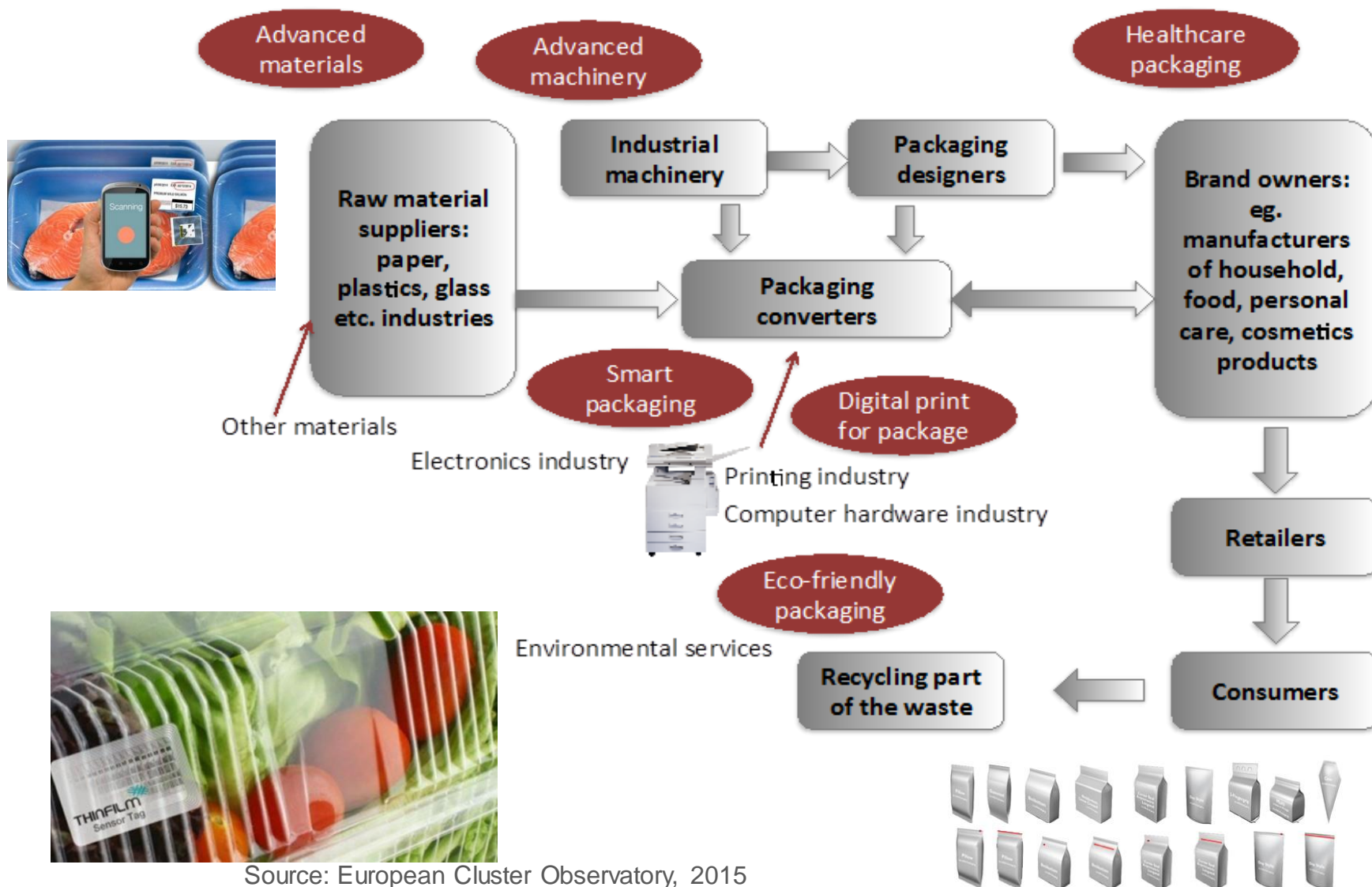
Packaging



Sensors

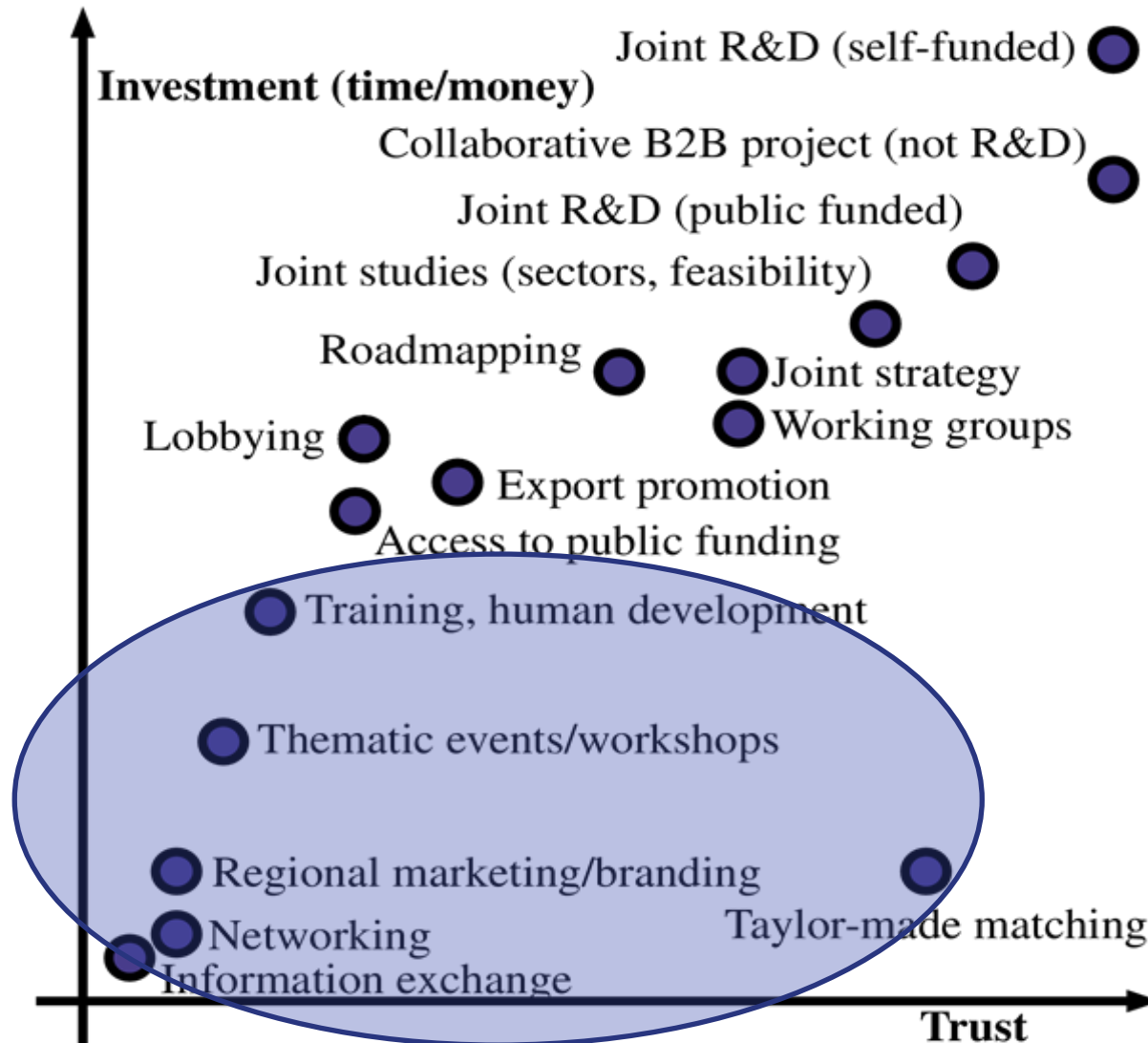


Potentials for Integrating New Actors in Emerging Value Chains

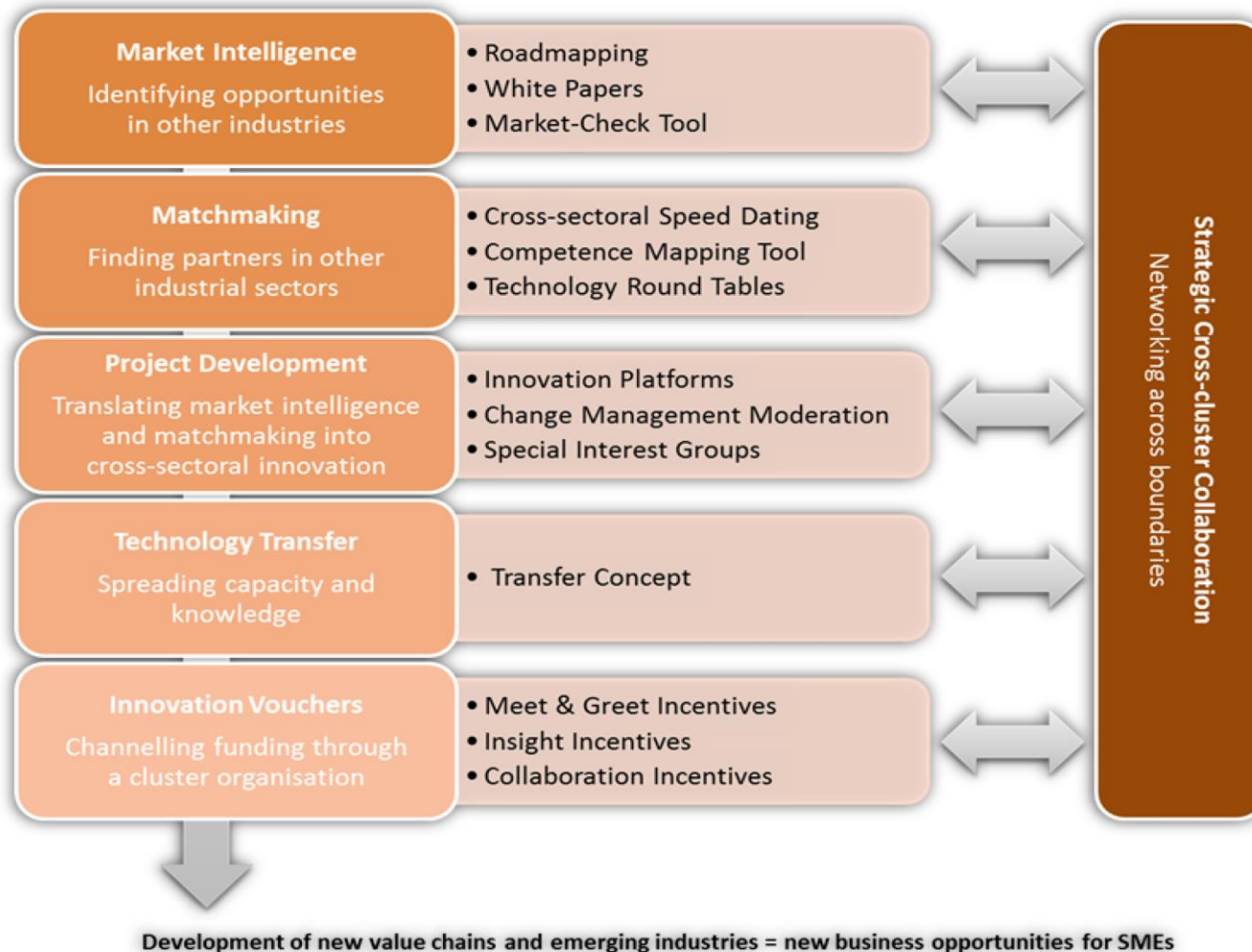


Consequences for Cluster Initiatives

New Quality of Business Support Services



Perfect Service Portfolio of Cluster Managements



Consequences for Cluster and Regional Economic Policies

Focusing on Existing Clusters (in traditional industries)

Enable to innovate

Facilitate to innovate

Cluster initiatives

**Funding agencies,
programme owners**

Operational Level

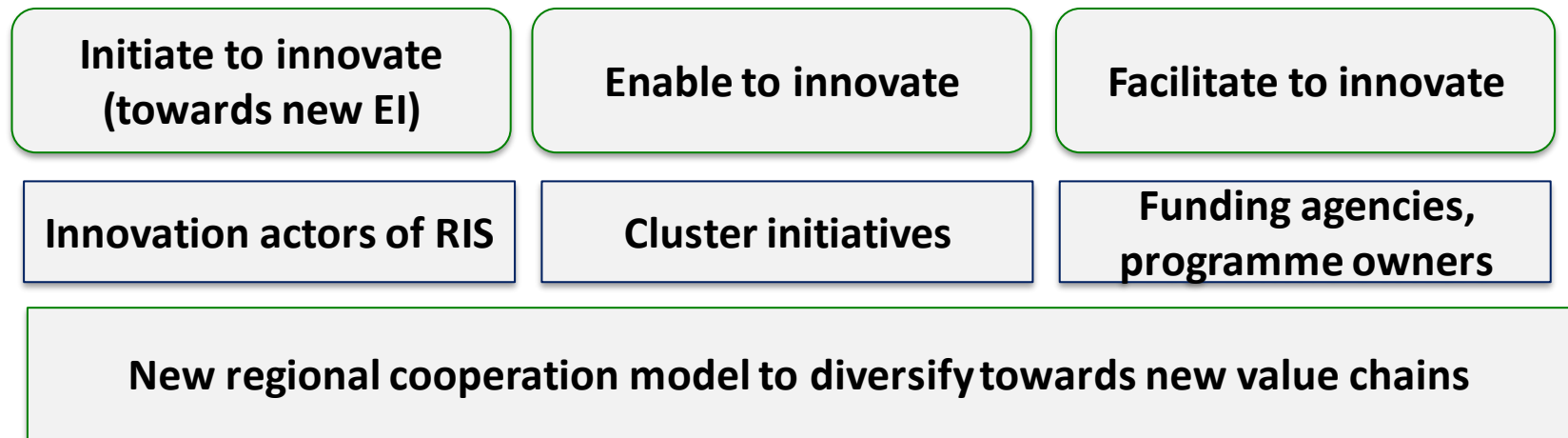
- Awareness raising
- Trust building
- Initiating cooperation
- Knowledge creation
- Knowledge transfer
- Common product development

Implementation

- Cluster support schemes
- Innovation support schemes
- SME support schemes
- Entrepreneurial support schemes

Framework Conditions for Supporting Emerging Industries

Industrial transformation, technology convergences, high growth potential, diversification of regional industries, societal challenges, new markets



Strategic Level

- Foresight
- Roadmapping
- Value chain mapping
- Gap analysis – identification
- Needs assessment

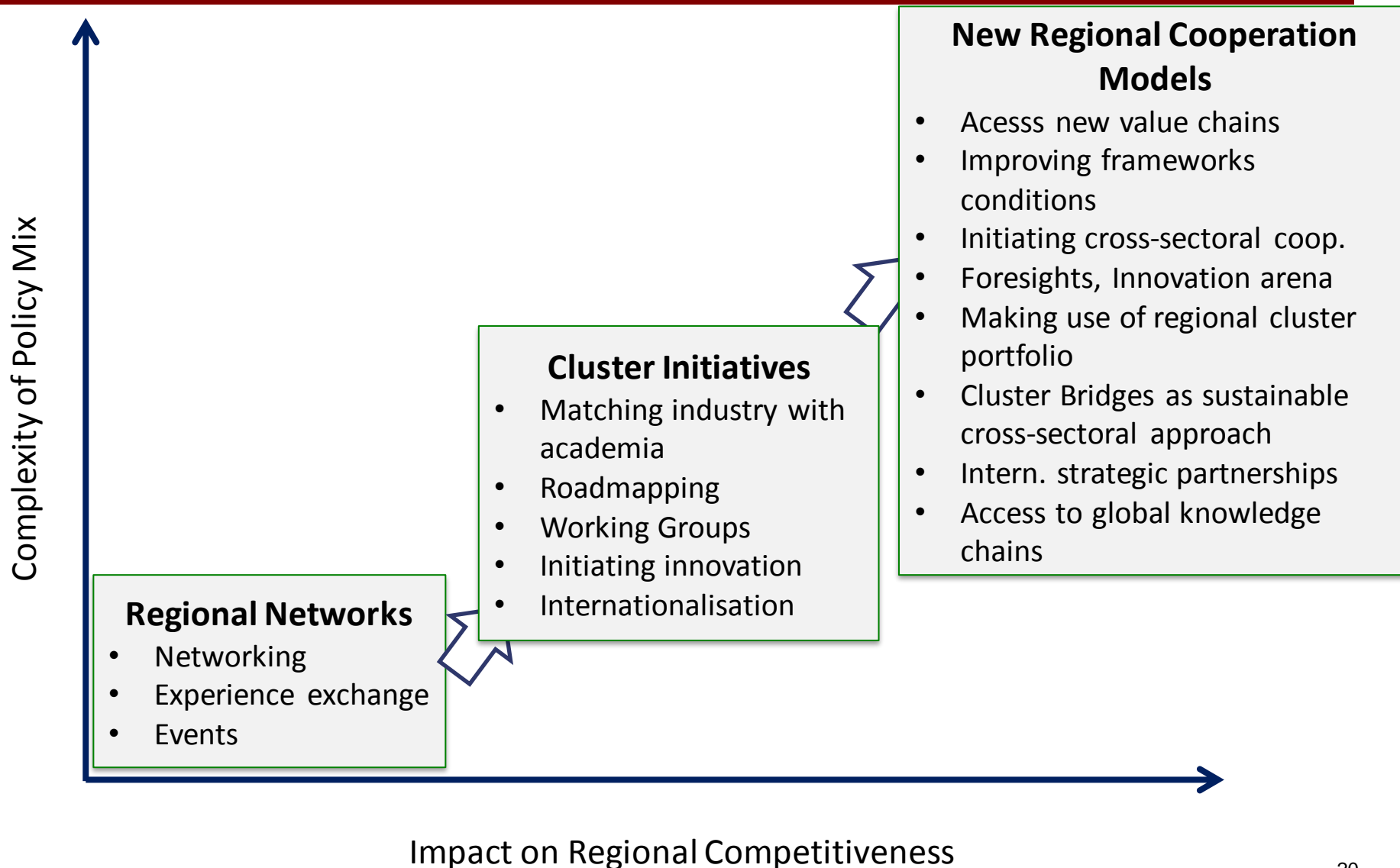
Operational Level

- Awareness raising
- Initiating cross-sectoral cooperation/ innovations
- Knowledge creation
- Knowledge transfer
- Innovation arenas
- Access to new value chains
- New products and services

Implementation

- New policy mix
- Emerging Technology Funds
- Workforce Training Funds
- Cross-sectoral STI support schemes
- Start ups: Cross sectorial incubators, accelerators, Investors platforms

Evolution of Regional Economic Policies



Traditional vs. New Regional Cooperation Model

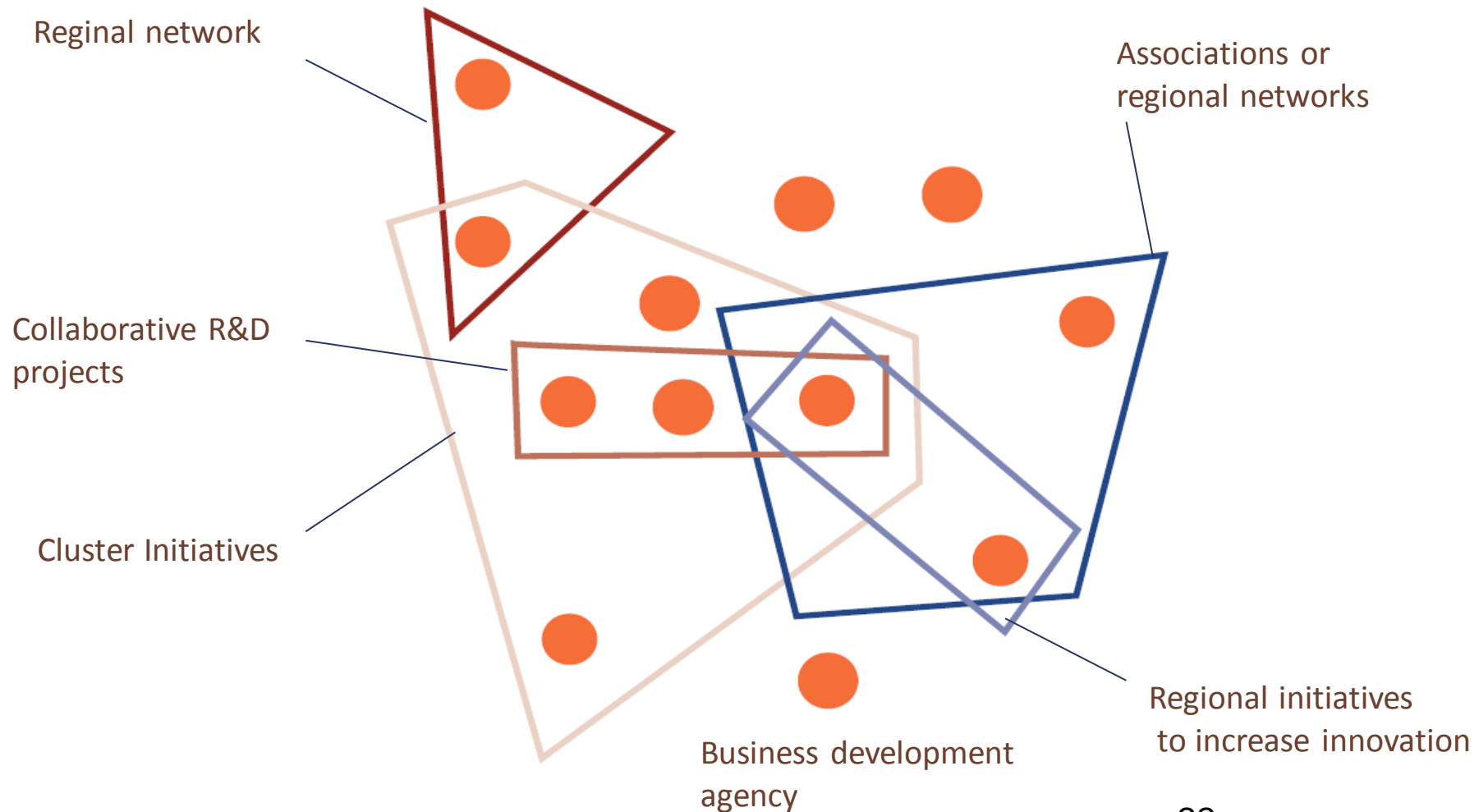
Traditional model

- Competition & Selfishness of actors
- No or weak coordination between cluster initiatives, SME intermediaries etc
- Individual strategies, not aligned with peers or region
- Missing regional perspective; lack of understanding of industrial needs
- Polypoly-like system
- No incentives to cooperate among regional peers

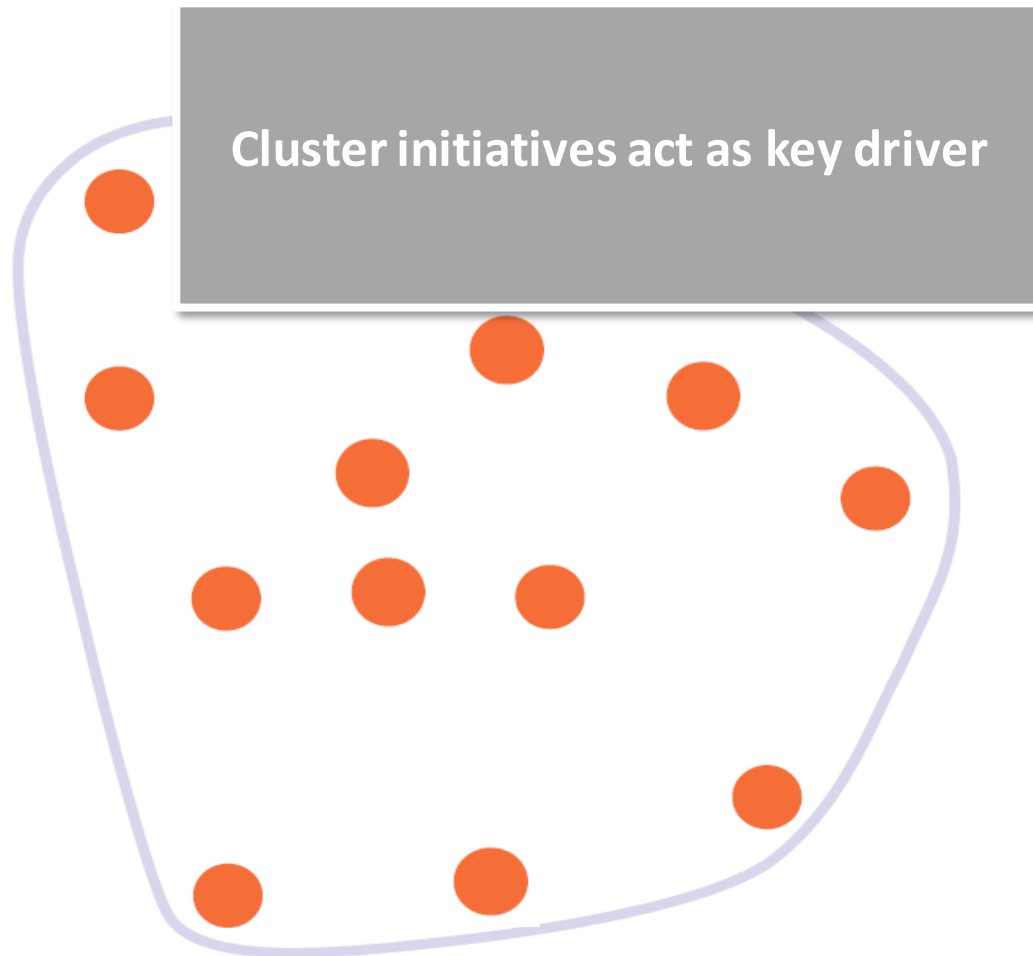
New regional cooperation model

- RIS-driven (market driven) cooperation
- Clear tasks, well aligned with peers (cluster initiatives, SME intermediaries etc.)
- Contribution to regional prosperity is key objective; high business intelligence
- Individual strategies are well aligned and embedded with / in RIS
- Oligopoly-like system
- Clear benefits to cooperate with regional peer

From fragmented



..Towards Cooperative Regions



- **Global actors**
- **SMEs**
- **Universities**
- **Research institutions**
- **Incubators**
- **Technology Transfer Centres**
- **Business development agencies**
- **Governmental institutions, ministries**
- **Associations**
- **Chamber of Commerce**
- **Municipalities**

Some Smart Recommendation*

Implementation matters

- Attention has to be given on the implementation of policies rather than drafting policies or strategies. Broad spectrum of support schemes, high flexibility, adaptability of the schemes and capability of implementation agencies are key for success (*Massachusetts, Baden-Württemberg*)

Assure continuity

- From the very beginning, a long-term perspective has to be given by policy makers. This doesn't mean long-term or institutional funding rather than providing a clear roadmap about the exit-strategy (when, how etc; *Bavaria*).

Where to focus funding

- Existing clusters (in which they are relatively more specialised)
- Focus on areas with high growth opportunities AND where a region has specific relevant assets and capabilities (*Skane*)

How to provide the funding

- Funding should be provided for specific, in particular new and innovative, activities rather than only the management of the cluster organisations.

Some Smart Recommendation *

Aligning cluster programmes with the realities

- Cluster programmes can focus on different levels / leagues, but have to follow realistic goals according to cluster profiles, industrial strengths and regional assets. In addition, the implementation of such policies in terms of spectrum of support schemes and amount of funding has to be meaningful (*Norway*)

Monitoring and evaluation is key for good policy governance

- For a successful cluster policy it is indispensable to include periodic monitoring exercises and evaluations in different intervals and plan these from the very start of cluster initiatives (*Rhone-Alps*)

Openness for policy benchmarking and learning

- Cluster policy is a comparable new discipline. Thus policy benchmarking and learning, based on mutual regional peer reviews, is a promising approach to continuous improvements (*Catalonia*).

Towards a new policy mix

- Cluster and other policies have to follow the reality. While new industries emerging and technologies converging, policies (and ministries) are often stuck in traditional structures supporting separate industries or technologies. New policy mix based on a systematic approach can better support regions and clusters in coping with new challenges.

* For more information „Smart Guide to Cluster Policy“, European Cluster Observatory, under publication

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Further readings:

www.cluster-analysis.org

www.iit-berlin.de