Regional SWOT analysis

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Agenda

1. **Methodology**

2. **SWOT Background**

3. **Recommendations**

Agenda

1. Methodology

- Participative approach
- Baseline analysis of the approach to clusters, cluster policy and smart specialization (SWOT)
- 5 sections:
  - *Exploring Territorial context and background to clusters,*
  - *Cluster Policy Background,*
  - *Cluster Organization Ecosystem,*
  - *Cluster Policy Monitoring and Evaluation,*
  - *Territorial Regional Smart Specialization Strategies blended with Cluster policy*
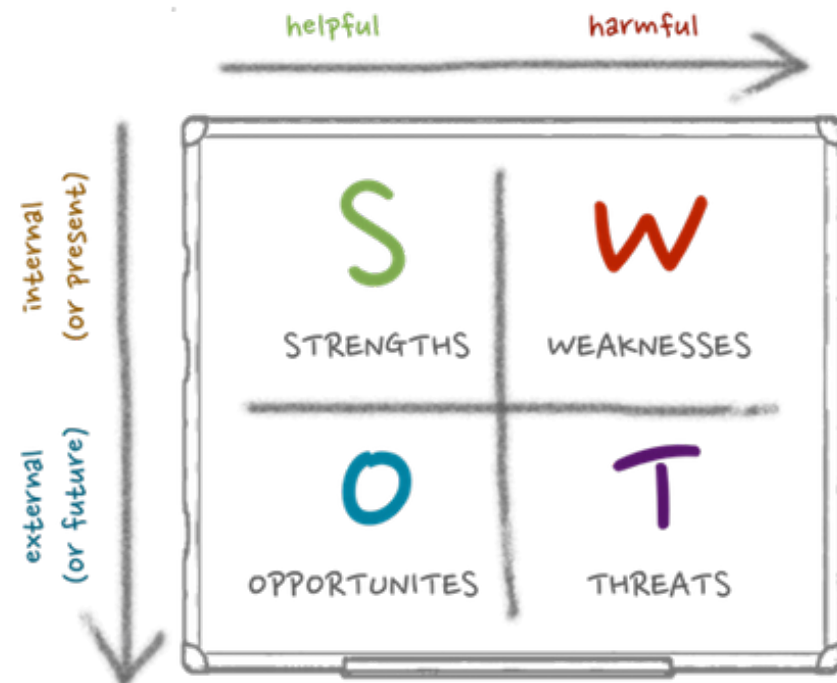
2. SWOT Background

1. **Territorial development and cluster policy practices**

2. **Cluster Organizational ecosystem**

3. **RIS 3 and Cluster policies**

Strengths

- A mix of similar and unique strengths across partner regions provides a strong foundation to learn from each other
- Key sectors - clusters are well known in the regions and in line with RIS3 priorities
- Along with institutional infrastructure for clusters and RIS3, there is a relatively high degree of awareness and participation from business, research institutions, development agents, etc.
- Generally high engagement from cluster associations and companies
- Good knowledge of territorial economic and industrial strengths
- Common values of long-term cooperation and government support

Weaknesses

- Very specific clusters & priorities - requiring specific approaches to working with them in different partner regions
- Diversity of partner regions institutional contexts also requires different approaches (e.g. partner regions from EU15 less challenged by weaknesses in the economic or business environment, and have a higher level of cooperation experience)
- Common weaknesses detected in terms of:
  - Financial challenges in funding cluster policy & RIS3
  - Cooperation challenges within some clusters and some specific institutional groups (e.g. research and business)
  - Challenges around misunderstanding of concepts such as clusters and innovation, leading to vague policy prioritization

Opportunities

- Looking for opportunities in new emerging industries, by facilitating cross-sector/cluster initiatives, which would also stimulate the identification and emergence of new clusters and cluster associations
- Exploring new types of clusters
- Improving the quality of cluster associations' operation
- Enhancing selected types of services given by cluster associations
- Enhancing and strengthening results based on cooperation between companies and especially research centers
- Exploring more opportunities from international networks
- Learning from better monitoring and evaluation
- Working towards a stronger policy mix

Threats

- Increased competition - challenge of maintaining local strengthes while promoting internationalisation
- Some weaknesses are further expressed in threats, which is the case if weaknesses are not being addressed over the long period of time, among these ones are:
  - Budget cuts
  - Wrong perception of cluster associations as money providers
  - Lack of cooperation in certain groups/institutions
  - Inadequate support to clusters in specific development stages
- Partner regions coming from the non EU15 are facing threats rooted in an overall low-quality business environment

2. SWOT Background

1. Territorial development and cluster policy practices

- • Economic growth context
- • R&D context
- • Cluster concept
- • Cluster policy
- • Funding

2. Cluster Organizational ecosystem

- • Cluster association (general)
- • Cluster manager
- • Governance
- • Monitoring and evaluation
- • Services and themes

3. RIS 3 and Cluster policies

- • RIS3 strategic areas
- • RIS3 implementation governance
- • Funding
- • Cluster associations in RIS3

Graph 2 GDP per capita growth, average and unemployment 2011-14 and 2014

Source: data Eurostat; Gross domestic product (GDP) per capita and growth at current market prices in PPS per inhabitant (data availability); Unemployment rate (15 years and over) %

Graph 3 Unemployment rate 2015 and average, 2011 - 2015

Source: data Eurostat; Unemployment rate (15 years and over) %

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   - **Cluster policy**
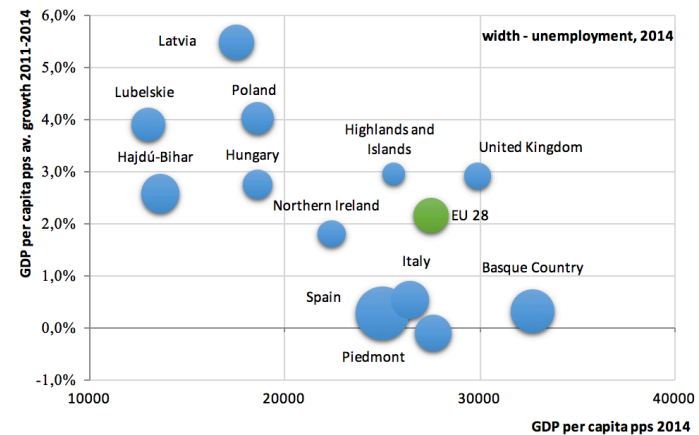   - **Funding**

2. Cluster Organizational ecosystem
   - Cluster association (general)
   - Cluster manager
   - Governance
   - Monitoring and evaluation
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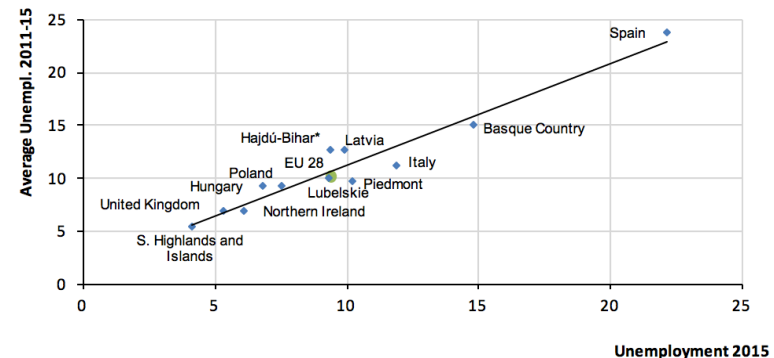
3. RIS 3 and Cluster policies
   - RIS3 strategic areas
   - RIS3 implementation governance
   - Funding
   - Cluster associations in RIS3

Graph 6 Matrix of partner regions based on defined cluster policy framework related categories

Notes: Indicates public support to/ via

- ▲ -association(s)
- ■ -projects
- ● -services
- * Only to members of association

Graph 8 Main instruments/ activities of the cluster policy

What are the main instruments/activities of the cluster policy?

Note: horizontal line – no. of partner regions

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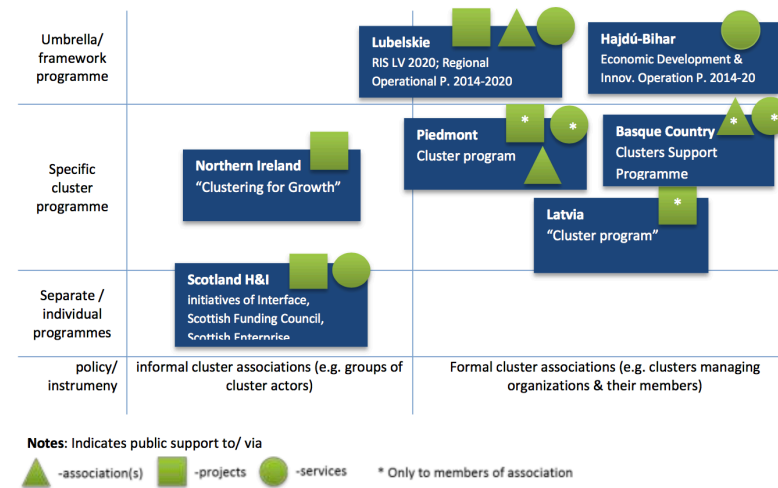   - Cluster policy
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Graph 11 Organizational structure of cluster associations across partner regions

*number of cluster associations
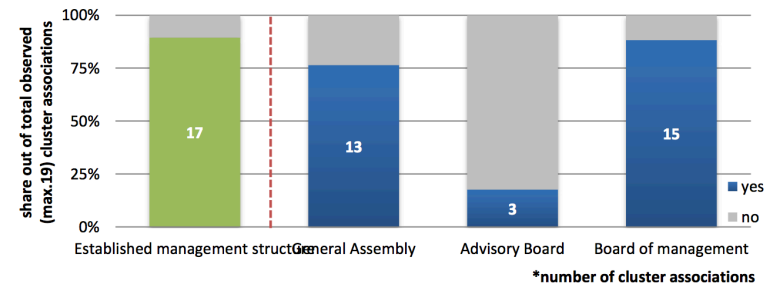
Table 2 Organizational characteristics and partner regions´ cluster associations

Established management structure ("no")	General Assembly ("no")	Advisory Board ("yes")	Board of management ("no")
Highlands & Islands	• Highlands & Islands; • Northern Ireland;	• Northern Ireland • Piedmont; • Lubelskie	Highland & Islands

Graph 14 Main characteristics of monitoring/ evaluation methodology, overall
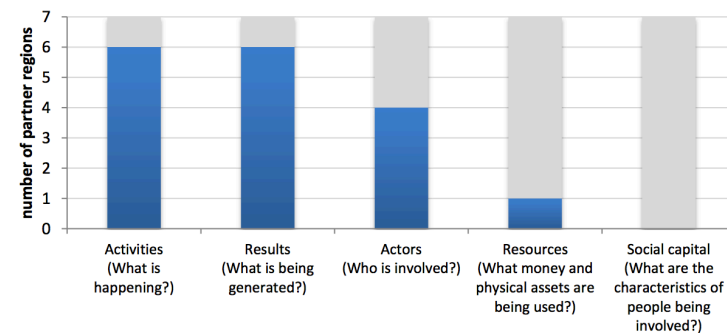
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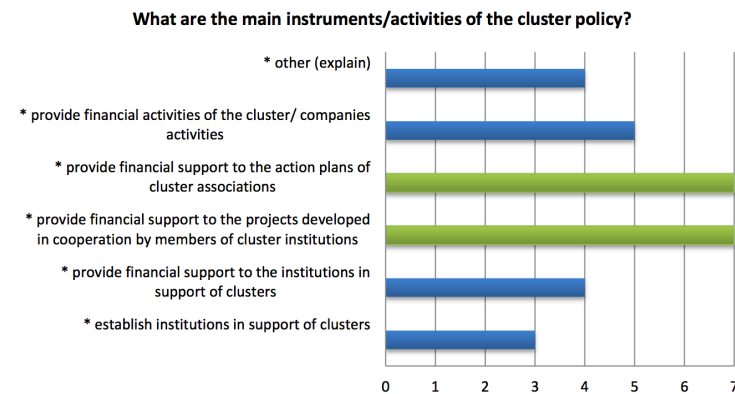   - Monitoring and evaluation
   - **Services and themes**

3. **RIS 3 and Cluster policies**
   - RIS3 strategic areas
   - RIS3 implementation governance
   - Funding
   - Cluster associations in RIS3

Graph 12 Services offered by cluster organizations (collaborative networks)

Graph 13 Thematic areas of services across cluster associations

Sharing solutions for
better regional policies

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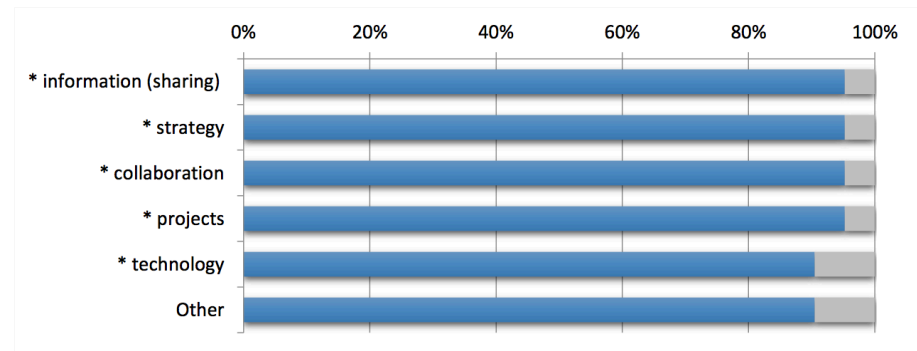   - Cluster policy
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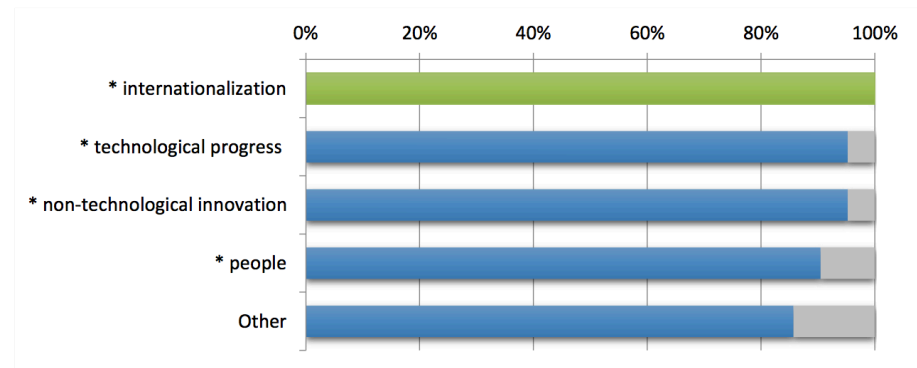   - Services and themes

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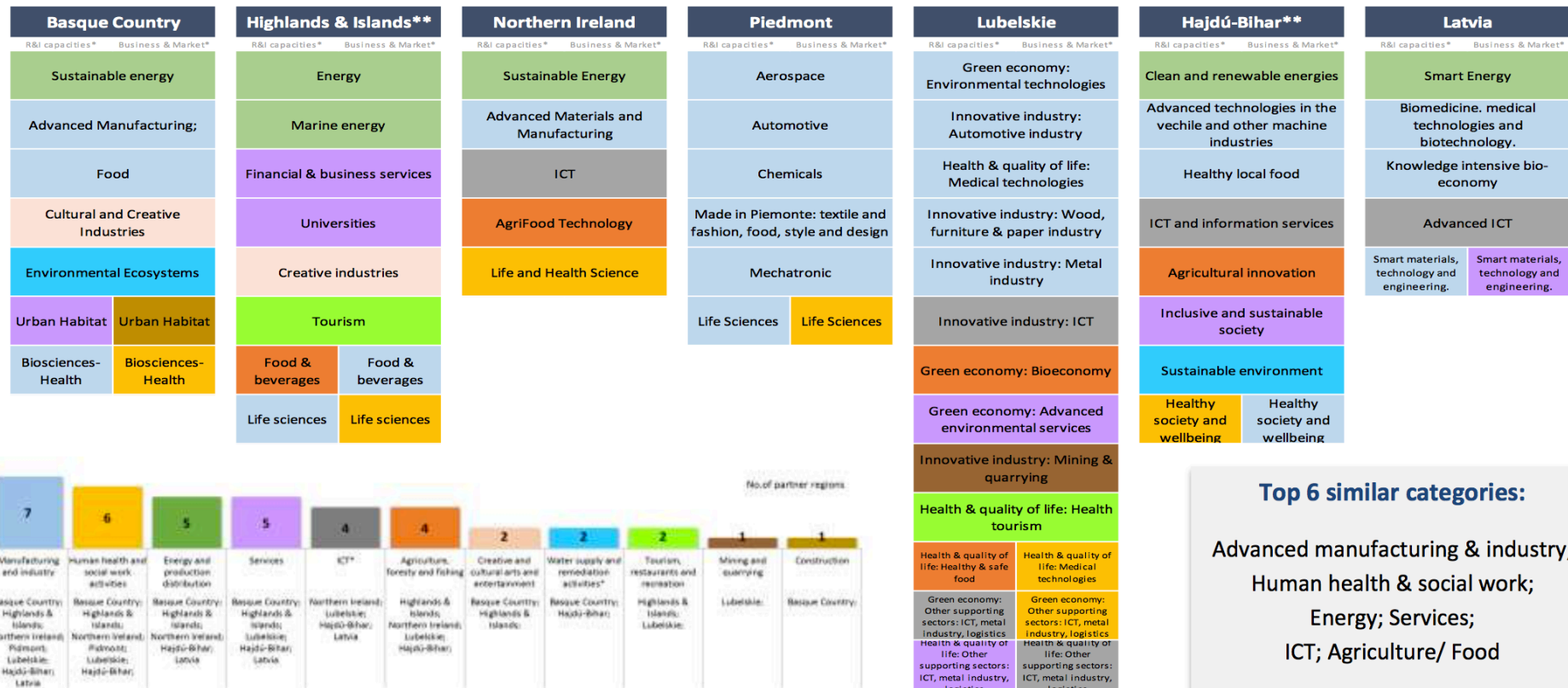   - Cluster associations in RIS3

2. SWOT Background: RIS3

Graph 15 Partner region smart specialization strategic areas

Basque Country		Highlands & Islands**		Northern Ireland		Piedmont		Lubelskie		Hajdú-Bihar**		Latvia	
R&I capacities*	Business & Market*	R&I capacities*	Business & Market*	R&I capacities*	Business & Market*	R&I capacities*	Business & Market*	R&I capacities*	Business & Market*	R&I capacities*	Business & Market*	R&I capacities*	Business & Market*
Sustainable energy		Energy		Sustainable Energy		Aerospace		Green economy: Environmental technologies		Clean and renewable energies		Smart Energy	
Advanced Manufacturing;		Marine energy		Advanced Materials and Manufacturing		Automotive		Innovative industry: Automotive industry		Advanced technologies in the vechile and other machine industries		Biomedicine. medical technologies and biotechnology.	
Food		Financial & business services		ICT		Chemicals		Health & quality of life: Medical technologies		Healthy local food		Knowledge intensive bio-economy	
Cultural and Creative Industries		Universities		AgriFood Technology		Made in Piemonte: textile and fashion, food, style and design		Innovative industry: Wood, furniture & paper industry		ICT and information services		Advanced ICT	
Environmental Ecosystems		Creative industries		Life and Health Science		Mechatronic		Innovative industry: Metal industry		Agricultural innovation		Smart materials, technology and engineering.	Smart materials, technology and engineering.
Urban Habitat	Urban Habitat	Tourism				Life Sciences	Life Sciences	Innovative industry: ICT		Inclusive and sustainable society			
Biosciences-Health	Biosciences-Health	Food & beverages	Food & beverages					Green economy: Bioeconomy		Sustainable environment			
		Life sciences	Life sciences					Green economy: Advanced environmental services		Healthy society and wellbeing	Healthy society and wellbeing		
								Innovative industry: Mining & quarrying					
								Health & quality of life: Health tourism					
								Health & quality of life: Healthy & safe food	Health & quality of life: Medical technologies				
								Green economy: Other supporting sectors: ICT, metal industry, logistics	Green economy: Other supporting sectors: ICT, metal industry, logistics				
								Health & quality of life: Other supporting sectors: ICT, metal industry,	Health & quality of life: Other supporting sectors: ICT, metal industry,				

No.of partner regions

7	6	5	5	4	4	2	2	2	1	1
Manufacturing and industry	Human health and social work activities	Energy and production distribution	Services	ICT*	Agriculture, Foresty and fishing	Creative and cultural arts and entertainment	Water supply and remediation activities*	Tourism, restaurents and recreation	Mining and quarrying	Construction
Basque Country; Highlands & Islands; Northern Ireland; Piedmont; Lubelskie; Hajdú-Bihar; Latvia	Basque Country; Highlands & islands; Northern Ireland; Piedmont; Hajdú-Bihar;	Basque Country; Highlands & islands; Northern Ireland; Hajdú-Bihar; Latvia	Basque Country; Highlands & islands; Hajdú-Bihar; Latvia	Northern Ireland; Lubelskie; Hajdú-Bihar; Latvia	Highlands & islands; Northern Ireland; Lubelskie; Hajdú-Bihar;	Basque Country; Highlands & islands;	Basque Country; Hajdú-Bihar;	Highlands & Islands; Lubelskie;	Lubelskie;	Basque Country;

Top 6 similar categories:

Advanced manufacturing & industry;
Human health & social work;
Energy; Services;
ICT; Agriculture/ Food

Notes: Each partner region strategic areas of RIS3 has been associated to categories such as Research and Innovation Capacities; and Business Areas (1) & Target Market (2); The color-coding stands for respective category referred as per Online S3 Platform (01.2017); Data specifics: **Highlands & Islands based on NUTS UKM Scotland; Hajdú-Bihar based on NUTS HU Hungary; ***Non-referred categories: Public administration, security and defense; Wholesale and related trade;*

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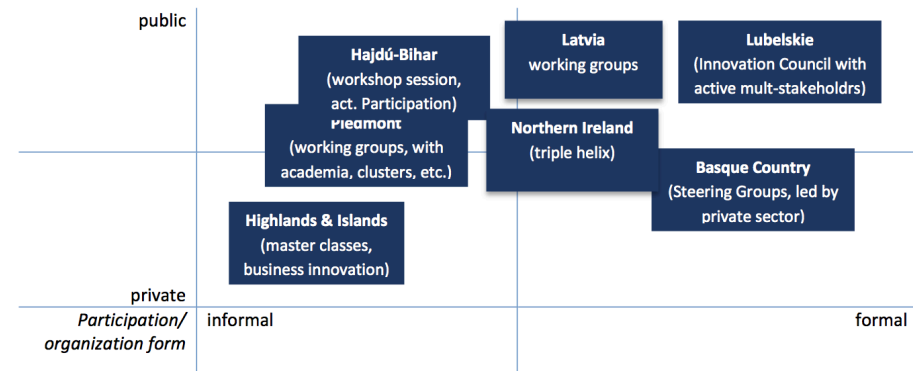   - Cluster policy
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   - Services and themes

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Graph 16 Governance mode- distribution across partner regions

Graph 18 Activities of cluster associations in the RIS3 implementation

3. Recommendations

1. Design and deployment of cluster policy

2. Implement the policy through specific support instruments and programmes

3. Development of cluster policy and alignment with RIS3

4. Monitoring and evaluation of cluster performance and cluster programmes

5. Internationalization of cluster organizations
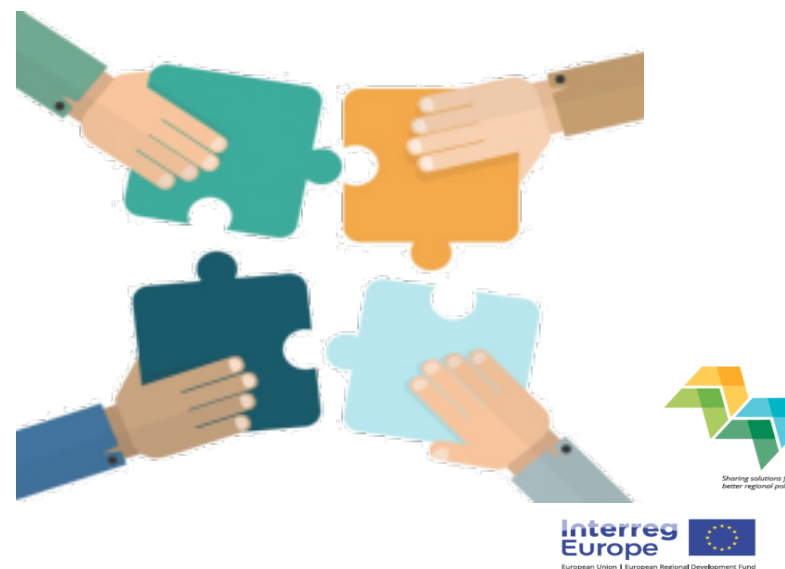
6. Building the capacity of cluster organizations

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6. Building the capacity of cluster organizations

- *Cluster diagnosis / re-mapping*

- *Reinforcing industrial strengths*

- *Cluster concept definition*
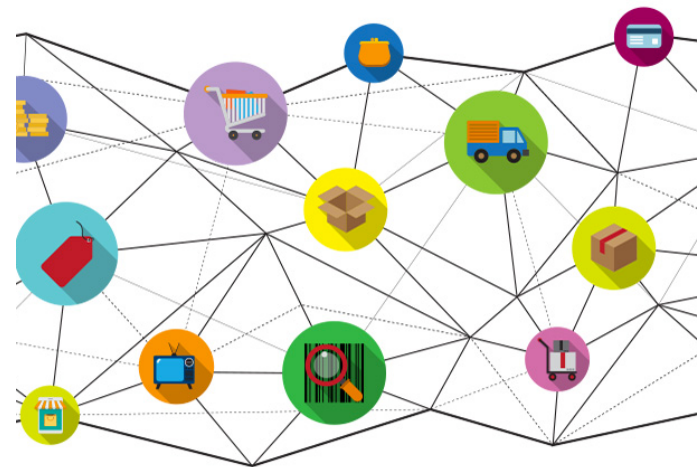
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- *Task-based policy learning*

- *Openness to cluster policy and programme formulation*

- *Synergies and new sources in funding*

3. Recommendations

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3. **Development of cluster policy and alignment with RIS3**

4. Monitoring and evaluation of cluster performance and cluster programmes

5. Internationalization of cluster organizations

6. Building the capacity of cluster organizations

- *Open platforms and spaces*

- *Local actor, especially business, engagement*

- *Joint forms of governance*

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3. Development of cluster policy and alignment with RIS3

4. **Monitoring and evaluation of cluster performance and cluster programmes**

5. Internationalization of cluster organizations

6. Building the capacity of cluster organizations

- *Harmonized and centralized monitoring and evaluation*

Sharing solutions for
better regional policies

3. Recommendations

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- *Cross-sector cluster cooperation within / between territories*

- *International cooperation in common RIS3 areas*

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6. **Building the capacity of cluster organizations**

- *Cluster associations as a one of many policy tools*

- *Survey among cluster associations*

- *Membership fees*

Thank you!

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Interreg Europe

European Union
European Regional
Development Fund