Recommendations

Design and deployment of cluster policy

Cluster diagnosis / re-mapping: Cluster (as well as cluster association) mapping could serve as a good basis to understand the representativeness of cluster associations (or collaborative networks) with the natural structural conditions of the territory.

Reinforcing industrial strengths: Combining updated review of the regional cluster structure alongside scanning global business trends in perspective of the potential linkages and opportunities with Key Enabling Technologies (KETs) could support identifying and strengthening new industrial niches.

Cluster concept definition: It is important to build a clear vision within the territory of what a cluster (and a cluster association) is, which should form the basis for associated policy instruments, assuring a coherent vision.

Implement the policy through specific support instruments and programmes

Task-based policy learning: There is large scope for exploring opportunities to learn from the variety of instruments and organizational forms applied across partner regions, specifically via developing joint tasks (e.g. joint external/internal projects, market/business analysis, study/stakeholder visits)

Openness to cluster policy and programme formulation: Having a cluster policy programme can build a baseline for cluster supporting activities, but policy makers should be open to constant exploration of synergies with other programmes and instruments (for their potential inclusion for cluster promotion).

Synergies and new sources in funding: There is scope to explore the synergies in funding resources and experiences between clusters/cluster policies and RIS3, especially in areas of EU and regional funding, seeking to balance between different funding sources.

Development of cluster policy and alignment with RIS3

Open platforms and spaces: Following developments in KETs, where innovation bridges different technologies, skills, clusters and actors should be a central component of the alignment strategy between cluster policies and RIS3.

Local actor, especially business, engagement: As the mapping of RIS3 implementation in partner regions showed stronger public (balanced between formal & informal) driven implementation of the RIS3, a general recommendation is to strengthen research and, especially, business engagement.

Joint forms of governance: Most of the new technologies and business opportunities are born in the intersection of scientific disciplines and industrial sectors. It is recommended to explore more areas of cluster policy contribution to RIS3, via such approaches as multi-level governance and integrated policy mixes.

Monitoring and evaluation of cluster performance and cluster programmes

Harmonized and centralized monitoring and evaluation: Due to the wide variety in different evaluation instruments and techniques, it could be recommended to harmonize the tools and approaches for evaluation and monitoring, therefore providing better basis for comparison across territories leading to richer learning.

Internationalization of cluster organizations

Cross-sector cluster cooperation within / between territories: Stimulate cooperation across the partner regions in the strategic RIS3 areas or cluster policy priorities. Sector areas within these could be health and bio-related sciences, energy, advanced manufacturing, ICT technologies, food- and agro-industries as well as a number of other sectoral and cross-sector initiatives.

International cooperation in common RIS3 areas: Identified strategic RIS3 areas (associated with advanced manufacturing systems and materials, energy, bio- and health sciences, ICT and food- & agriculture) provide great opportunity for rich knowledge and policy exchange and potential collaboration across partner regions stakeholders and institutions, which should be explored during the project.

Building the capacity of cluster organizations

Cluster associations as a one of many policy tools: The importance of cluster associations (or collaborative networks) should be addressed and acknowledged, however, it should also be highlighted that this is not the only tool for the implementation of cluster policies.

Survey among cluster associations: A survey within the project could be developed for the cluster associations (or collaborative networks), which would cover specific topics related to their performance, management and governance.

Membership fees: Membership fees are a common instrument for cluster associations (especially formal cluster associations) to diversify their financial resources. Awareness and communication of the benefits from introducing membership fees could be highlighted and shared across the private sector participants.

Webpage: www.interregeurope.eu/clusters3

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Interreg Europe - CLUSTERS3 Leveraging Cluster Policies for Successful Implementation of RIS3

Policy Note

SWOT Analysis: Looking into the context

March 2017

Orkestra-Basque Institute of Competitiveness

Introduction

In the framework of the INTERREG project *CLUSTERS3 Leveraging Cluster Policies for Successful Implementation of RIS3*, 9 regional and national authorities have joined forces to learn, understand and share experiences in the design, implementation and monitoring of their cluster policies and smart specialization strategies.

This policy note sets out the main findings from the project's first policy learning document, which provides a baseline analysis of the approaches to clusters, cluster policy and smart specialization of the 9 regions. This resulted in an analysis of the strengths, weaknesses, opportunities and threats (SWOT) of the partner regions in terms of clusters, cluster policies and smart specialization strategies.

Methodology

A policy learning framework that would result in a SWOT analysis was developed through a participative approach, meaning that an initially proposed conceptual framework was discussed with partner regions to integrate their specific experiences and interests. Its 5 sections provide a rich basis for policy learning and exchange: 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.

SWOT General picture

SWOT Background

Territorial development and cluster policy practices

Economic growth context: Most of the partner regions demonstrate a positive evolution of growth rates of GDP (Gross domestic product in Purchasing Power Standards) and GDP per capita during recent years.

R&D context: Three research and development (R&D) themes are identified as particularly important across the partner regions in terms of the presence of industry/sector specific research centres:

- Health and biotechnology (where the focus is on the direction of technological or medicine development for enhancing human health and products)
- Energy and related (focused on traditional as well as renewable and alternative energy sources)
- Engineering and Information and Communication Technologies (ICTs)

Cluster concept: Although all partner regions have developed their own interpretations of the cluster concept, they share common conceptual building-blocks which enable a common language.

Cluster policy: Three main supporting instruments for the cluster development that tend to be chosen across partner regions are: projects (in collaboration with various conditions and thematic areas); cluster associations (or collaborative networks, as well as other formal forms, such as sector/cluster managing organizations); and general activities related to collaboration and joint R&D promotion However, much of the attention is focused on "cluster associations" All partner regions apply mainly two policy activities for cluster development, which are channelled through cluster associations.

- Financial support (public and private funding) for the action plans of cluster associations
- Financial support for the projects developed in cooperation by members of cluster institutions (associations).

Funding: Partner regions have gathered rich experience in resource accumulation (different funding schemes and sources), especially from state and sub-state levels.

Cluster Organizational ecosystem

Cluster association (general): Cluster associations are often a key instrument in the partner regions, especially those that have a dedicated cluster development programme.

Cluster manager: The position of cluster manager at cluster associations is taken seriously, and most of the associations' management were shown to have a background in sectors related to the cluster, usually in the private sector.

Governance: Almost all cluster associations observed in the partner regions have established management structures, which typically includes a management board and a general assembly.

Services and themes: Most of the partner region's cluster associations similarly provide services in four main areas: information, strategy, collaboration and projects. In terms of thematic areas where cluster associations work, internationalization stands out as the most common.

Monitoring and evaluation: Most of the partner regions have developed methodologies for the evaluation and monitoring of their cluster policies, showing that they are interested in understanding how the policy is working. However, while the variety of evaluation & monitoring techniques creates richness and aids objectivity through the multiple sources of information, there are weaknesses in the de-centralized organization and non-harmonized approach.

RIS 3 and Cluster policies

RIS3 strategic areas: Cross-matching of these areas has resulted in the identification of common areas across a number of partner regions. Specifically, these areas are associated with advanced manufacturing systems and materials, energy, bio- and health sciences, ICT and food- & agriculture. These priorities moreover coincide with some key priority areas across the European Union, meaning opportunities for inter-regional and cross-border collaboration.

RIS3 implementation governance: A wide range of institutional structures and forms of participation in RIS3 implementation processes have been identified across the partner regions, from more public to more private, and from formal to less formal. Overall, the analysis of RIS3 implementation tends to show stronger public (balanced between formal & informal) driven implementation of RIS3.

Funding: The finance for RIS3 implementation tends to come from the state, sub-state (regional) and EU funds, which is similar to cluster policy funding. This can provide a good basis for synergies between the two funding sources for mutual benefit (and learning). One of the distinctive weaknesses noticed is the quite low diversification of the resource origin for RIS3.

Cluster associations in RIS3: Clusters and their formal/informal facilitating structures such as cluster associations constitute one of the most important institutional pillars in the RIS3 design and current implementation, and are acknowledged to also be important for RIS3 evaluation & monitoring. The cluster associations' role in RIS3 has been noticed in their participation, coordination, proposing initiatives, giving expert/strategic advice, evaluation & monitoring and bridging as well as streaming up/down knowledge between public and private territorial stakeholders.