



Evidencing the Role of Clusters in Smart Specialisation Strategies

Presentations By:

- John Hobbs – Cork Institute of Technology
- James Wilson - Orkestra Basque Institute of Competitiveness
- Linda Jamison - Invest Northern Ireland
- Joanne McMullan – Invest Northern Ireland
- David Fernández Terreros – SPRI Bilbao, Spain



Introduction

- Introduction to RIS3
 - Framing of the issues from the Interreg Europe ecoRIS3 Project (John Hobbs)
 - Some thoughts on evaluating the role of clusters in RIS3 (James Wilson)
 - Evaluating the role of the clusters in the RIS3 strategies of Clusters3 project partner regions (Linda Jamison, Joanne McMullan and David Fernandez Terreros)
- Wider discussion – How should/can we evaluate the contribution of clusters to RIS3?
- Concluding remarks

Smart Specialisation

► *Strengthening Innovation in Europe's Regions*

Smart specialisation is an innovative approach that aims to boost growth and jobs in Europe, by enabling each region to identify and develop its own competitive advantages.

Through its partnership and bottom-up approach, smart specialisation brings together local authorities, academia, business spheres and the civil society, working for the implementation of long-term growth strategies supported by EU funds.



► SMART

Identify the region's own strengths and comparative assets



► SPECIALISED

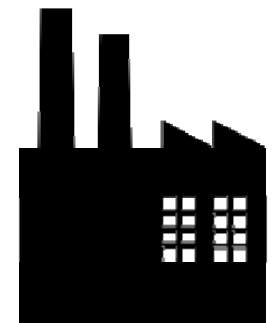
Prioritise research and innovation investment in competitive area



► STRATEGIC

Define a shared vision for regional innovation

Problem?



Smart Specialisation - Solution

- The GROW your REGION conference (2015) aimed was to find joint avenues to help drive growth through innovation, collaboration and the breaking of sectoral and regional silos. First joint event of this kind by the European Commission's DG GROW and DG REGIO.
- The conference highlighted the common priorities regarding clusters, industry policy and smart specialisation.



Walter Deffaa (REGIO) noted that ***“Clusters can bring in knowledge needed to make smart specialisation successful.”***

Daniel Calleja (GROWTH) supported this statement, saying that ***“Clusters are a huge driving force [since they] represent 39% of all European jobs.”***



Mikel Landabaso, Head of Cabinet of Commissioner Corinna Crețu, responsible for Regional Policy, emphasized that ***“Clusters are the DNA of Smart Specialisation”***.

ecoRIS3 - Policies & Measures to Support Local & Regional Innovation Ecosystems.



A clear need to improve and connect regional Challenges and Opportunities of RIS3, to local innovation policies and stakeholders, highlighting the role of the “territory” as the place where inter-linkages happen and knowledge flows. 5 Year project – 2 phases.

Challenge for the Southern and Eastern Region is to develop a RIS3 Strategy for the region – when currently Ireland only operates a national RIS3 strategy.

ecoRIS3 Partnership

- **Fomento de San Sebastián (ES)**
- Cork Institute of Technology (IE)
- Comunidade Intermunicipal do Ave (PT)
- Sunrise Valley (LT)
- Kainuun Etu Ltd (FI)
- Metropolitan City of Turin (IT)
- Vidzeme Planning region (LV)
- Conference of Atlantic Arc Cities (FR)



donostiasustapena
fomento**sansebastián**



SUNRISE VALLEY
SCIENCE AND TECHNOLOGY PARK



VIDZEME
THE ONLY WAY IS UP!



Atlantic Arc Cities



**TORINO
METROPOLI**

Città metropolitana di Torino



KAINUUN ETU



**CORK
INSTITUTE OF
TECHNOLOGY**

INSTITIÚID TEICNEOLAÍOCHTA CHORCAÍ



Comunidade
Intermunicipal
do Ave



Good Practices



EuroTech Connect, a business development event in Cork to bring together tech firms from clusters in Spain, GB and Slovenia to facilitate trade/research links.

The objective of running the EuroTech Connect event was twofold: 1) to connect firms across clusters and 2) to showcase the benefits cluster organisations can bring to their constituent firms by facilitating cross cluster internationalisation and collaborative-research across Europe.

EuroTech Connect



Timescale (start/end date):

MAY 2016						
SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				



Resources Needed:

Total Cost - €25,600.

Broken into staff organisation time – 42 days (€10,500), Travel & Accommodation (€9,800), Catering & Networking Events – 2x Lunch, 2x Evening Dinner + 2x Networking Events for 50 People (€4,500) and Local Transport (€800).



Evidence of Success (results achieved):

- 27 connections were made at the face-to-face 'Connect' event between visiting SMEs and firms and Research Centres in Cork.
- 2 NDA's have been signed between visiting and Cork based firms.
- 2 research centres in Cork are being supplied with IOT sensors from Spain.



Challenges Encountered:

Advisers often suggest dovetailing with events running during a delegations visit to benefit from synergies. However, the goals of such events often do not align with the agenda of the programme.

Developing targeted events with clear agendas and goals can lead to more success and outcomes.

Good Practices – Energy Cork

Energy Cork has grown to a cluster with 85 member organisations, from energy utilities, oil & gas companies, energy suppliers, energy management companies.



Energy Cork seeks to stimulate and support economic development and job creation in the energy sector. The Cluster is active across all aspects of the sector. The structure of Energy Cork is a response to the needs of members and vision of the cluster's founders in the organisation's constitution. Steering Group – providing management and strategic direction to the Cluster.

Led by the Energy Cork Chairperson. 14 industry members (7 SME and 7 non-SME elected) and 14 other members representing local and regional government, development agencies, academic and research partners. The cluster employs one full time cluster manager.



Timescale (start/end date):

January 2009

Mon	Tue	Wed	Thu	Fri	Sat	Sun
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	



On-going



Evidence of Success (results achieved):

- Developed a stable and active networking forum of 85 firms in Cork's energy sector
- Organising annual conferences, bi-monthly workshops and trade missions focused on delivering for members
- Promoting, attracting and meeting with potential FDI clients regarding Cork's suitability for doing business
- Participation in EU's Climate-KIC program



Resources Needed:

- Membership Fees + Support from Local Authorities + Other Income. Approximately €80,000 annually; of which Membership Fees account for 7%.
- Income: 93% Public Funding (26% EU & 69% Cork City and County Councils) 7% Private (Membership Fees).
- Staff: (1 FTE as Cluster Manager) + Volunteer Staff



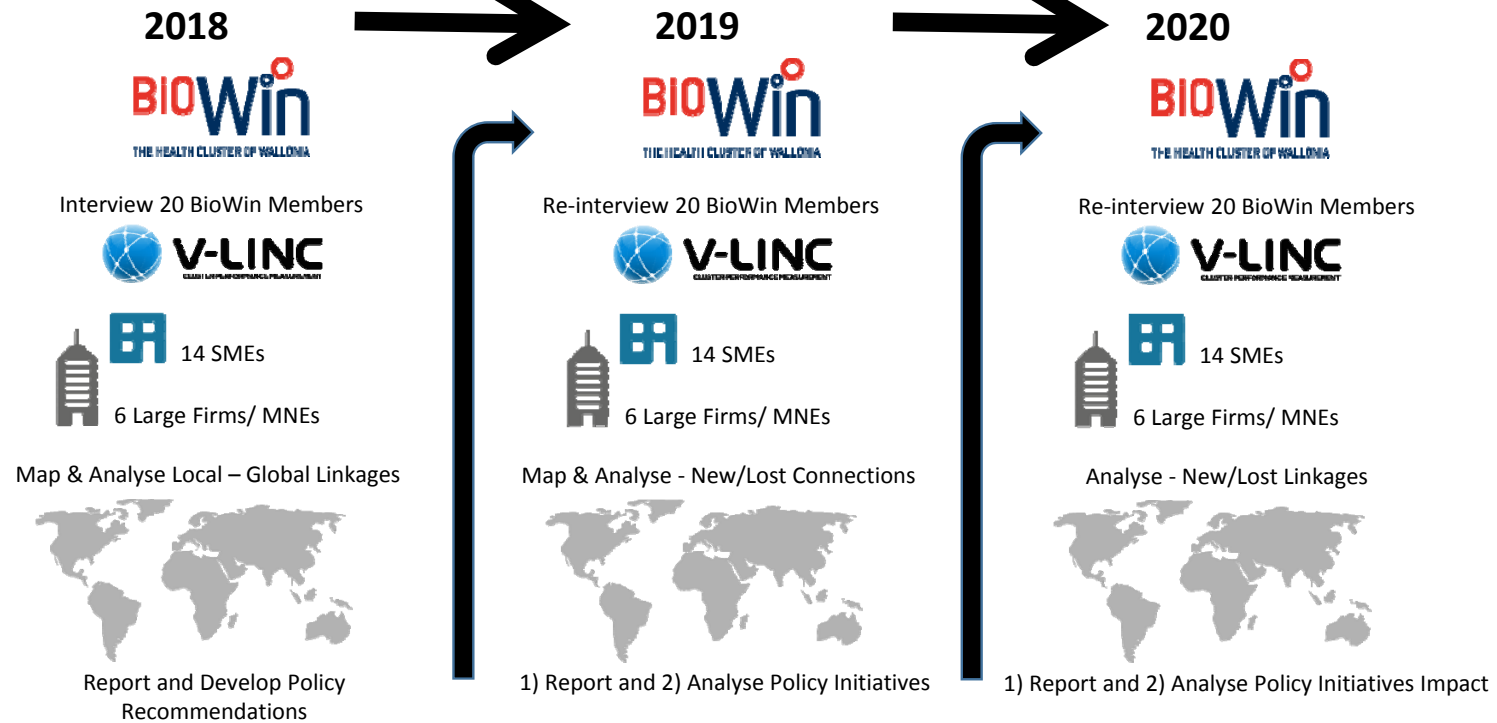
Challenges Encountered:

Connecting with other clusters across Europe and interested partners can be a key learning practice for the cluster management and executive board.

The ECCP organises inter-European matchmaking events, as well as opportunities for clusters to meet peers from the EU or internationally.



Longitudinal Cluster Ecosystem Analysis of BioWin Cluster



- V-LINC mapping and analysis of the BioWin cluster ecosystem – longitudinally over the period 2018 - 2020.
- Measure impacts national/regional cluster policies and cluster initiatives have on the development of interfirm linkages in a cluster.
- Share knowledge and benchmark cluster policy between collaborating partners in Belgium & Ireland.

ecoRIS3 Website and Links

Policies & Measures to Support Local & Regional
Innovation Ecosystems



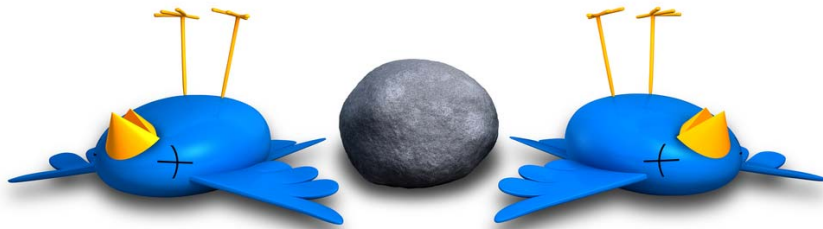
- News - <https://www.interregeurope.eu/ecoris3/news/>
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- Good Practice Workshops - <https://www.interregeurope.eu/ecoris3/good-practice-workshops/>

Challenges now for ecoRIS3

Overall challenge is to develop a RIS3 Strategy for the S&E Region



Focus of yesterday introductory presentation was that clusters of industry are extremely important in Ireland, regarding the concentration of firms that we have here (more work needed on structure. So we are looking to....



Increase the importance of Clusters and Cluster Organisations in Ireland – whilst understanding how we can evaluate and integrate the contribution of clusters into our RIS3 strategy – and support ecoRIS3 partners through knowledge sharing!

CLUSTERS3
Interreg Europe



ecoRIS3
Interreg Europe



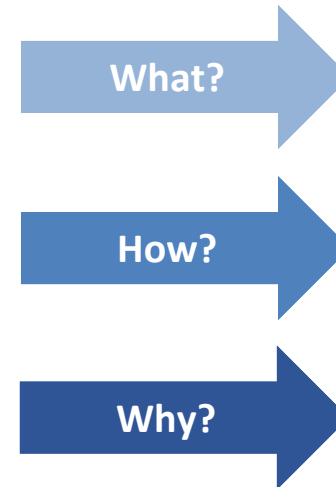
‘Some thoughts on evaluating the role of clusters in RIS3’

- James Wilson - Orkestra Basque Institute of Competitiveness



RIS3: WHAT, HOW AND WHY?

- New wave of territorial strategies that bring together different actors to shape socioeconomic development
- Three key differentiating features:
 1. **Prioritise** investments in research, development and innovation
 2. Do so through a process of **discovery**, integrating knowledge of relevant agents
 3. Generate **smart structural transformation** in the economy and respond to **societal challenges**



RIS3 AND CLUSTERS



- Clusters are well positioned to play a key role in these new territorial strategies and are doing so in many regions
 - Ideal spaces for ‘discovery’ because they bring together key firms, universities and government agents
 - Their social-territorial-collaborative roots also make them extremely useful in terms of responding to societal challenges

The role the clusters play in RIS3 creates a new challenge for cluster evaluation (and for RIS3 evaluation)

RIS3 EVALUATION CHALLENGE

POLICY EVALUATION

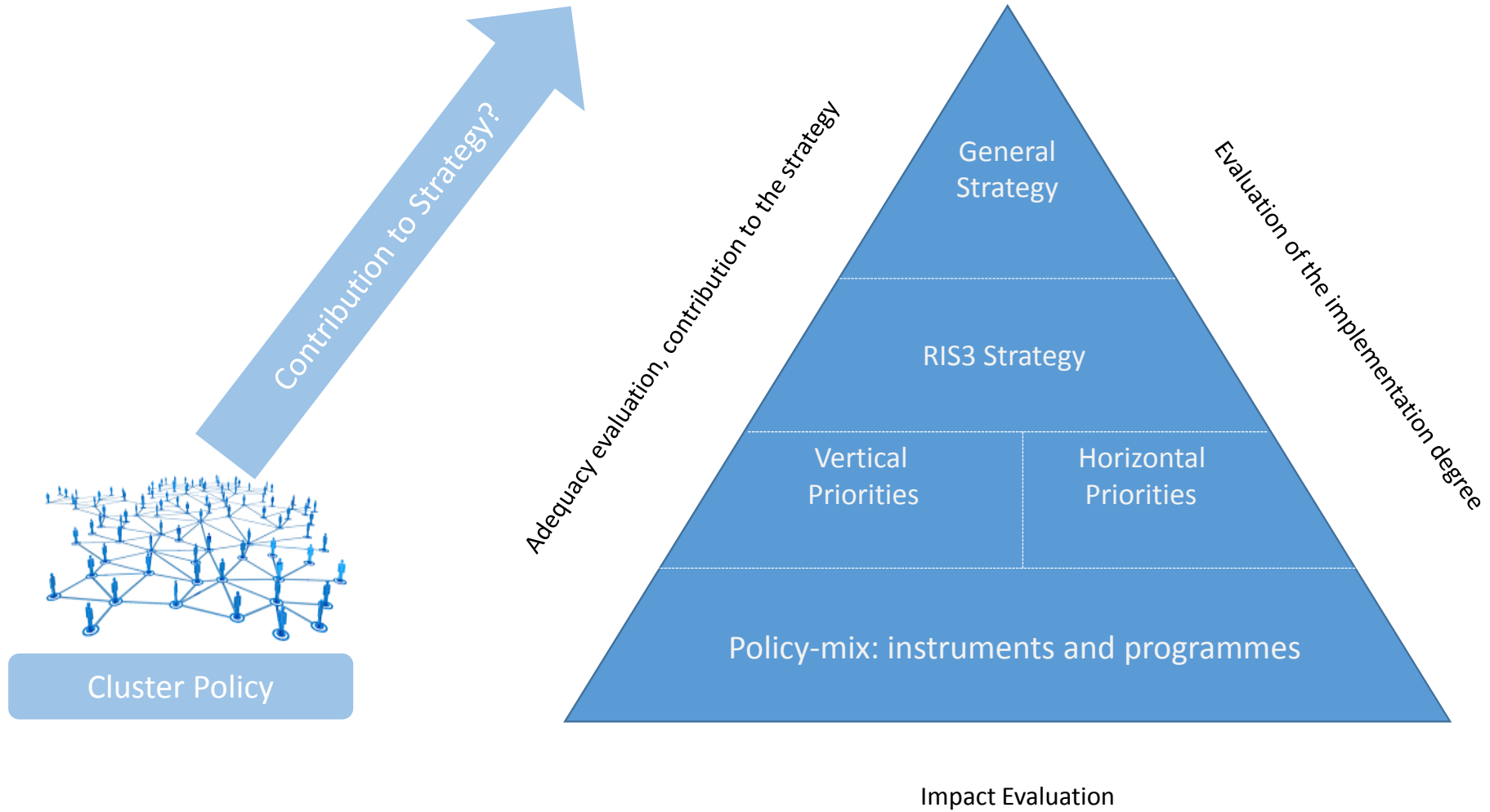
- Based on policy rationales
- Focus on the instruments (policy-mix)
 - what works / what doesn't work?
 - Why does it / does it not work?
- Is the policy process working?
 - Leads to policy learning processes, where mainly government learns

TERRITORIAL STRATEGY EVALUATION

- Based on strategic goals
- Focus on the achievement of strategic goals
 - Have we reached them?
 - How is the territory situated with respects to those goals?
- Is the strategic process working?
 - Leads to strategic learning processes, with learning among various actors

BUT they are fundamentally linked and a further key evaluation question becomes ***how well are policies and the policy-mix contributing to strategic goals?***

RIS3 EVALUATION CHALLENGE



SOME QUESTIONS WE MIGHT WANT TO CONSIDER

Understanding the role that clusters play in helping territories move towards their strategic objectives opens up a series of questions for cluster evaluation (some of which are linked to questions we are already grappling with!)

1. How do we evaluate the role that clusters are playing as spaces for 'discovery' leading to structural transformation of the economy?
 - Projects that take new directions, contributing to smart specialisation/diversification?
 - Facilitating emergence of new clusters in intersections between existing ones?
2. How do we evaluate the role that clusters are playing as spaces for 'discovery' that generate responses to societal challenges?
 - Engagement of a broader range of actors in cluster dynamics (civil society)?
 - Generation of 'shared value'
3. How do we evaluate the contribution of clusters to the effectiveness of other innovation policies?
 - Clusters as part of a wider innovation 'policy mix'

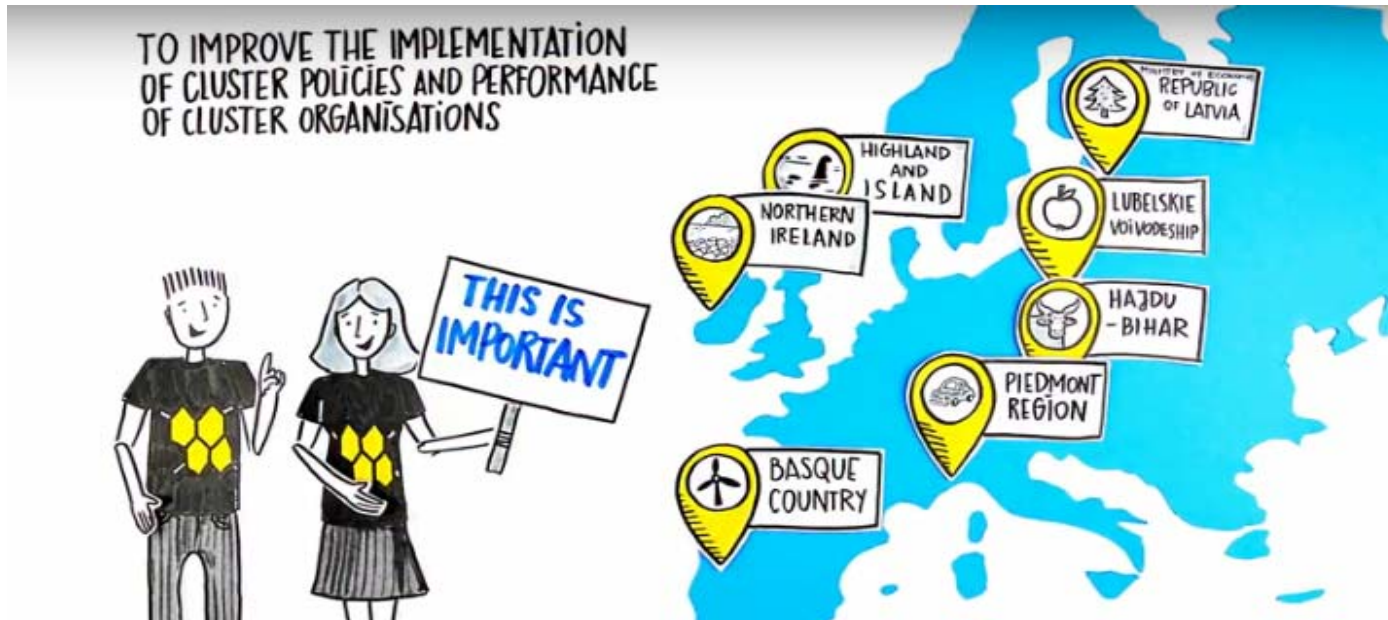
CLUSTERS3 - Leveraging Cluster Policies for successful implementation of RIS3.

Ten regional and national authorities, across seven territories have joined forces to learn, understand and share experiences in the design, implementation and monitoring of their cluster policies and smart specialisation strategies.

They represent a diversity of regional contexts and therefore provide an excellent base for mutual learning; this learning process will lead to the development of regional action plans and, ultimately, to the upgrading of cluster policies and enhanced implement of RIS3.

CLUSTERS3 Partners

- Basque Country (SPRI/Technalia)
- Latvia (Ministry of Economics)
- Hungary (Hajdu Bihar)
- Italy (Piedmont Region)
- Poland (Lubelskie Voivodeship)
- Scotland (Highlands and Islands Enterprise)
- Northern Ireland (INI/DfE)
- TCI



Clusters3 Phases (4 Year Project)

PHASE 1 (Apr 2016 – April 2018)

- **EXCHANGE OF KNOWLEDGE:**
 - Interregional Workshops
 - Regional stakeholder group meetings
 - Policy Learning Documents
 - Peer to Peer review
 - SWOT analysis
- **COMMUNICATION ACTIVITIES:**
 - Newsletters, social media
- **PROJECT MANAGEMENT:**
 - Reporting every 6 months

PHASE 2 (May 2018 – May 2020)

- **EXCHANGE OF KNOWLEDGE:**
 - Development and implementation of Action Plans
- **COMMUNICATION ACTIVITIES:**
 - Final Dissemination event
- **PROJECT MANAGEMENT:**
 - Yearly reporting of costs & results

Targets: 44 Policy Learning Events; 15 Good Practices; 100 people with increased professional capacity; 7 action plans; 20 appearances in the media; 100 website visits per month

Interregional Workshops

IWS1 – Design and Deployment of Cluster Policy (May 2016 – Bilbao)

IWS2 – Policy Implementation through Specific Support Instruments (October 2016 – Turin)

IWS3 – Development of Cluster Policy and Alignment with RIS3 (March 2017 - Lublin)

IWS4 – Monitoring and Evaluation of Cluster Performance and Cluster Programmes (June 2017 - Inverness)

IWS5 – Internationalisation of Cluster Organisations (October 2017 - Riga)

IWS6 – Building the Capacity of Cluster Organisations (March 2018 - Belfast)

- Participative approach
- Baseline analysis of the approach to clusters, cluster policy and smart specialisation amongst all partners
- 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*

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 strengths 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

Recommendations Arising

- Design and deployment of cluster policy
 - **Cluster diagnosis / re-mapping**
 - **Reinforcing industrial strengths**
 - **Cluster concept definition**

- Implement policy through specific support instruments and programmes
 - **Task-based policy learning**
 - **Openness to cluster policy and programme formulation**
 - **Synergies and new sources in funding**

- Development of cluster policy and alignment with RIS3
 - **Open platforms and spaces**
 - **Engagement with Local actors, especially business**
 - **Joint forms of governance**

Recommendations Arising

- Monitoring and evaluation of cluster performance and cluster programmes
 - **Harmonized and centralized monitoring and evaluation**

- Internationalization of cluster organisations
 - **Cross-sector cluster cooperation within/between territories**
 - **International cooperation in common RIS3 areas**

- Building the capacity of cluster organisations
 - **Cluster associations as one of many policy tools**
 - **Survey among cluster associations**
 - **Membership fees**

CLUSTERS3 Website and Links



- News - <https://www.interregeurope.eu/clusters3/news/>
- Events - <https://www.interregeurope.eu/clusters3/events/>
- Good Practices - <https://www.interregeurope.eu/clusters3/good-practices/>
- Contacts - <https://www.interregeurope.eu/clusters3/contacts/>
- Library - <https://www.interregeurope.eu/clusters3/library/>
- Question of the Month - <https://www.interregeurope.eu/clusters3/question-of-the-month/>

Many Thanks for your Attention



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