

Présentation in OMNINET meeting Varsaw 19 november



A group of industries and organisations that are linked together in buying and selling relationships, or who share the same infrastructure, customers or skills base and whose linkages enhance competitive advantage

- Prof. Michael Porter

- ← Regional cluster – “geographical concentrations of economic activities that benefit from competitive advantages through co-location”
- ← Key distinction –
 - ▶ Sector – firms classified according to similarities in products, technologies or markets
 - ▶ Cluster – firms grouped according to association and interdependence – almost inevitably cross-sector
- ← Key point of argument – close proximity of producers gives rise to shared advantages that can generate or contribute towards global competitiveness

- ← Agglomeration and external economies of scale
- ← Networks, mutual trust and social capital
- ← Innovation and learning processes

- ← Finland – inter-industry linkages – 9 national clusters
- ← UK – Location quotients generate 154 possibilities – winnowed down by regional consultation
- ← Denmark – in depth interviews generates 13 regional clusters
- ← France – 71 poles of competitiveness sector or technology oriented
- ← Norway – location quotients and minimum scale criteria – 62 regional clusters
- ← Netherlands – inter-industry linkages – 12 linked industry groups
- ← Italy – included “high % in SMEs” in definition of “industrial districts” – 199 clusters

- ← Austria includes biotechnology and medical science in Vienna, wood furniture in upper Austria
- ← Belgium - Flanders multimedia, Flemish plastics
- ← Finland - Shipbuilding in Turku, high technology in Oulu
- ← France – agro-ressources in Picardie or aeronautics in Toulouse
- ← Germany - Ruhr chemicals and media industries in Rhine-Westphalia
- ← Norway - electronics in Horten; Shipbuilding at Sunnmøre
- ← Spain – Machine tools in Basque Country and shoe manufacture in Vinapolo Valley

- Shift in focus away from support for individual firms towards systems or networks of linked firms
- Less emphasis on large firms and stress on SMEs or firms of all sizes
- Less interest in mobile investment (though this is still an element) and shift in focus towards indigenous development
- More sophisticated methods for targeting assistance on groups of firms with growth potential
- Greater emphasis on role of government as facilitator of business networks and broker between firms and other public and private institutions

- ← New technology (establish centres and institutes for technology transfer)
- ← Firm growth (incubators, assistance to target firms)
- ← Cluster analysis (create observatories, conduct audits)
- ← Labour supply (pump-prime relevant provision of management and technical training, skills alliances)
- ← Supply of capital (financing for spin-off companies)
- ← Network improvement (fund activities to extend personal and organisational networks)
- ← Cluster leadership (map competencies and motivate regional partnership processes)
- ← Infrastructure (develop new shared ICT infrastructure)
- ← Marketing (create shared regional cluster brand)

- ← Belgium - Financial subsidies to encourage SME growth; Centres of excellence based on emerging technologies
- ← France – Subsidies to increase collaborative R&D projects
- ← Sweden - R&D cooperation; development of shared research centres
- ← Switzerland – emphasis on ICT integration
- ← Spain – funding for public and private research centres and science parks
- ← Austria – emphasis on collaborative arrangements between public and private sector including use of public procurement

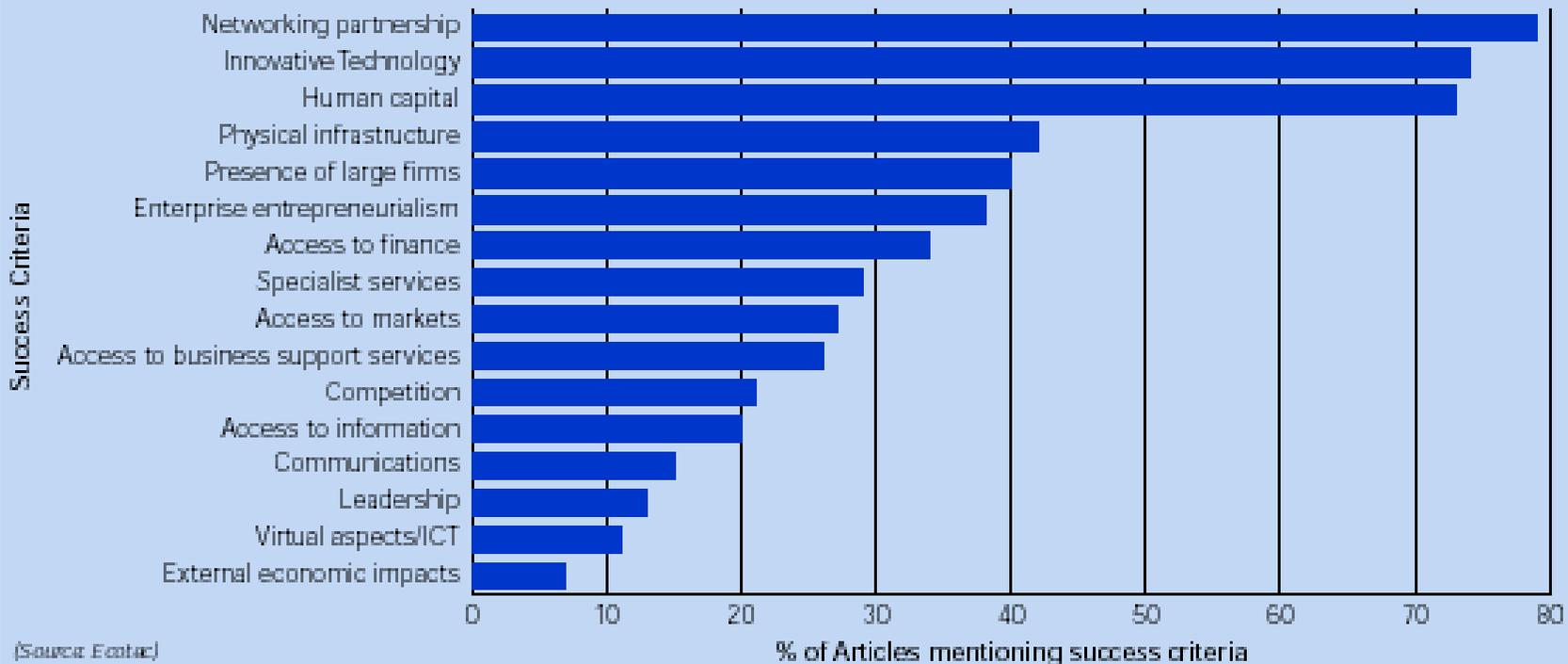
- ← Understanding change over time – the “life cycle” of a cluster and path dependency
- ← Conceptualising the relationship between “local buzz” and “global pipelines”
- ← Relationship between the “new” and the re-working of “old” knowledge in peripheral economies

- ← Clusters literature does refer to concept of “life cycle” but fairly rudimentary analysis
 - ▶ Emerging cluster – beginnings of cooperation
 - ▶ Developing cluster – new actors and linkages, formal and informal networks
 - ▶ Mature cluster – reach critical mass
 - ▶ Transformation – to avoid stagnation, need to introduce new markets, new technologies and process changes

Critical Success Factors in Cluster Development



Critical success factor identified within global literature search

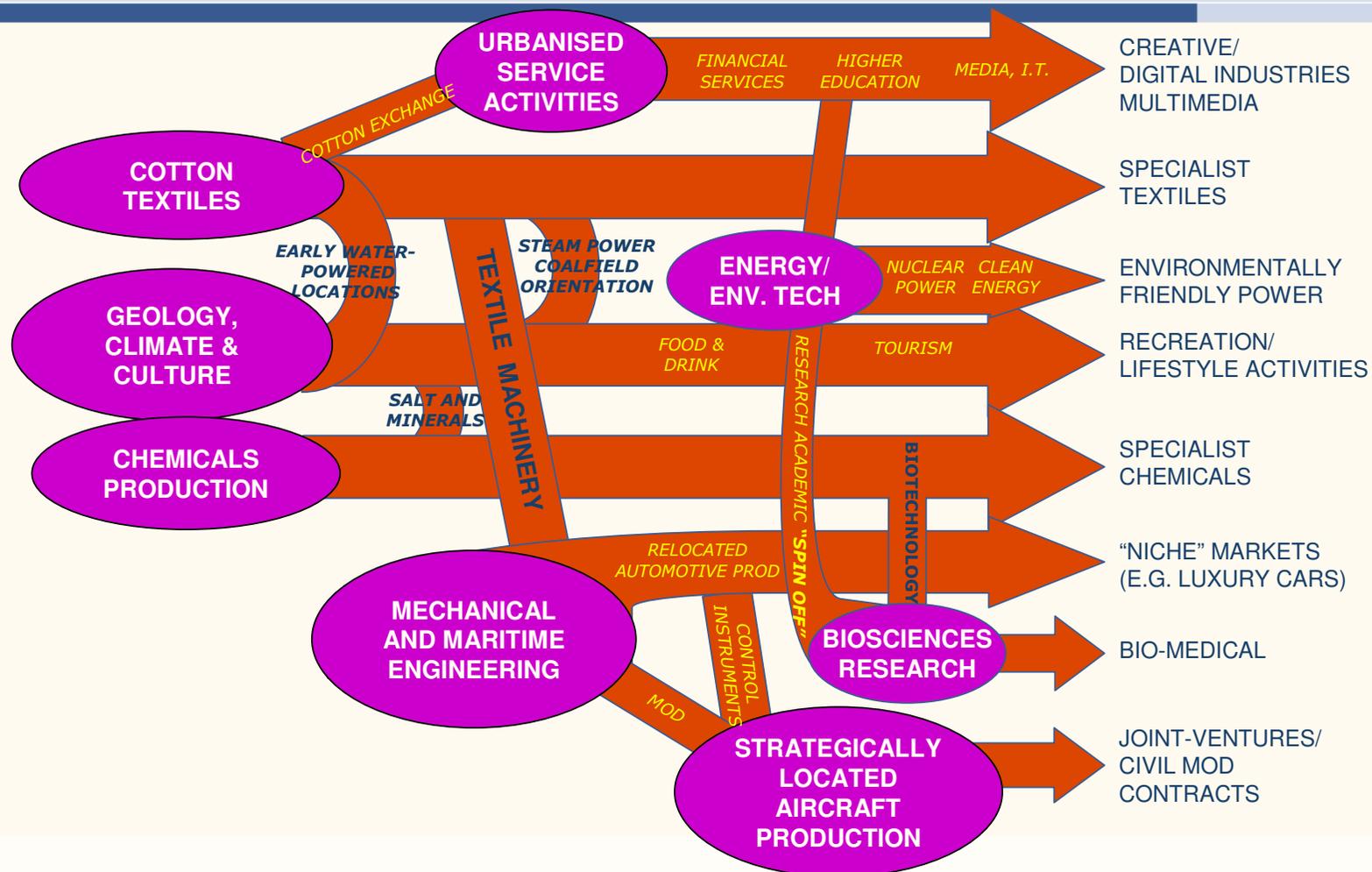


One example :England's Northwest



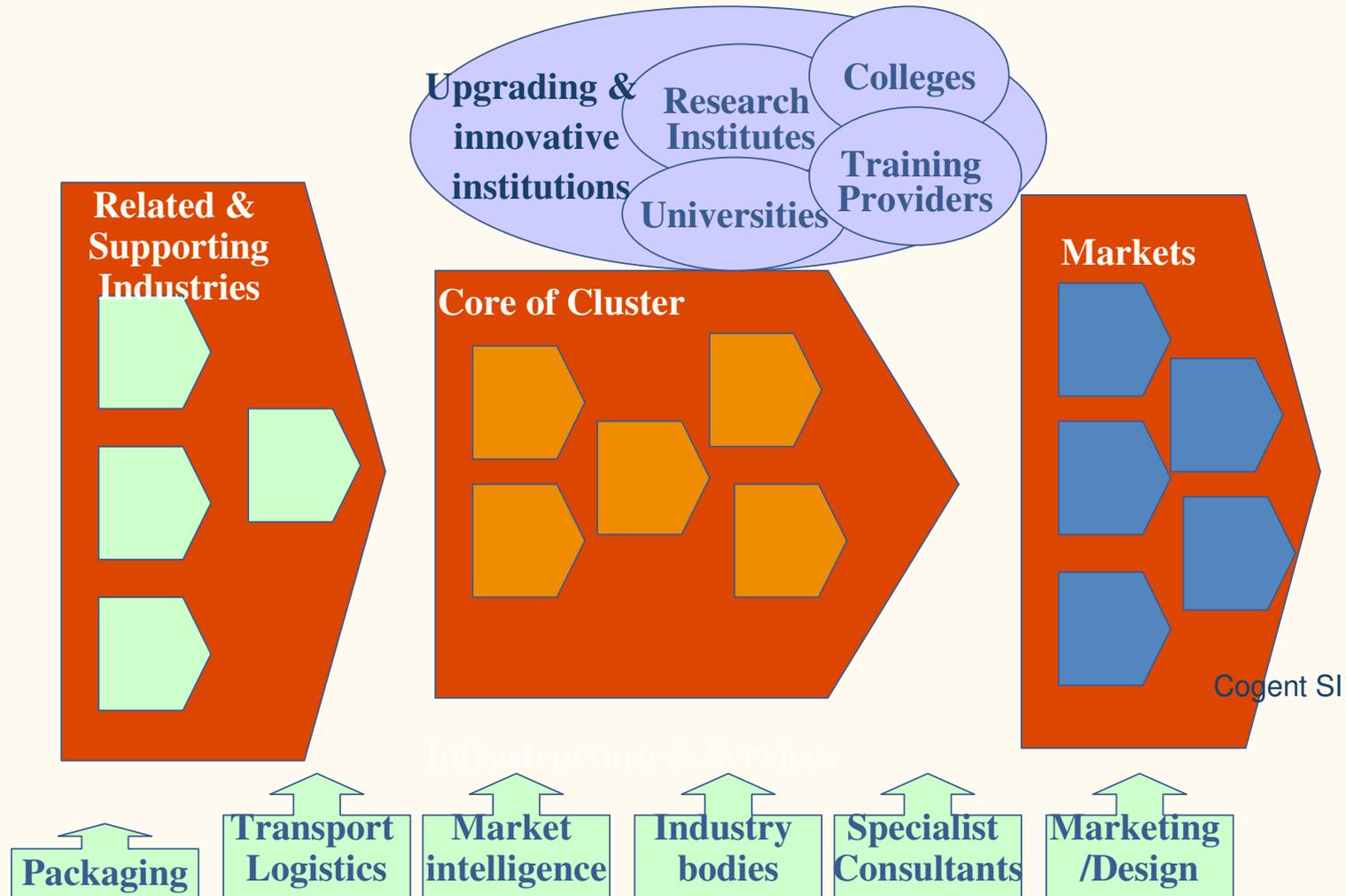
- £106 billion (€157 billion) GVA
- 6.8 million People
- 14,000 sq km
- 242,000 enterprises
- 9 Universities

Cluster Evolution In North West England: 1700 Onwards

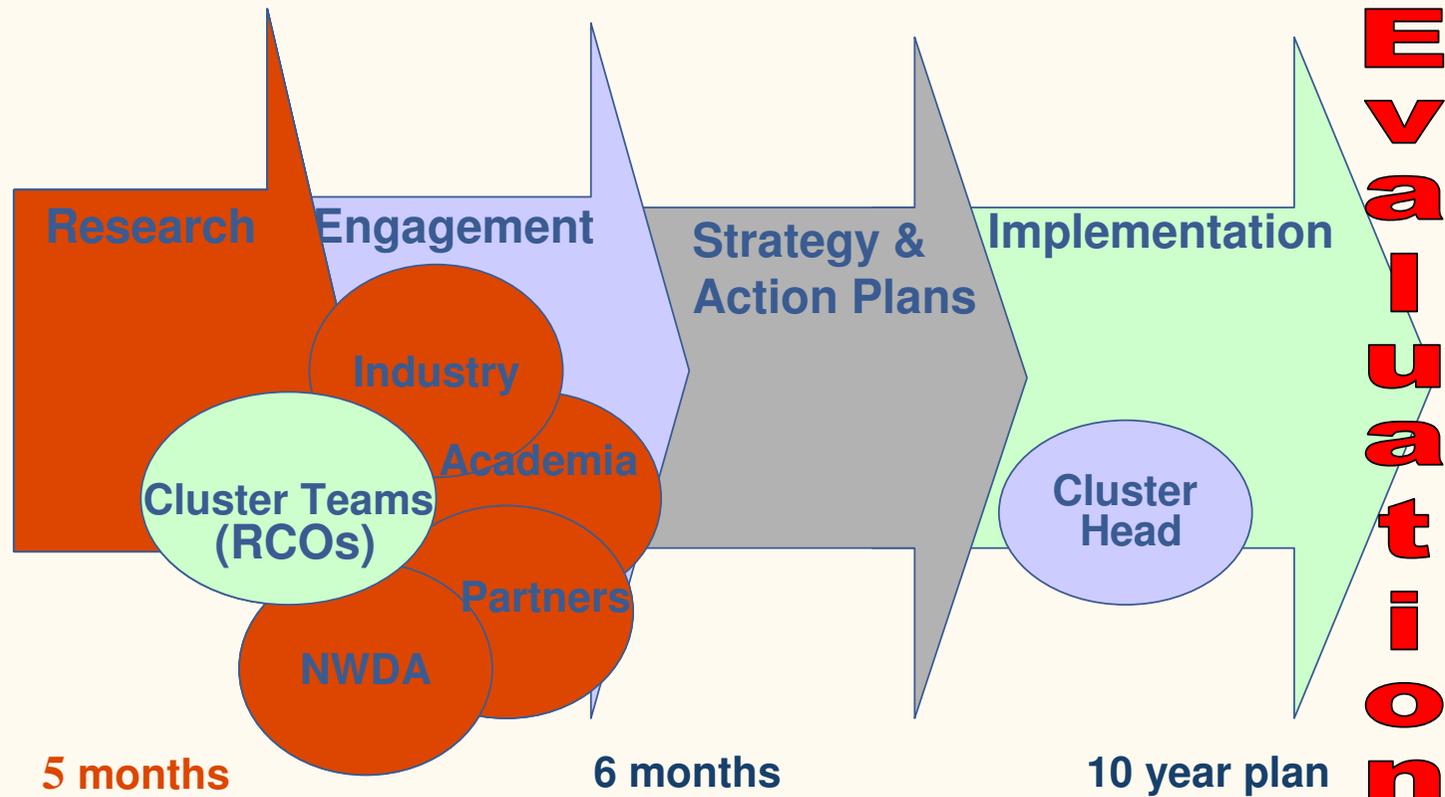


1700 1750 1800 1850 1900 1950 2000 2050

What does a Cluster look like?



Cluster Development Process



- **Launched March 2000**
- **To deliver Regional Economic Strategy (RES) transformational action to develop the six key internationally competitive sectors**
- **Also supports RES actions on: high growth start ups/incubation, innovation, business support and international competitiveness**
- **Supports Regional Cluster Organisations**
- **Promotes key projects**
- **National Linkages**
 - **Northern Way**
- **International Linkages**
 - **CLUNET**

Sector	Cluster Organisation
Biomedical	BioNoW
Energy & Environmental Technologies	Envirolink NW
Advanced Engineering & Materials	
Chemicals	Chemicals Northwest
Aerospace	North West Aerospace Alliance
Automotive	Northwest Automotive Alliance
Advanced Flexible Materials	NWTexNet
Food & Drink	Food Northwest
Digital & Creative Industries	(under discussion)
Financial & Professional Services	(under discussion)