



Global practitioners network for
competitiveness, clusters and innovation

Clusters and Competitiveness

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Putting clusters into context

Development approaches based upon clusters have changed from being almost unknown to becoming “mainstream” in only a few years.

It is reckoned that cluster initiatives in the world have multiplied by 5, and on a conservative estimate they probably reach 5000.

- ❑ 2003: 500 aprox.
- ❑ 2008: + 2.500 aprox.
- ❑ 2009: + 5.000 aprox.

Approaches based upon clusters have proved an efficient tool to improve competitiveness.

- ❑ Of companies, because it allows them to improve their competitive position by means of a deep strategic vision in combination with cooperation strategy.
- ❑ Of the public sector, because clusters vertebrate and articulate the economic fabric and facilitate the capacity to design effective – innovation, technology, internalisation, etc.

A large number of names, a mixed universe but one which rests on an extremely powerful and common factor: facing up to strategic challenges in partnership.

Porter and the Microeconomy of Competitiveness (I)

Very different factors affect competitiveness:

The social, legal, political and macroeconomic contexts

The microeconomic environment the operational strategies of the private sector.

It is essential to understand that an adequate macroeconomic context is a necessary condition of competitiveness but it is not enough. It establishes the foundations of and unlocks the potential of competitiveness but it neither brings it about nor conditions it.

Achieving competitiveness requires the improvement of the microeconomic capacity of the economy.

Cluster and competitiveness microeconomics (II)

and not only that: in competitiveness microeconomics, everything is relevant, everything important.

Deep understanding of the nature of competitiveness and the source of competitive advantages.

Understanding of the complex interrelations of agents.

Remodelling of the role of the private sector, government, university, associations and institutions.

And for those responsible for policy implementation: a useful tool for industrial policies.

But cluster policy must be integrated and intertwined within the global system of innovation and competitiveness. It has a huge potential and the capacity for multiplying effect, a consequence of its "pivotal" position though it is just a part of a wider whole.

Clusters : Two definitions

Clusters are groups of organisations working in a particular economic sector and in geographically-limited environment. This enables the creation of operational synergies which become sources for competitive advantages.

Clusters are groups of related companies within a common geographical framework, operating in a environment characterised by a high degree of specialisation, intense competition and a critical mass of highly-educated employees (World Economic Forum).

Cluster Initiatives and Institutions for collaboration

Clusters are «natural» entities but from a pragmatic point of view, it is necessary that a practical action plan should be put on the table (Cluster Initiative).

Cluster Initiatives are organised efforts to increase the growth and competitiveness of clusters within a region, involving companies, government, the research community and the university community.

Fully-fledged cluster initiatives usually result in stable structures.

For example, Basque cluster associations are key agents in competitiveness policies in the Basque Country: Innovation and Technology, Excellence in Management, Internationalisation, etc.. They all share a high capacity for mobilisation, the creation of an important social capital and the generation of “expertise”.

Similar and different clusters

- Clusters and cluster initiatives in the world widely differ in size: large, small, highly formal, practically informal, product- or service-oriented, more or less technology-oriented, s towards "hard-" rather than "soft-", led by governments, the private sector or the universities
- Nevertheless, they all share certain decisive features. They all deal with strategies, cooperation, trust, talent, the long term, profitability.
- Choosing the right strategic approach is essential as it is to know why we have chosen it (rather than definition).

example of a simple but hard-to-achieve mission

Improvement of the competitiveness of companies through cooperation.

Focus on strategic and competitive challenges which cannot be tackled through single efforts by the corporate sector.

Clusters as network servers: stimulating function aiming to intensify the quantity and quality of communication and members' interaction.

Benefits of clusterisation (I)

ergetic

ability to make achievements in partnership which otherwise would be unattainable if attempted by a single actor on its own.

more effective access to information; greater capacity to perceive opportunities; and potential synergies, both intracluster and intercluster.

comprehend the full map of value chains better to capitalise on implicit potentialities.

know, share and take advantage of the best practices.

offer strategic and collective guidance

obtain help from the "cluster manager" and his/her constant search for synergies and opportunities that should be beneficial to the whole cluster.

Benefits of clusterisation (II)

OPERATIVE

To facilitate internationalisation, the access to new markets, exports and marketing in general.

To facilitate general coordination and the whole of intercompany transactions.

To enable continued and visible performance and achievements comparisons.

To set up specific training plans at all levels

To make the most of the technological and innovation capacities in the system

To facilitate information and technological interchange.

To define common standards

To accelerate innovation processes

To improve operative efficiency

To facilitate innovation

To boost the emergence of "spin-offs"

To share resources and make the most of generated scale economies.

To cut down or eliminate certain costs

To increase productivity and profitability

To enable long-term survival and greater security

Benefits of clusterisation (III)

TANGIBLES

To increase trust among cluster members and generate an important social and relational capital.

To increase and disseminate explicit and tactical knowledge.

To understand better the complexity of the environment and keep track of its movements.

To increase self-confidence and make possible the achievement of greater goals.

To develop resilience to crisis.

Benefits of clusterisation (and IV)

INFLUENCE AND INTERLOCUTION

- To be privileged speakers before authorities or governments.
- To exert a bigger institutional influence at all levels

The Role of the Cluster Manager

Main role: searcher/hunter of synergies"

Cluster managers must have a deep understanding of natural clusters and have in mind both insiders and outsiders.

They need to be competent in a wide range of abilities and skills. A remarkable decathlete!

They must have strategic vision and a wide grasp of competitiveness microeconomics,

And a deep and sincere interaction with all the different "blades" of the "triple helix", particularly governments,

They must be "consensus builders",

They must have the necessary skills to gain the support of committed "clusterpreneurs" within the cluster,

They must be capable of showing the benefits of clusterisation through "low hanging fruits",

They must have a deep knowledge of aid frameworks within clusters in every world region.

They will be elected by the board of directors of each cluster association, not handpicked by outsiders,

They are very special jewels, so they should be priced accordingly but if they do not get results, they should go. The correlation between the results of a cluster and the skills of a cluster manager is very high. They are figures of the greatest importance.

Some common elements in successful cluster policies around the world. San Sebastian Manifesto May 2007

Realism

Human factor

Cooperation centred upon strategic challenges

Efficient governance

Clear communication

Long-term commitment

Trust

Strategy is the key.

me final notes

Is is a hard, long-term enterprise, requiring lots of patience and no hurry implementation or shortcuts.

Trust is important but building that trust cannot be achieved overnight.

No magic, no recipes.

Choosing the right "cluster-people" to support the process is essential for success.

Every region has to follow its own path, depending on the circumstances.

- Cooperation was, is and will be hard to obtain for everybody we should not despair.
- And we should never underestimate the importance of the "human factor"

**Thank you very much for your
time and attention!**

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