

Clusters and International Competitiveness

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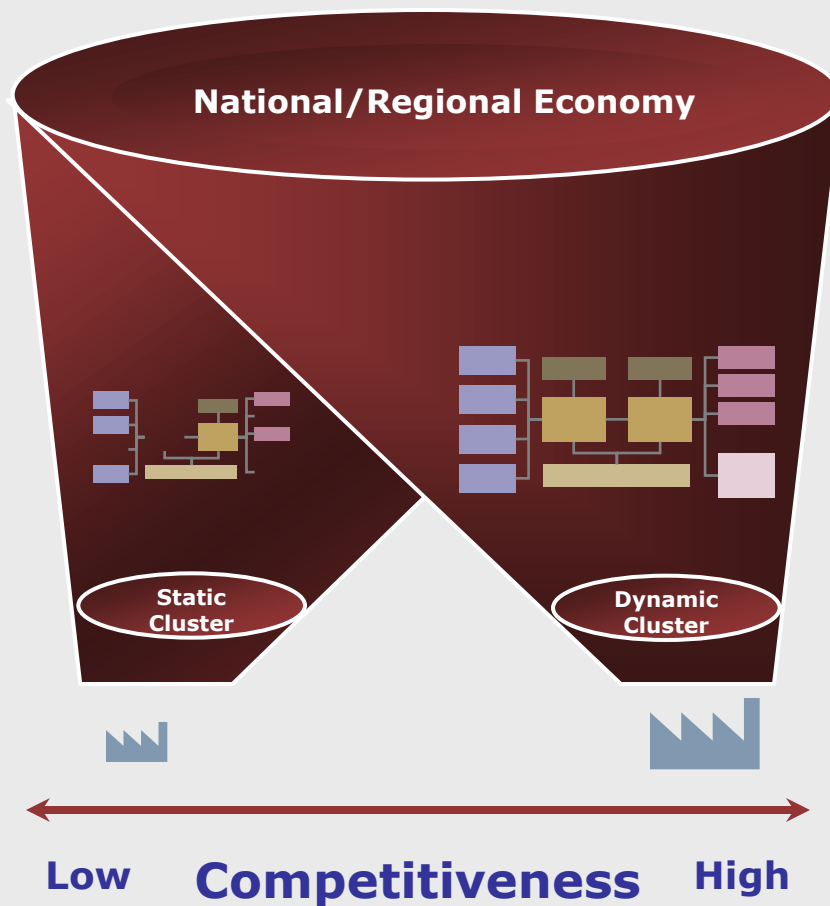
International Competitiveness

Domestic vs Global Positions of Firms



Framework

Microeconomic Business Environment



- Factor conditions – level of sophistication and specialisation
- Demand sophistication – lead markets
- Strategy, innovation and ways firms compete
- Clusters – level of agglomeration and dynamics

Clusters - 1



Co-location of linked industries and organisations within a region

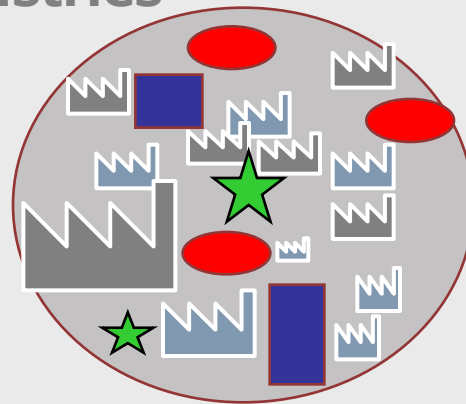
Agglomeration:
Size
Specialisation
Breadth and depth
Life cycle

Industry:

- Buyers
- Suppliers
- Related industries
- SMEs
- Services

Public bodies:

- Regional and local authorities
- Agencies



University:

- Colleges
- Tech transfer offices
- Laboratories

Finance:

- Banks
- Venture capital
- Business angels

Organisations for Collaboration:

- Network
- Clubs
- Cluster organisations

Clusters



A TALE OF TWO LABELS
 Even a beer drinker can understand that this popular, well-priced Australian white wine (\$10) beats out the Chardonnay with its wine grapes. **4** This French wine (\$50) also is 100% Chardonnay - but only a connoisseur would know that Champs Cuvée is a small piece of land located above a Burgundy village where local *appellation contrôlée* rules permit cultivating only Champs Cuvée. Even then, it would be best to check out Domaine La Tour in a wine rating book, since dozens of producers and merchants sell expensive Burgundy-Montrachets that range from the sublime to the sub-standard.

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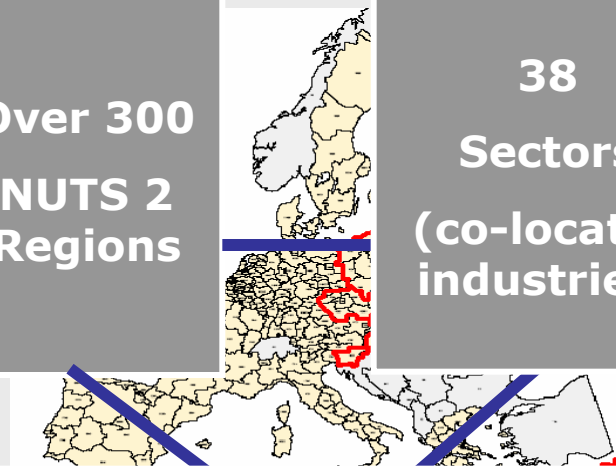
Mapping Statistical Clusters in Europe

EU 27

+ Iceland, Norway, Switzerland, Turkey, Israel

Over 300
NUTS 2
Regions

38
Sectors
(co-located
industries)



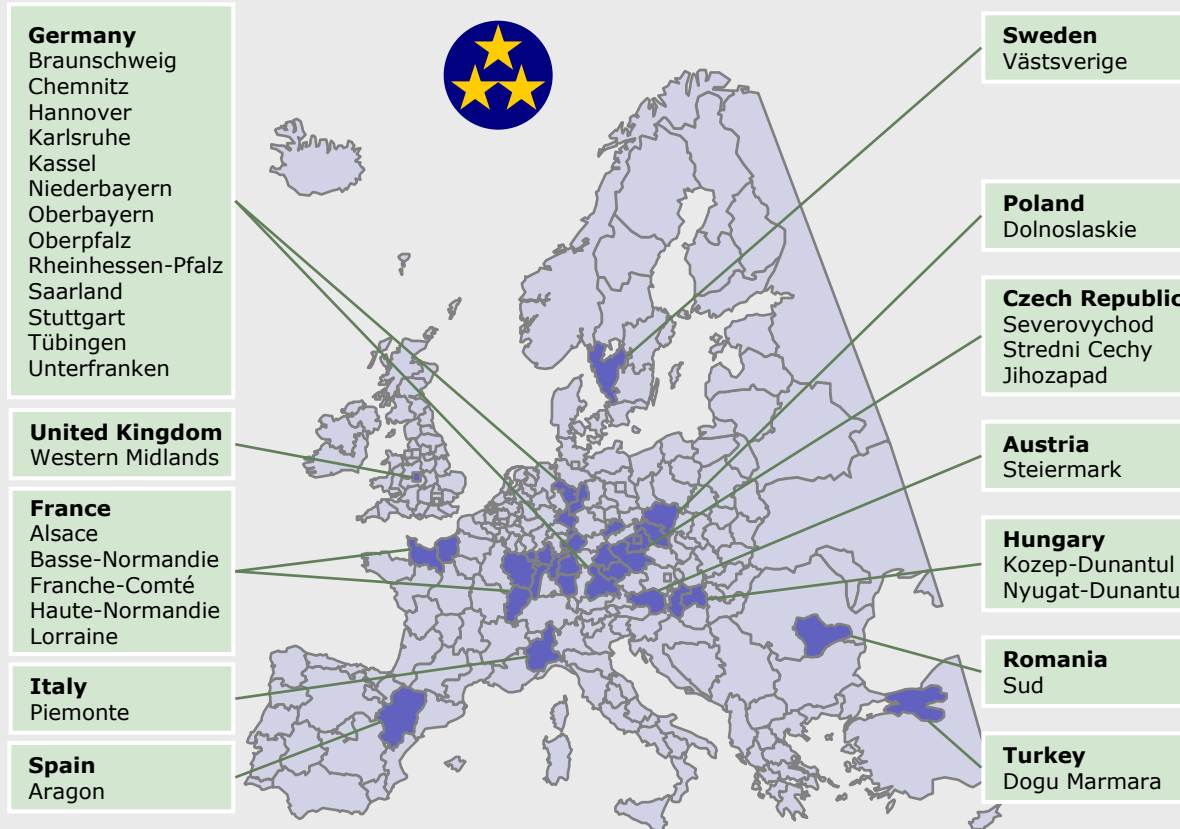
Example:

West Sweden Automotive

> 12,000 potential regional clusters within Europe

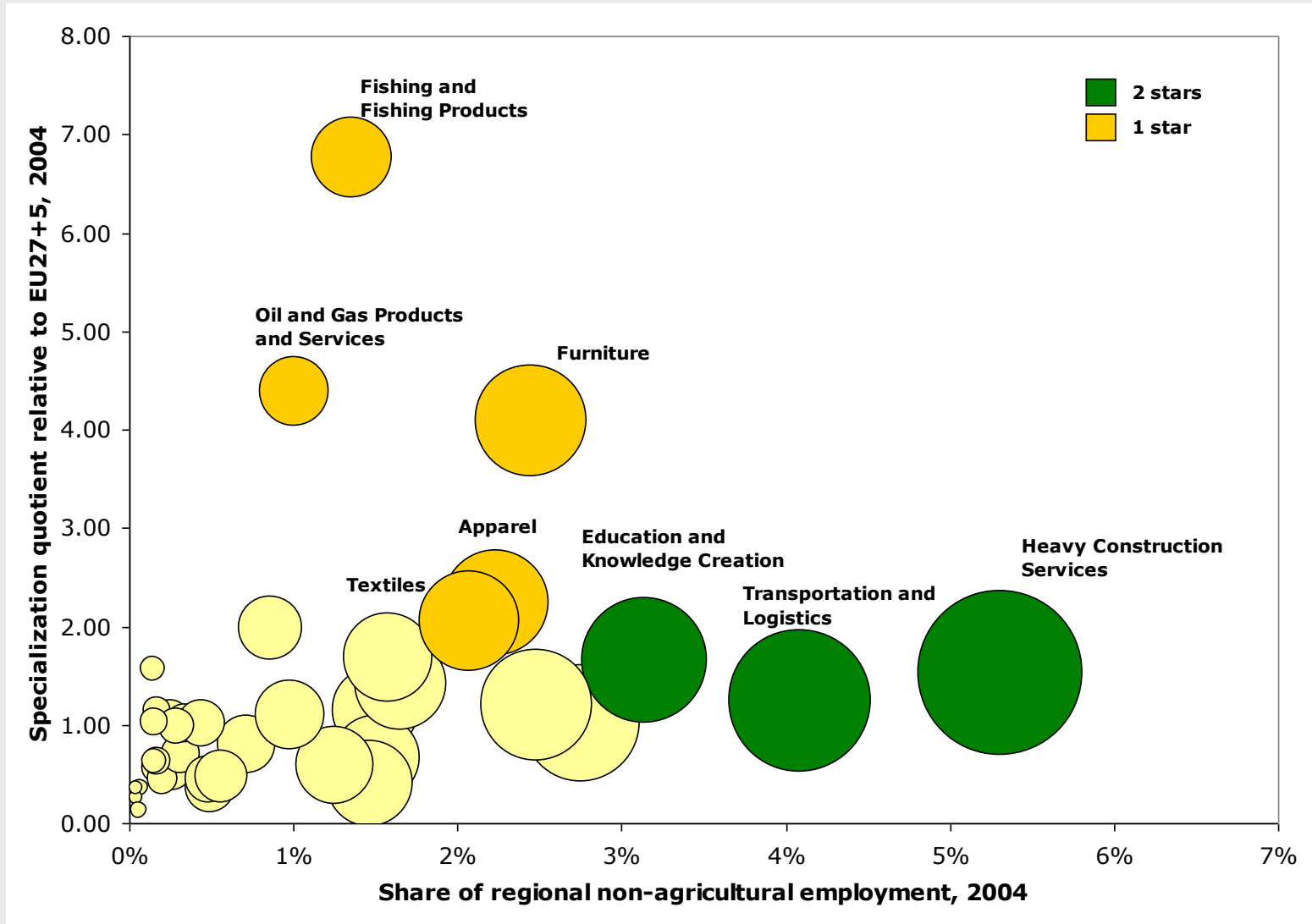
European Cluster Mapping

Three-star Automotive Regional Clusters



Source: CSC and European Cluster Database. EU Commission - DG Enterprise.

Regional Cluster Portfolios: Estonia

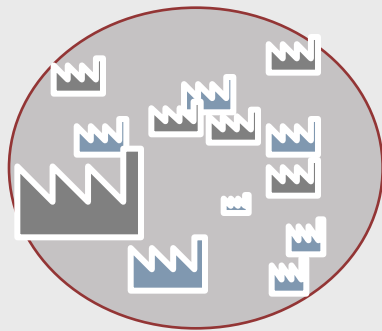
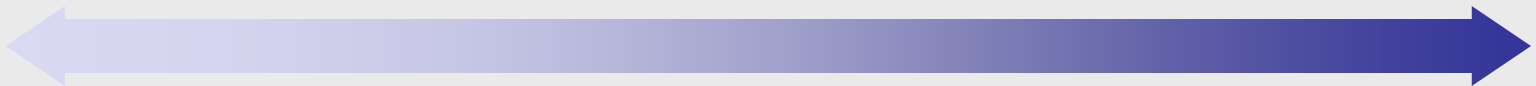


Clusters - 2



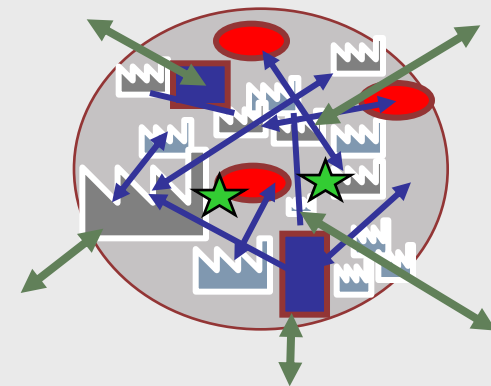
Static cluster

Dynamic cluster



Performance:

- Regional GDP/capita**
- Cluster exports**
- Cluster productivity**
- Cluster innovation**
- Labor mobility**



Cluster Dynamics



Static cluster



Dynamic cluster

Isolated firms and lack of competition,
Poor institutions

Local rivalry and international openness,
Institutions conducive to innovation

Lack of advanced suppliers

Specialised, local suppliers

Basic human capital

Advanced training and
scientific infrastructure

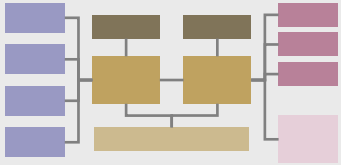
Lack of trust and networks

Highly developed social capital

Few supporting institutions

Advanced institutions for collaboration
and cluster initiatives

Clusters 3



Natural vs planned/organised clusters

Natural Clusters

Planned Clusters



Policies and programmes to boost clusters:

Cluster Programmes

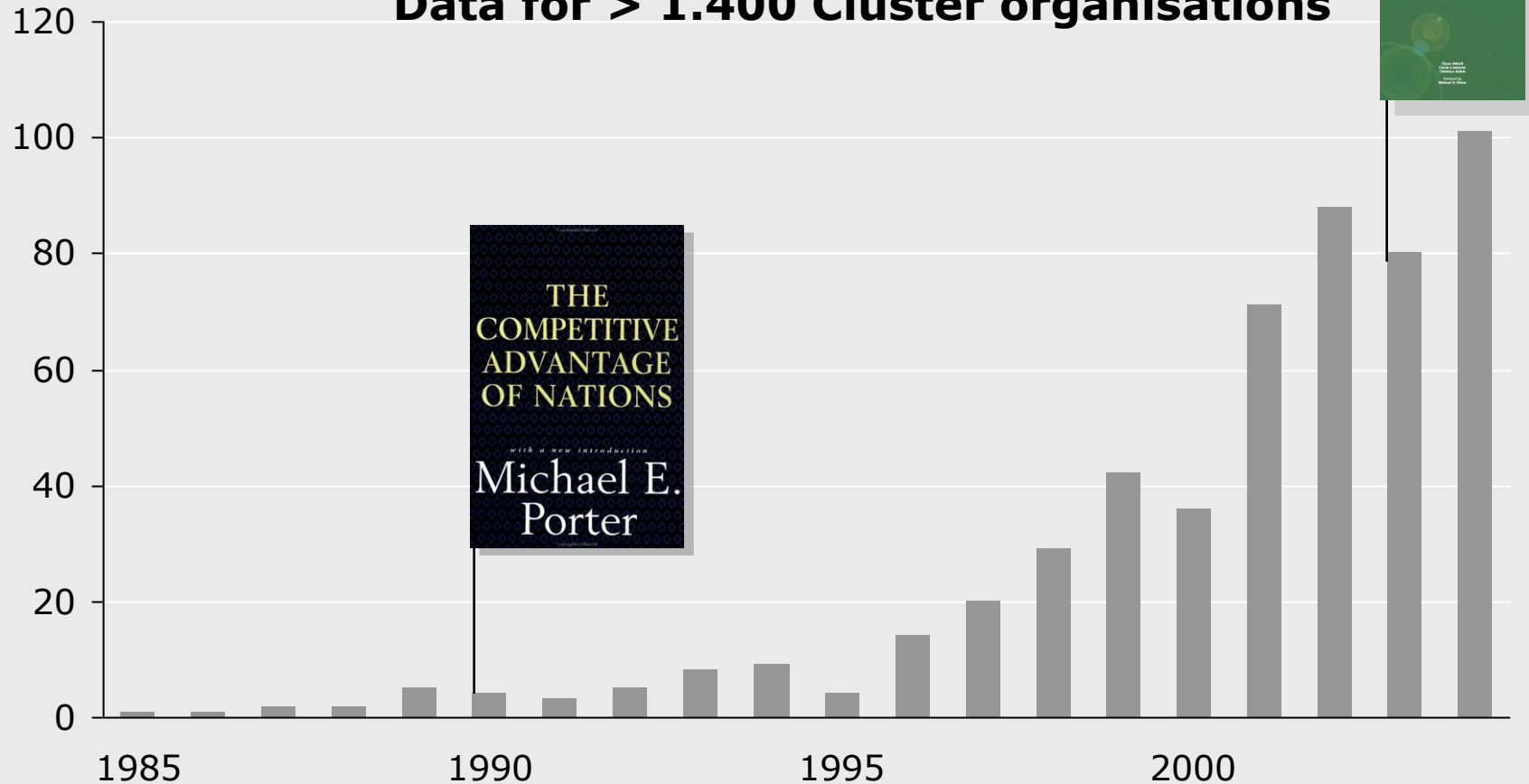
Cluster Initiatives

Cluster Organisations

Networks

Emergence of Cluster Organisations

Data for > 1.400 Cluster organisations



Download Grenbook at: www.cluster-research.org

Participants

Transition	76
Slovenia	11
Estonia	7
Albania	5
Lithuania	5
FYR Macedonia	5
Armenia	<5
Bulgaria	<5
Bosnia and Herzegovina	<5
Czech Republic	<5
Georgia	<5
Croatia	<5
Hungary	<5
Latvia	<5
Poland	<5
Russia	<5
Serbia and Montenegro	<5
International	<5

EU 15	320
Germany	50
Sweden	42
UK	31
International	22
Austria	19
Spain	16
Finland	10
Denmark	9
Italy	8
Belgium	8
Netherlands	7
France	5
Greece	<5
Ireland	<5
Luxemburg	<5
Portugal	<5

Note: Number of complete or partial replies

Cluster Organisations

Automotive - West Sweden

Cluster initiative objectives:

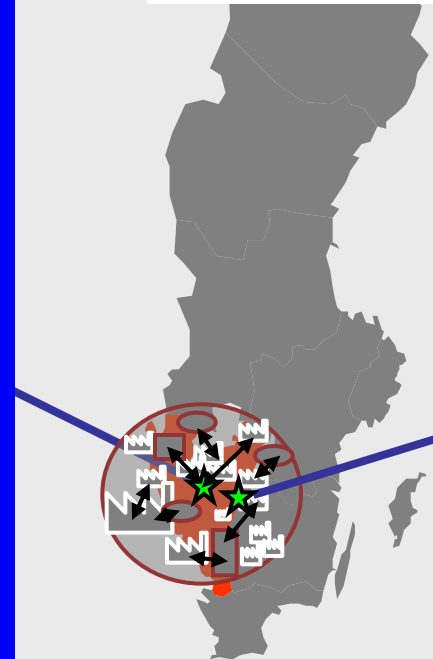
1. Human Resources
2. Cluster expansion
3. Commercial cooperation
4. Business development
5. Innovation & technology
6. Business environment

Intelligent Vehicle
Safety Systems - IVSS

Saab
Volvo
Volvo Cars
Scania
Vägverket
Scandinavian Automotive
Suppliers
Invest in Sweden Agency
Vinnova

Automotive
Crash Research – SAFER

Chalmers University
Vinnova
Industry reps.



European Policy Agenda



European Cluster Memorandum
- National/Regional Agendas
- EU Agenda

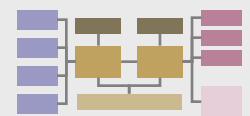
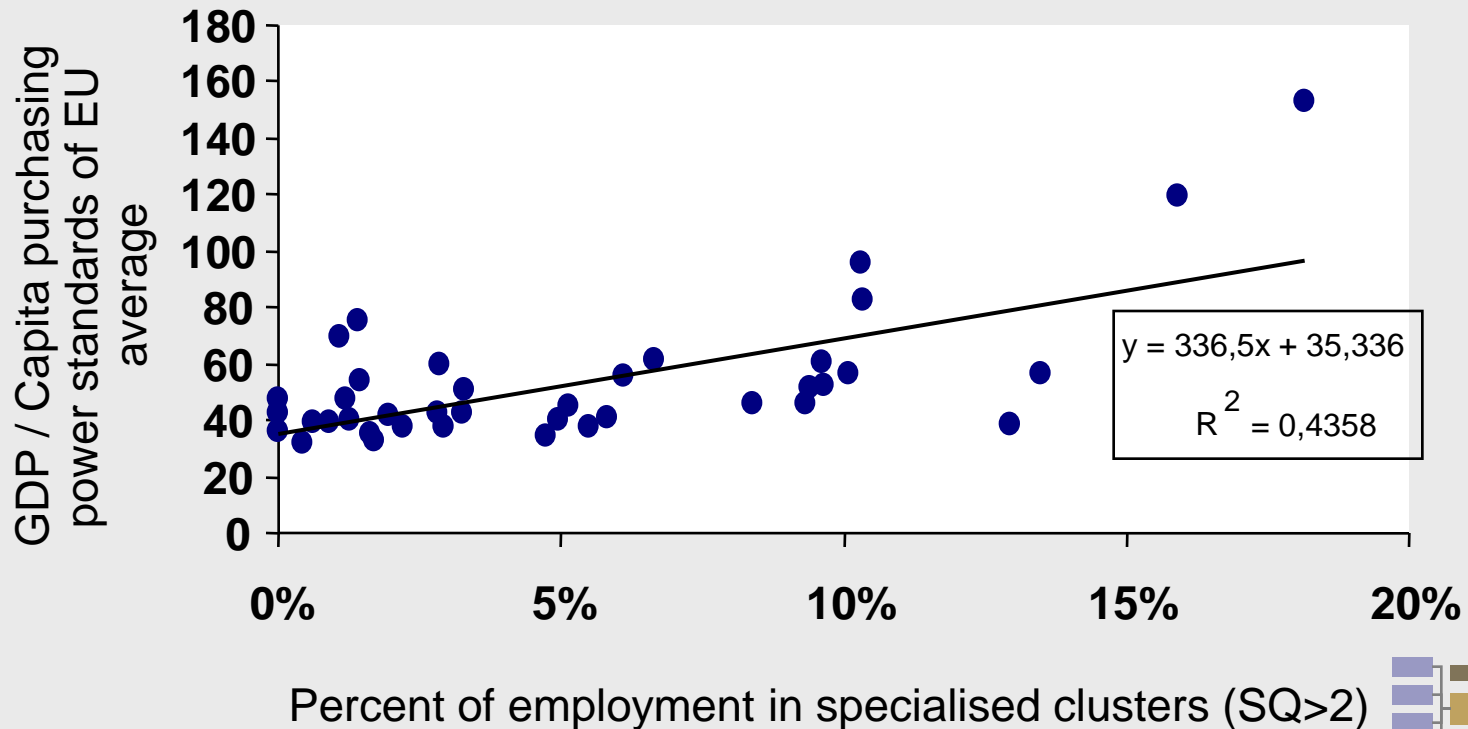
European Cluster Alliance

**Sweden – Slovenia – DG Enterprise
Ministerial Conference
Stockholm 22-23 January 2008**



Clusters = Innovation = Competitiveness

Clustering and GDP / Capita
41 NUTS 2 Regions in EU-10 (2004)



Source: Sölvell, Ketels, Folkesson.(2005) *Entrepreneurial Innovation in the New Member States: Challenges and Issues at stake for the Development of Clusters of Innovative Firms*. EU Commission, DG Enterprise.

Innovation and Cluster Programmes

DG Enterprise – the European Cluster Alliance



- DG Enterprise Luxembourg conference

2002



2004



- Sectoral Innovation watch
- Innovation panels (8)
- Cluster networks (11)
- Financing networks (10)
- Standards networks (7)
- Europe INNOVA Forum



- 8 modules in three pillars:
- Policy analysis
 - Policy learning
 - Policy development:

Cluster Mapping

BSR InnoNet
CEE-Cluster Network
CLUNET
INNET



New Data for Policymakers

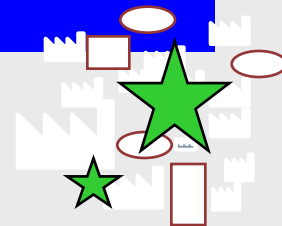
**European Cluster Database
launch June 2007**
www.europe-innova.org



Cluster Mapping



Cluster Organisations



**Cluster Policy,
Programmes & Agencies**

THANK YOU!