



Whitebook highlights

Dr. Elisabeth WAELBROECK-ROCHA

Ottawa, September 28, 2004



Eight working groups

- Pros & Cons of cluster policies
- Key options and risks in decentralised policy approaches
- Clusters and innovation systems: complementary or conflict?
- Clusters as a tool for promoting knowledge transfer
- Ways for clusters to strengthen conditions for commercialisation
- Developing countries' cluster initiatives
- How to organise a cluster initiative
- Capturing systemic aspects



Clusters as a tool to promote knowledge transfer

Alan Koziarski

- Knowledge transfer needs to be defined
 - ▶ Context specific?
- Real innovation comes from concrete, tangible inputs, not « Knowledge »
 - ▶ Need knowledge CREATION as well as knowledge TRANSFER
 - ▶ Knowledge transfer helps firms make incremental improvements
- How can one « organise » knowledge transfer + role of clusters?
 - ▶ Network activities must have a purpose
 - *Need commitment, at right level*
 - *Needs resources (human and financial)*
 - *Needs buy-in*
 - *Must take place at grass root level – Bottom up approach*
 - ▶ People are important



BIPE

Knowledge is embedded in people

- This implies needs for:
 - ▶ Training, mentorship
 - ▶ Improve absorptive capacity of firms

- Practical lessons from participant's experiences:
 - ▶ Incubators are not a magic tool; Needs attention
 - ▶ Step back from 'networking' for the sake of networking: define goals, meaning, purpose
 - ▶ Objective not to transfer « Knowledge » but to define **Relevant Knowledge**

 - ▶ Example: 2-stream approach to R&D financing in Scotland
 - *2 years for proof of concept*
 - *Decision made of how to pursue*

Can clusters strengthen conditions for commercialisation?

Ted Lyman

- Yes, definitely

Can clusters strengthen conditions for commercialisation?

- Yes, definitely
- Clusters can be **demanding customers** for R&D centres and universities
- Clusters can help **set priorities** for R&D institutions
- Clusters can become **incubators without walls**
 - ▶ Surround R&D programs, allow them to grow, develop, ...



Can clusters strengthen conditions for commercialisation?

- Three issues: - open questions:
 - ▶ Large firms often take over in 'R&D centered' clusters : How do SMEs fit in the picture?
 - ▶ How can one ensure that the funds for research don't go to the usual suspects?
 - ▶ How should the process to build bridges between cluster development and R&D institutions be organised ?

Clusters and innovation systems: complementary or conflict?

Thomas Andersson

- There is no conflict between cluster policies and innovation policies
- Innovation systems and clusters are nested concepts:
 - ▶ Clusters policies can be useful complements / results of innovation policies
- Innovation systems are useful to push change:
 - ▶ Change is painful, and often resisted
 - ▶ In several countries, IS concept has helped **give a structure, define a path to achieve/foster change**
 - ▶ Helps to fight the linear model
 - ▶ Move away from « Napoleonistic » style of universities
- Innovation systems help foster the **CREATION, DIFFUSION and TARGETING** of knowledge



BIPE

Clusters and innovation systems: complementary or conflict?

- Can innovation systems develop spontaneously or do they require policy intervention?
 - ▶ The actors can be present but policy intervention is needed to build linkages and increase the effectiveness of the system
- Are innovation systems good incubators for clusters?
 - ▶ No clear-cut answer
 - ▶ Innovation systems can help revitalise clusters, help them to regenerate, become more innovative (second life)
- Innovation systems need clusters, and vice versa:
 - ▶ Innovation systems can outgrow the clusters so much that there is no market for the results of research
 - ▶ Clusters can fail to innovate/regenerate if left at play
- Evaluation of « value for money » in IS just as critical as in clusters....

How should one organise a cluster initiative? What skills are required at each stage? Emiliano Duch

- The group reviewed the list of capabilities / competences, and of agents presented in the Whitebook

- New agents to be added, some characterized differently :
 - ▶ Large companies do not play the same roles in developed and developing countries
 - ▶ Add non-core organisations (accountants, legal firms) which can play an important role in creating trust
 - ▶ Role of development banks is different from « other » financial institutions
 - ▶ Add the clusterpreneur

- Capabilities: one missing:
 - ▶ Connection to the market (ability to bring new business in...)



How should one organise a cluster initiative? Lessons from experience

- In Kazakstan, Qatar, India, Thailand:
 - ▶ Key role played by Local Industrial Bank

- In Central America:
 - ▶ Private (individual) initiative seems to be the catalyst

- In western Europe & Canada:
 - ▶ Important role of IFC, Chambers of Commerce, Government at different levels
 - ▶ Private sector comes in later

- In US:
 - ▶ Private sector

Cluster processes in developing countries and transition economies

Jens Sorvik

- Seeds of clusters can be found in even remote areas

- But key elements are lacking:
 - ▶ Macro gap
 - ▶ Actors often weak
 - ▶ Lack of social capital, trust
 - *Makes interaction difficult*
 - *Resistance to knowledge sharing*
 - *Difficult to define a common vision*
 - ▶ Tradition is not to cooperate but rather to compete by all means

- The role of the « key player » will differ from what we see in industrialised countries, and so will the balance of tasks



BIPE

Cluster processes in developing countries and transition economies

- Although the developing economies form a very heterogeneous set of countries...
- The skills needed to develop clusters are similar :
 - ▶ Ability to develop / grow social capital
- « Who » has the skills varies across countries, however:
 - ▶ In transition economies: often have good embryos for clusters but
 - *Value chain has been broken down*
 - *Trust base has changed*
 - ▶ ➔ It is important to have ownership of the cluster process INSIDE the cluster
 - ▶ Beware of who attends/participates: owner or executive?



Pros and cons of different cluster policies

Sylvia Scwaag-Serger

- Discussion theme : What is the role of government in clusters

- Group consensus on several points:
 - ▶ Clusters are a useful concept for regional development policies:
 - *Forges public private partnerships around a concept*
 - *Process is defined*
 - *The concept is a tool to bring people around the table and get communication started*
 - ▶ Policy makers should have a **facilitative, non-interventionist** role in networking
 - ▶ There is a difference between clusters as regional economic development tool, and clusters to promote national competitiveness → link to NIS
 - ▶ Importance of exit strategy

Pros and cons of different cluster policies

■ Points of debate:

- ▶ If the policy-maker is only 'facilitating', who « leads » the first stages of the process? Consultants? What happens when they leave?
- ▶ Should governments support individual companies as opposed to clusters?



BIPE

Pros and cons of different cluster policies

■ Role of government:

- ▶ Facilitate
- ▶ Due diligence: keep clusterpreneur grounded in realities
- ▶ Evaluate

■ Outstanding issues:

- ▶ How to evaluate? What criteria? What data? More tools needed



Key Options and Risks in Decentralized Policy Approaches

for Ffowcs-Williams



Capturing Systemic Aspects

Christian Ketels

