

partnerships4competitiveness

Report from kick-off seminar 22 March 2006

On 22 March 2006 21 stakeholders representing business, knowledge institutions and government met at University of Ghana Business School to discuss new potentials and possibilities for increasing the competitiveness of, and value added production in, Ghanaian industries and businesses. A complete list of participants and invitees is attached.

Under specific examination at the seminar were the possibilities for realizing this objective through initiation of new innovative partnerships and joint cluster-based development activities.

The organizers of the kick-off seminar of the partnerships4competitiveness initiative were The Danida Centre at University of Ghana Business School in cooperation with The Competitiveness Institute (www.competitiveness.org) and Innogate (www.innogate.net).

SUMMARY OF CONCLUSIONS AND NEXT STEPS

First and foremost, the stakeholders concluded that they were enthusiastic and committed to encourage and jointly develop new productive partnerships for increasing Ghanaian industries' and businesses' competitiveness.

The discussion on specific challenges and opportunities led to the following conclusions (for further details please find the full report below):

- There is a need for knowledge building and sharing as well as training on innovation, competitiveness and cluster development.
- There is a need for "somebody to beat the drum!" (about the benefits of new innovative partnerships and joint cluster-based development activities). The participating stakeholders of partnerships4competitiveness agreed that "we should beat the drum".
- Inclusiveness is essential. All relevant stakeholders, also those not present at the kick-off seminar, should be invited to participate in upcoming activities.
- The initiative must gain momentum rapidly. "Let this not be just be another meeting" was a shared opinion among the stakeholders.
- Cluster activities should give equal priority to domestic and export markets.
- A committee was shaped that will move forward the joint ambitions of the stakeholders on a steady basis. 8 stakeholders joined the committee.
- To facilitate the realization of the stakeholders' objectives the possibilities for provision of seed funding needs to be resolved.

DETAILED REPORT

The organizers, Dr. AQQ Aboagye (Danida Centre at University of Ghana Business School) and Mr. Thomas Winther (The Competitiveness Institute and Innogate) welcomed the participants and introduced the program for the day.

The seminar was structured in three parts:

- Introduction to methodologies and practical tools for promoting cluster-based competitiveness through productive partnerships between stakeholders from business, knowledge institutions and government/-government agencies.
- Experiences with cluster-based competitiveness initiatives in Uganda, Tanzania and Mozambique. In East Africa an initiative similar to partnerships4competitiveness has been on-going since 2003. The activities in East Africa initiative are yielding very positive results.
- Discussion – based on identified challenges and opportunities for promoting innovation, clusters and competitiveness in Ghana – of the stakeholders' interest to actively encourage and engage in new innovate partnerships to increase the competitiveness of, and value added production in, Ghanaian industries and businesses.

Introduction to methodologies and practical tools

The President of The Competitiveness Institute (TCI), Dr. Lars Eklund addressed the promotion of cluster-based competitiveness from a global perspective.

The Competitiveness Institute is a global non-for-profit organization based in Barcelona, Spain. The mission of TCI is "to improve living standards and local competitiveness of regions across the world by enhancing cluster-based development initiatives".

To realize this mission TCI has the following objectives:

- To improve the methodologies for enhancing the competitiveness of clusters
- To raise the professional level of practitioners of cluster development
- To promote cluster-based competitiveness and development strategies

Dr. Eklund was delighted to see stakeholders representing business, academia and government now gathering also in Ghana to discuss the possibilities of engaging into new and innovative partnerships for increasing the competitiveness of Ghanaian industries and businesses.

TCI is involved in number of similar effort elsewhere in the world. It was announced that TCI is most willing to share these experiences with Ghanaian partners.

One platform for sharing experiences on promotion of cluster-based competitiveness and development strategies is TCI's annual conferences. The participants at the annual conferences are usually a mix of high level leaders and practitioners from business, academia and government involved with cluster-based competitiveness activities around the world. The 9th Annual Conference of TCI will take place in Lyon 9-13 October 2006. Dr. Eklund expressed his hope to be able to welcome also

Ghanaian participants at the conference in Lyon. Also, time (a session) could be made available at the conference for specifically discussing the partnerships4competitiveness initiative in Ghana.

Mr. Thomas Winther, representative of TCI in West Africa and Director, Innogate, followed Dr. Eklund with a general introduction to the methodology and toolbox for promoting innovative clusters and competitiveness.

It was initially argued that it is a paradox that the toolbox of innovation systems and cluster development has not been put into more systematic use in Ghana and Africa at large. The paradox arises because innovation (and innovative capacity) for 10+ years, and rightly so, has been recognized as *the driver* for competitiveness, growth and prosperity in advanced economies. In the global economy, growth drivers are universal. Thus, to promote innovation and innovative capacity is also of crucial importance to Ghana. Some of the key stakeholders in Ghana naturally realize this, and are committed to support promotion of innovation and value added production. That is a very good starting point for further developments.

One effective and very practical methodology/structure to promote innovation and innovative capacity is cluster-based development partnerships and activities.

Clustering has been happening spontaneously throughout time – also in Ghana. The rationale for *actively* promoting cluster development is firstly, that clusters are very productive engines for increasing competitiveness and thereby economic growth. Secondly, that a number of restraints for spontaneous clustering exist – in particular in developing economies.

To actively facilitate cluster development it is important to realize that stakeholders from business, knowledge institutions and government only engage in joint activities when such activities support realization of their own objectives. When stakeholders realize the benefit of joint actions to meet their own objectives a process is set in motion that gravitates towards realization of also common objectives (increased innovation, value added production and competitiveness).

Put very shortly, the roles of the stakeholders in a cluster are the following: Businesses (i.e. firms or farms) are the center of gravity for cluster development. It is the businesses that commercialize new products and services; universities and other knowledge institutions are potentially powerful resources in provision of knowledge for commercial exploitation, and; government and government agencies' policies and policy incentives impact on the very preconditions for clustering.

Some points of departure for design of cluster policies are:

- Broker policies (promotion of frameworks for dialogue and facilitation)
- Demand side policies (use of procurement policies to promote innovation)
- Training (developed in response to the needs of businesses and other stakeholders)
- Promotion of international linkages (foreign collaborators and market intelligence)
- Framework policies (conditions for clustering and high value added production)

The stakeholders from business, knowledge institutions and government in Ghana were encouraged to engage in new joint cluster-based development activities.

Experiences from other countries and regions show, that such partnerships tend to move fast forward when the stakeholders:

- Share a vision and objectives on macro-level
- Build on existing activities and use “low-hanging fruits” as leverage
- Are appreciative of the joint efforts and celebrate joint achievements
- Are aware of roles and mutual expectations in the clustering process
- Develop a productive level of trust and social capital
- Are inclusive towards bringing new partners into their work.

Experiences from East Africa

Professor John-Bosco Turyagyenda, Vice Dean Faculty of Technology, Makerere University, Uganda shared his practical experiences with an initiative similar to partnerships4competitiveness in Uganda, Tanzania and Mozambique.

Professor John-Bosco Turyagyenda’s presentation is included in full. Also, a detailed paper on the East African experiences and achievement is included to this report. The following only in general terms sums up the East African joint efforts and achievements:

The initiative in East Africa has been on-going since September 2003. The initial activities focused on awareness, engagement and more detailed shaping of shared objectives. The activities are both regional and country specific. Regional conferences with participation of stakeholders from Uganda, Tanzania and Mozambique have been organized to share experiences between countries and to further develop joint ambitions. National stakeholder conferences have been organized to emphasize the country specific issues and objectives. Also national steering committees have been established to oversee and promote constant progress of the initiative.

More recently, training of cluster facilitators have been carried out. In Uganda for example, a total of 45 new cluster facilitators (from business, academia and government) have been trained. Lately, a total number 15 promising pilot cluster projects have been initiated. A key objective of the trained facilitators is to assist the businesses and other stakeholders in developing these cluster pilot projects.

The activities in East Africa are carried out under the “The Innovation Systems and Cluster Programme” (sponsored by the Swedish development agency, SIDA). The programme has five components:

- Research and innovation systems policy reviews;
- Implementation of Pilot Innovation Systems and/or Cluster Initiatives;
- Awareness Creation and Publications;
- Competence Building and Research; and
- Monitoring, Coordination and Follow-Up Forums

Professor John-Bosco Turyagyenda’s concluded with encouraging the stakeholders of partnerships4competitiveness to engage in the initiative in Ghana. “Since the East African program has achieved the said progress in a short time, why not West Africa?”

Also, Professor John-Bosco Turyagyenda wanted to assure the participating stakeholders in Ghana “that the West African partnerships4competitiveness can take off, provided that you have”:

- A committed/dedicated team of cluster champions (drivers)
- Seed funding – to move program fast forward
- Support (in kind or financial) from the various stakeholders from business, knowledge institutions and government).

Following the three presentations, the participating stakeholders broke out in two groups. The purpose of the breakout sessions was to discuss the challenges and opportunities for promoting competitiveness through innovative and productive joint actions among the stakeholders representing business, academia and government.

DISCUSSION, CONCLUSIONS AND NEXT STEPS

First and foremost, the stakeholders showed much enthusiasm and commitment to encourage and jointly develop new productive partnerships for increasing Ghanaian industries’ and businesses’ competitiveness.

The key *challenges* were identified as: Lack of awareness and knowledge on how to develop competitiveness through clusters; a general lack of trust and social capital; prevailing unfavorable trade regimes; and (low) technological capacity.

Key opportunities: Ghana is rich on resources. There is much potential for further economic growth if value added production is intensified. Some clusters are emerging. New initiatives should assist the further development of these clusters.

The discussion on challenges and opportunities led to the following specific conclusions:

- There is a need for knowledge building and sharing as well as training on innovation, competitiveness and cluster development.
- There is a need for “somebody to beat the drum!” The participating stakeholders of partnerships4competitiveness agreed that “we should beat the drum”.
- Inclusiveness is essential. All relevant stakeholders – also those not present at the kick-off seminar – should therefore be invited to participate in future activities.
- The initiative must gain momentum rapidly. “Let this not be just be another meeting” was a shared opinion among the stakeholders. Specific cluster activities should be initiated as soon as possible. Also, there are some low-hanging fruits that should be explored. It was proposed that some of the experts present in the group of stakeholders could provide input/lectures on competitiveness, innovation and clusters at Ghana Export School.
- Cluster activities should give equal priority to domestic and export markets. In both markets significant increases in Ghanaian value added production are of crucial importance.

- It was agreed to establish a committee (a fast working smaller group of stakeholders of partnerships4competitiveness) that can move the joint ambitions of the stakeholders forward on a steady basis. The following stakeholders offered their participation in the committee¹: African Technology Policy Studies Network, Association of Ghana Industries², Ghana Export Promotion Council, Ghana Standards Board, The Forestry Commission of Ghana, The Ministry of Food and Agriculture, The Ministry of Industry and Trade, University of Ghana Faculty of Science (by Mrs. Duah Afia, also participating in her capacity of being an entrepreneur).
- To facilitate the realization of the stakeholders objectives the possibilities for provision of seed funding needs to be resolved as soon as possible (be it for the general facilitation of the partnership4competitvness initiative, capacity building, competitiveness analysis and/or identification of specific clusters for targeted joint actions to increase value added production and competitiveness).

For more information please contact:

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¹ The Ministry of Industry and Trade was (due to unforeseen circumstances) unable to participate at the kick-off seminar but announced 23 March the commitment to join the committee.

² AGI was unable to participate in the discussion at the end of the seminar but announced 27 March the commitment to join the committee.