

Cluster policy frameworks into the future

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ACCELERATE GDT Kick Off Event

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The roots of cluster policies



Industrial Atmosphere

“the mysteries of the trade become no mysteries; but are as it were in the air, and children learn many of them unconsciously” (Marshall, 1920)

Competition + Cooperation

“Competition can coexist with cooperation because they occur on different dimensions and among different players” (Porter, 1998)



**The cluster concept has economic
AND social roots**

**Cluster policies build on both, but have been
oriented to economic goals**

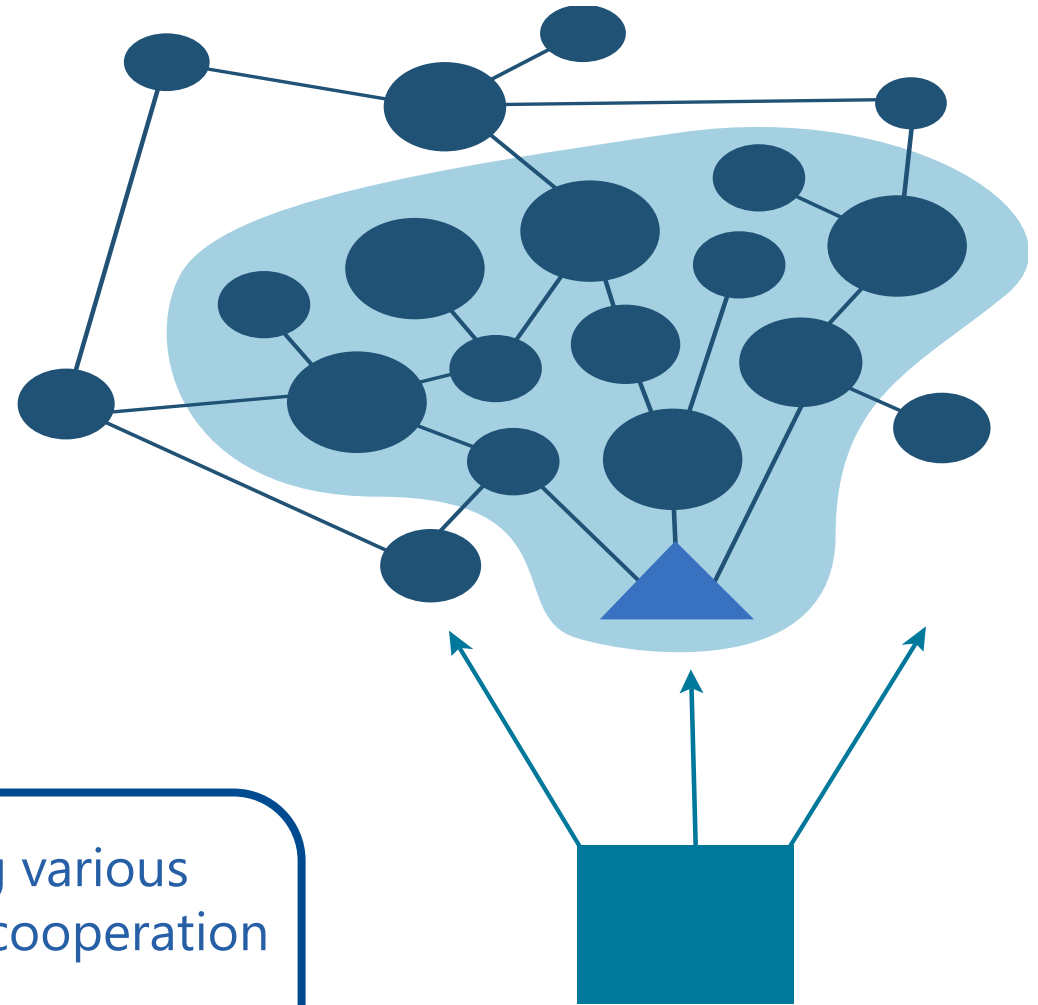


Economic + Social

“A socio-economic entity which is characterised by the active presence of both a community of people and a population of firms in one naturally and historically bounded area” (Beccattini, 1990)

Contemporary cluster policy

- **Cluster:** Firms and other organisations working in related economic activities in a concrete territory
- ☁ **Cluster initiative:** Purposeful attempt to strengthen cooperation (public and/or private) for competitiveness
- ▲ **Cluster management organisation (CMO):** Organisation established to coordinate a cluster initiative
- ▣ **Cluster policy:** Government programme established to support one or more cluster initiatives



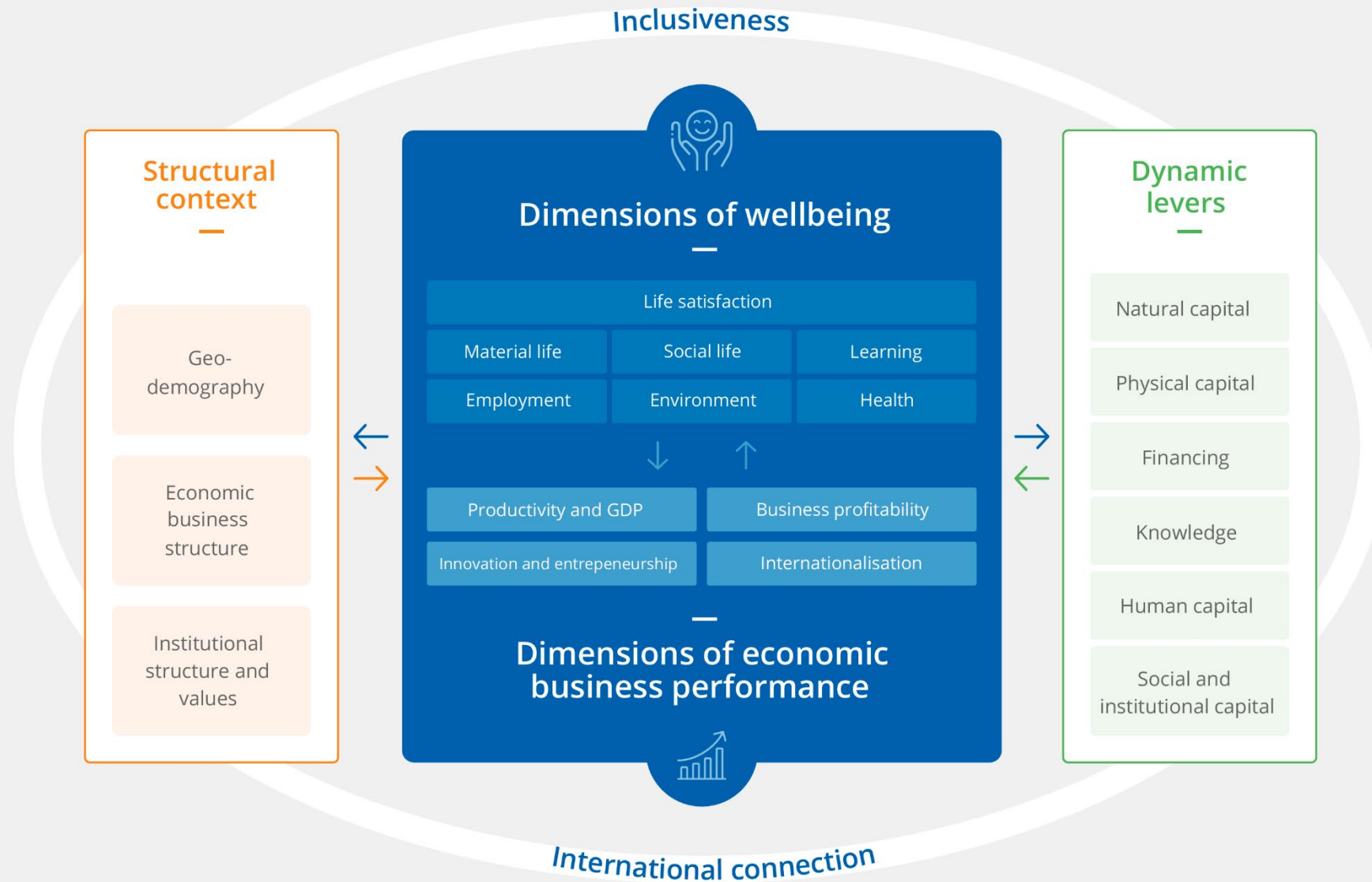
'Umbrella' tool capable of supporting various socio-economic challenges through cooperation

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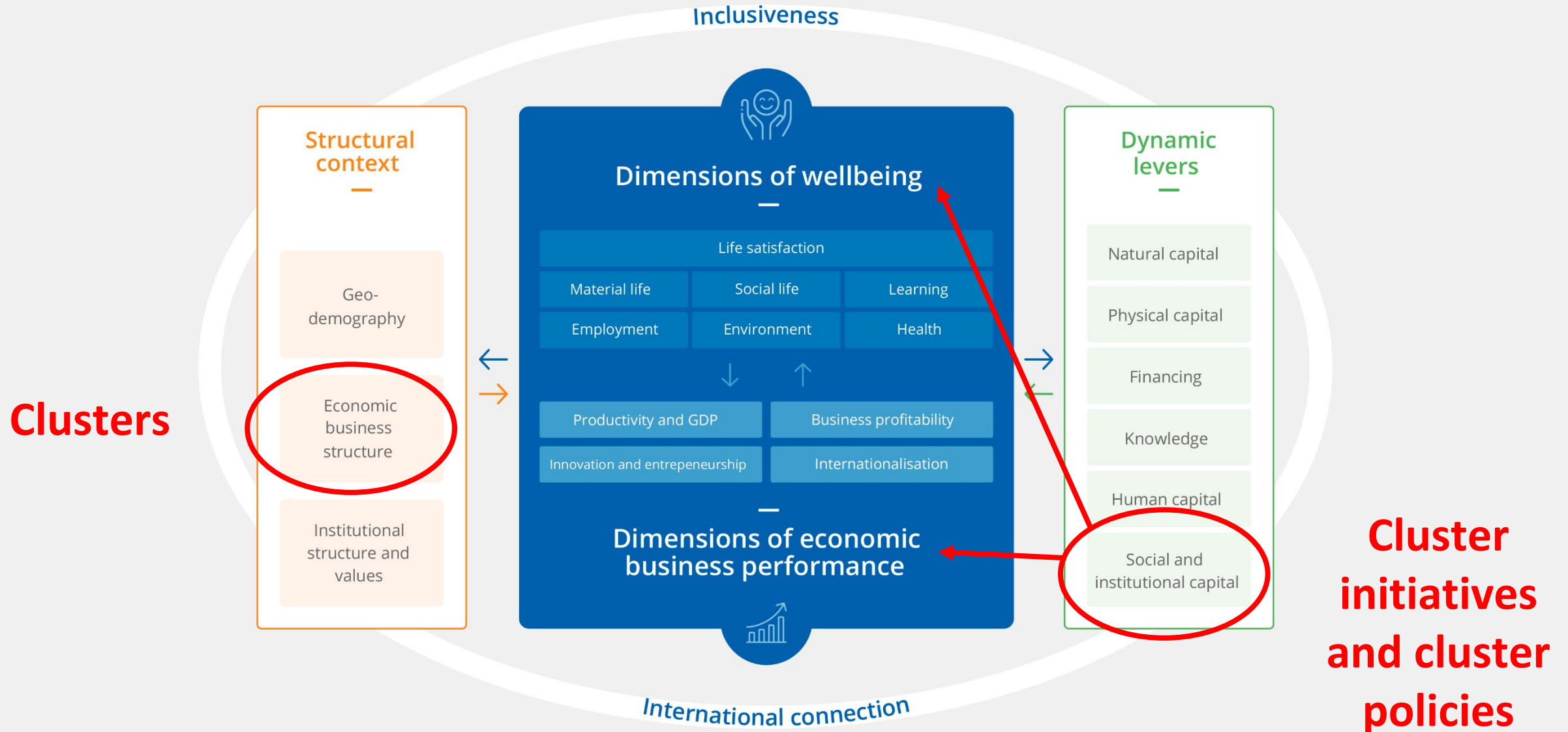
BUT STILL PREDOMINANTLY ORIENTED TO ECONOMIC CHALLENGES

Source: Adapted from TCI Network (2022), *Evaluating clusters for learning: A Guide for cluster policymakers and practitioners*

Competitiveness for Wellbeing Framework



Where do clusters fit in the framework?



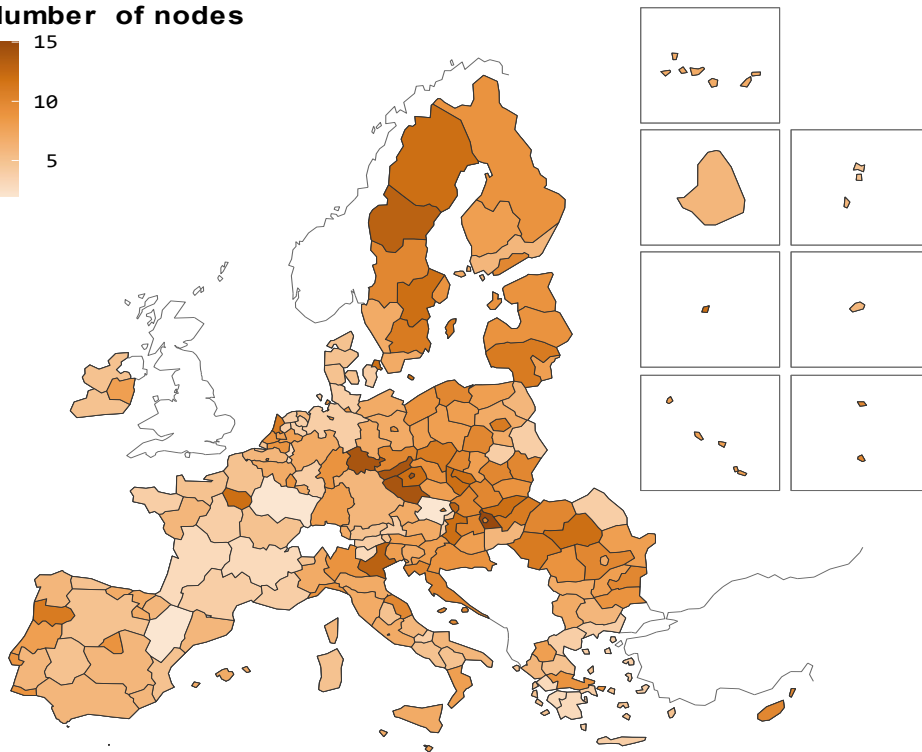
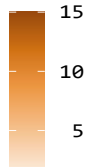
European Cluster Panorama

Economic business structure

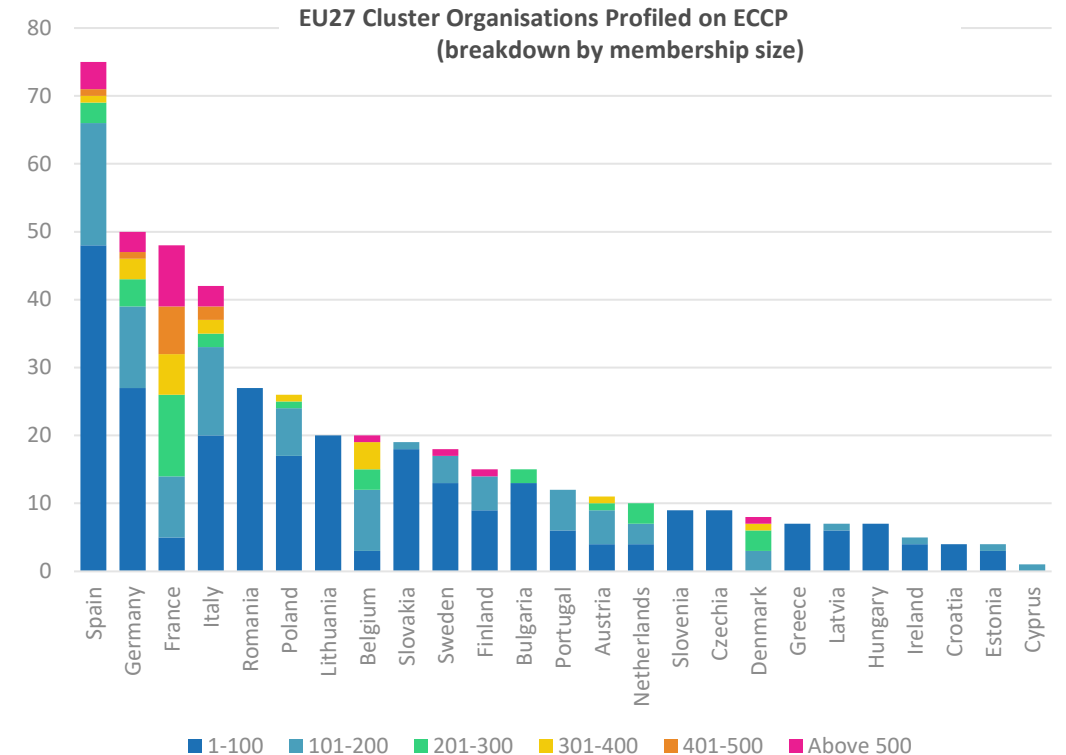
1501 sector specialisation nodes accounting for almost 25% of EU-27 employment

The 1402 cluster organisations registered on the ECCP today give an idea of the prevalence of cluster initiatives & policies

Number of nodes



Social and institutional capital



Clusters and regional performance

- Sector specialisation is associated with stronger **innovation behaviour and economic performance** (when specialisation nodes are industry-relevant)
- Sector specialisation is associated with stronger **employment and social performance** (when specialisation nodes are region-relevant)
- Sector specialisation is negatively correlated with key dimensions of **green performance** (and positively correlated with key dimensions of digital performance)
- Presence of **cluster organisations** is mainly associated with stronger performance in the economic or technological aspects of competitiveness

Dimension	Indicator	Cluster organisations	Regional relevant nodes	Industry relevant nodes	
Outcome indicators	GDP per capita (PPP)	0.16		0.23	
	Air pollution (pm 2.5)		0.19	0.31	
	Population satisfied with efforts to preserve the environment				
	Population at risk of poverty and exclusion		-0.16		
	Long-term unemployment		-0.26	-0.21	
Intermediate performance indicators	Apparent labour productivity	0.16			
	Employment rate		0.21		
	PCT patents per million population	0.20		0.15	
	PCT patents in ICT		0.16	0.17	
	Green PCT patents				
	CO ₂ emissions per electricity production		0.20	0.25	
Drivers of competitiveness:	Firms' behaviour	Business R&D expenditure	0.27		0.28
		PCT Patent co-invention	0.19		0.20
		Gross fixed capital formation			
	Business environment	Electricity production that comes from renewable sources			-0.25
		Public R&D expenditure			0.16
		Human resources in science and technology	0.16	0.21	0.29
		Population aged 25-64 with upper secondary or tertiary education		0.32	0.18
		Lifelong learning			
		Households with broadband access			
		Individuals purchases over the internet			
		Digital engagement (freq. of internet access)			
		Quality of Government			

Critical policy challenge:

Accelerate green transition in the traded, manufacturing activities where the greatest efforts are needed, and greatest socioeconomic benefits possible

Cluster policies have a key role to play, but fit within a bigger picture ...

Importance of 'place' in understanding economic development

(e.g. Barca *et al*, 2012; Gertler, 2018)

Industrial Policy

From 'old' industrial policy to 'new' industrial policy

(e.g. Rodrik, 2004; Bailey *et al*. 2015, 2018)

CONVERGENCE
AROUND MORE
STRATEGIC
APPROACH

Innovation Policy

From 'linear' to 'systemic' to 'transformative' (and S3)

(e.g. Cooke & Morgan, 1998; Foray, 2018; Schot & Steinmueller, 2018)

Need to respond to societal challenges (missions and SDGs)

(e.g. Breznitz *et al*, 2018; Kuhlman and Rip, 2018; Mazzucato, 2019)

AND they must evolve and relate to other policy initiatives to remain relevant

The need to build the capacity of regions to adapt and transform (RESILIENCE) is shaping new regional innovation policies in the context of a 'strategic turn' in European policy



- Because they are built on cooperative dynamics, cluster initiatives provide solid foundations for supporting transformative policy initiatives
- To be effective in this context of strategic societal challenges, they must look to their social roots alongside their economic rationale

There will not be a “one size fits all” cluster policy framework for the future

But we can suggest some likely success factors as ‘food for thought’ ...

Flexible and responsive

- Activity boundaries are continually changing
- Build responsiveness into existing cluster policy frameworks
- Research / mapping of changing cluster scenario

Connected and connecting

- Aware of big picture: system, policy-mix, discourse
- Within region, beyond region, across policy areas
- Bridge strategic direction with ‘on-the-ground’ practice among SMEs

Challenge focused

- Guided by a broad conception of ‘competitiveness for wellbeing’
- Targeting difficult issues that require collaboration
- Most immediately, ‘green competitiveness’, ‘skills – demographic transition’

Thank You!