

CluStrat – Boosting Innovation through new Cluster Concepts in support of emerging Issues and cross-sectoral Themes

## Report

### 2nd Transnational Policy Dialogue of the CluStrat project

on Emerging Industries and Cross-cutting Issues

Steinbeis-Europa-Zentrum

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## 2nd Transnational Policy Dialogue

- 15th April 2013, 11:00 – 17:00, Katowice / Poland
- Participants: see attached list of participants
- Authors of the report: Dr. Petra Püchner / Nina Fritz / Verena Neubauer, Steinbeis-Europa-Zentrum / lead partner of the project

## **Introduction: Objective and structure of the event**

The objective of the 2<sup>nd</sup> Transnational Policy Dialogue was, building upon the findings of the mapping of potentials, to bring together the findings regarding regional potentials and basic strategy elements obtained by the project partners in the policy dialogue events at regional and national level.

To this end, the project partners presented in a very concise fashion the main potentials as observed for their own regions / scope of action with regard to the Emerging Industries and Cross-cutting Issues. In addition, the project partners of each project country had prepared joint statements highlighting the main strategy elements in terms of strategic frameworks, support measures etc. that should be included in the Joint Strategy.

Moreover, the Work Package 5 leader team presented a framework of core strategy elements drafted by Padova University, which had been provided to the partners as a basis for discussion and starting point for the strategy development before the meeting. In addition, a paper with some complementary thoughts had been issued by the Lead Partner.

The meeting enabled a joined discussion and opinion building among the partnership related to the different regional and national frameworks and priorities in order to generate input for the development of the joint strategy, which is the main output of the project CluStrat. To this end, a lively discussion moderated by a representative of the Work Package 5 leader team together with the coordinator of CluStrat and chair of the project's Steering Committee was part of the agenda.

→ For more information, please see the event's agenda (annex 1).

## 1 Discussion on the results of the mapping of potentials

- The participants agree that the results of the mapping of potentials as represented by the external expert chosen for this task are misleading. Apart from the fact that conclusions or in-depth qualitative analysis are often missing, the reports as issued by the external experts give a wrong picture of the CENTRAL EUROPE area because they apply a comparative perspective for which the applied methodology and available data provide no basis whatsoever.
- Nevertheless, the participants agree that the work performed – that is, the data researched and delivered by the partners in the course of the desk research and performed interviews – provide a good and sufficient source of information to look into the regions and understand their potentials with a view to the Emerging Industries and Cross-cutting Issues dealt with in CluStrat.
- In the light of this situation, the participants agree that for the remaining steps in the context of the mapping of potentials – the three final outputs of the mapping exercise – the external experts should focus on an overall qualitative summary, using also the data of EUROSTAT and other source like the cluster mapping databases. To complement this, each project partner will write a concise short report summarizing the potentials in their region with regard to Emerging Industries and Cross-cutting Issues, based on the findings of the mapping.

## 2 Potentials of the project regions

→ For the main potentials regarding the Emerging Industries and Cross-cutting Issues as seen by the project partners for their own regions / scope of action please see the attached slides (annex 2).

### 3 Strategy development

#### 3.1 Starting point: Discussion paper on core strategy elements

Prof. Grandinetti from the Department of Economics and Management of Padova University depicts the basic strategy framework and core strategy elements as set out in a previously issued discussion paper. He highlights that CluStrat is a framework to experiment Smart Specialisation in view of creating new types of knowledge and innovation communities. A key element in this will be cross-cluster cooperation, whether organized as meta-clusters or as temporary targeted cooperations. The main issue is to create platforms, which enable cross-sectoral approaches that bring the knowledge on key enabling technologies into traditional sector clusters. .

→ For the full strategic framework and suggested core strategy elements, please see the enclosed discussion paper (annex 3) and complementary paper issued by the project coordinator Steinbeis-Europa-Zentrum (annex 4).

#### 3.2 Strategy elements & priorities introduced by the partnership

Overall strategy elements and frameworks brought forward by the partners:

- The strategy must bring about a **concrete added value**. The drafting of the strategy and pilot proposal elaboration must start with an **analysis of the concrete needs in the regions**; it is thus essential to **get all players on board** who are needed for the process;<sup>1</sup> their input must be included and transferred into regional policy (with a view to drafting future measures).
- Next to this needs-based approach, another basic strategy element is **the identification of suitable partner regions for cooperation** in view of a **transnational linking of similar platforms and of platforms across sectors for closing gaps in value chains and other forms of collaboration** (i.e. making visible best practices in other regions and exchange of best practices, creation of meta-clusters etc.).
- Moreover, the strategy should **focus on SMEs** who are the key actors in the European economy in general as well as in its clusters. It is important to **raise SME's awareness of the potentials related to the Emerging Industries**, of the benefits of going beyond the traditional value chains etc. At the same time, each company has its own strategy and it is stated that it will be a challenge to create synergies.

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<sup>1</sup> In CluStrat, the policy dialogue and expert workshops provide a good framework for this.

- Generally, the strategy should build upon a **coordination of the already ongoing initiatives** and **capitalize on their results** – in the regions, but also at transnational level (e.g. technology transfer mechanisms of the Enterprise Europe Network).
- Also, the strategy should **consider the regional Smart Specialisation Strategies** and concentrate on **high growth sectors**.
- In some countries, there is **no regional / national cluster policy so far** (no instruments for cluster support at all), so recommendations are rather difficult to formulate. In this context, a **bottom-up approach** is particularly important.
- While it is agreed that the **level of clusters is not the only relevant level** in the context of a systemic coordination of actors and initiatives with a view to exploiting the potentials of the Emerging Industries, nevertheless funding and other **supportive measures for the cluster management** are stated to be important since qualified managers are a pre-condition for well-performing cluster organisations.

Further aspects:

- Consideration of social demands (especially SMEs and entrepreneurs)
- Consideration of financing questions, in particular: Pre-seed capital
- Relevance of gender aspects (currently often underestimated)
- Potentials of collaboration in vocational training

→ For further information including the country-specific priorities and focuses please see the attached slides (annex 2).

### **3.3 Discussion & advancement of the strategy framework**

- **Central challenges** with a view to the systemic coordination approach:
  - Lack of links between the potential contributors – why do the different actors not come together?
  - Bringing ideas / innovations to the users – how to better connect technology with user demands? How to make users aware of the new possibilities and their benefits? How to encourage companies to step into the market? Etc.
- **Lack of clusters:** Another challenge within CluStrat and beyond is how to deal with regions where there are no clusters at all – either since they haven't developed yet, or because there are different actors such as the Italian districts.
  - At least within the context of the CluStrat project, a solution could be to just overstep the traditional steps and go right into the new solutions, irrespective of the existence of clusters etc. The possibility CluStrat offers is to identify specific problems and address

them in newly built partnerships of competent partners. In this respect, CluStrat is seen as a very good opportunity to experiment on new solutions and to try out new ways of thinking.

- Closely connected to this is the framework of disruptive innovation, which plays a significant role in the framework of CluStrat.
- A very controversial and in fact daring question resulting from this approach might be: Which relevance and role do clusters possess in this setting at all, and should we restrict our solution-seeking to this category of actors or should we not rather consider a much broader and open field of actors? In this respect, there are opposing views: Clusters as a very good frame for cooperation of different actors, in particular in the context of regional Smart Specialization, vs. “Maybe we don’t need clusters at all”.
- **Which clusters** should be addressed in CluStrat? The traditional or rather emerging ones? While one of the basic ideas of CluStrat is to advance traditional clusters by introducing cross-technologies for the advancement of their products / services; another standpoint is to focus on emerging clusters (like ICT) which are more dynamic and can enable other industries.
- The **concept of meta-clusters** is discussed quite controversially – should meta-clusters, and if so in what way, be a major part of the strategy? It is discussed that meta-clusters can be included in the strategy as one possible strategy element, but that meta-clusters should at the same time not only and strictly be understood as transnational, durable and institutionalized collaborations, but that the understanding should be widened to include also, for instance, merely cross-regional cooperation, cooperation which not necessarily has to have an organizational setting (but might become institutionalized in the future), ad-hoc and / or preliminary cooperation for instance dealing with specific segments of an Emerging Industry, etc.
- Idea of **thematically driven, dynamic / flexible collaborations**: Ad-hoc and possibly rather small teams that are built quickly and are flexible in their composition, in order to react to major societal problems / challenges. This approach is agreed to have certain advantages over big organizations; at the same time, the identification of the best (most suitable) actors is seen as a challenge (e.g., necessity of procurement etc.). A solution might be competitions (example from Baden-Württemberg).
- Apart from cross-cluster schemes (technology collaborations), also the **social dimension** should be looked at: Social innovation experiences etc. This aspect has 2 sides: the business model as such (not for profit, or employment of disabled persons, etc) as well as the target market.
- Also, issues connected to the transfer of know-how, of training etc. still play a role and are seen as relevant subjects for cross-cluster and transnational cooperation.
- Further aspects / impulses:
  - Structuring the innovation eco-system for users

- Identification and promotion of new business models
- Return of investments is important
- Impact of policies: Even the best policies are not necessarily followed (e.g. by the SME)

Aspects to be added to the Strategy Framework and Core Strategy Elements:

- The **aspect of funding** is missing in the documents (existing funding schemes with regard to cross-sectoral application of KETs for problem-solving); there should be a short chapter with recommendation on funding instruments;
- The existing **regional Smart Specialization Strategies** should be considered to better deepen the understanding of the regional strengths and assets;
- The dimension of the **regional economic context** should be integrated;
- The **nature of the envisaged collaborations** – i.e. the role that clusters shall play within them – should be clarified: Should we concentrate on clusters or go beyond?
- Market studies would be a good tool to explore the needs of customers, in favour of developing the products & services that are really needed.

#### 4 Discussion on pilot actions to be implemented

Pilots will run for three to four months and should involve clusters / industry. There are first ideas for pilots already:

- Regione Veneto: Pilot in the furniture industry / coordination of actors for sustainable living (Green Economy); “silver economy”: health tourism (Active Ageing); laboratory for sustainable and intelligent mobility;
- Piemonte: Social innovation pilot, for instance tourism for disabled people; cross-boarder living lab; how to attract talents coming from outside; intermodal-mobility (integration of ICT systems in transport systems);
- Moravian-Silesian Region / NCA: Social innovation pilot, for instance employment of disabled people, social housing issues;
- Karlovy Vary: Spa cluster, creation of a balneology institute;
- Saxony: Internationalization of clusters, matchmaking with other regions.

More possible pilot fields could be, among others:

- Integrating traditional firms with new emerging sectors
- Coordinating existing partners in a region with a view to a specific challenge
- Creation of a kind of innovation partnership
- Establishment of regional clusters (measure of success: participation)



- Business plans
- New services, networks of support services, intermediaries
- Awareness-raising in SME for technological possibilities (addressed at late-followers)

It is recommended to use the regional and national Policy Dialogue and the expert workshops (Work Package 3) for the identification of relevant pilots / concretization of pilots.