

National Cluster Association-CZ

Challenges for the cluster potential enhancement

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President



Clusters in market economy

NEW ECONOMY

COMPETITIVENESS

ECONOMIC
DEVELOPMENT

Market Failures and Cluster Development

- History has shown us that interventionist governments tend to fail in economic development, but markets can fail too.
- What market failures?
 - Impacted information
 - Managerial myopia
 - Underprovision of public goods
 - Coordination failure



An Overview of Regional Clusters and Clustering, **Professor Michael J. Enright**, University of Hong Kong, TCI Annual Conference, Tucson, Arizona, 2001

Global Competitiveness – Challenges and the Role of Clusters

Keynote Address by Michael Enright, TCI Annual Conference, New Delhi, India, 2010:

- Clusters are everywhere
- There are different types of clusters and different mixes of cluster policies
- Clusters enable innovation
- Successful cluster programmes address market failures
- Clustering is critical for economic development
- Clusters are the most effective means of the economic development support

Impulses for a good cluster policy

„Cluster Policy: Breaking the Glass Ceiling“,

Dr. Christian Ketels, Clusters in Europe II,
Budapest, 27/01/2010



From a few successful cluster islands ... **to** a more competitive economy

Matching a **bottom-up** operational approach with a clear **top-down** concept for the use of clusters in economic policy

We can ask **more from** clusters (jobs, R&D, RoI, growth)

if we do **enough for** them:

finance, measure, assess, manage, control, revise

Sectoral diversification

– new industries **beyond** manufacturing:

- cultural & innovative
- cross-sectoral technologies
- creative industries
- services

Towards world class clusters **Through** internationalisation

- Transnational collaboration

- Metaclusters (geographically and by sector)

- Acquiring skills (learning & training)

To European Cluster Excellence

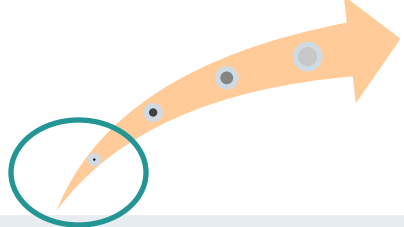
The context: Main appeals of the EU cluster policy

- The messages of the European Cluster Conference 2010:
 - **Industry matters – also for the future!** - more world-class clusters
 - **Industry changes – all the time!** - European Cluster Excellence Scoreboard
 - **Professional cluster management makes the real difference!** - ECEI
 - **Acting globally is a must for clusters!** - ECCP
 - **World-class clusters must also be known world-wide!** (The European Cluster Alliance)
- New calls within the CIP – cluster excellence, internationalisation, e-mobility, creative industries

A good cluster policy must evolve

- Top-down cluster policy as an advantage in the new EU countries (to help to overcome lack of entrepreneurship, business culture, trust and funding); importance of general cluster awareness and the EU support availability (2002-2006).
- Since 2007, little attention paid to cluster policy in the CR
- We need a policy enabling to make full use of the cluster holistic nature, supporting sectoral diversity, providing rules and demanding requirements – we can ask more from clusters!
- More profound embedment of clusters in national innovation and competitiveness policies is needed.

Clusters deserve a sophisticated and demanding policy.



Building Cluster Initiatives in the Czech Republic

ANALYSIS & AWARENESS BUILDING

- Feasibility study to identify industrial groupings in North Moravia for targeted state aid (2002)
- Training regional authorities, universities and firms; certification of cluster facilitators and managers (Ifor Ffowcs-Williams in 2004)
- Promotion of the cluster concept through different channels (national conferences, PR)

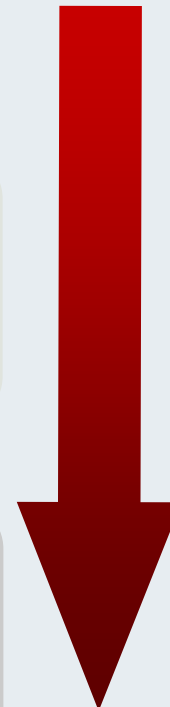
STRATEGY & IMPLEMENTATION

- Institutional responsibility:
 - **Ministry of Industry and Trade**
 - **CzechInvest State Agency**
- National Cluster Strategy 2005-2008
- National Cluster Study (statistical survey) 2006

FUNDING

- Operational Programme Industry and Enterprise – **CLUSTERS** (2004-2006)
- Operational Programme Enterprise and Innovation (2007-13) - **COOPERATION** (1st call March 2009, 2nd call May 2010, 3rd call under preparation)
- Some €40 mil. spent from the EU Structural Funds

2002

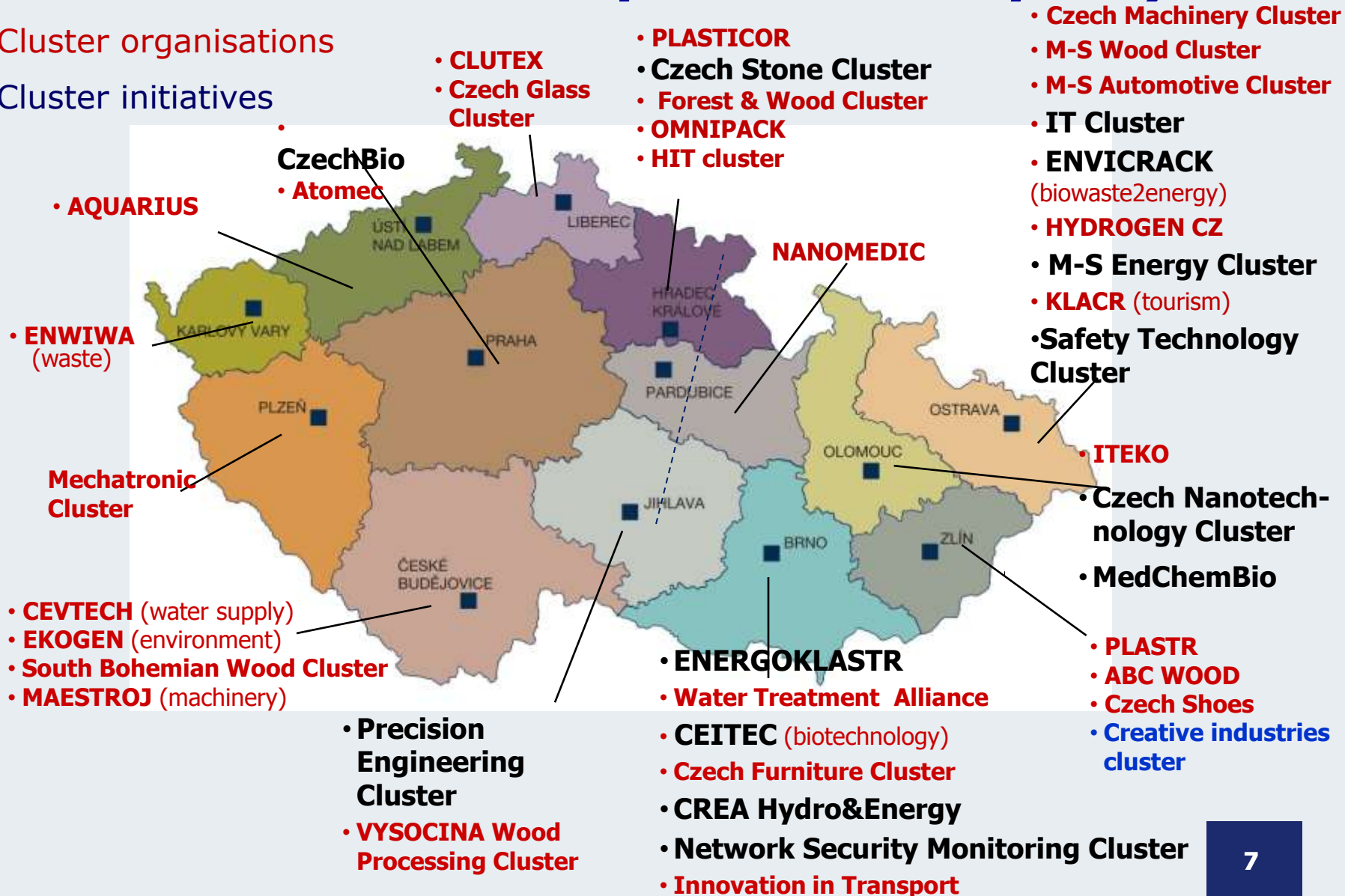


2011

Growing number of cluster organisations ... the need to adapt the cluster policy

■ Cluster organisations

■ Cluster initiatives

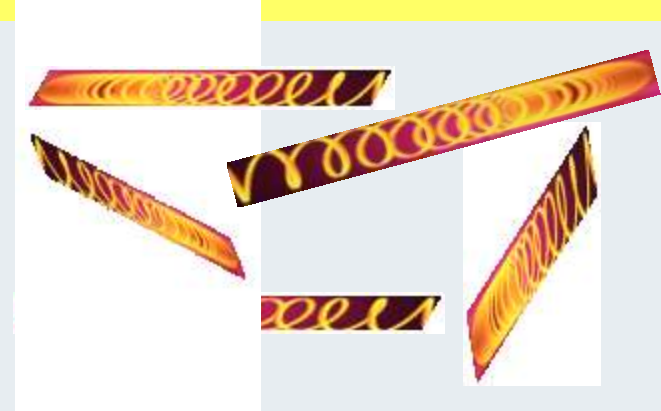


Practical considerations



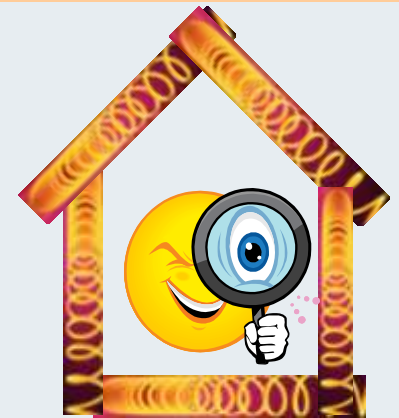
+ We have managed to put isolated companies together in a cluster and enjoy the benefits.

■ We have generated isolated clusters with minimum inter-cluster & social communication, regional fragmentation, closeness, low interest in internationalisation, low cooperation.



.Who should take the care?

-
- Unexploited synergies of collaboration among cluster organisations;
 - Lack of information and data on the national level for any stakeholder;
 - No existing contact point to act outwards and inwards for the benefit of the cluster concept and its improvement.



The rise of a new (bottom-up) initiative

National Cluster Association



The establishment of the **National Cluster Association (NCA-CZ)** as a non-profit association of individuals and legal bodies, registered on 30 Dec. 2008, constituent general assembly held in Prague on 18 March 2010

with the goal to

ensure coordinated and sustainable development of cluster initiatives in the Czech Republic on the basis of information, knowledge & expertise concentration, advocacy of clusters towards government, aligning with the European Commission policies & actions.

Mission:

„The National Cluster Association creates a long-term and competent platform for the development of cluster initiatives within the Czech Republic and an active interface for their internationalization.”

NCA-CZ member classification

Cluster Organisations

BIOTECHNOLOGY/BIOMEDICINE

- CEITEC Cluster-Bioinformatics
- CzechBio
- MEDCHEMBIO

ENERGY

- CREA Hydro&Energy
- ENVICRACK
- ENERGOKLASTR
- Moravian-Silesian Energy Cluster

MATERIALS, MACHINERY

- Czech Nanotechnology Cluster
- Czech Stone Cluster
- Precise Machinery Cluster

ICT & Safety

- IT Cluster
- Network Security Monitoring Cluster
- Technology Safety Cluster

Universities

- Palacky University of Olomouc, Science and Technology Park and Business Incubator
- Tomas Bata University of Zlin, Faculty of Management and Economics

RDA's

- Regional Development Agency of Ostrava
- Regional Development Agency of the Usti Region

Consultancy

- Nexia AP, a.s.
- Czech Dex, s.r.o.

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What is the role of NCA?

The vision is to be:

- ➔ a **cluster expertise and assistance providing organisation** listening to its members, promoting and interlinking them, bridging with the public and government,
- ➔ a **useful social and communication partner** of central government organs of the Czech Republic and a partner of relevant organisations on the international scene, facilitator of the transnational cluster cooperation,
- ➔ a **functional coordination centre** aggregating and interpreting necessary statistic and factual information on behalf of all cluster organisations and initiatives nationally,
- ➔ the **partner of the European, national and regional fund managing bodies** to implement feasible, motivating but demanding conditions for cluster organisations within their programmes so that they can complete their mission, fulfil the expectations and leverage additional values,
- ➔ the **watch and strategic integrator for emerging innovative sectors, services and technologies to revise the national/regional policies, priorities and give new visions** (stemming also from the meta-clusters networking).

Czech National Cluster Strategy

adopted by the Government Decree No. 883 of 13 July 2005

Majority of goals have not been achieved – an impulse for the Czech cluster policy revision and innovation:

- Goal: Integration of sectoral and regional governance, resources and programme measures – to cover thematic diversity of clusters
Current state: one OP on national level under one sectoral ministry (Ministry of Industry and Trade)
- Goal: Development of a dialog between regional governments, universities and private sector industries to understand the clusters' role for regional development policies
Current state: regional governments are passive, little awareness prevails
- Goal: Creation of the framework for analysis, monitoring and evaluation of cluster initiatives and their impact on regional and national economy
Current state: no measurement and evaluation system of cluster performance exist, no cluster-focused trainings are available.

Lessons learned – messages for cluster policy improvements

1. The need for a **multi-source** or inter-ministerial cluster **funding** programme to promote clusters in all sectors including services and cultural and creative industries.
2. The **mapping and facilitation phase** should not be neglected – the critical mass or other criteria (Porter's Diamond) should prove the eligibility to be a cluster. Facilitation of companies needs time and capacities (professional facilitator) and should also be financially supported, ideally at a regional level.
3. „**Decentralisation**“ of cluster policy to regions can promote their „smart specialisation“ through clusters. Then it is in their interest to prepare regional cluster policies to understand their strength and potential and help the emerging clusters to incubate.
4. Setting up **rules for regional and national sphere of competence** (start-up clusters and developing clusters under the care of the region; developed and accredited clusters under the care of a national programme - The Hungarian model)

Lessons learned – messages for cluster policy improvements 2

5. The availability of funding should not be the only impulse for clustering. It is important to **avoid mistakes in programming** so that those cluster organisations established purposefully could not reach the public funding easily.
6. The quality of cluster depends on the quality and experience of cluster management but also on the general awareness and commitment of cluster stakeholders. **Enhancing the professionalism of cluster management** by training, knowledge sharing, social events, setting-up criteria for cluster management certification **as the path to cluster excellence.**
7. Successful facilitation of isolated companies to cooperate in clusters does not automatically mean that cluster organisations will be open to cooperation among themselves. **The role of national integrator (NCA) in the cultivation of cluster environment:** to respect the principles of openness towards cooperation and internationalisation **& maximise the yield of these values.**

Sustainability through internationalisation

- Internationalisation based on built-up and expanding network of NCA
 - **TCI , ECO, ECCP, ECA**
 - **KICOX - Korea Industrial Complex Corporation:** Industrial complexes-based cluster program supports **77 clusters** formed around seven regional specialized industries onto 193 industrial complexes nationwide.
- Internationalisation based on participation in European projects – OP CENTRAL:
 - **Clusters Cord** - Metaclusters in specific sectors;
 - **CNCB** – Training – Optimisation – Internationalisation;
 - **ClusterCOOP** – cluster policies, transfer of good models
 - **CluStrat** Inter-cluster and inter-sectoral collaboration, emerging technologies – the framework for innovation enhancement, policy dialogue, strategy and pilot projects

Tasks to be shared:



national & regional players

- To create the **Czech cluster organisations inventory**
- To perform an profound **problem analysis** of the existing concept and the needs of cluster organisations to be reflected in the new cluster policy - the NCA 's strategic know-how,
- To create the opportunity for cluster organisations promotion and networking via a **national conference** (presentation of Czech best practices, international success stories, opportunity for networking),
2-3 November 2011 „Clusters and Cluster Initiatives in CZ and SK“ – within CreaClust project in Zlin
- The **opening of the cluster policy dialogue** – will be the task for all partners within the CluStrat project & ClusterCOOP
- Further stimulation of **internationalisation** (3rd call OPEI), CNCB and Clusters Cord projects
- Initiation of cluster **training** – outline of **cluster** courses for the future accreditation with the NCA



Cluster management vs. Cluster governance

To achieve cluster excellence, it is necessary to apply, in addition to traditional cluster management, also the form of cluster governance = intentional collective activities of cluster stakeholders leading to the development of a sustainable competitive advantage.

Cluster Management – Cluster Managers

- Managing and enhancing the overall performance of the cluster: carrying out **day-to-day cluster activities** such as planning, allocation of human and financial resources, monitoring cluster progress etc.
- The organisation and coordination of the activities of the cluster in accordance with certain strategy, in order **to achieve clearly defined objectives** – the needs of cluster stakeholders.

Cluster Governance – the Triple Helix actors

- **Making sure the cluster is well managed:** appointing cluster managers, evaluating their performance, developing vision and strategy, approving cluster plans, provide support programmes etc.



<http://www.tci-network.org/cluster/resources>

„We were able to observe that clusters driven exclusively by the efforts of cluster managers and without joint commitment of the stakeholders are doomed to fail.“ PWC

Cluster training of 3 target groups

FACILITATOR

- **TASK:** Initiation of a triple helix cooperation in a cluster initiative
- **PARTICIPANTS:** Individuals from regional institutions, universities, and consultancies, chambers of commerce, media and banks
- **TOPICS:** Methodology of cluster mapping and facilitation

CLUSTER MANAGER

- **TASK:** Cluster organisation management
- **PARTICIPANTS:** professionals in the cluster branch (researcher, manager, consultant)
- **TOPICS:** basics of microeconomics. competitiveness, strategic management, innovation management, internationalization, project management, language skills

CLUSTER STAKEHOLDERS AND RELEVANT PUBLIC

- **TASK:** Creation and cultivation of cluster environment, cluster governance
- **PARTICIPANTS:** stakeholders and cluster interlocutors
- **TOPICS:** general context of clusters in a company, regional and national competitiveness, performance, regional, national European policies, case studies

V4CLUSTERS

Macro-Regional Strategy

Countries of the Visegrád Treaty form a natural partnership for a macro-regional cooperation and strategy;

Let´s think „macro“ in terms of coordination of the cluster policies, cluster performance evaluation, building strong and world-class clusters or metaclusters in V4 countries;

Sectoral focus on both developed technological sectors and also emerging non-technological areas (knowledge, cultural and creative industries; social services and ICT, healthcare, ...);

CNCB, CluStrat and Cluster COOP projects can be the implementation platforms through which the concept of the V4CLUSTERS macro-regional strategy can be initiated.

Let's think cluster-like:

- cooperation
- openness
- fair competition
- mutual learning and sharing experience
- searching for synergies and development opportunities
- focus on professional excellence

It pays off to all concerned✓

Thank you for your attention

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