

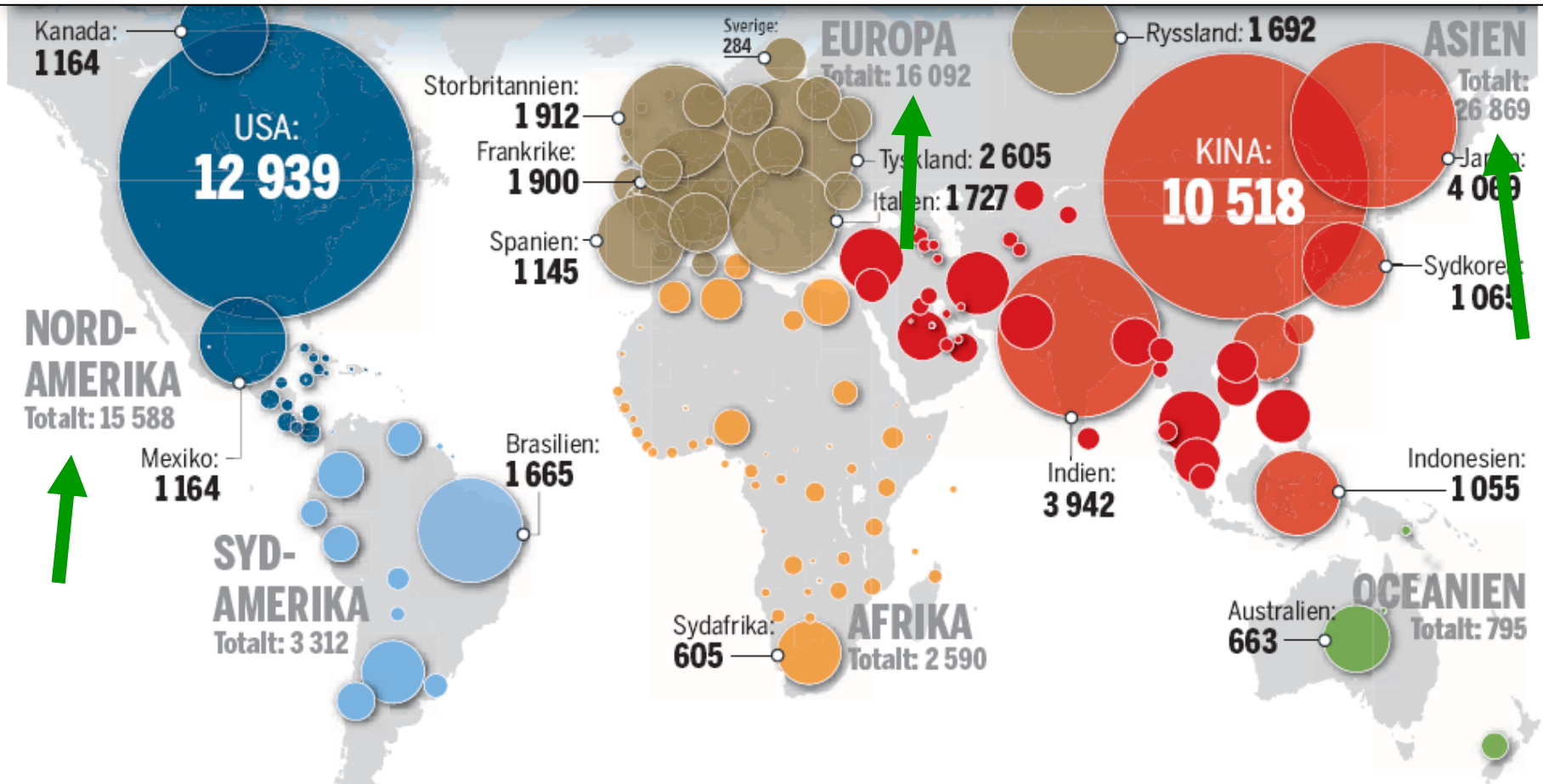
# Innovation and Clusters

## A trans-national perspective on the policy framework

Jens Erik Lund

Baltic Sea Region Innovation Network  
BSR InnoNet

# Local, Regional, National, European Competitiveness in a Global Perspective



## The Map of the World according to the Scale of Economic

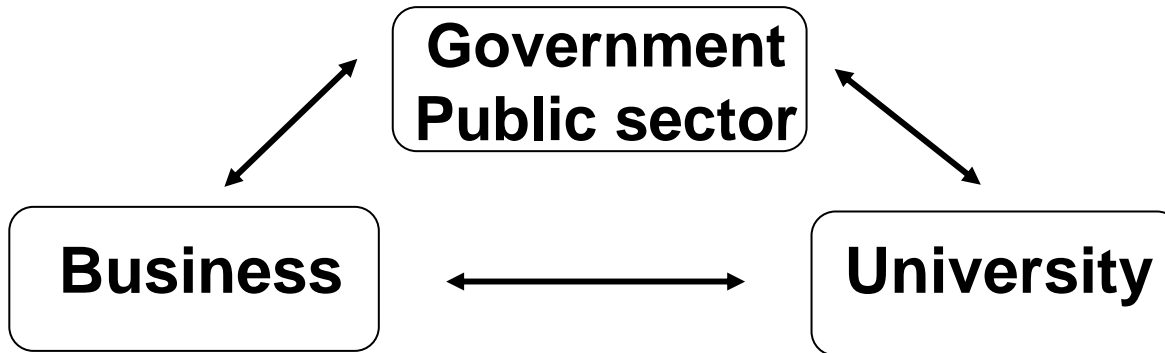
(\$), BNP 2006

OECD report:  
*A Review of National Cluster Policies: Why are They Popular Again?*

- Strong **quantitative evidence** that many industries remain concentrated in specific regions.
- **Concentrations of innovative firms** in some regions.
- Local actors (public sector, firms and research generators) working effectively together **out-perform their counterparts**.

# The triple-helix linkage

- “Positions of strength”



# Innovation policy and the cluster instrument

## 1. Sectoral, non-cluster approach

- National scope
- Supporting existing value-chains
- Sector driven activities (often through industry associations)
- Industry policy
- Latvia, Lithuania, Estonia, Poland

## 2. Sectoral clusters

- Local scope (administrative borders)
- Supporting existing value-chains
- Business networks/Cluster initiatives
- Regional development and/or industry policy
- Iceland

## 3. Innovative intersectoral clusters

- A new, functional geography (focus on economic flows). still a regional scope.
- Supporting R&D, innovation and structural change (new specialisations) within existing sectors (intersectoral)
- Triple helix collaboration, systemic strategy
- Innovation policy (research, industry policy – and to some extent regional policy)
- Norway, Sweden, Denmark and Germany

## 4. Innovative networks of clusters

- National or trans-national scope
- Supporting R&D, innovation and structural change to identify new specialisations and young, emerging industries within existing sectors (intersectoral).
- Triple helix collaboration, systemic strategy
- Innovation policy (research, industry and regional policy)
- Finland

# Cluster Framework embedded in Innovation Policy

## The cluster concept...

- **Business driven** cooperation among competitors
- Based on **a business case of common interest**
- Many definitions/structures on how to **join forces**
- **Bottom-up** processes but managed

## Clusters and Cluster Support Initiatives...

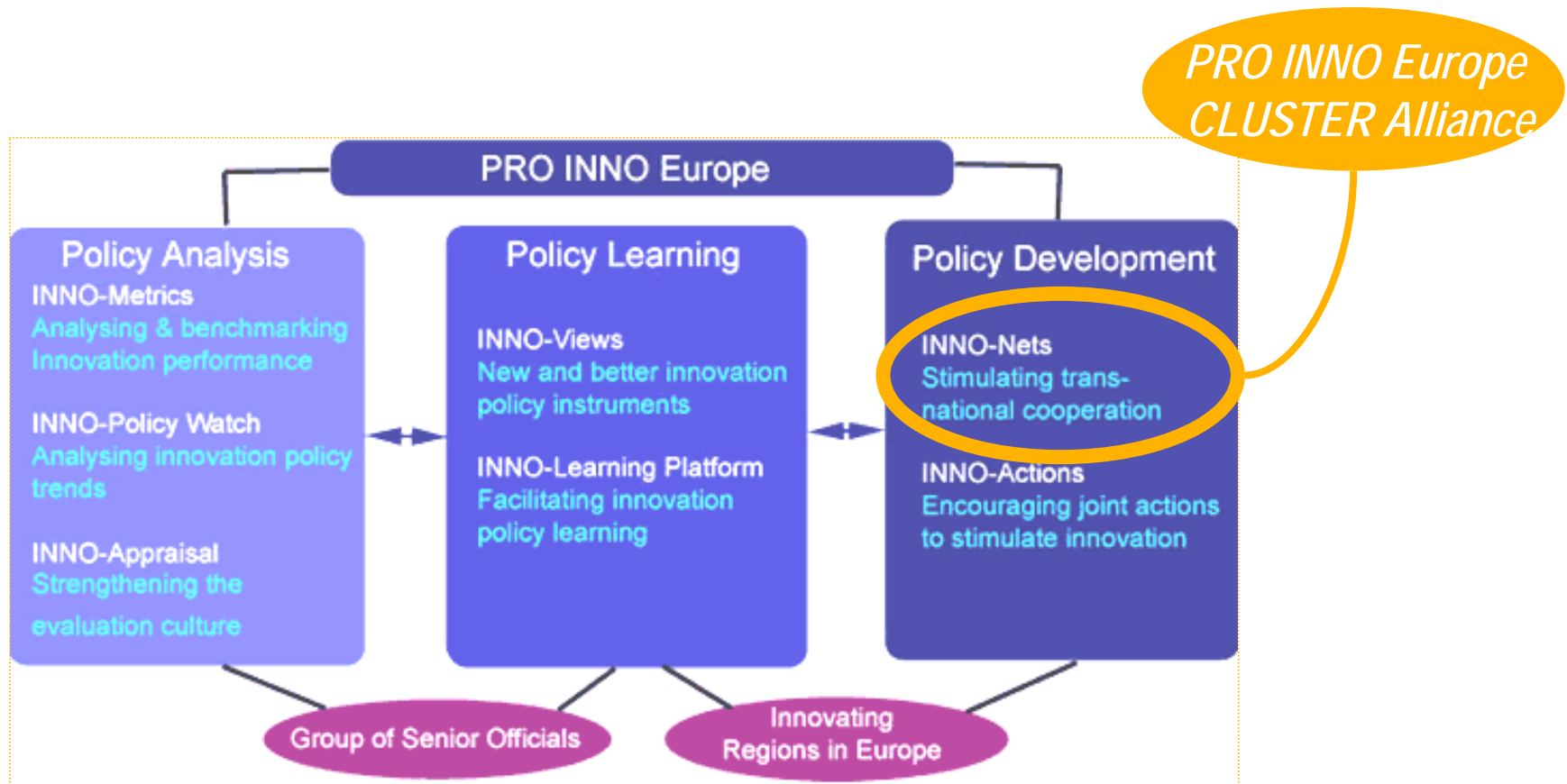
- Clusters are organised **from and among businesses**
- Cluster Initiatives mostly are organised from **other than business actors** to support development of clusters

## Innovation Policy...

- Innovation Policy is **in the hands of Government**; local, national and European
- Setting **Framework Conditions** for improving competitiveness

# PRO INNO Europe Initiative

(DG Enterprise and Industry)



# European Cluster Alliance

**BSR InnoNet**  
*The Baltic Sea Region Innovation Network*



**CEE-ClusterNetwork**  
*Cluster policy Networking and exchange via the themes of internationalisation and incubation*



**CLUNET**  
*Cluster policy Networking and exchange via the themes of internationalisation and incubation*



**INNET**  
*Networking of national/regional funding and innovation organisations for the involvement of SMEs in technology-based innovation clusters in Europe*




**European Presidency Conference on Innovation and Clusters**  
Stockholm, 22-23 January 2008

**European Cluster Memorandum**

  
**Europe INNOVA Cluster Mapping**

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**High Level Advisory Group on clusters**



# BSR InnoNet

## Baltic Sea Region Innovation Network

### Objectives

- To establish a **shared conceptual framework** for cluster policy formation, evaluation and operational activities across national borders in the Baltic Sea Region.
- To establish one or more **trans-national innovation programme(s)** (focused on cluster development) among partner countries in the Baltic Sea Region.
- To serve as a **European learning case**.

# Strategic Forum on BSR trans-national Innovation Systems and Clusters

## Capacity Building Activities in the Baltic Sea Region

Trans-national  
Sector/Inter-Sector  
Cluster Support Programme

Trans-national  
Sector/Inter-Sector  
Cluster Support Programme

Trans-national  
Sector/Inter-Sector  
Cluster Support Programme

Trans-national  
Sector/Inter-Sector  
Cluster Support Programme

Trans-national  
Sector/Inter-Sector  
Cluster Support Programme

# Europe's Innovation Challenge

- The **Aho Report**:
  - Only the latest of many in-depth analyses to conclude the challenge
  - Improve **innovation performance** to maintain living standard
  - **Weak transformation of ideas** into new produces and services
  - Need of **markets as drivers** (lead markets).
  - **Demand versus supply** sides.



- The European Cluster Observatory

[www.clusterobservatory.eu](http://www.clusterobservatory.eu)

Mapping clusters and cluster initiatives in Europe

- The High Level Group on Clusters

– European Cluster Memorandum

[www.proinno-europe.eu](http://www.proinno-europe.eu)

# THE EUROPEAN CLUSTER MEMORANDUM

Promoting European Innovation  
through Clusters:  
**An Agenda for Policy Action**

Prepared by  
The High Level Advisory Group on Clusters,  
chaired by Senator Pierre Laffitte.

This work is coordinated  
by the Center for Strategy and Competitiveness,  
Stockholm School of Economics and performed  
under the Europe INNOVA Initiative  
of the European Commission.

# European Cluster Memorandum

- Clusters as interconnected territorial hubs...
  - Innovation is geographically concentrated
  - Regional concentration and specialisation
  - Multiple linkages, an environment conducive to innovation

# European Cluster Memorandum

- Strong clusters emerge and flourish in **open markets** where competition coexists within and between clusters
  - Clusters emerge where competition across regions enable companies to **locate activities based on underlying economic efficiency**
  - Artificial barriers that influence cross-boarder cooperation and trade weaken cluster concentration and specialisation

# European Cluster Memorandum

- The European Innovation Policy Framework needs **a shift from supply side support to a broader innovation ecology...**
  - Research develops knowledge
  - Innovation turns knowledge into tangible real value
  - **A more holistic (horizontal) view on framework conditions strengthening global competitive positions**



# Innovation and Clusters

European Presidency Conference on  
Innovation and Clusters  
22-23 January 2008, Stockholm



In the framework of the PRO INNO Europe Initiative



With the political support of the Committee of the Regions



Republic of Slovenia

Ministry of the Economy



REGERINGSKANSLIJET

Under the chairmanship of the Slovenian European Presidency and the Swedish Government

2008-02-14

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**Thank you for your attention!**