

MAIN OUTCOME MEETING STEERING COMMITTEE CLUSTER FOCUS GROUP, VIENNA 18 FEBRUARY 2000

Participants: Ed Bergman, Svend Remoe, David Charles, Laura Paija, Johan Hauknes, Fredric Richard (guest), Pim den Hertog. Ludo Peeters had to cancel due to illness.

1. Update on overall OECD NIS project (Svend Remoe)

- Clear overlap between Cluster FG, Network FG and Human Mobility FG. Participation in each others workshops is needed. Further two invitations. One from Anders Ekeland (STEP, Oslo) to look at human mobility patterns in specific clusters. A second from Jesper Christensen (IKE group Aalborg) to see whether the cluster FG can benefit from the DISKO-survey.
- On the related Science-Industry Linkages theme (high on the OECD agenda) an OECD workshop will be held in October. The growth pattern project at OECD (co-ordinated by Dirk Pilat) might look for some input from the NIS focus groups
- NIS Focus Groups will have to report on progress during TIP meeting in June

2. State of affairs Cluster Focus Group (Pim den Hertog)

Apart from the already 9 participating countries more than 10 new countries were approached. Interest and possible participation is to be expected from the following group: Australia (Sinclair/Brown), Austria (Peneder), Canada (Chang/Inch), Hungary (Havas), Korea (Deok Soon Yim), Spain (Chaminade), Ireland (Green) and UNIDO (Richard). Spain decided to join the ICT cluster work. To what extent these researchers can in the end contribute remains to be seen. Through inviting them for the upcoming workshop (and the making of a second OECD cluster book) we hope to get more input from these countries. The core group is busy with methodological work and performing the cluster case studies. Co-ordinators of the individual cluster are asked to contact the members of their groups.

3. Discussion on comparative cluster case studies (all)

The approach towards the comparative cluster case studies was discussed. How to identify the individual clusters and the variety in 'angle of attack' of the individual clusters? How to deal with the policy component? What can we say for industrial policy-formulation? It was decided to stick to the format distributed earlier and to keep the value chain approach towards clusters. Of course we can enrich this approach with other approaches e.g. human mobility, other levels of analysis than the pure macro-level clusters. In practice we will see a variety in 'angle of attack' of individual clusters, but this makes the effort still valuable. Synthesising the results will have to be done in a smart way. It was further emphasised that we need to stick to the focus on innovation in the cluster studies and flag these items and avoid a pure competitive advantage approach (which is the prime reason for politicians to sponsor cluster studies!). Further the relevance and utility of value-chain clusters in the design and implementation of innovation policies was discussed. How do clusters play a role in an innovation system in a country? Clusters as a tool to analyse industrial change and facilitate policy formulation (see also under 4). This is a two-way relationship: how do innovation policies impact on/affect different clusters (1); how does innovation policy agenda change under the rise and decline of certain clusters (2). In terms of cluster policy it was further mentioned that we are not only interested in what policy, but also in how to implement and monitor these policies. There was some concern the comparative case studies will be able to cover a reasonably rich understanding of how the selected clusters and their innovation performance/behaviour relates to or interacts with the policy environment or regime that is relevant to the cluster, either general or specific policies/regulations. To be able to say something on the issue of implications for policy systems (as different from "cluster policies") or on formulating general policy recommendations, analysis on such interactions will be necessary.

Ed Bergman suggested to additionally performing a multi-cluster region survey using a common survey instrument. He proposes to use some of a questionnaire prepared for the 'Clusters of Innovation Project' by the U.S. Council on Competitiveness, which is now being used in various U.S. regions. This would provide the possibility of comparing European with U.S. cases, using a common survey instrument. The idea would be to have some consistent base-line information from respondents in the main regions where concentrations of the three clusters under study can be found. Researchers would need to nominate 20-40 respondents (full names, titles, complete addresses, etc.) per cluster region for the survey. Ed Bergman would provide nomination criteria. All members of the Cluster Focus Groups will be asked to respond directly (and pretty soon) on this proposal to Ed Bergman.

4. Discussion on methodology and policy lines of the cluster FG (all)

The discussion on methodology was limited (also due to the fact that Ludo Peeters was not present). It was mentioned that the outcome of a cross country comparison by Hessel Verbeek (I/O-based clusters for B, Dk, NI, Finl and Spain, and additional innovation style characteristics on the basis of CIS for the first three countries) is now available in English and provides a base on which further cross country comparative work could be developed. It is clear that the group of Ludo Peeters (also working for the Swiss) as well as Tuomo Pentikainen are working on further elaboration of I/O-techniques. There still is room for other methodologies of identifying clusters. Johan Hauknes mentioned in this context the work on identifying potential regional clusters using localised labour markets and production statistics to identify clusters by one of his colleagues (Arne Isaksen). We are open to alternative methodologies.

Regarding cluster policies (see also under point 4) it is of interest to note how clusters play a role in national innovation systems. How do governments adapt to the needs of a cluster. It is therefore not only of interest to know how the existing innovation policies work out in different clusters, but also to learn how the understanding of innovation in clusters affect the shaping of (general) innovation policies. Quite often the rise or the decline of a specific cluster changes the policy agenda. In that sense some industries or clusters shape innovation and technology policies.

5. Planning of April Cluster workshop

Concerning the workshop it was decided that apart from having the opportunity to present and discuss results of the cluster studies performed thusfar a clear policy orientation is needed. The best way would be to invite a number of experienced innovation policy makers and to think out loud how cluster thinking affects innovation policy thinking? A title (also for the book) might be "Do clusters matter in innovation policy?" Bergman suggested that these innovation policy-makers could comment upon:

- the usefulness of cluster concepts to partition the industrial and institutional base into relevant groups to be affected by specific policies for particular industrial subsystems
- the relevance of value-chain clusters as a transaction flow concept through which innovation might be diffused naturally or with minor policy assistance
- the possibility of defining a layered policy portfolio that distinguishes between policies that act at national (NIS), global (GIS), and regional (RIS) levels of governance
- the prospects for rationalising present policy systems such as education, entrepreneurship, tax policy, r&d incentives, equity financing as more effective innovation policy components
- etc.

This format has to be developed further the coming two months.

In a mixed two-day researchers-policymakers workshop we have room for about 10 presentations from researchers and about 5 presentations by policy-makers apart from the necessary time for discussion. Every researcher or policy maker that wants to make a presentation will need to provide an outline of about 5-10 pages before April 15th that can be distributed beforehand and also serves as an entry for the planned book. We will ask all members of the focus group to suggest names of senior innovation policy-makers that can subsequently be invited to take part in the workshop.

The Cluster Focus Group workshop will be held 9-10 May in either Utrecht or Amsterdam (NL).

6. Strategy for a joint publication

Although it is quite early to discuss the 2nd clusterbook the idea is that there is added value in having a 2nd clusterbook. Apart from the case studies and fine methodological progress, a second part of this book might be used for several synthesising chapters by various authors. OECD will be asked to once again state their intention to publish a 2nd clusterbook. Further, we will ask whether individual authors can retain their copyright as to allow for publications in peer reviewed academic journals. Ed Bergman, David Charles and Pim den Hertog volunteered to perform the editing task jointly.

7 Planning

- 15/03/'00 List of policy-makers to be invited for the May workshop ready
- 31/03/'00 List of participants and draft workshop programme ready
- 15/04/'00 Outline sent to workshop organisers & hotel reservations ready
- 30/04/'00 Distribution of final programme and reader with outlines
- 9-10/05/'00 Cluster Focus Group Workshop (including limited plenary session cluster FG)
- 10/05/'00 Meeting members steering group
- 15/06/'00 Mid term progress report to TIP meeting
- 15/08/'00 Case studies and other studies ready
- 30/08/'00 Draft chapters case studies and other studies for the book ready for editing
- September Editing
- 1/10/'00 Meeting editors
- oct-nov. Rewriting of individual chapters and writing of draft synthesis chapters
- mid dec. Book ready = report to OECD

REMARKS FROM MEMBERS OECD NETWORK FOCUS GROUP ON PRESENTATION CLUSTER WORK

- Sheet with figure of innovation networks in practice is only a figure of innovation sources used for innovation.
- Important for defining a cluster is to assess to what degree actors that are supposed to be part of the cluster are aware of being part and parcel of that cluster?
- How to deal with the global aspect of clusters or international clusters. Can we still stick to a national approach? Are there opportunities for constructing an international I/O-table?
- How to position cluster policies. Is cluster policy completely replacing innovation policies, is it just providing background information for policy makers or as an add on to innovation policy-making (an extra pair of glasses)?
- Problem of lock in in clusters. It is necessary to differentiate between emerging and mature clusters.