

COMPETITIVENESS, CLUSTERS & REGIONS

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What is a cluster?

“A cluster is a geographically proximate group of companies and associated institutions in a particular field, linked by commonalities and complementarities.”

Michael F. Porter

Economic policy instruments

Why are clusters so important for regions.

- Encourage innovation
- Increase productivity
- Improve job opportunities
- Stimulate regional entrepreneurship.
- Useful tool for diversification and improve regional sustainability

The Basque Country Clusters

These Clusters have been promoted by the regional Government with the backing the business community.

- The SPRI (Regional Development Agency) provides grants of 60% of total expenses, limited to €240.000 euros per cluster.
- Plays important part in the Basque Government Competitive Plan 2015.

Clusters policy in the Basque Country

- Michael Porter mapped out the Basque clusters in the 90's
- The government decided on a priority group of clusters
- In the following years the different cluster associations were set up
- These “clusters” have become the agents promoting collaboration between businesses in the chosen sectors.
- These have given support for common activities & projects

The Clusters of the Basque Country

12 Clusters:

Household Appliances (1992)

Machine Tools (1992)

Automotive (1993)

Port of Bilbao (1994)

Information Technology & Communication (1994)

Environmental Industries (1995)

Business Knowledge Management (1996)

Energy (1996)

Aeronautics (1997)

Ship Building (1997)

Paper (1998)

Audiovisual (2004)

Tourism (2007)



MAPA DE LOCALIZACION DE CLUSTERS EN LA CAPV

Cluster policy in the Basque Country

Management and Governance

Based on an effective public-private partnership.

The government does not hinder private effort, but is strict with regard to the mission and objectives to be obtained.

A clear understanding of the key factors of successful cluster initiatives.

- Involvement of companies
- A good facilitator in the cluster (manager)
- Shared Vision
- Open to all organizations making up the natural cluster (Not just in the Sector)
- High level of consensus on actions to be developed

The Clusters of the Basque Country

- Intangible results, although difficult to measure, are of vital importance.
 - The trust built between players
 - Public-private collaboration as the main axis of progress
 - Cooperation between competitors
 - The strategy of the clusters based on specific objectives (no matter how complicated or long term they are)

The Clusters of the Basque Country

But there are also tangible results:

- Creation of several export consortia
- Technological cooperation projects, both intra-cluster and inter-cluster (automotive electronics, automotive and machine tools, energy and environment)
- The model EFQM (Management Excellence) is used in business, with the larger companies leading the way for smaller companies.

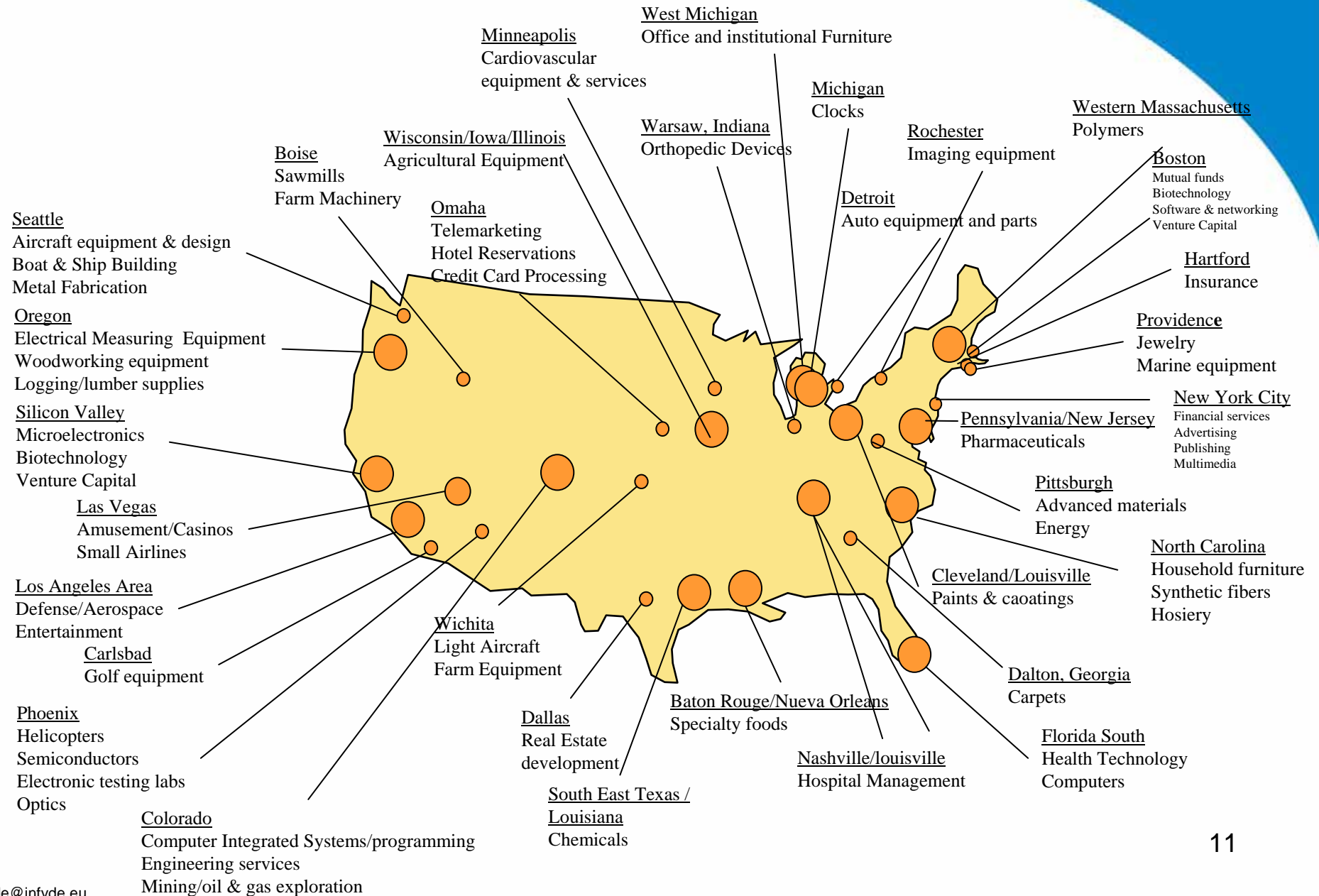
Cluster Initiatives in Spain

AEI (2007)

	Total	Spain	Andalucía	Aragón	Asturias	Balearic Isles	Canarias	Catalonia	Castilla la Mancha	Castile & Leon	Cantabria	Extremadura	Galicia	Madrid	Murcia	Navarra	The Basque Country	Rioja	Valencia
Actions to promote clusters	7			1	1						1	1						1	2
Strategic Plans	40	4	5	2	1		1	6	2	1	1	2	4	5	1	1	3		1
Strategic Plan Draft	7	1	1				1	3							1				
Business Associations	6	2				1		2											1
Total	60	7	6	3	2	1	2	11	2	1	2	3	4	5	2	1	3	1	4

Source: In-house "Listado de solicitudes aprobadas convocatoria de ayudas Orden ITC/692/2007 de 20 marzo 20072. Ministerio de Industria Turismo y Comercio 2007"

Clusters in the USA



Conclusions

- In general the cluster are initially promoted by a public institution.
- The members of the cluster are reflected in the typology of Porter's competitive diamond, i.e. producers, suppliers, customers and research institutions, training and government.

This means that the cluster analyzed are different from Employer Organizations because each members belong to only one sector of activity.

The Cluster process

