Building the National Regional Connections

But what can go wrong?

- Cluster definition
  - Too broad ... common agendas have limited impact;
  - Or too narrow ... lack of critical mass;
  - Over reliance on a few key anchor firms

- Cluster definition
- Removed from private sector culture
- Institutional talk fest;
- Chasing white elephants;
- Confinement within political borders.

- Clustering initiative fails to capture attention
  - Too slow in delivering benefits
  - Too quiet, below the horizon

- Clustering initiative fails to capture attention
- Capture by narrow interest groups
  - Closed group ... entry of new actors blocked;
  - Old-boy’s-club inertia;
  - Collective myopia.

- Clustering initiative unable to find it’s space
  - Unable to substantively add value;
  - Competing with established associations;
  - Competing with businesses.
The clustering process
But what can go wrong?

- Cluster definition
- Removed from private sector culture
- Clustering initiative fails to capture attention
- Capture by narrow interest groups
- Clustering initiative unable to find its space
- **Clumps** of stand-alone, vertically integrated firms
  - Little trust, outsourcing;
  - Little co-specialisation;
  - Price-based rivalry;
  - No culture of co-opetition.

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"Public–public coordination ... the most difficult of all forms of coordination."

"Policy makers often have only the vaguest notion about what business really needs."

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Sweden's cluster evaluation criteria

- Track record
- World class
- Increased regional commitment
- Increased ambitions
- Regional system integrator
- Importance for the region & Sweden
- Node in national mobilisation & increased internationalisation

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What is Smart Specialisation?

- **differentiation**: focus on competitive advantages, potential for excellence, emerging opportunities, market niches
- **concentration of resources on priorities, problems and core needs, for critical mass/critical potential**
- **synergies across different departments and governance levels (EU-national-regional); cross-sectoral/technology links**
- **ecosystem approach**: creating environment for change, efficiency of institutions
- **place-based economic transformation**: rejuvenate traditional sectors through higher-value activities

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A challenge: Cluster are not stand-alone islands

- With specialisation, a cluster is even more part of a global system
- Drawing in competencies:
  - Locally ... related diversity
  - Nationally
  - Increasingly, with a global dimension

Aligning multiple organisations around a cluster’s development agenda

Four priority sectors
- Retail
- Tourism
- Education & Research
- Professional Services

Adelaide & Auckland, Brisbane, ... Zanzibar

Four priority sectors
- Retail
- Tourism
- Education & Research
- Professional Services
Halifax, Nova Scotia
Ocean Innovation Centre

Physical infrastructure + Knowledge infrastructure + Social infrastructure = High performance cluster

Small firms need scale

Large firms need innovation

Collaborating for innovation Neutral facilitation helps

Shanghai

Primary Collaboration NZ Ltd

Castel Goffredo, Italy
Population: 7,500
200 hosiery firms
30% of EU’s sock production

A cluster service centre
As a one-stop-shop

Centro Servizi Calza services:
• Research & Testing facilities;
• Intellectual Property;
• Training;
• Current and future fashion trends;
• Markets research and surveys;
• Match-making with customers;
• Exploratory commercial missions overseas.

Cluster Ignition Team
Initial mobilisation

• Avoiding support clutter
• Building partnerships with relevant public agencies & academia
• Facilitating teamwork, alignment amongst allies and potential allies
• An informal team, led by the Cluster Manager

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Cluster Ignition Team
Possible allies, participants

**Triple Helix**
- Relevant public agencies ...
  - Local/regional politicians, agencies; Export development; Investment attraction; Immigration; Education; Innovation / Technology; Incubator; Science Park ...
- Business associations ...
  - Industry association; Chamber ...
- Academia ...
  - University; TAFE; CSIRO; High school ...

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**Cluster for Growth**
A fresh economic development agenda

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