Cluster-based Regional Development

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CEO ClusterAgentur Baden-Württemberg

Copenhagen Cluster Summit 2018
Malmö
Options for Location-based Regional Development: Specialization vs. Diversification

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<th>Policy Measures</th>
<th>Ignore Specialization</th>
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<td><strong>Generic Innovation Support Measures / Support Digitalization</strong></td>
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<td>✔</td>
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<td>✔</td>
<td>✔</td>
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The Core of the S3 Approach

Prediction of future trends relevant for the region (regional opportunities)

Regional Smart Specialisation

Development of transformative activities
- Cross-Regional Level

Identification of Regional Strengths

Development of transformative activities
- Regional Level

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What we Understand by „Transformative Activities“

We define Transformative Activities as an accumulation of innovation-related activities of a group of actors targeting the same area, deriving from an innovative combination of existing structures and having the potential to significantly transform existing industries. (Keller, Meier zu Köcker, Foray 2018)

In the next ERDF funding period Regional Smart Specialisation should pay more attention

• to identify those Transformative Activities, which are really relevant for a given region
• Gather critical mass to better cope with the Transformative Activities identified
What Selected Regions can Invest to Develop Transformative Activities further

<table>
<thead>
<tr>
<th>Region</th>
<th>Population</th>
<th>GDP per capita [€]</th>
<th>ERDF Budget foreseen for Innovation for the period 2014 - 2020</th>
<th>Regional Public Funds foreseen for R&amp;D and Innovation for the period 2016 - 2018 [€]</th>
<th>Total annual investment in innovation region [€]</th>
<th>Total annual investment in innovation region per capita [€]</th>
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</thead>
<tbody>
<tr>
<td>BADEN-WÜRTTEMBERG</td>
<td>10,900,000</td>
<td>42,800</td>
<td>345,816,060&lt;br&gt;172,908,030.00&lt;br&gt;172,908,030</td>
<td>4,500,000,000&lt;br&gt;1,549,420,294</td>
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</tr>
<tr>
<td>BAVARIA</td>
<td>12,440,000</td>
<td>43,100</td>
<td>265,796,000&lt;br&gt;132,898,000&lt;br&gt;132,898,000</td>
<td>5,100,000,000&lt;br&gt;1,737,970,857</td>
<td>139</td>
<td></td>
</tr>
<tr>
<td>FRANCHE-COMTÉ</td>
<td>1,200,000</td>
<td>25,300</td>
<td>45,833,300&lt;br&gt;18,333,300&lt;br&gt;27,500,000</td>
<td>6,000,000&lt;br&gt;8,547,614</td>
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<tr>
<td>FRIBOURG REGION</td>
<td>307,000</td>
<td>50,300</td>
<td></td>
<td>5,375,625&lt;br&gt;1,791,875</td>
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<tr>
<td>LOMBARDY</td>
<td>9,704,000</td>
<td>35,700</td>
<td>349,355,000&lt;br&gt;174,677,500&lt;br&gt;174,677,500</td>
<td>256,263,993&lt;br&gt;110,375,259</td>
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<tr>
<td>PIEDMONT</td>
<td>4,396,000</td>
<td>28,900</td>
<td>355,191,778&lt;br&gt;177,595,889&lt;br&gt;177,595,889</td>
<td>259,000,000&lt;br&gt;111,704,174</td>
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<tr>
<td>SALZBURG</td>
<td>540,000</td>
<td>46,100</td>
<td>10,875,000&lt;br&gt;2,175,000&lt;br&gt;9,700,000</td>
<td>not available&lt;br&gt;not available&lt;br&gt;not available</td>
<td>not available</td>
<td></td>
</tr>
<tr>
<td>SLOVENIA</td>
<td>2,070,000</td>
<td>18,700</td>
<td>577,173,949&lt;br&gt;115,434,791&lt;br&gt;461,739,158</td>
<td>472,526,592&lt;br&gt;223,471,600</td>
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<td></td>
</tr>
<tr>
<td>TRENTO</td>
<td>524,000</td>
<td>34,600</td>
<td>54,876,958&lt;br&gt;27,438,479&lt;br&gt;27,438,479</td>
<td>72,120,000&lt;br&gt;27,959,782</td>
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<tr>
<td>VENETO</td>
<td>4,557,000</td>
<td>30,800</td>
<td>114,000,000&lt;br&gt;57,000,000&lt;br&gt;57,000,000</td>
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<td>not available</td>
<td></td>
</tr>
<tr>
<td>UPPER AUSTRIA</td>
<td>1,435,000</td>
<td>40,300</td>
<td>100,650,000&lt;br&gt;20,130,000&lt;br&gt;80,520,000</td>
<td>192,857,143&lt;br&gt;76,664,286</td>
<td>55</td>
<td></td>
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Why RIS3? (rationale)

Critical mass as a key determinant of R&D productivity, creativity & innovation

- Agglomeration
  - R&D productivity
  - Creativity
  - Innovation
- Complementary capabilities
- Knowledge circulation and recombination

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Success Factors to Implement RIS 3

Why RIS3? (rationale)

Critical mass as a key determinant of R&D productivity, creativity & innovation

Cluster

R&D productivity
Creativity
Innovation

Cluster-Initiatives

Systematic Approach to Implement RIS

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Key Success Factors to Implement RIS3

- **Strong clusters**
  - Critical mass
  - Specialized industry and academia
  - Complementarities

- **Excellent cluster managements**
  - Initiate and moderate measures to support development of transformative activities
  - Ability and willingness to act as tool to implement regional strategies / RIS3

- **Systematic approach for implementation**
  - Framework conditions enabling cluster initiatives to act as tool for regional development
  - Strategic investments in transformative activities
New Quality of Business Support Services

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Investment (time/money)
- Collaborative B2B project (not R&D)
- Joint R&D (public funded)
- Joint studies (sectors, feasibility)
- Roadmapping
- Lobbying
- Export promotion
- Access to public funding
- Training, human development
- Thematic events/workshops
- Regional marketing/branding
- Networking
- Information exchange

Joint R&D (self-funded)
Joint strategy
Working groups

Trust
How to Develop Transformative Activities?

1.) Identify Transformative Activities
2.) Prioritize
3.) Action Plan
Regional Strength = Cluster

Transformative Activities are emerging between regional strengths
Greater Copenhagen Diamond
Lombardy Synergy Diamond

Life Sciences

Smart Home & Living
Ambient Assistent Living

IoT
Data
Security

Health monitoring
Personalised services
"soft-enabling PM"

ICT-enhanced Well-Being

Data Mining for Life Science

ICT

Digitalisation of Food Production
Urban Food

Digitalisation of Distribution Chain

Well-being Technologies
Food Safety and Security
Functional Food

Agrofood

Smart Cities

SH & L, AAL
ICT-based Civil Security
Broadband / Wireless Technologies
Sensor-to-Cloud Solutions
Smart Energy Solutions
Location based services

cluster-dialog
BADEN-WÜRTTEMBERG

ClusterAgentur
BADEN-WÜRTTEMBERG

EFRE – Investition in den Zukunft
Example from Upper Austria
Priorization of TA

- **Regional strength**
  - **Low**:
    - Transformative activities identified for a given region are weaker than the national average;
    - Transformative activities are still comparable far away from market application.
  - **High**:
    - Transformative activities identified for a given region are stronger than the national average;
    - Transformative activities are close to market.

- **Long term**
  - Period then TA are ready for the market.

- **Short term**
  -
Priorization
# Great Copenhagen Cluster Action Plan

<table>
<thead>
<tr>
<th>Transformative Activities</th>
<th>Action Area I Community Building</th>
<th>Action Area II Innovation / R&amp;D</th>
<th>Action Area III Skill Development</th>
<th>Action Area IV Regional Branding</th>
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<tr>
<td>eHealth</td>
<td></td>
<td></td>
<td></td>
<td>Lobbying Great Copenhagen as THE HOT SPOT in eHealth</td>
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