

# The Copenhagen Cluster Excellence Declaration 2011<sup>1</sup>

## Cluster policies for the future aiming to support smart, sustainable and inclusive economic growth

### **Introduction**

The grand societal challenges, singled out in Europe2020 strategy<sup>2</sup>, the bold European strategy for smart, sustainable and inclusive growth, as the top priority areas for Europe to focus efforts in the next decade, require effective innovations policies – on regional, national and European level.

Valorising research for innovation and to thus get more out of the innovations policy and the high investments in research and development in enterprises is closely linked to a better cluster policy. In order to obtain an increased impact of policies in terms of economic growth and new innovative solutions to the challenges of our societies, the European Union and its member states should as an element in improved framework conditions for business and research place cluster excellence and cluster policies higher on the political agenda<sup>3</sup>.

### **Cluster management excellence matters**

Whereas in the past considerable efforts have been spent setting up clusters in many European countries, nowadays the challenge is to make them more competitive. Only these clusters can fulfil the political and economic expectations which provide real added values for the cluster actors. Cluster excellence contributes to more prosperity for regions, better competitiveness for enterprises and more return on investment for investors. Excellence is needed at different levels, including at the level of cluster policies, cluster initiatives and cluster organisations. Since cluster excellence can be used for different purposes, different indicators and approaches are required to identify cluster excellence, ranging from benchmarking exercises and quality criteria to ex-post evaluations of results. Cluster excellence also matters when policy makers are seeking more value for money of research and innovation public support. In this respect, it would be beneficial if a common European approach is followed to identify “high performance” clusters and “professional” cluster organisations which promise to achieve best results. Cluster excellence could, for example, be expressed in terms of cluster growth, high productivity and innovativeness of member firms. Cluster management excellence matters when cluster organisations play a very active role in turning the objectives of cluster policy into practice. Cluster management excellence contains cluster strategy definition and implementation, professionalization of the cluster management and, to a very high extent, demand-oriented and tailor-made service, in order to provide additionality to its cluster members.

The need to promote cluster excellence has gained considerable attention, political acceptance and widespread support from stakeholders.<sup>4</sup> The recent Europe 2020 Strategy explicitly mentions clusters as important elements of improving the business environment, especially for SMEs. Cluster policies should not only be seen as a powerful policy instrument to promote research, development and innovation but also as

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<sup>1</sup> [www.clusterexcellence.org](http://www.clusterexcellence.org)

<sup>2</sup> See [http://ec.europa.eu/eu2020/index\\_en.htm](http://ec.europa.eu/eu2020/index_en.htm)

<sup>3</sup> Clusters have different names in the countries. There are called cluster organizations, centres of expertise, innovation networks and competence networks etc.

<sup>4</sup> Presidency Conclusions of the Brussels European Council (13/14 March 2008)

an integral part of industrial policy aiming to prepare Europe for global competition. This aspect is also reflected in the final report and policy recommendations of the high-level European Cluster Policy Group.

### ***Cluster policies create growth, productivity, innovation and employment***

International analyses have verified that cluster and network organizations and policy programmes contribute positively through their activities to labour productivity growth and economic growth. Cluster activities promote enterprise investments in innovation such as single R&D projects, business-research collaboration and business-to-business collaboration.

International studies confirm that single R&D projects increases profits of enterprises between 0,02 and 0,2 percent for each percentage increase in R&D investments. Furthermore, there is a significant positive impact of collaboration projects. The impact on productivity per employee, turnover and economic growth is approximately 9 percent higher in collaboration projects than in single projects. Some studies show that labour productivity in enterprises collaborating with other enterprises, universities, research institutions or technological institutes is between 9 per cent and 15 per cent higher in average than it is in other R&D active enterprises. Further, collaboration projects with participation of enterprises from other European countries also significantly increases growth in exports and employment.

### ***Key messages for cluster policy in Europe***

- I. **Cluster policy is an important policy tool** for regions and nations in their innovation and business development strategies. Each region or nation should ensure that cluster policy and cluster programmes should remain high on the political agenda of governments:
  - a. In all regions and nations cluster programmes are integral parts of an effective innovation policy and cluster organisations now comprise an important infrastructure in the regional and national innovation systems
  - b. Public authorities should ensure an effective public research and innovation system and improve further the governance of cluster programmes and cluster organizations. Monitoring and evaluation of cluster policies is important, albeit difficult. Impact studies and guidelines for evaluating cluster policies should be improved and shared. Exchange of national practices on impact measurement and evaluation of cluster organizations should take place.
  - c. There is room for improvement in most regions and nations as well as on European level of coordinating cluster programmes with other innovation policy instruments, e.g. innovation funding schemes and knowledge transfer mechanisms. Improvement here could enhance the impact of clusters and ensure a more effective innovation system. There should be more exchange of best practice in this field.
- II. **Internationalization of cluster programmes** and cluster organizations is considered important in most regions and nations:
  - a. Cluster programmes and cluster organisations have an important regional dimension in most countries, but at the same time it is important that programme owners collaborate with programme owners from other countries just as it is important that cluster organisations are engaged internationally to promote fruitful collaboration between their members and relevant organisations within Europe, or with countries outside of Europe. Cluster initiatives should

identify support measures, designed based on the needs and possibilities of their cluster members, for the members to develop win-win international collaborations. The tools of policy makers should be flexible regarding what type of support measures cluster organisations choose to use. Contacts and networking activities can for instance be initiated through cluster organisations, industrial research institutes, trade organisations or directly with companies or universities. What is appropriate depends on the circumstances, such as on the issue being addressed (e.g. R&D-collaboration, market access or recruitment). Experiences on good practices should be shared. The European Commission, the Nordic Councils of Ministers, Nordic Innovation and other international organisations could support much more cross-border collaboration.

- b. Different industry sectors need different support for internationalisation activities. The promotion of cluster management activities for internationalisation of cluster organisations should take the specific framework conditions of industry sectors and cluster structures into account. Programme owners could support the internationalisation process with corresponding instruments and need-based support mechanism.
- c. The European Commission should support the internationalisation of cluster programmes and cluster organisations in the 8<sup>th</sup> framework programme with a set of priority areas and support mechanisms for policy makers, programme owners and cluster managers. It is also important to ensure that the Commission Certificate for Financial Statements (CSF) and their interpretations do not restrict the participation of smaller clusters but allow the coordination of EU funded projects by clusters with various types of management structures. Finally, the European Commission should make it easy to support cluster organisations.

III. **Cluster management excellence:** Since cluster managers are key decisive factors for the impact of the cluster organisations on enterprises and the internationally competitiveness of a cluster, cluster policies and cluster strategies should put more emphasis on cluster programme development and cluster management excellence:

- a. The impact of cluster programmes should be enhanced through increased activities and more services directed towards enterprises in the clusters and their ability to increase collaboration between public research and the business sector, improved commercial exploitation of research and increased technological services for small and medium-sized enterprises
- b. Politically independent indicators should be developed and used by programme owners and cluster managers in order to improve cluster management excellence. Voluntary benchmarking has proven to be a good way to initiate mutual learning from others.
- c. Programme owners should take over a more active role towards developing individual clusters. Support systems or mechanisms with targeted, need-focussed services such as education, benchmarking, competence building and exchange of best practice through seminars, courses and workshops for cluster managers should have a high priority in cluster programmes and cluster policies

This document has been developed by the Nordic-German-Polish (NGP) Cluster Excellence Benchmarking Project with participation of 10 countries and partners. The declaration was adopted at the Copenhagen Cluster Conference on May 26-27, 2011 which attracted of 455 participants from 27 countries.