# Transatlantic cluster cooperation kicks off with fruitful U.S. - EU exchange on best practices in cluster mapping and cluster-based economic policies

From 17th to 19th November 2015, 77 national and regional cluster policy-makers, experts and researchers from both the United States and the European Union gathered in Boston and Washington for a workshop to exchange experiences and best practices on cluster mapping, cluster portals and cluster-based economic development policies. The workshop sparked rich discussions and insights into how to benchmark innovation clusters and how to get cluster policies right. It marked the beginning of efforts to intensify transatlantic cluster cooperation by the European Commission and the U.S. Department of Commerce.

This event was the first carried out under the EU-U.S. Cooperation Arrangement on Clusters signed in April 2015 between the European Commission's Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROWTH) and the United States Department of Commerce (US DoC). It was carried out with additional support, notably from the Harvard Business School, who is involved in the US Cluster Mapping initiative and from the European Cluster Observatory.

Both the European Union and the United States were well represented with additional participants from Canada, India, Mexico, and South Korea as well as multilateral organisations (Organization for Economic Cooperation and Development, World Bank and the Inter-American Development Bank). European experts included representatives from the European Cluster Observatory, European Cluster Collaboration Platform, European Secretariat for Cluster Analysis and the European Foundation for Cluster Excellence, among others.
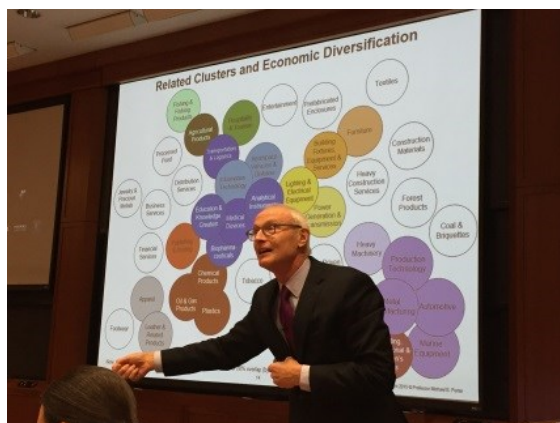
Professor Michael Porter, who has popularised the concept of clusters, opened the first day of the workshop at the Harvard Business School with an overview of recent cluster mapping efforts. He pointed out that economists no longer deny that concentrations of economic activities in clusters exist but still argue about whether to intervene or not.

Together with Professor Scott Stern and Mercedes Delgado from the Massachusetts Institute for Technology, insights were provided on the importance of clusters of related industries for convergence and economic performance. They showed, for instance, that industries with strong clusters are associated with higher levels of employment growth. Frank Neffke from Harvard's Kennedy School of Government further emphasised the importance of the diversity of related activities and skills for growth.

Dr. Christian Ketels from the Institute for Strategy and Competiveness, Harvard Business School, and a Senior Research Fellow of the Stockholm School of Economics, moderated the discussions and provided the first day closing remarks of the discussions that focussed on:

- Cluster mapping for economic development: core tools, emerging insights;

- Cluster portals as platforms for collaboration;

- How do policy makers and practitioners use cluster mapping portals; and

- Enhancing the value of cluster mapping portals to policy practice.

The workshop participants were given an opportunity on the second day to conduct one-on-one meetings with cluster organisations from the Boston/Massachusetts active in water innovation, clean energy, life sciences, and robotics.

The final day of the workshop was held in Washington, D.C. and moderated by Mr. Emiliano Duch from the World Bank. The Deputy Assistant Secretary of the U.S. Economic Development Administration, Matt Erskine, gave the opening remarks, in which he emphasized that the United States and European Union "could learn a great deal from each other as we drive the growth of our critical regional innovation and industry clusters". He stressed the need for rebuilding industrial ecosystems, supporting regional innovation clusters and regional transformations, and addressing skills gaps and highlighted the DoC's America is Open for Business strategy, the Jobs and Innovation Accelerator Challenge and the US Cluster Mapping initiative.

Dan Correa, Senior Advisor on Innovation Policy at the White House Office of Science and Technology Policy highlighted that President Obama's updated Strategy for American Innovation identified policies to promote regional innovation ecosystems and clusters as part of its focus on fuelling the engine of private–sector innovation.

Tom Guevara, Deputy Assistant Secretary for Regional Affairs at the U.S. Economic Development Administration emphasised place-based approaches to economic development and the need to provide further investments to cluster developments to push emerging specialisation paths further. He presented U.S. cluster initiatives of the new Regional Innovation Strategies program, referenced in Obama's innovation strategy. Tameka Montgomery, Associate Administrator of the Office of Entrepreneurial Development at the U.S. Small Business Administration (SBA) presented her organization's Clusters Initiative which focuses on supporting existing clusters to further leverage innovation assets and engage small businesses.

Carsten Schierenbeck from DG GROWTH gave an overview of the main cluster initiatives of the European Commission covering the support for smart specialisation strategies in regions and EU Member States to guide innovation-related investments under the European Structural and Investment Funds, the Knowledge and Innovation Communities of the European Institute of Innovation & Technology, and DG GROWTH's cluster initiatives for new industrial value chains towards the development of emerging industries, for cluster internationalisation and cluster excellence as well as its European Cluster Observatory. Mr. Schierenbeck emphasised the challenge is to maintain the innovative potential by building linkages and engaging in diversification efforts across different sectors.

Further presentations from U.S. and EU States and regional efforts gave broader insight into successful cluster policies and their evaluations. These included presentations from Massachusetts, New Orleans and South Carolina from the U.S. side and on the EU side, they covered the French Pôles de compétitivité program, the German Leading-edge cluster competition and Denmark's cluster policy as well as regional cluster policies from the Basque country, Hamburg and Wallonia. The discussion concentrated on the following topics:

- Current programs and priorities in cluster policy;

- Key choices in successful cluster policies: what to support, who to support, and what goals to achieve; and

- Evaluating the impact of cluster policies and cluster organisations.

The presentations showed that larger cluster programs, such as those in France and Germany, channel considerable innovation funding through clusters. For instance, the French Pôles de compétitivité program supported 1,584 projects since 2005 with € 7 billion of R&D expenditure, including €2.7 billion of public support that reached out to 9,700 firms belong to clusters, most of them SMEs, and created 1,000 patents and 200 start-ups. The German Leading-edge cluster competition also provided up to €600 million to cluster organisations, as in each of

the three competition rounds, five winners received up to € the 40 million. The experience of the South Carolina Council of Competitiveness revealed that it can take three years to get professional cluster organisations up and running and that there is a need to focus on demonstrating a return of investments for the cluster firms. The discussions further pointed to need to focus funding on those cluster organisations that have a sufficient quality cluster base, a strategic plan and a collaboration structure in place with the potential to reach world-class.

The presented evaluation results also illustrated the growing evidence of the impact of cluster policies, with the evaluation of 14 SBA-funded U.S. regional innovation clusters, Danish cluster network surveys, cluster evaluation in Wallonia, and of the Inter-American Development Bank. While not all cluster policies may demonstrate such positive effects, it shows that not only do clusters matter but also cluster policies. The workshop concluded on the third day with an open session that gathered the collective insights and generated common conclusions. First, cluster mapping has advanced substantially both in Europe and the United States and has become a critical input to policy decisions, while there are opportunities to offer greater cluster mapping capabilities at the local and regional level as a tool for local and regional policy makers. Second, cluster mapping portals experience a significant amount of users from outside the United States and Europe. This is a strong indicator of the potential value of these portals as a tool for trade and investment strategies across countries. Third, there is a clear need to establish stronger linkages between the mapping of industrial clusters and the mapping of cluster organisations in portals to facilitate cluster collaboration, e.g. by providing more details on the industrial, technological and specialisation areas, especially to facilitate the partnering of cluster organisations across sectors.

In the closing of the workshop, Tshanda Kalombo from the US Department of Commerce and Carsten Schierenbeck from the European Commission's DG GROWTH reiterated their commitment to continue transatlantic cluster cooperation by pointing already to the next step with the planned organisation of an EU-U.S. cluster matchmaking event at the occasion of the Hannover Fair in April 2016.

*Please click below for **further documents** related to the workshop:*

- Agenda
- Announcement note
- PowerPoint presentations
- EU-U.S. Cooperation Arrangement on Clusters