



Intellectual Capital for Communities
in the Knowledge Economy

Intellectual Capital for Communities in the Knowledge Economy Nations, Regions, Cities and Emerging Communities



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Cities and Clusters: New creative arenas for developments

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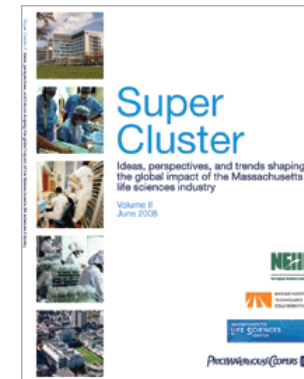
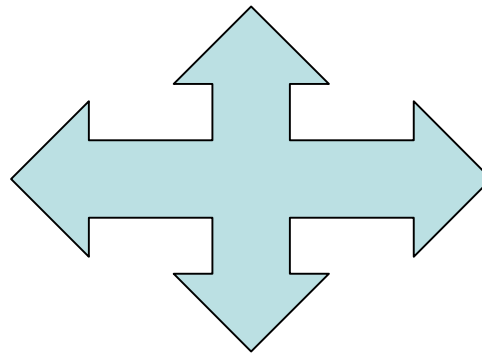


Cities and clusters: New creative arenas for developments

Cities and Clusters: 2 Major interdependent Frameworks for local and regional development

“There is no question that cities are the engines of economic growth and centres of dynamic social and cultural activities and development...”.John Naisbitt - Author and Futurist, USA

The European Council, in March 2008, has recognised the important role of clusters in stimulating innovation and improving competitiveness, and urged to improve coordinated efforts to sustain them, ...”

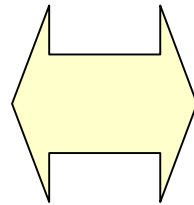


Developing an unique local or regional development model to ensure the success of innovation commercialization in an innovative and attractive city

Major challenges for leaders

External challenges

- Economic growth
- Sustainable development
- Infrastructures
- Integration / Partnerships
- Safety and security
- Financial pressure
- Attractivity
- Connectivity
- Ageing
- Branding



Internal challenges

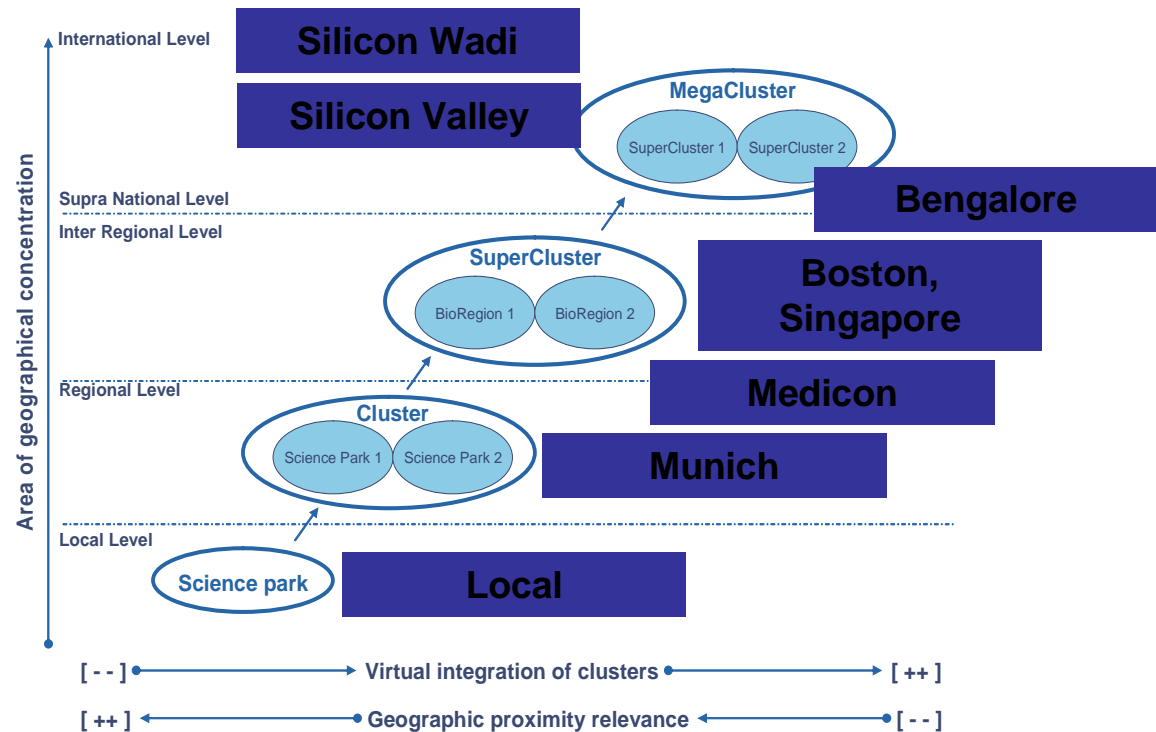
- Leadership
- Defining vision and strategy
- Winning next big bets
- Recruiting the talents
- Improving performance, efficiency and quality
- Performance measurement
- Transparency
- E- government
- Decentralisation
- Governance

A strong theoretical framework to support regional economic development

Definitions

- Different dimensions of a cluster have been described by different authors *
- Spatially (predominantly regionally) concentrated economic activities in related economic areas, usually interconnected with the local scientific system (research institutions, universities, etc.);
 - Vertical production chains: narrowly defined industries with the neighbouring activities of production process forming the core of the cluster. This also includes various groups around core enterprises;
 - Highly aggregated groups of industries
 - “Superclusters” as the clusters crossing regional borders, and
 - “Megaclusters” as supranational clusters crossing country borders.

* Enright, M. J. (1996) Regional Clusters and Economic Development: A Research Agenda. In: Staber, U.H., Schaefer, N.V., Sharma, B. (eds) Business Networks. Prospects for Regional Development. de Gruyter, Berlin, New York.
 Jacobs, D. (1997) Wissenintensive Innovation: Das Potential des Cluster-Ansatzes. Institute for Prospective Technological Studies, IPTS Report 16, Sevilla.
 Markusen, A.R. (1996) Sticky Places in Slippery Space: A Typology of Industrial Districts. Economic Geography 72, 293-313.
 Porter, M. (1998) On Competition. Harvard Business School Publishing, Boston.
 Sternberg R. (2003) New Firms, Regional Development and the Cluster Approach – What Can Technology Policies Achieve? Broecker J., Dohse D., Soltwedel R. (eds.) Innovation Clusters and Interregional Competition. Berlin Heidelberg, Springer-Verlag.



Model of the agglomeration of association activities

Value Creation - Penta helix – New creative meeting places/arenas for sector talents!

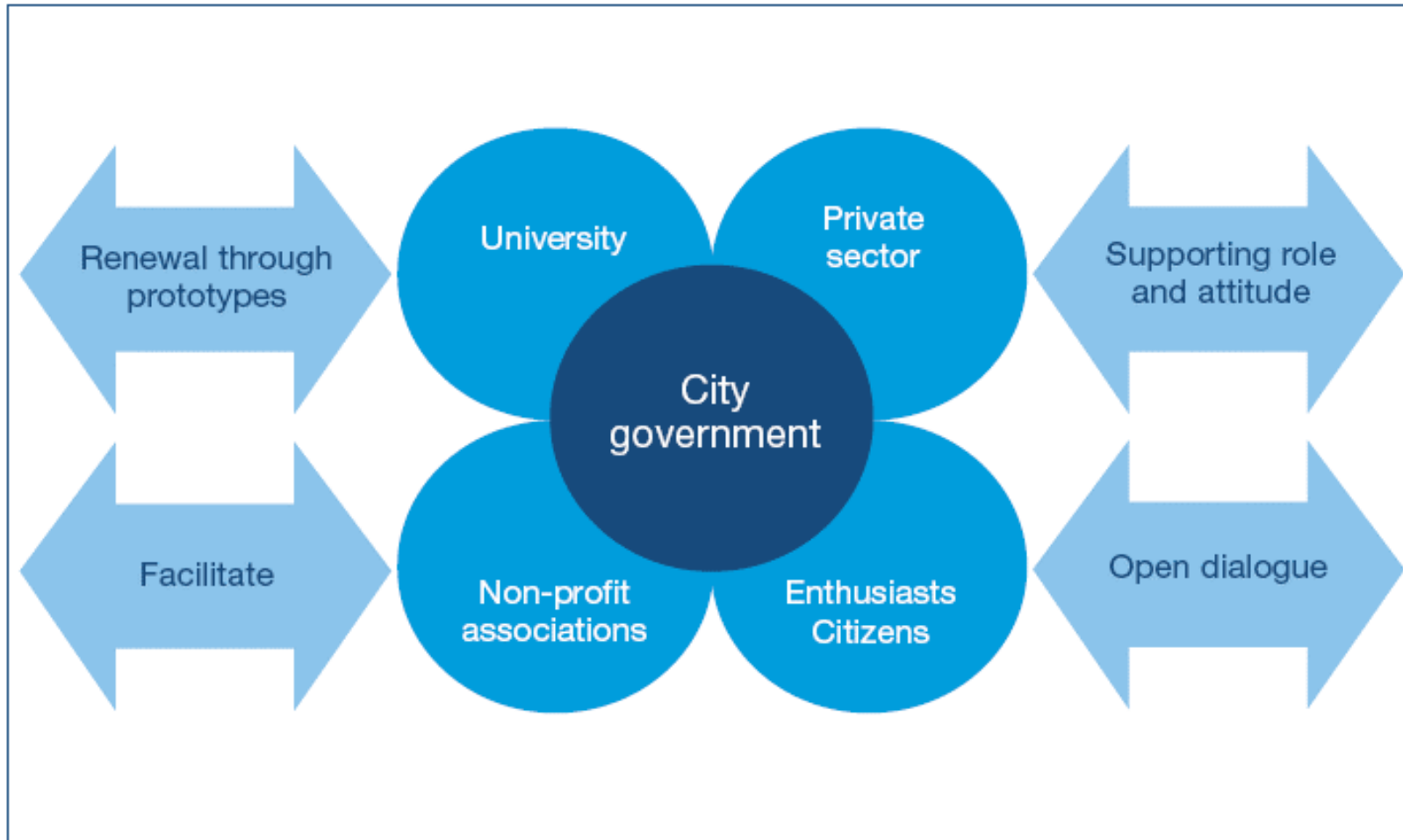
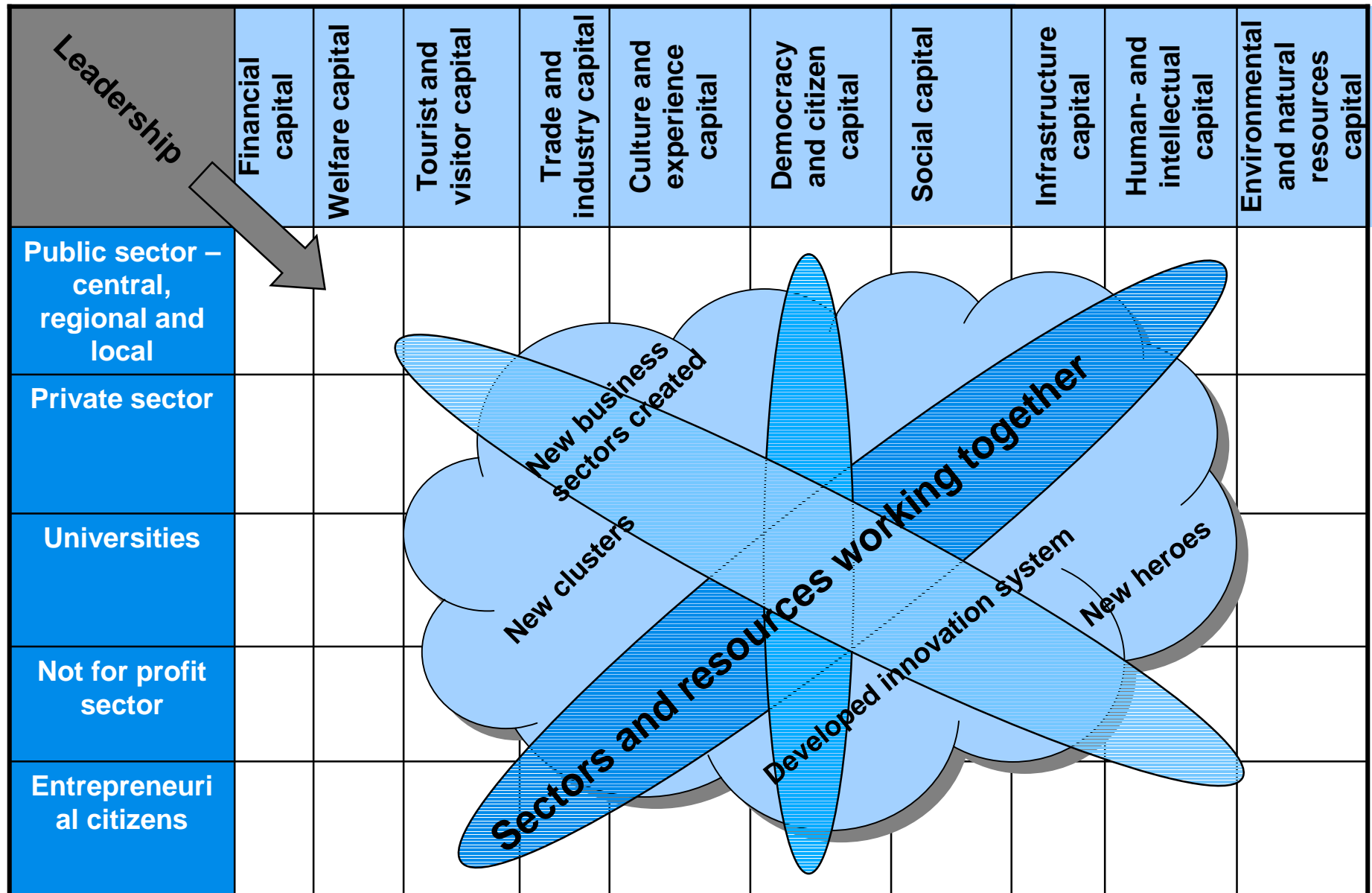
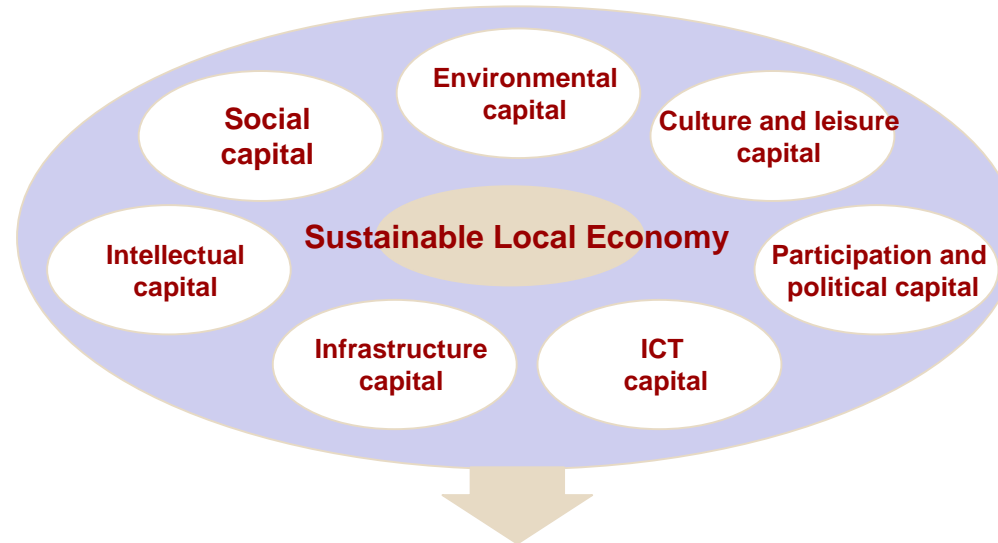
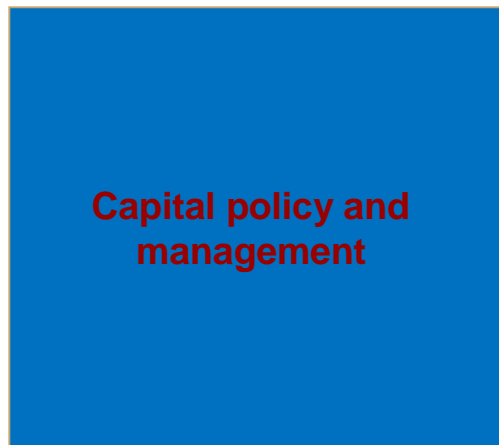
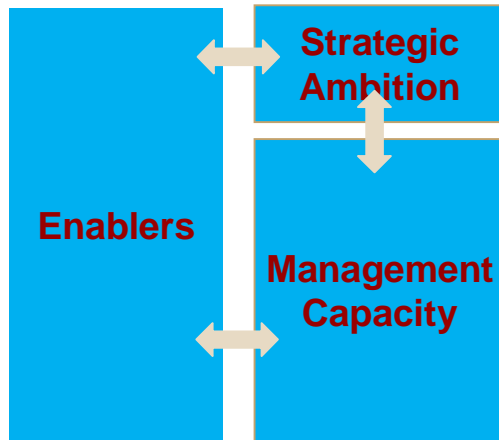


Figure 4: Values and attitudes underpinning successful relationships

Mobilizing resources for



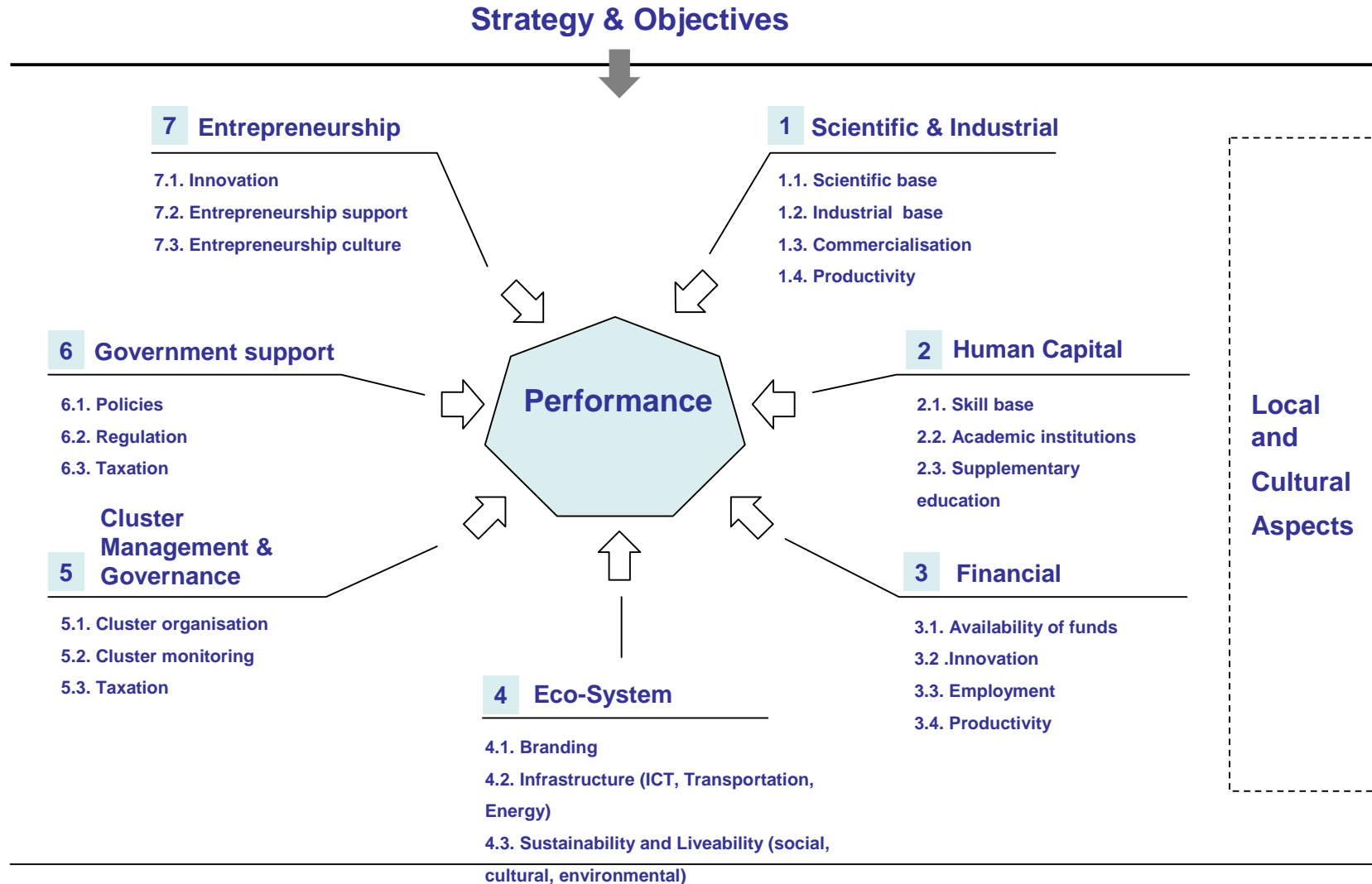
Structure of the Assessment Tool for City



A City of the Future

Cities and clusters: New creative arenas for developments

A robust methodology to assess the development and the performance of Cluster



What did not work well : some examples

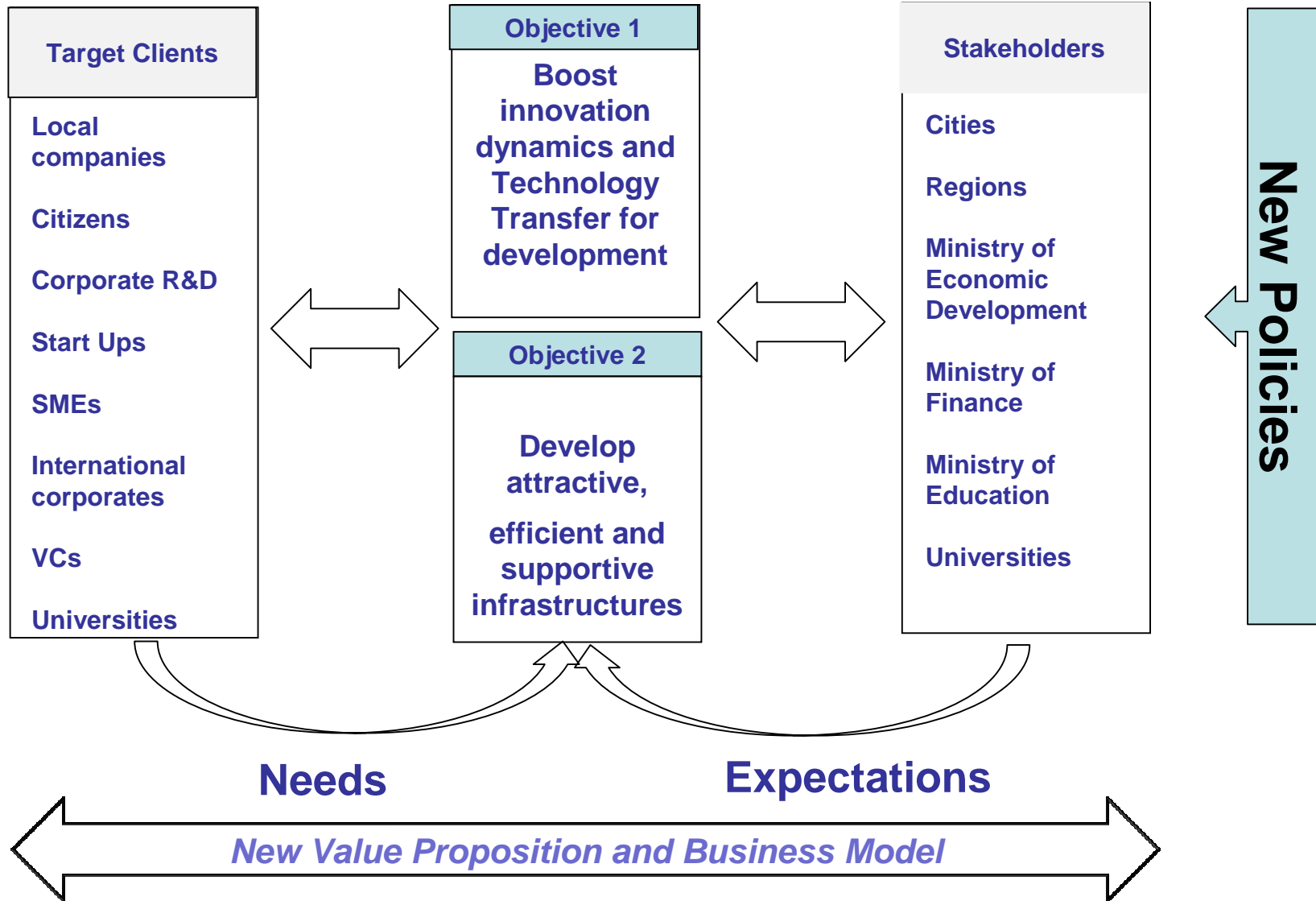
Launching a cluster initiative has never been considered as a complete failure for a region. The effort to design collective vision and objectives , to better identify regional strengths and weaknesses and to concentrate resources has always been considered as an economic, scientific and social booster.

What did not work well ?	Why
Growing company base	<ul style="list-style-type: none"> -Government imported a foreign vision with world class scientists without strong footholds in the region - Limited knowledge transfer between local institutions and foreign partners - Some key tax and regulatory hurdles blocked knowledge economy development - Strategy focused too much on fundamental public research - Limited Effective networking and entrepreneurial approach
Attract Key talent	<ul style="list-style-type: none"> - High costs of livings and package not attractive - Research and Infrastructures not at the standards - No world class scientific projects
Availability of finance	<ul style="list-style-type: none"> - Redistribution of existing budgets – no new money - New Public Finance available at the start only - Financial chain was not in place to support new ventures. - Cluster Value proposition was not enough attractive for private funds.
Governance	<ul style="list-style-type: none"> - Key founding members of clusters were more interested to share new public money than creating value - Governance is too much controlled by public bodies - No leadership - Independent international experts opinions are not taking into consideration for strategy definition

What did not work well : some examples

What did not work well ?	Why
Credibility building and impact	<ul style="list-style-type: none"> - Scientific focus and related budget diluted on too many topics - Need to satisfy too many local stakeholders - No critical mass
Implementation delays and overbudget	<ul style="list-style-type: none"> - Lack of coordination between different public bodies - Business plan was too optimistic and did not address the project risks - Operational plan not enough detailed - Project management team too limited - Administrative delays for specific authorisations (real estate, budget...)
Return on Investment not clearly defined by authorities	<ul style="list-style-type: none"> - Scientific and Economic objectives not precisely defined in the strategic plan - No methodology and resources to measure achievements and scientific, economic and social impact

New Value Proposition and Business model required



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Global Government Industry Cluster Leader

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Cluster Initiative Leader

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