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In search of indicators to support the 'perfect cluster'

Where evaluation theory collides with policy practice

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In search of indicators to support the 'perfect cluster':

Where evaluation theory collides with policy practice

Introduction

The concept of geographically concentrated 'clusters' of firms, research institutions and other organisations became popular in economic development policy circles during the 1990s, following the publication of Michael Porter's (1990) Competitive Advantage of Nations. Today there is widespread acceptance of the need to design policies that nurture and support cooperative relationships among groups of firms and other agents to boost competitiveness and innovation. Despite the widespread use of cluster policies as cornerstones of regional and national competitiveness policy, there remains a shortage of evaluation research and practice that enable us to understand the impacts of these policies. This is due to the inherent methodological difficulties in evaluating cluster policies, and capturing both direct and indirect impacts. For example, standard evaluation approaches focused on the firm as a single point of measurement risk missing the added value of collaboration core to the cluster approach.

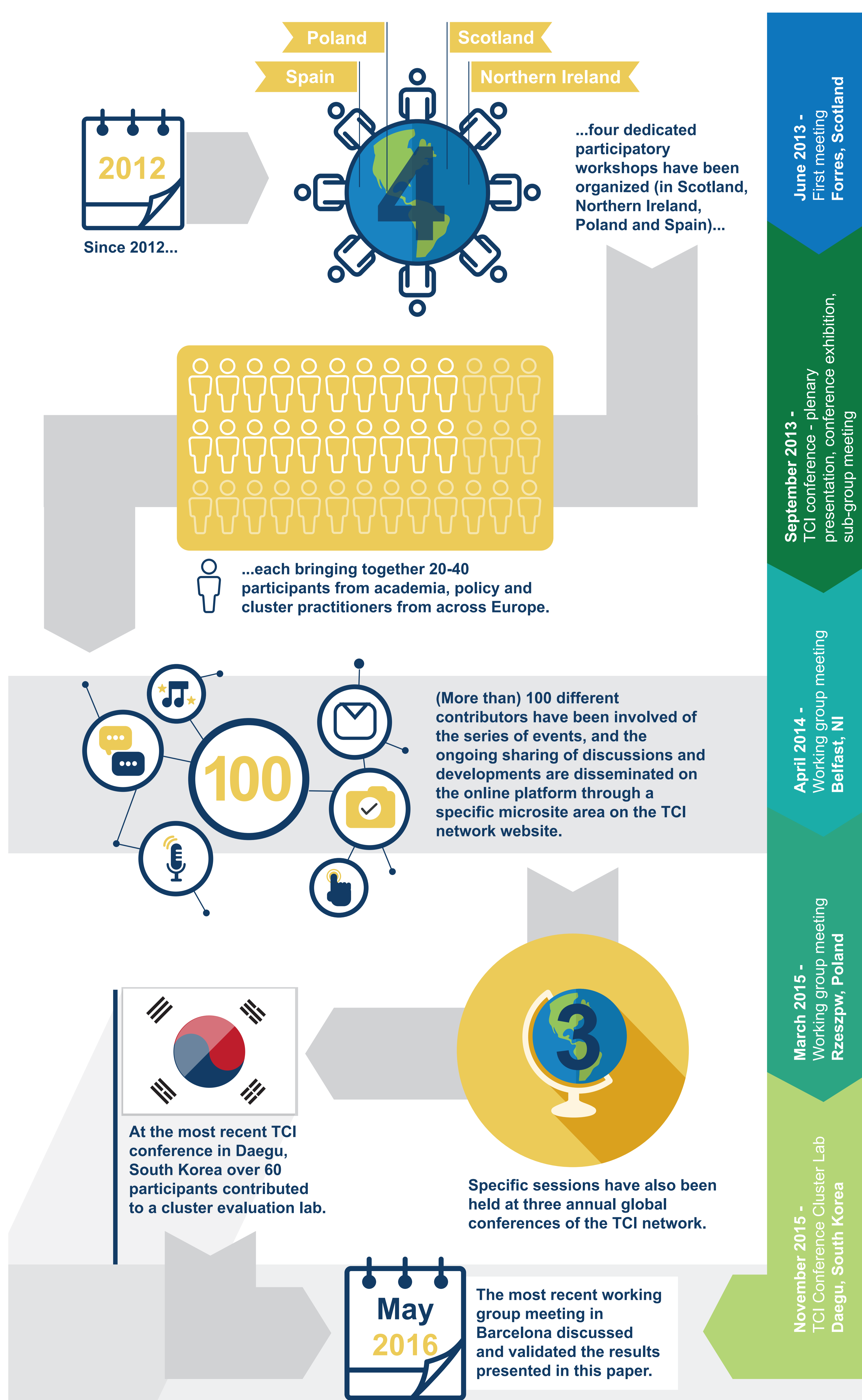
Addressing these challenges necessitates the coming together of academic expertise and analysis with the real-time and evolving experience of policy makers and practitioners. This paper makes a contribution in addressing this shared challenge and moving the cluster evaluation state-of-art forwards.

Method

At least five elements to the cluster evaluation challenge can be identified, all of which require dialogue between academic experts, cluster policy-makers and cluster practitioners if they are to be appropriately addressed.

1. capturing the more qualitative 'human element' (or cooperative dynamic) that is essential building a successful cluster
2. converting emerging academic analyses into pragmatic indicators/approaches that have feasible data requirements in practice
3. selection and combination of techniques and tools as appropriate to different circumstances
4. approaches to deal with complexity from the interactions that exist across policy levels, instruments and initiatives
5. a stronger emphasis on the contribution of indicators and evaluation to policy learning, rather than the more common narrow focus on audit.

These cluster evaluation challenges are being addressed through a unique experience that has brought together academics, policy-makers and cluster practitioners from around the world through a working group of TCI (the global network for clusters and innovation).



The regular nature of these activities and the continuity of a proportion of the people involved have facilitated a progressive process of identification and exploration of cluster evaluation challenges that has integrated theoretical and practical considerations. This has enabled the development of a common understanding of challenges and progress towards an approach for addressing some of these issues.

Conclusions

- There are emerging opportunities for developing new indicators and data collection methods that respond to the challenges of measuring not only the results of collaborative activity, but also the process of collaboration.
- To bridge gaps, adjust expectations and open new possibilities for realistic implementation of cluster evaluation practices, there is a need for forums and spaces where academics working on clusters and cluster evaluation issues can meet with those practitioners who are implementing and attempting to evaluate cluster programmes on the ground.
- Collaboration as an approach is not isolated to cluster programmes, but increasingly underpins many innovation and other policy approaches. Thus, these advances will be relevant not only for cluster policies and programmes, but also for many other policies focused on strengthening collaboration.

Results

This process has resulted in the development and validation of an evaluation framework based on the notion of what would expect to be found in the 'perfect cluster', which is accompanied by a series of cluster evaluation principles.

These two outputs are currently guiding the development of a specific question bank for cluster members to promote future comparative analysis among those engaged in the process, in particular focusing on how to capture the softer elements of collaborative processes and impact so often missed in traditional cluster evaluation approaches. This draft survey will be tested by numerous cluster practitioners (e.g. cluster programme managers or researchers) around the globe over the next six months.

Principles to Guide Evaluation



Evaluation needs to reflect real world context



Timing of evaluation-reflect the maturity



Evaluation for change - Evaluation is about learning – not just audit



Causality is challenging, so gather basket of evidence



Different audiences need different outputs

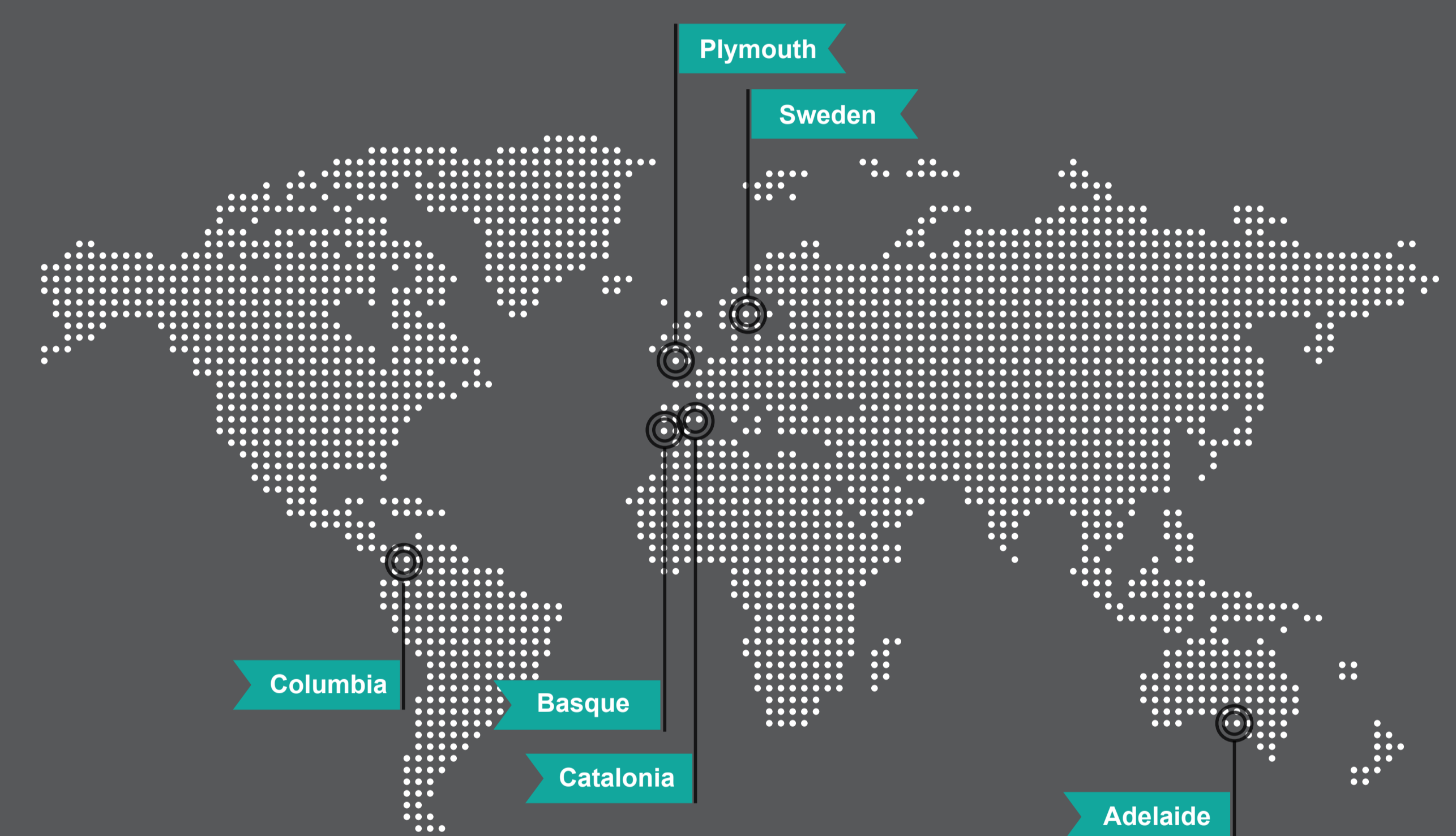


Social capital and trust are fundamental so find ways to evidence softer issues



Capture evidence against Why (regional competitiveness), What (projects and programmes) and How (collaborative dynamics)

The different locations where the survey will be tested:



How do practitioners describe the perfect cluster?

(Examples of results from Daegu cluster Lab)

	Creation	Growth	Internationalisation	Diversification
Activity: What is happening?	Establishing basis for a common vision/strategy; (Regular) networking	Development projects between different players; Understanding and addressing barriers	Identifying international partners; linkages with hubs internationally	Cross-cluster platforms; Clusters of clusters
Actors: Who is involved?	A broad/diverse group: critical mass of interested actors	Professional cluster manager/facilitator; Government involvement aligned with cluster strategy	Other clusters and research actors outside region; Participants in regional strategy	Cluster actors in other activities; Public support important (changing scope)
Resources: What money & physical assets are being used?	Volunteers, in particular committed industry leaders;	Membership fees; Private sector R&D investments; External (maybe public sector) support/seed financing	Transnational programme funding (e.g. EU); More private sector investments	Intangibles and structured ways of working; new project resources
Social Capital: What type of behaviour do we see?	Strong trust among regional actors; Open minded, willingness to engage	Trust, confidence in the added value of the cluster members; Knowledge-sharing	International partners; More expansive and inclusive	Boundary spanners; Creative skills
Results: What is being generated?	New collaborative projects; Foundations for value creation	Successful projects; value creation; Widening of cluster ecosystem	Integration in global value chains; Company growth (exports)	Spin-off businesses in new areas; New markets

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