ARENA
PROGRAMMET

Norwegian Clusters and Networks: Approaches and success criterias

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7 th TCI Conference, Ottawa 2004

Et samarbeid mellom:

SIVA Norges forskningsråd INNOVASJON NORGE

Overview of the presentation

1. The Norwegian Context
2. The Arena Programme
3. Case presentation: Arena Light Metal
4. Main approaches and success criterias

The Norwegian context

- ✓ The Norwegian tradition: A gap between a regional policy trying to compensate for the disadvantages of rural areas, and a national industry policy without regional perspectives
- ✓ An emerging *national* innovation policy and stronger sector coordination
- ✓ Regional initiatives co-ordinated by regional public/private partnerships and Development Plans
- ✓ A well-developed regional knowledge infrastructure
- ✓ National programmes supporting regional initiated and designed projects

Arena: A national programme supporting regional cluster initiatives

- ✓ September 2004: 17 regional cluster initiatives - supported by projects and learning activities at the programme level
- ✓ Annual calls for new projects
- ✓ Budget 2004: € 4 mill. Funded by the Ministries of *Trade and Industry* and *Local Government and Regional Development*
- ✓ Arena is owned by three governmental agencies; *Innovation Norway*, *The Research Council of Norway* and *The Industrial Development Corporation of Norway (SIVA)* – with Innovation Norway as the main operator

Goals

On *project* level:

- ✓ To increase innovation and value creation in regional business communities through strengthening the interaction between the business sector, knowledge providers and the public sector

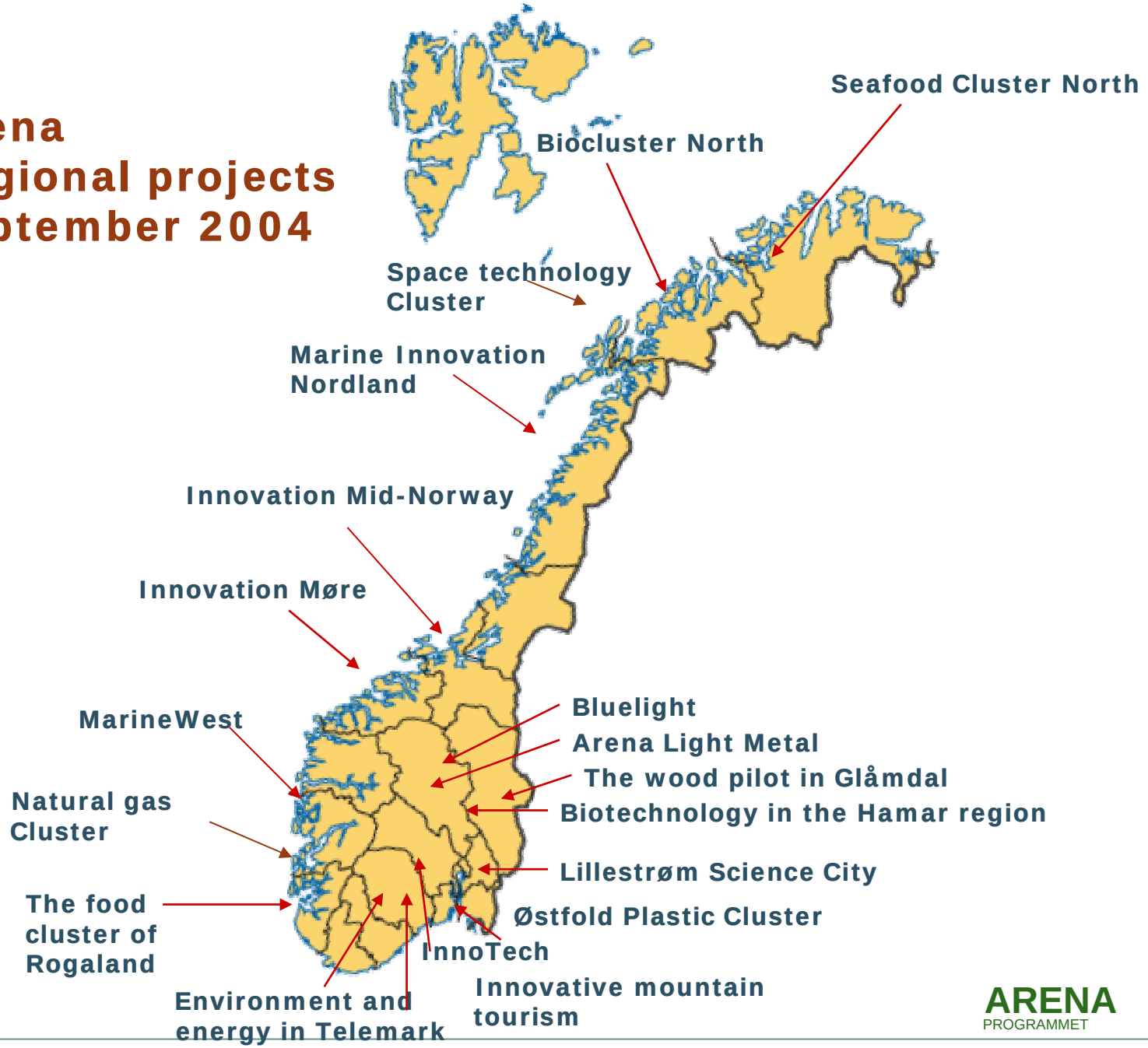
On *programme* level:

- ✓ To gain experiences needed to develop effective approaches and guidelines and to support policy learning

Strategies

- Set up places to meet and networks that can facilitate the development of trust-based relationships
- Initiate network based innovation projects and processes
- Develop and implement competence activities to improve innovation capabilities
- Develop and implement educational options and R&D activities better adapted to the needs of the business communities
- Develop a more proactive and coordinated role from the public sector

Arena
Regional projects
September 2004



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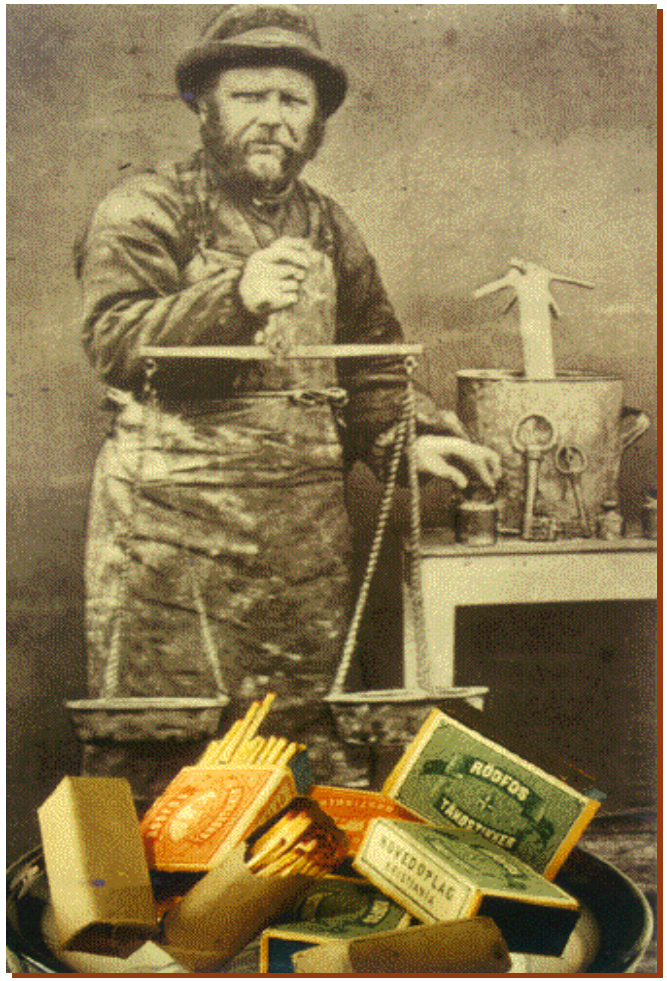
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Dating back to 1896



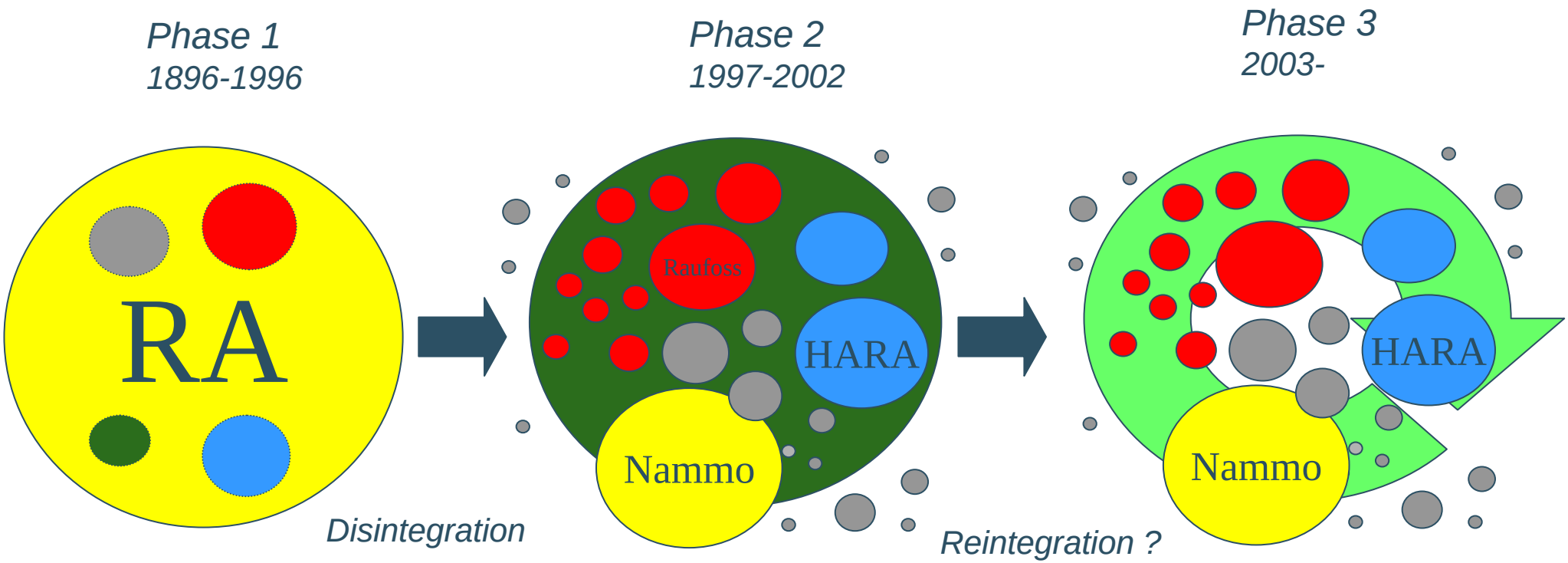
Producing ammunition to be ready for the Swedes.....

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The rest of the history



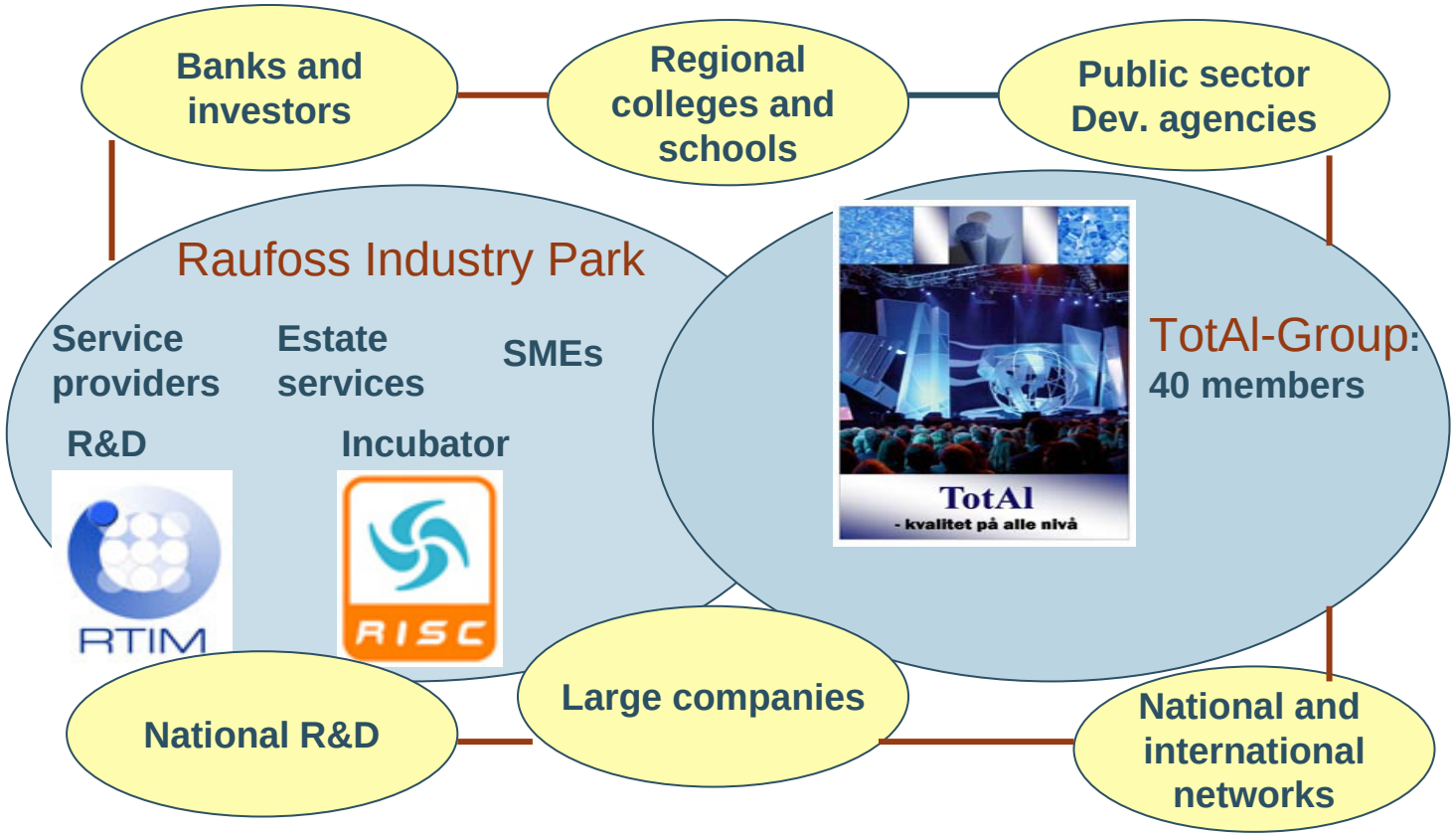
From RA via Industry Park to a dynamic cluster



Integrated company | Fragmentation – ”Passive” Industry Park | Dynamic cluster (?)

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The cluster



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Arena Light Metal: Some results

- ✓ New energy was needed to rebuild/strengthen interactions: The Arena project take the role as a facilitator
- ✓ The business network (TotAl Group) has developed a central role in the innovation processes
- ✓ A joint R&D-company between the local companies and the leading Norwegian R&D institution has strengthened the ability to engage in radical innovations
- ✓ The business incubator has attracted several promising start-ups

The value of concepts and dialogue

- ✓ The concepts – innovation system, cluster, triple helix – are more often used as symbols and visions, as they are used as analytical tools.
- ✓ A trustworthy and ambitious vision that initially is carried by a few, but eventually is developed and carried by many, is one of the basic tools for informal ”leadership”
- ✓ The ongoing dialogue must acknowledge that the different partners are driven by self-interest – but each partners focus must be perceived by the others as legitimate
- ✓ The goals and strategies should be bold, clear – and dynamic

Relevance, timing and patience

- ✓ Every cluster initiative has a history, and should be based on a deep understanding of the social capital and the innovation culture in the region/the cluster
- ✓ There is such things as ”windows of opportunity”: plans and actions must have the right timing
- ✓ Be aware of break-throughs – and adjust goals and strategies to take advantage of these
- ✓ Building trust and partnerships is often long-term processes – The cluster initiatives must be long-term when needed
- ✓ On the other hand: public financial support can be cut when it is no longer needed

Leadership

- ✓ Someone has to take the leadership

- ✓ But: how do you lead or steer a complex social system where
  - You don’t have the right to instruct anyone
  - You don’t have the overview of the resources available, and the resources needed
  - The objectives are constantly changing, as responses to successes and failures

- ✓ Part of the answer is easy – but difficult in practise:
  - Legitimate leadership based on trust
  - Shared long term vision
  - Ability to produce partial results that demonstrate the effectiveness of co-operating

Conclusions

- ✓ Our approaches and models for promoting networks and clusters are based on some basic concepts, and a lot of ”learning-by-doing”
- ✓ No ”formula for success” – each case find their model - but several basic principles and approaches guiding our initiatives
- ✓ The response from the ”market” on cluster and networking support schemes is positive
- ✓ What has the programme led to so far: Some successes, some promising initiatives, and some failures adding to our learning..