

Internationalisation of the Walloon clusters and competitiveness poles

A Walloon definition

- "The cluster is an **organizational approach of the production system set on the initiative of the companies** (with, if need be, the participation of research centres) and characterized by ...
- a co-operation framework encompassing related activities,
- the voluntary development between the companies of a complementarity relationship, vertical or horizontal, profit or non-profit, the promotion of a common vision of development."

A cluster thus cannot be:

- a business club,
- the companies from a same economic activity area,
- a sectoral federation,
- a consortium,
- a strategic alliance,
- a joint venture.

The cluster as a factor of competitiveness

- The creation of (trans-)sectoral networks should increase the interactions between companies within the Walloon productive fabric, in all the fields where the sharing of resources and knowledge can raise the level of competitiveness and innovation : ordering customers / subcontractors relations, R&D, new products, quality, qualifications, commercial moves and exports, etc.

Partnerships within the clusters

- Within a majority of clusters, inter-enterprises projects are launched in the technological, industrial or commercial fields. There are presently **59 partnerships** of this kind, involving some 222 members.
- In some cases, these partnerships lead to the creation of new enterprises (4 in 2005).

Intercluster partnerships

- All the Walloon clusters are carrying out international activities (economic assignments, attendance to specialised fairs, participation in EU tendering procedures, benchmarking operations,...).
- Some of them are already proceeding further, establishing structural partnerships with foreign similar bodies. There are presently 6 **intercluster partnerships** of this kind, from the cross-border area to the interregional area.

Membership

- 10 Walloon clusters bring together **790 members**; this is a **33% progress** in comparison with the end of 2004.
- Entreprises are, of course, in a significant position as they count for **82%** of the listed members (**647 companies**).

Three groups of arguments to justify the benefit derived from the clusters:

- Increases in **productivity**.
- The degree of **innovation** of the companies is improved thanks to, inter alia, the interaction between customers and suppliers, thus promoting the development of "market-driven" innovations.
- The **creation of new companies** is promoted by a better information on market opportunities and a clear vision of the cluster and its development potential.

A policy with nine guidelines

- **Getting to know better each other:** the first task of the cluster consists in ensuring that each company knows the other ones as far as services, products, technologies and staff are concerned;
- **Knowing the environment of the cluster** by listing in a precise and updated way the different operators of the sector and the related sectors and drawing up a list of their specialities and specificities;
- **Increasing the economic impacts** on behalf of Walloon companies and more particularly the subcontracting SMEs;

- **Promoting and facilitating partnerships** and synergies between the companies of the cluster through specialization agreements, joint research projects, joint use of the staff, joint investments;
- Organizing **benchmarking actions** ;
- Increasing and promoting **technological development**

- **Developing a permanent commercial approach;**
- **Ensuring the promotion of the sector** through fairs and exhibitions programmes, international programmes and initiatives with regional, federal and European institutions;
- **Promoting the creation and development** of new activities or new products in niches where companies are poorly or not represented.

The clusters



- 2001:
 - Aeronautics
 - Automotive
 - Wood
 - Biotechnology
- 2003:
 - Space
 - Clinical research
 - Ceramic products
- 2004:
 - Transport and Logistics
 - Solid waste
 - Nutrition
 - Eco-building
 - ICT
 - Waste Management

Who does what? The companies



- **Companies are the driving force of the cluster** : definition of a common vision, drawing up of a concrete action plan, supervision of the animator's work, etc.
- The in-depth **partnerships** between certain members of the cluster are a basic element of the approach. Their results can be seen, inter alia, in the fields of R&D, new products, quality moves, qualifications or joint commercial moves.
- These **partnerships mainly involve companies**, but, according to the nature of the project, they can bring together research centres, training bodies, other companies from a complementary sector of activity.

The animator

- Companies choose the animator of their cluster, generally an experienced expert from the related sector.
- This animator plays a major role, inter alia, with a view to allowing a better mutual understanding, building the common vision of the cluster, inciting and accompanying partnerships between companies, establishing the relevant linkages to other public or private operators (universities, sectoral federations, financial institutions, AWEX, etc.).

The Region

- A cluster cannot be turned into a compulsory thing ! The Region intends thus to act as a catalyst following a «bottom-up» approach: the initiative must stem from the companies and remain at this level. Consequently, the **Region supports the expenses incurred by the animation** of the cluster. By contributing to creating added value on behalf of each of its members, and with a view to durability, the cluster should become to the utmost «self-supporting» from a financial point of view.

Evaluation process



The Walloon cluster policy incorporates an evaluation process of the clusters which is carried out every three year. The evaluation is performed using qualitative and quantitative indicators measuring the results and the performances of the clusters. The first 4 clusters were evaluated in **2004** and it was found that 2 clusters (wood and food-processing) had insufficient critical mass and low involvement of enterprises. Consequently, it was decided to drop these 2 clusters and carry on with the 2 other successful clusters which are aeronautics and automobility. The 3 clusters that were launched in 2003 are currently being evaluated.

Overview of the cluster experience

- All in all, 10 clusters are today in operation in Wallonia, which are composed of 650 enterprises (mostly SMEs) and 47 actors involved in R&D activities, such as universities and research centres. 60 projects have been launched across the 10 clusters in the technological, industrial and commercial fields. In some cases, these partnerships have led to new enterprise creation.

- Thus, in general, cluster development has been so far a success in Wallonia as it seems to have generated a multiplier effect in most of the sectors covered by the clusters. Started with 4 pilot clusters comprising 170 firms, it is now a full-scale programme involving 10 clusters and 650 firms. It was not based on a one-shot approach, but on a structured method allowing to identify factors impeding cluster development and, if needed, to improve policy measures.

Competitiveness poles

- **General context and link with the Marshall Plan**
- Turning now to the competitiveness poles, which are currently being created in Wallonia, they go clearly a step further than the clusters in terms of ambition, dimension and coverage. The development of competitiveness poles, which can be labelled as mega-clusters, is the first priority of the new Walloon economic programme, known as the Marshall Plan, which amplifies the measures taken in the Contrat d'Avenir initiated in 2000.

The main objective of the poles

- Basically, the main objective of our competitiveness poles policy is to promote, in leading sectors of the Walloon economy, partnerships between enterprises, training centres and research centres which should lead to innovative projects and new activities that will improve Wallonia's international competitiveness position.



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The five sectors

- After examining the potential of various sectors of the Walloon economy, the Government was able to identify 5 priority sectors in which Wallonia could excel at a global level. These sectors are:
 - - **life sciences** (pharmaceuticals / health-related fields)
 - - **the food-processing industry ;**
 - - **mechanical engineering ;**
 - - **transport and logistics;**
 - - **aeronautics and aerospace.**

4 general criteria will be applied in the selection of the poles :

- The poles should be based on a close partnership between enterprises, training centres and research centres (private or public) ;
- The poles must set up innovative projects that will generate high value added activities and highly-qualified employment ;
- The poles must possess potentialities sufficient to reach a critical mass and high international visibility ;
- The poles must allow for the development of activities across all regions of Wallonia.

Available funds



- **280 million euros over the period 2006-2009** will be made available globally for the five competitiveness poles that will be selected.
- 120 millions will be available for R&D projects ;
- 55 millions for training and employment schemes ;
- 45 millions for investments aid ;
- 10 millions for export and foreign investment promotion through programmes managed by AWEX ;
- 50 millions will also be invested by the Government in assets and holdings specific to the poles.

Actions to internationalise the clusters and competitiveness

poles

- Clusters carry out some international activities, such as participation in EU programmes, partnerships with foreign clusters and participation to AWEX promotional actions and commercial actions abroad (sectoral missions and attendance to specialised fairs). In 2006, Walloon clusters are participating to many commercial actions organised by AWEX in Germany, Spain, France and the UK. As a matter of fact, AWEX has adapted its financial incentive programmes to better suit the demands and needs of clusters or other sectoral groupings.

- The clusters (aeronautics, automobility, nutrition, clinical research, space and ITC) are also actively involved in multilateral partnerships with clusters operating in other EU countries. These partnerships are financed by EU funds. Moreover, it is now possible for clusters to benefit from specific subsidies (24.000 euros) from the Walloon government helping them to submit tenders for EU and international programmes involving inter-cluster partnerships.

Competitiveness poles

- Turning to the competitiveness poles, they are by nature more focused on the international dimension. One of the most important selection criteria of the poles is to show sufficient potentialities to achieve critical mass that will lead to an increase in Wallonia's international visibility and attractivity in the sectors covered by the poles. All of which should in turn bolster our export performance and stimulate foreign investment in Wallonia.

Conclusion

- Finally, the Government has also clearly recognized the importance of the international dimension of the poles by explicitly requiring that the poles' proposals must include partnerships with foreign private and public actors, including other clusters.
- In conclusion, at the Walloon scale, efforts to internationalise the poles can be considered as important and will be capital in the future success of the poles. The Walloon government is of course inspired by what has been done in other European countries, but we have tried to be creative and avoid to merely transposing experiments conducted abroad.

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A large, stylized red letter 'W' is positioned in the center of the slide. It is surrounded by several light blue stars, which are reminiscent of the stars on the European Union flag. The 'W' is thick and has a slightly irregular, hand-drawn appearance.

Thank you for your attention