CLUSTER EVALUATION
KEY TO UNLOCKING LEARNING AND IMPROVEMENT

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DO CLUSTER POLICIES WORK?

• A big question, an increasingly common question, and a difficult question ...

• Characteristics of clusters mean **many of their impacts are intangible and difficult to isolate**
  – Built on ‘soft’ collaborative dynamics
  – Typically have a long-term horizon
  – Spill-over to agents outside the cluster initiative
  – Interact with other competitiveness policies
  – Extremely heterogeneous

• Shortage of cluster evaluation research & practice:

**Impacts of clustering:** Reasonable evidence of firm-level impacts

**Impacts of cluster policy:** Much weaker evidence
COLLABORATING TO IMPROVE PRACTICE

• A forum for learning collectively around common, complex & important cluster evaluation challenges
  – Meeting twice a year since 2013
  – Brought together over 100 people
  – Mix of academics, policy-makers, practitioners

Evidencing the value of cluster policy is only part of the question

The bigger issue is how we can use evaluation to learn and do things better
How should cluster policies work?

Policy (resources) → Cluster Initiative (association, project, agency ...) → Change Behaviour (innovate, internationalise, attract talent, ...) → Improve Firm Competitiveness

- Intangible ‘human’ elements
- Time Lag?
- Multi-level policy mix?
- Other Policies
- Impact on the Region (economic & also beyond GDP)

External Factors
## FRAMEWORK OF EFFECTS

<table>
<thead>
<tr>
<th>Level</th>
<th>Short-term results (1-3 years) Cluster participants</th>
<th>Long term effects (3-10 years) Cluster participants &amp; beyond</th>
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</thead>
<tbody>
<tr>
<td>Individual Actor (A)</td>
<td>Perceptions &amp; Behaviours</td>
<td>(Economic) Performance experienced by individual actors</td>
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<tr>
<td></td>
<td>- Competence development</td>
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<td>- Knowledge exchange</td>
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<td>- Capacity to innovate</td>
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<td>- Involvement in collaborative activities</td>
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<tr>
<td>Collaborative</td>
<td>Perceptions &amp; Behaviours</td>
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<tr>
<td>Group/Cluster Initiative (C)</td>
<td>- Engagement of different actor groups</td>
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<td>- Dynamics of linkages over time</td>
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<td></td>
<td>- Perceived value of collaboration</td>
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<td>Territorial System (S)</td>
<td>Collaboration Infrastructure</td>
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<td>- Quality of cluster management</td>
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<td>- Leadership</td>
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<td>- Processes</td>
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<td></td>
<td>Competitiveness and international attractiveness of innovation eco-system</td>
<td>Effectiveness of business and innovation support system</td>
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<td></td>
<td>- Changes in behaviours and performance of system</td>
<td>- Changes in structures, policies and institutional arrangements</td>
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<td></td>
<td>Effectiveness of business and innovation support system</td>
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Aim to improve cluster policy and cluster practice by experimenting with new monitoring and evaluation approaches

1. Understanding ‘voice of users’
2. Leveraging programme data to understand network dynamics

Focus on using as strategic learning tools

• Revision of cluster policy in 2014/2015
• New tools for cluster evaluation identified as key challenge

Preliminary development of data visualisation tool
Initial testing in collaboration with one CMO
Share pilot results at Basque Cluster Day (November 2018)
Establish working group with several CMOs to explore learning potential (2019)
KEY MESSAGES

Cluster evaluation is the key to unlocking learning and improvement around how clusters work and how policy engages with clusters.

Our learning points to three key ingredients to make this happen:

1. **View evaluation as a strategic learning tool**
   - Move beyond evaluation as audit
   - Strategic intelligence feeding improvement
   - Essential part of policy & cluster initiative governance

2. **Employ a basket of data, methods & tools**
   - Context is king (region, policy, audience, timing ...)
   - Quantitative methods useful, but never give whole picture
   - ‘Story telling’ important for capturing ‘human element’

3. **Co-design evaluation with stakeholders**
   - Evaluating ‘triple helix’ processes requires triple helix engagement
   - Stakeholder ‘buy-in’ ensures usefulness of intelligence generated
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