



## Strategic Development Plan for Clustering in MED region.



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## 1. ICS Project "Social Economy and Internationalization for Local Development".

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## 1. ICS Project "Social Economy and Internationalization for Local Development".

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The Confederation of Social Economy Entities in Andalusia, CEPES Andalucía, was created in 1993 as a cross-sector business organisation that unites all the Social Economy associations and federations of companies in Andalusian Region. As the biggest representative and of the Social Economy, CEPES-A represent a distinguished business sector whose actions are based upon the creation of social and economic wealth using specific business formulas (Cooperatives, Employee-Owned Companies, Self-Employed Business People) and a set of values and principles: Prevalence of human capital over monetary capital, Democratic decision-making, Free membership, Worker - Company identification, Self-management, Territorial identification of its companies, Sustainability, Social Responsibility and Intercooperation.

Social Economy is a very important Andalusian Development Agent. It creates a cooperative social climate, encourages an entrepreneurial attitude, identifies and strengthens new employment opportunities, promotes new methods of community involvement, generates quality employment, promotes business development projects, develops endogenous economic activity, creates new services and features to cover new needs and integrates and include different social groups.

CEPES-A Mission has always been to become a reference point, and to raise the profile of the S.E. sector. According to that, Strategic Goals of CEPES-A, from a general and cross-cutting nature, are to broadcast the values of the Social Economy, to promote an entrepreneurial culture towards self-employment, to involve and/or increase the institutional presence, to strengthen competitiveness of S.E. companies, to represent and defend the business and socioeconomic interests of the Andalusian Social Economy, to encourage the creation of plans and projects, and to be present on an international scale.

Every of these goals are related with ICS - SMEs and Cooperative Economy for Local Development Project Objectives: To promote the strategic position of the Med cooperative system in the global economy, strengthening its innovation, competitiveness and clusterization opportunities; to improve the public policies for the innovation of cooperative entrepreneurship, defining a close coordination approach among PAs, cooperatives system, service business providers and stakeholders at a transnational level; or to define competitive innovation strategies and business integration opportunities for the MED Cooperatives.

We are now working together to achieve the identified opportunities in the MED Program: to promote innovative solutions to the main problems and weaknesses affecting the cooperative economy; and to promote the setting up of a sound transnational network of private and public stakeholders in charge of coordinating and leading the development of cooperative economy under the innovation point of view.



Source: CEPES-A

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## 2. M.E.D. Zone "Europe in the Mediterranean 2007-2013".

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## 2. M.E.D. Zone "Europe in the Mediterranean 2007-2013".

Project cofinanced by the European Regional Development Fund

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## 2.1. Geographical context M.E.D. region.



Source: MEDProgramme webpage<sup>1</sup>

The MED program<sup>2</sup> promotes transnational corporations in the North and South of the Mediterranean, funding projects to develop the themes identified as priorities for the area. It continues the tradition of European cooperation programs (previously called Interreg), and is part of the objective "European Territorial Cooperation" for the period 2007 - 2013.

It covers coastal and Mediterranean regions of nine EU member states. The Operational Programme "Med" framed under the European Territorial Cooperation objective was approved by the European Commission on 20 December 2007 for the programming period between 2007 and 2013.

The priorities of the program are:

- To improve the competitiveness of the area so growth and employment for the next generations is ensured (Lisbon Strategy).
- To promote territorial cohesion and environmental protection, according to the logic of sustainable development (Gothenburg strategy).

Thus, the orientations of the Lisbon and Gothenburg Agendas, together with the

<sup>1</sup><http://www.programmemed.eu/en/the-programme/about/cooperation-space.html>

<sup>2</sup><http://www.puntoseuropa.eu/Ficha%20Programa%20MED.pdf>



conclusions of the diagnosis and SWOT analysis have led to the following general objective for the Med Programme:

"Make all the Med space a territory able to compete internationally to ensure growth and jobs for following generations. Supporting territorial cohesion and actively intervene in favor of environmental protection in the context of sustainable development. "

This general approach of the program is developed through four main lines of action, related to the most important priorities of the ERDF regulation:

- Innovation.
- Environment.
- Accesibility.
- Urbano sustainabledevelopment.

## MEDregion

In the period 2007 - 2013, cooperation in the framework of the Med will be developed in the areas in which they had been doing previously.

According to the Commission decision of October 31st 2006, defining the list of regions and areas eligible for different branches of the European territorial cooperation objective, Med program covers the following NUTS II areas:

- Cyprus: the whole country.
- four French regions: Corsica, Languedoc-Roussillon, Provence Alpes Côte d'Azur, Rhône-Alpes.
- Greece: theentire country.
- 18 Italianregions: Abruzzo, Apulia, Basilicata, Calabria, Campania, Emilia-Romagna, Friuli-VeneziaGiulia, Lazio, Liguria, Lombardy, Marche, Molise, Umbria, Piedmont, Sardinia, Sicily, Tuscany, Veneto.
- Malta: the whole country.
- two Portuguese regions: Algarve, Alentejo.
- Slovenia: the whole country.
- six Spanish regions: Andalusia, Aragon, Catalonia, Balearic Islands, Murcia, Valencia and two autonomous cities Ceuta and Melilla.
- 1 region of economic planning in the UK: Gibraltar.

Participation of ineligible areas outside these regions is possible but is limited:

- PAA Partners (Croatia and Montenegro): participate with their own funds from the Instrument for Pre-Adhesion Assistance (PAA). It is possible that other countries join the program later. In that case Commission and Management Committee will decide the form of participation.
- Partners EU countries outside the area Med allowed under ERDF funds up to 20% of the total eligible costs of the project in which they are involved.
- Partners outside the EU and PAA: may be associated, covering their expenses with their own resources.

ICS project involves ten institutions and organisms of five MED Zone member states:

- Italy: **Government Department of International Relations and Foreign Cooperation Promotion** and **Legaccoop** from Marche (Marche).
- France: Regional Center for Innovation and Solidarity **CARACTERRES** from Provence-Alpes-Côte d'Azur region, and **Oxalis Scop. SA** association from Rhone-Alpes.
- Spain: Foundation for Technological Development and Innovation of Catalonia **FUNDITEC** and the Confederation of Organisations for Social Economy of Andalusia, **CEPES-A**.
- Greece: **Municipal Development Company of Milies** in the region of Thessaly and **Epirus** Regional Authority.
- Portugal: **Pedro Nunes Institute** in Coimbra and the **University of Algarve**.

The ICS Project website is at the following web link:

<http://www.medcoop.eu/>

## 2.2. Concepts of Social Economy.

Project cofinanced by the European Regional Development Fund

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By the term Social Economy there are series of concepts related to the development of an economic system which is established from the private and which results return in its members and / or the companies in which develop in the form of social and economic conditions improvement.

However, the term social economy has historically had different shades, ranging from the non-commercial aspect to the business-oriented one, or a combination of both. Currently, as reflected in the " Manual for drawing up the satellite accounts of companies in the social economy ", published by the European Union, it is defined as "the set of private companies, formally-organized with autonomous decision and freedom of membership, created to meet the needs of its partners through the market, producing goods and services, insurance and finance, in which the eventual distribution among members of profits or surpluses, as well as decision-making, are not linked directly to the capital or fees contributed by each member, corresponding one vote to each of them. The social economy also groups private entities formally organized with autonomy of decision and freedom of membership that produce non-market services for households and whose surpluses, if any, cannot be appropriated by the economic agents that create, control or finance them. "

### Thus the Social Economy is divided into two sectors:

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A) A market sector in which cooperatives, mutuals, social enterprises and certain nonprofit corporations serving the Social Economy enterprises are grouped.

B) A non-market sector basically consisting in associations and foundations and other entities whose production provides goods and services in a free basis or at mostly insignificant prices.

This extension of the Social Economy to both mentioned spheres does not count with full support of the doctrine to the point that it is actually the concept of Third Sector (TS) the space in which nonprofit sector (NPS) and social economy (SE) match, as the authors of the report point. This combination has not been peaceful until recently because in the Anglo-Saxon tradition TS only includes nonprofit dimension, which excludes the distribution of benefits among the partners, while in the concept of social or solidarity economy, democratic dimension and partners utility and the society as a whole form the core matter, ie the criterion of service to people.

It is not only a matter of nuance, but the fact is that while in the nonprofit sector concept, TS is the area lying between the market and the state, for the conception of social economy it is the one that comprises between capitalist and public sector. Somehow the NPS sees people as recipients of aid, while the social economy as active agents, while the development of both sectors has led in many ways to some convergence without compromising the plurality of actors and modes of organization. The tradition of each country emphasizes either a pole or the opposite in greater or lesser extent.

### 2.3. Concept of European Cooperative Society.

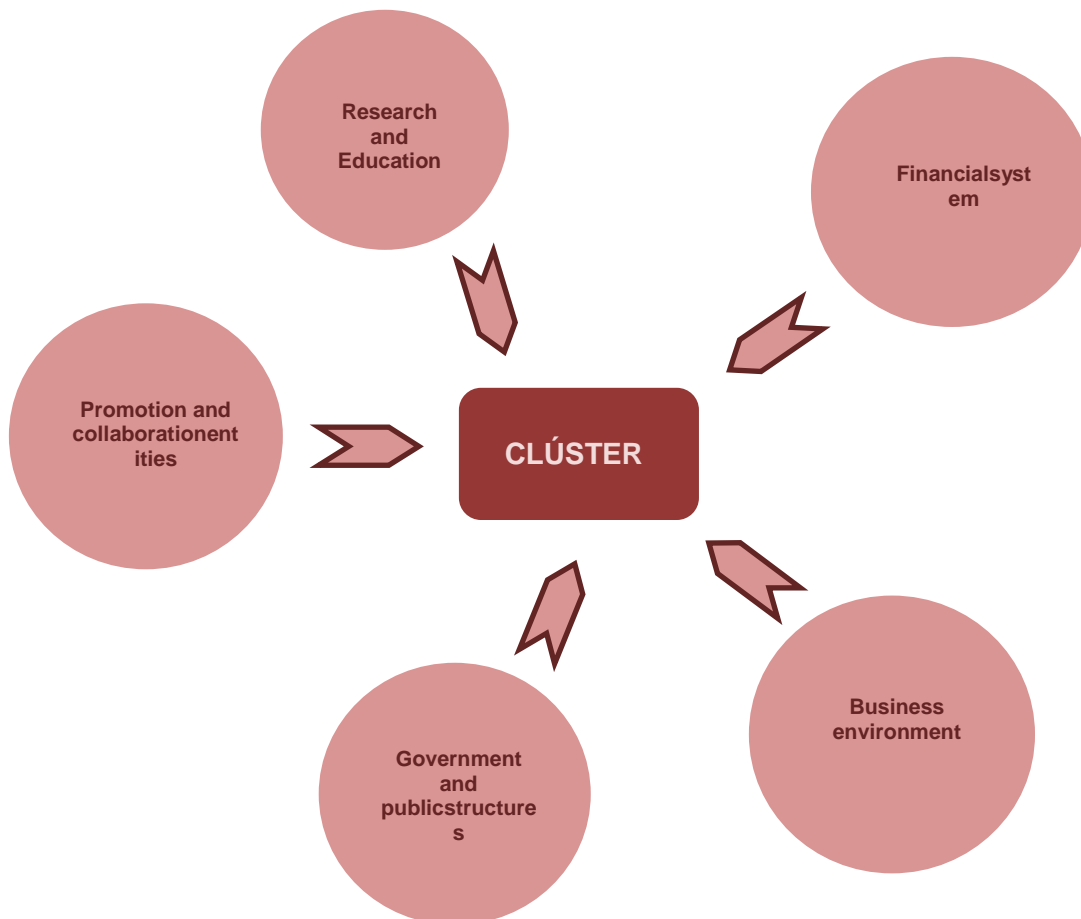
The beginning of a European legislation regulating cooperatives, is created with the aim of adapting production structures to EU dimension of the market. So, it is essential that companies whose activities do not meet exclusively locally existing needs, are able to plan and reorganize their activities at European level. However, the legal framework in which companies are operating in the European Union continues to be based primarily on national and regional laws. This situation poses a major obstacle to the consolidation between companies from different Member States.

*In order to ensure equal conditions of competition and contribute to its economic development, the EU decided, therefore, to provide cooperatives, institutions normally recognized in all Member States, with appropriate and particular legal instruments, in order to facilitate the development of their transnational activities through collaboration, cooperation or merger of existing cooperatives from different Member States, or through the creation of new cooperative societies in European level.*

These new texts allow, indeed, the creation of a cooperative by residents in different Member States or legal entities established in different Member States. With a minimum capital of 30,000 euros, the new ECS may conduct business around the market, with a legal personality, a unique structure and rules. These ECS can expand and restructure their operations across borders without having to install a network of subsidiaries operating wasteful in terms of time and money. In addition, cooperatives from different countries can now merge in the form of a single ECS. Finally, a national cooperative that develops its activities in another Member State, in addition to that in which it is implanted, can become European cooperative without prior dissolution..

To promote the social objectives of the Community, special provisions have also been adopted as a Directive, in particular regarding the involvement of employees in the ECS, which are intended to ensure that the creation of an ECS does not entail the disappearance or weakening of the system of employee involvement existing in entities involved in its creation.

## 2.4. Concept of clustering.



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Source: own elaboration.

The concept of clustering refers in its simplest meaning, to a consortium of companies, different related economic actors, or close together institutions with sufficient scope and scale to develop knowledge, services, resources, and supply activities high level skills.

It is, then, a system that can belong to companies, government agencies, public or private research centers -universities, for example-, and financial institutions, establishing a functional interdependencies ecosystem for the development of production processes and obtaining certain services and products.

Clusters, in the classical literature on the subject, are usually defined by a number of characteristics:

- Geographic concentration of economic activity.
- Specialization in a particular economic sector
- Trickle effect, providing benefits to the region in which it sits.
- Triple helix, a system made by Administration, business and university.
- Balance between competition and cooperation among its members.

However, taking into account the features of ICS project, which relies on a model of clustering with specifically social economy cooperative enterprises in a geographic area as large as the region occupied by the MED, this classic model has to be redefined to suit the project objectives.

Specifically, the geographical focus of the ICS project is not confined to a region within the MED area, but to the relationship and cooperation between companies from different countries in the MED area. It is therefore intended to surpass the limited geographic scope of a cluster to bring out the common synergistic interests among entities from the five participating countries in the ICS project.

In terms of economic sectors, ICS project establishes its scope in four specific sectors: tourism, environment, agriculture and fisheries. After analyzing data from regional reports provided by each partner institution, it follows that specialization by sector, advocated by the classical model, does not conform to the objectives of the project. Thus, matching information was collected from the partners of the project pointing out the need to link the economic sectors to develop new services and products that benefit all participating companies.

Considering the concept of triple helix, which refers to the necessary interrelationship between three areas of activity, which are business, university and government, is this triple interaction which conforms the breeding ground of activities that feed each other, forming a panorama of knowledge-based economy, tending towards specialization and that needs of adequate information and communication mechanisms.

Therefore, it follows that concepts such as internationalization and innovation are closely intertwined within the cluster concept handled in this project.



## 2.5. Objectives for clustering.

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Following the author who pioneered the study of the cluster, Michael Porter, the purposes for which it is decided to make an investment in the establishment of these networks of interdependence are:

- Getting better economic outcomes for participants.
- Fostering innovation
- Encouraging the creation of new businesses.
- Mutualizing the production process, avoiding opportunistic behavior.
- Increasing representation capacity of clustered companies.

For companies in this project, being social economy entities, we have to clarify these claims, pointing towards better outcomes not only economic, but otherwise, as social outcomes (job retention, sustainable activities, etc.).

Also, as will be seen below, the concept of innovation must also be qualified to accommodate processes not only in technological innovation, but procedural, organizational and communication, among others



### 3. Methodology.

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### 3. Methodology.

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To prepare this "**Strategic Development Plan for Clustering in MED Region**" participation of all partners of the ICS project was needed. Their participation was structured by developing Regional reports from their respective countries in which they reflect the current state of their cooperatives in the sectors of tourism, fishing, agriculture and environment in order to establish inter-regional clusters.

The methodology used for the preparation of regional reports was divided into three sections in order to "define actions of competitive development, innovation strategies and business collaboration opportunities for cooperatives in the area of project development (clustering)."

#### Block 1

**General objective:** to define entities and companies under study.

For this block establishing common definitions was necessary in order to start out from common ideas and standardize information gathering:

- **Innovation:** *innovation is to produce, assimilate and use knowledge to create added value products and services in the economic and social spheres within a framework of equity and solidarity.*
- **Internationalization:** *set of operations that facilitate linkages more or less stable between the company and international markets, along a process of increasing involvement and international projection (Welch and Loustarinen, 1988; Root, 1994; Rialp, 1999).*
- **Clustering:** *Groups of interconnected companies and related institutions (training centers, research units and / or other public or private agents) within an industry or market segment, that are close geographically and are linked by common and complementary elements, which bind to joint projects and become more competitive.*

Also, there were established a set of criteria and characteristics for each partner institution to let them select the most appropriate business and entities to the kind of information that was intended to collect.

Based on the above definitions, these criteria and characteristics were the following:

- **Institutions that promote innovation, internationalization and clustering within the field of social economy**, with special focus on the three sectors under study: agriculture, tourism and the environment.
- Universities.
- Knowledge Transfer Offices.
- Production and processing industries.
- Financial institutions.
- Political institutions.
- **Formal business clusters**: clusters with legal links interconnected in a continuous basis (ie second degree cooperatives).
- **Informal business clusters**: clusters formally unrelated that are interconnected in a continuous basis (eg small business groups that share space in a continuous basis and eventually share projects).
- **Mixed clusters**: clusters with institutions that provide support for innovation, internationalization and promotion of formal or informal clustering (eg spin off).
- **Institutional Clusters**: Clusters of interrelated institutions that foster elements of innovation, internationalization, or clustering of businesses. (Eg knowledge transfer entities, which connect universities with companies).

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## Block 2

**General objective:** to know the current situation and clustering processes in different regions, taking into account the variables of innovation and internationalization.

**Data collection technique:** on-line questionnaire.

## Block 3

**General objective:** to generate a consensual clusterization process.

**Data collection technique:** face-to-face working groups.

**Specific objective:** To generate and develop ideas to encourage clustering.

**Specific objective:** To generate actions to encourage clustering.

**Specific objective:** To generate a common schema clustering consensus.

Finally, a common schema for Regional Report was developed in order to permit comparison between data resulting from different countries, with the following items of information:

1. - Overview of the participating group.
2. - Elements and actions necessary for creating cluster.
3. - Agents needed.
4. - Motivations for creating cluster.
5. - Degree of importance of the elements needed for clustering.
6. - Elements for innovation.
7. - Specific activities with potential for clustering.
8. - Degree of internationalization.
9. - Elements for cluster internationalization.
10. - Causes of growth and disappearance of a cluster.
11. - Description of clustering processes through information gathered in working groups:
  - Order of actions to be taken.
  - Description of the implementation process.

#### 4. MED area participants in ICS project.

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#### 4. MED area participants in ICS project.

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In the various regions in ICS project has been requested the cooperation of various entities to provide first-hand information on the situation of departure of each one of them, this information has been organized in the regional reports.

Among the organizations that have collaborated with each regional partner organization are the following types:

- Fromprivatesphere:
  - Cooperatives of the four economic sectors of the project.
  - Othercompanies.
  - Seconddegreecooperatives.
  - Research centers.
  - Clusters.
  - Sectorial associations.
  - Associations for economic promotion and local development.
  - Associations representing the Social Economy.
  
- Frompublicsphere:
  - Universities.
  - Municipalities.
  - Entitiesforinternationalization.
  - Entitiesforinternationalizationinnovation.
  - Entitiesforinternationalizationentrepreneurship.

Thus, for each participating región, following entities have collaborated in the elaboration of Regional Reports:

Italy: Government Department of International Relations and Foreign Cooperation Promotion and Legacoop from Marche (Marche).	
ZanzibarSoc.Coop.	Social cooperative whose goal is to create employment opportunities for vulnerable groups, particularly for people with mental disabilities or unemployed ex-offenders. The activities carried out are of a different nature: agricultural production, artistic decoration, tourism social-type lithographic printing.
ECSTRA Soc. Coop. ar.l.	Management of museum services, management of the regional theaters.
Consorzio Marche Verdi Società Cooperativa Agricola e Forestale.	Forestation, improvement of land pasture and forest, design, installation and maintenance of nurseries, parks, gardens and natural areas, maintenance and defense of the territory soil.
La Macchia Soc. Coop. A R L.	Design and construction of parks and gardens, pruning and felling of trees at any altitude, the maintenance of green areas, the supply and installation of furnishings for parks and gardens.
IITulipanoSocietà Cooperativa Sociale ONLUS.	Social cooperative that pursues the social integration of disadvantaged people by carrying out a wide range of different activities - agricultural, industrial, and commercial services.
La Terra e il cielo	It is an organic cooperative farm.
Legacoop Marche	Cooperative Organization.
UniversitàPolitecnicadelle Marche	
UNIPOL BANCA – Pesaro’s Filial Confidicoop Marche	Cooperative for facilitating the access to credit.
ISTAO- Istituto Adriano Olivetti	Training center.
SVIM-Sviluppo Marche	Regional Development Agency.
ArielabS.r.l	Domotics, ambient assisted living, digital TV technologies
LegacoopAgroalimentare/ Ambiente	Cooperative Organization.
La Macina	Tourism.
APPA – AssociazioneProduttoriPescaAdricatica	Professional Organization.
LegaPesca	Cooperatives Organization.
Federcoopescas	Cooperatives Organization.
CIA – Confederazione Italiana Agricoltori Marche	Professional Organization.
Agronidustrial district of San Benedetto del Tronto	Agribusiness.
ASTERIA SviluppoTecnologico e RicercaApplicata	



France: Regional Center for Innovation and Solidarity CARACTERRES from Provence-Alpes-Côte d'Azur region, and Oxalis Scop. SA association from Rhône-Alpes.	
Regional Center for Innovation and Solidarity CARACTERRES from Provence-Alpes-Côte d'Azur region	
<i>Companies and entities not specified.</i>	
Asociación Oxalis Scop. SA de Rhône-Alpes.	
CRESS Rhône-Alpes	Chambre régionale d'économie sociale et solidaire.
Coop Alternatives	Développement durable et responsabilité sociale des entreprises
La Nef	Société coopérative financière éthique
UNAT Rhône-Alpes	Coordination régionale des associations de tourisme social
UR SCOP Rhône-Alpes	Union régionale des coopératives Rhône-Alpes
ENERCOOP Rhone alpes	Société coopérative de production et de distribution d'énergie renouvelable
GEOSCOOP	Coopérative de conseil et de formation dans le développement territorial
Groupe AART	Groupe de coopératives – insertion par l'économie – Environnement, recyclage, formation, insertion
ALVEOLE	Chantier d'insertion – association – Bois et forêt
VAL'Horizon	Groupe de coopératives et d'associations – services sociaux, emploi d'interim, environnement

Spain: Foundation for Technological Development and Innovation of Catalonia FUNDITEC and the Confederation of Organisations for Social Economy of Andalusia, CEPES-A.	
Fundación para el Desarrollo y la Innovación Tecnológica de Cataluña FUNDITEC	
ACC10	Is the agency set up by the Catalan Government to make Catalan enterprise more competitive throughout the world. Its key aims are to drive innovation, internationalisation and attract inward investment. ACC10 is enterprise-centred, working on the needs of each individual business and to work hand in hand to look for opportunities and achieve that all important competitive edge. At ACC10 believe this edge can come about with work on three vital areas of competitive dynamics.
The Catalonia Gourmet Clúster	To promote competitiveness of high – end Catalan products.
Wine and Cava and Cork Clúster	It is demand-focused and characterized by a significant lack of knowledge about the final user; low investment on commercialization activities, marketing and market studies; predominance of a basic-product oriented strategy and with a low development of enotourism potential.

<b>Cork Industry</b>	The cork sector is composed by more than 80 firms, with a global turnover of 228 million € in the year 2007, with more than 1.200 employees and that produced and sold around 2.700 millions corks and Catalonia is the second cork producer in the world after Portugal.
<b>ENERGY CLUSTER</b>	Another relevant emerging sector identified during the meetings and during the previous regional study is the Energy sector, as stressed above.
<b>Confederación de Entidades para la Economía Social de Andalucía, CEPES-A.</b>	
<b>Agrupación Empresarial Innovadora del Sector Proveedor de Bienes y Servicios del Sector Oleícola. Mengíbar, Jaén.</b>	It is a non-profit group comprised of SMEs, large companies, centers of technology and knowledge transfer and training centers, with a geographical link, the country, and a common interest in business. Supplier of Goods and Services Olive Sector
<b>CITOLIVA. Centro Tecnológico del Olivar y del Aceite.</b>	<ul style="list-style-type: none"> <li>• Implement innovative methodologies and technology systems that solve effectively the demands and needs of the olive sector.</li> <li>• Professionalizing and introduce innovative strategies and technologies in the field of olive oil.</li> <li>• Develop a new way of doing things and using market research and industry in order to obtain useful information, in terms of technology and innovation, to assist in the decision making process, value creation and sectorial projection</li> </ul>
<b>MANZANILLA OLIVE, S.Coop.And. Segundo grado.</b>	Manzanilla Olive Andalusian Cooperative Society (ACS) is a second degree cooperative that brings together a total of nine companies from Seville engaged in olive industry. Eight cooperatives and Agrarian Transformation Society (ATS) from table olives sector in the province of Seville. It agglutinates 5507 producers and becomes the world's largest trader of "manzanilla" olives.
<b>AGROJARA, S.Coop.And. Segundo grado.</b>	<p>The sum of AgrariaNuestraSeñora del Rosario, dedicated to oil, table olives and supplies-and-ComarcalOlivareraAceitunasJara, specialized in table olives, results in Agrojara, a cooperative body of 342 members, with a production of 4,000,000 kilos of table olive, mainly "hojiblanca" variety- and 5 million kilos of olives for oil.</p> <p>Agrojara also has also a store and business office service for its members and bills annually around 4.5 million euros. The new entity is a member of the world's largest producer and exporter of table olives second-degree cooperative, Agro Sevilla.</p>
<b>ITUR GRANADA. Agrupación Empresarial Innovadora Sector Turístico de la provincia de Granada.</b>	<p>ITUR Granada, is a nonprofit association, created on July 20, 2009, after being rated excellent Strategic in the Strategic Plan submitted to the Ministry of Industry, Tourism and Trade.</p> <ul style="list-style-type: none"> <li>• To contribute to develop a Tourism Excellence in the province based on the upgrade and use of new technologies, continuous improvement in customer service, the incessant changes of our market and the ability to create new products and businesses, and the implementation of a sustainable model for the environment in our lines of work.</li> <li>• To implement an innovative model for the management of all companies.</li> </ul>
<b>inatuRA. Guía Móvil basada en Realidad Aumentada para espacios naturales</b>	To innovate in geotourism in the enhancement of heritage resources. Environmental education and the field of ICT. Dissemination via mobile devices.

<b>INNOVES. Fundación Innovación de la Economía Social.</b>	Innoves Foundation, a catalyst and promoter of opportunities and innovative projects in the field of Social Economics, developed and continuously improved since 2005 a catalog of business services on innovation, to promote modernization and improved levels of capacity and competitiveness of Social Economy enterprises.
<b>FEAES. Fundación Escuela Andaluza de Economía Social.</b>	Institution energizing the areas of training, research and development in the field of Andalusian Social Economy
<b>EXTENDA, Agencia Andaluza de Promoción Exterior, S.A.</b>	It is the instrument of the regional government of Andalusia to implement its policy of internationalization. A concerted policy with economic and social agents, which acts as a binder core of a coordinated duty among all institutions involved in abroad commerce.
<b>ANDALUCÍA EMPRENDE, Fundación Pública Andaluza.</b>	<ul style="list-style-type: none"> <li>Promotion of entrepreneurship culture and activities.</li> <li>Support for the creation and consolidation of businesses and jobs.</li> </ul>
<b>IDEA. Agencia de Innovación y Desarrollo de Andalucía.</b>	Regional development agency, specialized instrument focused mainly in fostering innovation in Andalusian society.

Greece: Municipal Development Company of Milies in the region of Thessaly and Epirus Regional Authority	
<b>KAPPA Network</b>	The Network K.A.P.A. is a nonprofit organization registered in the Court of Ioannina with registration number 482/2008. Its purpose is within the rules of the European Union, the emergence, dissemination and implementation practices of Social Economic Solidarity of 800,000,000 members worldwide, of its Values and Principles.
<b>Agricultural Cooperative of Epirus and Corfu (ASIK)</b>	The Company has as its purpose the use of Community programs in collaboration with various bodies and abroad, establishing joint ventures in partnership with rural development organizations in Greece and countries - members of the European Union and also to coordinate actions and to assist shareholders - Compounds in development sector.
<b>Association of Moving Farmers of Epirus</b>	With the goal of keeping livestock in the mountainous area and a better standard of living of its members, as well as conservation and utilization of indigenous breeds Objective of Union is to undertake actions which aim: <ul style="list-style-type: none"> <li>Maintenance of livestock mountainous area and a better standard of living of its members.</li> <li>Conservation and utilization of indigenous breeds, the promotion of quality products and environmental conservation.</li> <li>In cooperation with local, national and European level.</li> <li>The implementation of appropriate national and European projects and innovative actions pastoral to improve work organization and the attractiveness of the profession.</li> </ul>
<b>Management Authority of Estuary of Aheronta and Kalama rivers</b>	The management of protected areas "Estuary of Aheronta and Kalama rivers, "Kalama Delta" and "Swamp of Kalodiki" and the headquarters is located in Igoumenitsa, the capital of Thesprotia.
<b>Municipality of Ioannina</b>	Local Government.

Portugal: Pedro Nunes Institute in Coimbra and the University of Algarve	
ADR-CCS Quinta de S. Pedro	Social Economy
Agenda Cascais 21 - Câmara Municipal de Cascais	PublicOrganization
AKIVIDA - Actividades Culturais, Educação, Cidadania e Serviços de VRSA, CRL	Cooperative
Apoio Global	Entrepreneur
Associação de Saúde Mental do Algarve (ASMAL)	Association
Associação Geoparque Açores	Association
Associação In loco	Local Development NGO
Associação Mediterrar	Association
Associação para o Desenvolvimento do Concelho de Moura (ADC Moura)	Association
CACIAL	Cooperative
Câmara Municipal de Ovar	PublicOrganization
Cape Cruiser - Passeios Marítimos Lda.	
CASA DO POVO DE S. B. MESSINES	Association
Casas Brancas	Association
Clube Recreativo Infante de Sagres	Association
Ecomuseu de S. Jorge	PublicOrganization
Ecoteca-Casa Museu João Lúcio	EnvironmentPublicOrganization
Equinostrum - Clube Equestre e de Lazer de Faro, Lda.	SME
Good Moments, Lda	SME
Instituição de Solidariedade Social Da Serra Do Caldeirão	Social Economy
LIVREMEIO PRODUÇÕES, LDA	SME
Mais Cidadania	Association
Mandacaru - Cooperativa de Intervenção Social e Cultural	Cooperative
MINHA TERRA	Association
Monte do Álamo, Turismo Rural	Rural Tourism Enterprise
Município de Faro	PublicOrganization
Olival Social	Association
Projeto Távola Redonda	Social Economy

Radio Gilão Cooperativa de Radiodifusão CRL	Cooperative
SIMONACO SA	SME
Solar One	SME
TESE - Associação para o Desenvolvimento	Association
Transcudânia	Association
Transcudânia Associação para a Valorização do Património Histórico e Natural do Concelho do Sabugal	Association
Uádi Ana - Associação Empresarial Turística do Baixo Guadiana	Association

## 5. Analysis of the situation in MED region for clustering.

## 5. Analysis of the situation in MED region for clustering.

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### 5.1. Agents needed for clustering.

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According to data collected by the partners of the project there is a match in all regions to appoint certain types of agents considered as essential for establishing clustering platforms, these are:

- Universities or research and innovation centers closely linked to R & D + i.
- Sectorial associations, representatives of the participating companies.
- Organizations representing the social economy.
- Government, named on three levels: local, regional and national.
- And businesses, especially cooperatives.

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### 5.2. Motivations for creating a cluster.

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The main motivations, both endogenous and exogenous, collected at various regional reports, have to do with the need for companies and entities participating in establishing frameworks of trust, to build effective communication channels and of course quantitatively and qualitatively expand their business opportunities.

Among them are:

- Increased competitiveness through binding companies and institutions cluster members Know-how.
- Generation of trust among members, through revitalization.
- Innovation in the transfer of knowledge through interaction with R+D +i entities.



- Leveraging competitive advantages at transnational level through internationalization.
- Expansion of mutual understanding between various companies and organizations, through networking.
- Increased ability to influence and negotiate, through economies of scale.
- Customer attraction and investments, as well as intervention in economic development policies, through the growth of regional attractiveness.
- Creation of new goods and services, through cross-sectorial relationships.
- Strengthening local economies and employment, through the extension of Social Economy model.

### 5.3. Elements for clustering.

There are five elements that stand in the regional reports as needed, and not only for the creation or establishment of cluster, but for the maintenance of these structures. Considering the degree of importance attached to each of them are presented in this section from highest to lowest.

- **Search for common goals.**
- **Innovation.**
- **Trust, communication, knowledge.**
- **Financing**
- **Competitive advantages**

#### Search for common goals

As explained above, depending on the strategy to follow, this element can have greater or lesser importance. In the case of the existence of a tractor company with sufficient capacity as appointed features, the pursuit of objectives is subject to the business opportunity that is exploding, merely agreeing the establishment of complementary activities to this activity.

In the case of incentivating a group promoter, this task is particularly relevant, since the cohesive element constitutes the group. Again is revealed the essential role of dynamizing to correctly set the strategic lines of the cluster, ie clustering objectives and activities to be carried by each component.

## Innovation

Although this element has not received the highest scores in the regional reports, it does seem to be essential for the maintenance of the cluster. It is rated as more important for entities not directly involved in the production process (sectorial representatives, public entities for development...) that the companies surveyed.

It is probably an element that gains relevance in the medium term prospects, while other elements are considered most important when creating a cluster. It could therefore be regarded as a necessary element for the maintenance of the cluster, although not essential for its establishment.

Anyway, as discussed above, the participation of research centers, universities and research transfer offices is considered essential within the cluster, as are those who are responsible for providing innovative elements in it. In the pursuit of common goals must be borne in mind this university-industry relationship, central to axis in the generation of applied knowledge processes.

However, the innovation plays a fundamental role in maintaining the cluster providing profitability. We must not forget that innovation is, together with internationalization, the differentiating element of the cluster, which will contribute to achieve competitive advantage to its components, necessary to survive and thrive in the international market.

As has already been reflected in other sections of this document, innovation refers not only to the application of technologies in production processes, but also includes cultural and organizational elements. Specifically, we must take into account this component in one of the essential elements detected, the transfer of knowledge and communication. There are many possibilities to improve communication processes and ways of sharing information between cluster members.

Furthermore, innovation in work culture, in the form of organization -of which social economy can be a good example - can generate large benefits for the organization, which will be translated into better results in the production processes, marketing and therefore on economic performance. The introduction of organizational, procedural or cultural innovations can influence in costs reduction in the value chain, through process simplification or reduction of duties, as well as communication and knowledge transfer. In fact, any activity is likely to be improved through these processes of cultural innovation, including marketing.

In fact, the very creation of a cluster represents an opportunity for its components in harnessing the innovations of others as well as to address jointly the necessary investments for the development of research activity. Thus, it may be the only access to research centers and universities for many companies. Institutional networks that are integrated in the cluster effectively help this transfer of knowledge.

Therefore, innovative aspects need to be encouraged, promoted and protected by the cluster as a whole.

## Trust, communication, knowledge

In light of the information gathered in respective regional reports, it can be concluded that the main factor to achieve a beneficial climate for cluster creation is the concept of **trust**. But it also plays a key role in the proper functioning of a cluster. The relationships among the different members of a cluster are based on trust, on the possibility of establishing relationships between key people, to jointly develop strategies and generate new ideas.

Informal relationships are considered essential in the early stages of the cluster, and may go to the formalization of the following phases of development and consolidation. Therefore, the search for formal and informal spaces (depending on the momentum in which cluster is) of relationship between its members is one of the objectives to be achieved. This is not only about communication tools, but mainly the encounter in physical spaces, where the interrelations are rich, direct and fluid and can build relationships that create the confidence needed to reach the cluster creation.

Other decisive factors that point to the establishment of the necessary conditions for clustering are **communication** and **knowledge transfer**. Communication processes and collective knowledge and its transfer are closely linked to the development of trust. It shows how important the establishment of channels of communication is to ensure contact and flow of information among cluster components. In some reports, requirements for implementation of innovative methodologies in communication and knowledge transfer have been collected. Given a new ecosystem of relationships, such as cluster, to establish new forms of communication is required and, therefore, of building trust. Within these innovations in communication also come technology tools to make communication simple and straightforward.

## Financing

The search for funding for creating a cluster has also emerged as a major concern of both companies and entities. Given the current economic situation this element seems to have become especially important. Thus it follows that the participation of financial and credit institutions in the cluster also becomes more important. If we can involve these institutions in the creation of the cluster, ie, if it can establish common goals with the other components, it will overcome one of the biggest obstacles to the creation of the cluster.

Currently, companies in all regions show a high degree of concern on this issue, noting the numerous cuts and constraints to credit for businesses, making it emerge as an issue to be resolved, and that can be a determining factor in the generation of internal confidence in the cluster.

Note that this need for external financial support to companies is considered essential in the early stages of cluster creation. This financial dependence will decrease as the cluster will consolidate its activity and is able to cover the costs of maintaining the structures put in place.

In any case, depending on the model chosen -tractor company or promoter group incentivisation - funding problems also vary significantly. Specifically, in the case of the existence of a tractor company, it is often the case that the company has developed a business with large volumes that generate sufficient cash flow to make investments. Similarly, these tractor companies usually have a considerable size and have their own R + D + i, so that investments for establishing this activity usually have already been disbursed and monetized.

A very different situation is that companies have an incentive groups for clustering, which relies heavily on external funding and technical advice, as explained above.

## Competitive advantages-----

Competitive advantages obtained by the cluster components are those that constitute the justification for its existence, it could be said that the objectives of the companies that are part of the cluster are obtaining them. It has been already pointed over this document that the main advantages are generated through a series of elements:

### Innovation.

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Technical innovation: through constant and oriented contact with research centers and universities it is enabled the ability to develop technological innovations that can reduce production costs, or generate new products and markets.

Process innovation: organizational changes, new forms of communication and knowledge transfer, new administrative tools and new forms of organization are generated within the cluster. These innovations revert in the improvement of the production process and reduction of structural costs and, therefore, in an improved economic performance, among other benefits.

### Turnover.

The possibility of belonging to a group with a turnover significantly higher than turnover obtained out of it, is one of the most visible benefits. Again, this element influences the other, allowing, for example, the decision to invest in innovation, maintenance and increase of jobs created, and the expansion of the model of social economy and its social relevance.

### Social and political influence.

Belonging to a large business group increases considerably the possibility of influence in decision making. Also, if you have managed to involve government in the cluster, this influence becomes part of the cluster, establishing relationships between Social Economy business and Public Administration, required for cluster maintenance.

The economic importance and business volume that can mobilize a group of companies that work together for a common goal greatly improves the ability to negotiate with suppliers, reducing costs when working with large volumes.

Public recognition of the activity is notorious, and may have repercussions in the attractiveness of the region which, in turn, increases sales and investments.

### Reduction indistribution costs.

Handling large volumes of production, distribution costs can be greatly reduced compared to the costs of each company individually. It generates new possibilities of elimination of middlemen, allowing the cluster to assume the tasks of marketing, internationalization and distribution, which in turn implies the creation of new businesses or new business lines for existing companies.

### 5.4. Elements for innovation.

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Regarding innovation, from information collected in the participating regions emerge four areas suitable for supporting and promoting the objective of sustaining and maintaining the cluster. These are:

- **InnovationPlanning**
- **Technologicalinnovation**
- **ProcessInnovation**
- **Innovation in the generation of new products / markets**

#### Innovation Planning

It has been highlighted the need to consider innovation as a central element in the process of clustering, so much so that in some cases it has been argued that share this vision of innovation is a prerequisite for participation in a cluster.



It is beyond dispute that setting the parameters under which this research activity should be developed must be faced, explaining the creation of a specific structure for this task, including the participation of universities and research centers, both public and private, in constant interaction with the entire cluster for both spheres (production and research) would feed each other.

Again it should be noted that, for the duties of this Plan, innovation is understood not only as the introduction of technological innovations in the production process, which is the most visible, but also in other areas, such as that of the processes and the generation of new business opportunities.

### Technological innovation-----

This is the most visible component of innovation, consisting of technical improvements in production processes, new machines can be more efficient than existing, or improvements in any step of the value chain. In any case, this component is essential in reducing the production costs, increasing production volumes and optimizing the overall value chain.

For technological innovation to fit productive needs requires establishing clear objectives and a research team capable of responding creatively and with enough information to the specific problems of the production area. Both features- creativity and information- are encouraged in the research centers.

The result is to achieve significant competitive advantages, individually unreachable. Remember that the use is not unidirectional, not just businesses take advantage of these innovations, but research centers themselves are able to implement their research and obtain funding to develop their work in a production environment. This is one of the most influential synergies within a cluster.

### Process innovation -----

Organizational differences between a company belonging to an ecosystem as the cluster and one that does not belong to it are obvious. Without going to evaluate innovations in communication, it can be very specific regional context to express them in a Strategic Plan, other procedural innovations are significant and fit better in this document.

**Commercialization** of high stocks offers a number of innovations unattainable outside the context of clustering. The **bargaining power** becomes one of the strengths of these organizations, to condense the interests of a number of entities with common goals, both with suppliers to reduce production costs, and influence in decision-making and development policies of the regions to which they belong.

In addition, by bringing together under one organization to various stages of the production chain that complement each other, there are opportunities to tackle other tasks such as international marketing and distribution, eliminating middlemen and

therefore increasing the added value, while generating new activities that were previously outsourced. This reverts to the creation of new companies within the cluster dedicated to these tasks, or generating new business for existing companies. Note that, if the cluster has successfully engaged entities-public or private-working on foreign trade, these activities are facilitated through advice, support and funding.

### Innovation in the generation of new products / markets -----

So far innovative elements in the technical and cultural focus on productive activity have been analyzed. In this sense, the analysis has followed the classic literature on clustering, characterized by specialization, ie by improving the specific value chain. However, given the nature and objectives of the ICS project, it is recommended to include other types of innovations arising from the interplay between productive sectors. Specifically, in this project, the emphasis is in the areas of agribusiness, tourism, environment and fisheries. And the distinguishing feature, and that is a source of innovation, is the ability to mix these value chains.

In other words, it does not only works on improving and deepening of sectorial value chains, streamlining processes and providing technical innovations (which themselves are capable of generating new products and new markets), but to foster creating communication channels between different value chains, ie production of different areas, from different economic sectors. Thus, the project aims at creating hybrid products and services that cannot be addressed by companies in one or another sector of activity, but which can be carried out in a coordinated effort and common goals establishment.

Thus, the intent of this Plan is clear: it proposes to generate new business lines that make activities of various sectors converge. A clear example of this can be the proposal to create a market in the MED region in tourism linked to the environment, involving companies from both sectors. Similarly, the creation of a market linking agriculture and the environment can be proposed by generating activities that use agricultural residues for energy generation from renewable sources. The possibilities are endless, and the context generated with this project offers opportunities for those meetings and those synergies that conclude on shared interests between companies in different productive areas.

### 5.5. Possibilities and elements of internationalization.

The degree of internalization has been specified in terms of constraints and opportunities presented by the participating companies and organizations in initiating internationalization processes.



Thus, the main **shortcomings** are related to the perception that external **financing** is needed to carry out actions of internationalization of production and the difficulty in finding personnel between firms with **language training and skills for foreign trade**.

To overcome these obstacles is proposed, on one hand, the assumption of internationalization as an activity of the cluster, taken collectively and therefore with lower costs, greater impact and better bargaining position by companies cluster.

Furthermore, to overcome training difficulties, the cluster can provide services of training programs for persons belonging to the cluster or stays abroad, the cost will be quick pay backed with the first trade actions such training provides.

Among the **opportunities** identified include those derived from the competitive advantages that represent a cluster membership: more business, greater international presence, better negotiating position, versatility and institutional support.

Sectors with the **greatest potential for internationalization** are, throughout MED region, **tourism** and **environment**. Within the intersectoriality scope of ICS Project this analysis leads to propose the development of hybrid activities between these two sectors, such as sustainable rural tourism initiatives. In any case, both sectors are potentially hybridized with other sectors to find untapped market niches:

	TOURISM	ENVIRONMENT	AGRICULTURE	FISHERY
TOURISM		Rural tourism, sustainable tourism, energy tourism (visits and interpretation of solar farms, biomass plants, water ...)	Agrotourism, ecologic food, ecologic accommodation, environmental education	Fishing tourism, sport tourism, sustainable food
ENVIRONMENT			Organic agriculture, major distribution of biological production, reforestation, environmental education	Sustainable fishing, environmental education, sustainable pisciculture, biodiversity conservation
AGRICULTURE				
FISHERY				

Source: ownelaboration

## Elements for the internationalization of cluster -----

As to the elements for the internationalization of the cluster some requirements that must be taken in the cluster to perform actions of internationalization have been highlighted. Specifically, it requires reflection and understanding of the internationalization strategies by cluster components. This understanding should be collected in writing, in a consensus document which marks the objectives of this strategy of internationalization, specifying the target markets, the scope of the strategy and the costs. Also, the inclusion in the cluster of public and private entities engaged in foreign trade promotion, or collaboration with them in case they cannot be included, is a good way to enter foreign markets and have expert advice, strategic and knowledge of the structures and functioning of those markets.

Similarly, interest is shown in facilitating the internationalization in the context of this project, having a common regulatory framework for companies from different parts of the MED region, for which it relies on the development of legal formulas as European Cooperative Society or similar legislation allowing homogenisation and therefore a reduction in administrative costs and increasing productivity.

In any case, the strategy of internationalization of a cluster must have as their basis in establishing synergies between its components, adapting their marketing activities abroad.

### 5.7. Synergies in the MED area.

#### 5.7.1. Synergy in the value chain.

One of the main advantages of participation in a cluster is the potential for synergies between companies and within those which belong to the production process. Synergies in the value chain, **or internal complementary strategy**, might be fostered by organizing the to work in activities covering various stages of the process, so that together they can offer a complete product or service at competitive prices.

An example within the agribusiness sector could be a cluster that had different companies in which one is engaged in the production of olives, another is responsible for processing into oil and derivatives, and a third company may be marketing and importing specialist. The complementarity of economic activities of companies offers to set lower costs and a good product traceability. In addition, commercialization of its products in international networks is facilitated by the fact of producing a transformed product within the cluster.

Moreover, still apply all the benefits of clustering, such as facilitating the adoption of technical and process innovations, the bargaining, the volume of business, etc. that make it even more attractive and competitive products or services offered on international markets.

### 5.7.2. Extrasectorial synergies.

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Under the this project's approach, these inter-sectorial synergies can be extended under different economic activities. Thus, the search for inter-sectorial synergies offers the possibility to diversify production by opening new market niches with services or products, generated by specialized companies with a strong competitive advantage over competitors. The coexistence in the same cluster of companies and organizations from different sectors and activities, but who share common goals, facilitates the creation of new business lines and the possibility to apply creative perspectives by sharing different cultures and business methods. Furthermore, the customer base of companies can be enriched while the catalog of services and products offered expands and diversifies.

To illustrate this process let's take as an example a cluster involving tourism companies, dedicated to offering rural accommodation. The confluence of interests with another company dedicated to the production of organic farming can result in an agreement between companies offering local organic produce baskets in rural accommodation. Both companies are benefiting, on the one hand the tourist can offer their customers a new complementary product, with cultural and environmental implications, at a better price than the competition. In addition, the organic production company may expand its production and ensure an improvement in its results, achieved while promoting local products among people who visit rural accommodation.

These hybrid products or services are a very interesting attraction in international markets, bringing together a range of services clearly identified as "packages", especially in the tourism sector.

### 5.7.3. Intrasectorial synergies

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After analyzing the information from the Regional Reports, we can set two types of networks necessary for cluster generation that are located at the MED area and not only regionally.

Besides these two types of networks other needs arise, Internationalization and innovation are identified as two basic and essential elements for the viability in cluster

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creation and generation. Funding is also a must, above all in the early stages, it is often provided by public support-through clustering aids- or by private entities-through financial products-, the volume of this funding will be associated the size of enterprise and / or tractor company and the type of business to develop.

**As for the types of networks that have been identified, we can speak of business networks and institutional networks:**

**Business Networks:**consisting of several companies or groups of companies from different regions, which are in contact with regional institutions, which support the creation and development of business cluster, and its activity is well defined and is purely business.

In light of the information gathered and analysis of clustering documentation, we can say that to create a cluster in MED region, companies or business groups with a minimum size (this minimum size is yet to be defined) -ie a sufficient critical mass-would be required, in order to enable companies and / or groups to become tractors and also have the ability to embrace internationalization projects, although in some cases the latter will be marked by clustered activity.

**Institutional Networks:**relationships among the various institutions involved in the promotion and support of clustering within a region should be encouraged. It has been identified that there is little connection between these institutions; therefore we must work on this with the common goal of acting collectively to promote the internationalization and innovation within different regions in MED region.

## 5.8. Specific activities with potential for clustering.

When preparing this Strategic Plan we have tried to identify which activities within sectors that are part of the ICS project were more likely to initiate a process of clustering / cooperation. With this in mind, as a starting or reference point the concept of sustainability is taken as one of the fundamental requirements when working with European structural funds. Thus, European Union is supporting and encouraging the creation of a business network whose base is focused on sustainable business activities in the economic, social and environmental aspects. So the concept of sustainability has been the axis for identifying business activities with clustering potential.

The concept of sustainable development was coined in 1987 in the **Brundtland Report**, which focuses on the preservation of the environment and prudent consumption of non-renewable natural resources, and is defined as that which "meets the needs of the present without compromising the possibilities of future generations to meet their own needs." But not until 1992 that this definition is assumed by the **UNO<sup>3</sup> Conference on Environment and Development** held in Rio de Janeiro (Brazil). In this Conference the term is extended by changing its definition to the idea that this satisfaction of needs has to reconcile economic progress with social justice and environmental preservation.

Here are some **advantages for clusterization** specific to each one of ICS Project economic sectors.

### Agricultural Sector

Almost all regions have an important economic activity in the sector of agriculture and associated services, so that the sector seems to have an interesting potential for clustering at the inter-sectorial level in MED region.

Its clustering potential focuses on:

- Generation of agricultural processing industry.
- Development of marketing within the value chain.
- Control of market prices from the clustering of producers.
- Generating important market in **organic farming** level.

### Tourism Sector

The tourism sector has potential in the marketing of cross-sector services, synergies that could occur within this activity is subject to the suitability of agricultural, environmental and fisheries infrastructures:

- **Eco-Tourism**: sales center offering environmental activities and services in the MED region.
- **Agro-Tourism**: sales central offerings agrotourism services, accommodation, meals and activities across MED region.

<sup>3</sup>United Nations Organization..

- **Fishing-Tourism:** Sales center offering services related to fishing, boat accommodation, tours, meals across MED region.

These are important initiatives towards the development of cluster, as tourism businesses perfectly complement environmental, farming and fishing activities, as long as the companies involved in this activity are packaged to generate this new market.

## Environmental Sector

Environmental sector is interpreted as an activities sector and acts as crosscutting criteria that must generate sustainability in products and services.

**Potential activities in services:** school farms, nature centers and activities in the natural environment.

These economic activities complement the activities of tour packages, so it is not hard to imagine the creation of a cluster offering a range of services around existing natural protected areas in MED Region.

### Potential Activities in energy sector:

- Utilization of agricultural waste: Biomass.
- Generation of Bio-diesel: crops with potential to generate large volume in oil.
- Marketing of technology for the generation of methane from fermentation.

This synergy is established especially with agricultural sector.

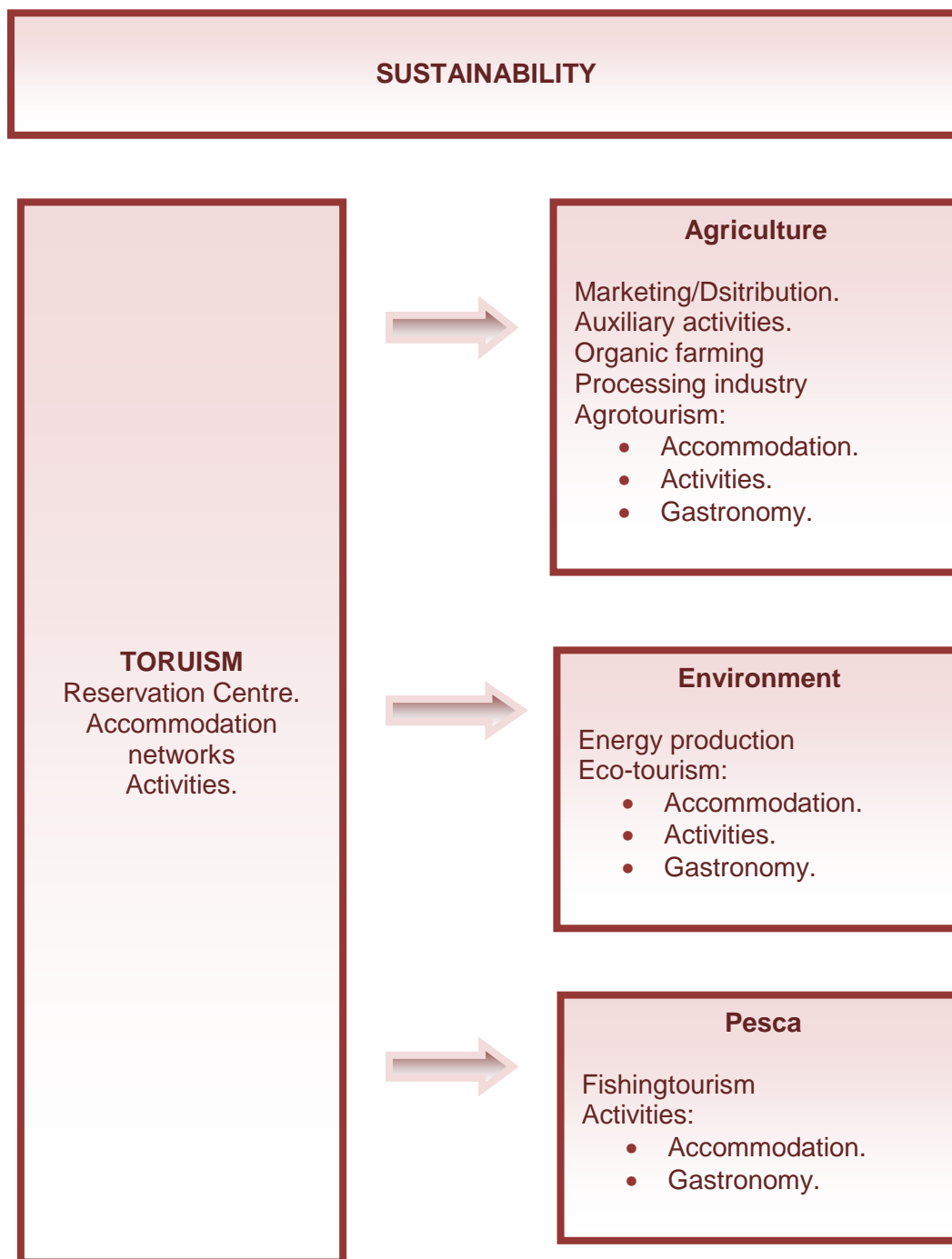
## Fisheries Sector

For this sector synergies arise regarding the tourism sector:

- Touristicfishing.
- Gastro-tourism.

## Creating new synergistic markets: Intersectoral collaboration.





Source: own elaboration

## 5.9. Causes of growth and disappearance of a cluster.

To achieve the objectives of ICS project was considered as convenient to collect information on the causes of cluster growth and disappearance in order to promote the early and avoid as much as possible the latter.

Listed below:

### Growth Causes

- The existence of an associated team builder with dynamic skills is one of the basic elements for creating a cluster, especially in the initial phase.
- One of the most important elements for the growth of a cluster is financial feasibility and adaptability-dynamism- to variations and changes in clustered activity market.
- For cluster maintenance and growth a constant application of technological -or cultural-innovation in the value chain is required.
- Another cause of growth of a cluster is the generation of new activities that were not performed before, ie the creation of new markets.

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### Disappearance Causes

- The reasons for the disappearance are mainly focused on the disappearance of the business opportunity executed by the cluster.
- Lack of funding, this being associated with the size and affordability of the constituent companies, ie requires a minimum financial size to face the cluster operation.
- Lack of transparency and good communication among companies forming the cluster creates mistrust and a dynamism drop-implementing innovation- in clustered activity.
- The speed in cluster activity - too long time gaps in decision making and execution-, lead to a loss of motivation and involvement in the clustered business space.
- Lack of entrepreneurs with corporate capabilities regarding group cohesion "dynamic".

## 6. Objectives and general activities of the Strategic Plan.

## 6. Objectives and general activities of the Strategic Plan.

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Once analysis and diagnosis of the situation is prepared, we will outline three main work areas to undertake the Strategic Development Plan for Clustering in MED region. These are:

- ✚ **Creating business clusters.**
- ✚ **Motivation**
- ✚ **Knowledge and innovation transfer in companies.**

## 6.1. Creating business clusters.

CREATING BUSINESS CLUSTERS.	
<b>OBJECTIVE 1: Encourage networking between institutions for internationalization in the MED region.</b>	
<b>ACTIONS:</b>	<ul style="list-style-type: none"> <li>- Face-to-face meetings.</li> <li>- Spaces for creativity in new business lines.</li> </ul>
<b>OBJECTIVE 2: Generate communication mechanisms between institutions in different MED regions.</b>	
<b>ACTIONS:</b>	<ul style="list-style-type: none"> <li>- Creating interconnection and communication platforms.</li> <li>- Newsletters</li> </ul>
<b>OBJECTIVE 3: Create a consultancy and information network.</b>	
<b>ACTIONS:</b>	<ul style="list-style-type: none"> <li>- Business-interaction platform.</li> <li>- Potential business opportunities detection.</li> <li>- Synergies detection.</li> </ul>

**OBJECTIVE 4: Advise and accompany internationalization processes.**

**ACTIONS:**

- Advising in internationalization plans elaboration.

**OBJECTIVE 5: Improve knowledge of markets and generating business culture.**

**ACTIONS:**

- Social, sectorial and market research.
- Creation of a publication with case studies and business experiences in MED region.
- Face-to-face contacts -visits to companies- of business experiences, both sectorial and intersectorial.

**OBJECTIVE 6: Spreading the cluster model under the legal form of a European Cooperative Society.**

**ACTIONS:**

- Initiate social dialogue processes with competent institutions.

**OBJECTIVE 7: Developing specific training for businesses.**

**ACTIONS:**

- Societal business team-builder –figure of a “network-weaver”-
- Languages.
- Cultural contexts.
- International laws and regulations.

## 6.2. Motivation

MOTIVATION	
<b>OBJECTIVE 8: Establishing common objectives..</b>	
<b>ACTIONS:</b>	<ul style="list-style-type: none"> <li>- Creation of an office for business opportunities detection that take into consideration the interests and abilities of each cluster component..</li> <li>- Energizing the network, essential to ensure the involvement of the various components of promoter group, acting as an incentive for trust, knowledge and generating synergies within the cluster.</li> </ul>
<b>OBJECTIVE 9: Fostering innovation.</b>	
<b>ACTIONS:</b>	<ul style="list-style-type: none"> <li>- Establishment of a program of visits abroad, in order to let cluster components know other realities and business opportunities, as well as other forms of action, which will generate strategic relationships and new business models.</li> <li>- Establishment of a program of stays abroad between members of different companies that belong to the cluster.</li> </ul>
<b>OBJECTIVE 10: Trust generation.</b>	
<b>ACTIONS:</b>	<ul style="list-style-type: none"> <li>- Generating spaces of formal and informal meeting: meetings, symposia, trade fairs, exhibitions, workshops ... in which cluster components are introduced, meet each other and have the opportunity to interact face-to-face in relaxed environments..</li> <li>- Energizing in meeting spaces, providing tools to help overcome obstacles and seek communication elements among the various cluster components..</li> </ul>



### 6.3. Knowledge and innovation transfer in companies.

KNOWLEDGE AND INNOVATION TRANSFER IN COMPANIES	
<b>OBJECTIVE 11: Fostering collaboration with universities, research centers and companies.</b>	
<b>ACTIONS:</b>	<ul style="list-style-type: none"> <li>- Creation of knowledge transfer offices.</li> </ul>
<b>OBJECTIVE 12: Enhancing a Knowledge Network for applied innovation.</b>	
<b>ACTIONS:</b>	<ul style="list-style-type: none"> <li>- Creation of innovative methodologies for adequate knowledge transfer among cluster members.</li> </ul>
<b>OBJECTIVE 13: Connecting universities, research centers and companies in a regular relationship.</b>	
<b>ACTIONS:</b>	<ul style="list-style-type: none"> <li>- Organizing research results presentations.</li> <li>- Business Workgroups for enforcement of new knowledge in business sphere.</li> <li>- Creativity groups among researchers-entrepreneurs to generate new technologies, services, products, management and organization procedures (creating new markets)</li> </ul>
<b>OBJECTIVE 14: Developing R+D+i projects among universities, research centers and companies.</b>	
<b>ACTIONS:</b>	<ul style="list-style-type: none"> <li>- Detection of research needs in companies.</li> <li>- Products and services adaptation to market.</li> <li>- Working groups for marketing.</li> </ul>

## 7. Strategic lines for clustering in MED area.

## 7. Strategic lines for clustering in MED area.

Herein are established three **Strategic Lines for clustering in MED Zone**, based on the origin of clusters, the entities and the companies studied, either through direct experience and / or professional work in clustering.

The situation and business characteristics of the participating regions are diverse and heterogeneous, so it is not possible, or desirable, to stick to a single unified model for cluster creation in MED Region.

Information collected by the different regions that structure ICS project show different detected strategies that have favored the emergence and development of clusters in the respective regions, therefore in the process of creation and consolidation of an interregional cluster they can be overlapped and / or complemented by each other.

There are three cluster building strategies identified:

- **Line 1: Tractor company cluster strategy.**
- **Line 2: Incentivized cluster strategy.**
- **Line 3: Spontaneous cluster strategy.**

### 7.1. Line 1: Tractor company cluster strategy.

In this model the clustering / cooperation process comes from a business organization motivated by the detection of a business opportunity which cannot cope alone. So, it begins by finding complementary partner companies, ie this **tractor business** is the prime contractor leading the cluster creation process and working with others toward a common goal of business enterprise.

In this first case, the objective is to detect companies with a business opportunity in motion, with the size and capacity to carry out a profitable activity, either with a higher production volume than the others, with an innovative product and / or with another element that generates a competitive edge in the marketplace.

Through this company others would be attracted to complement its activity, and may engage auxiliary tasks in the production process (specialization in some section of the value chain), marketing, distribution, etc.

In this case, the cluster would orbit around this company (tractor) which would mark the objectives of the cluster, other companies and entities would join.

Necessary characteristics to enable them to be a cluster **tractor company** are:

- **Availability of qualified personnel.**
- **Be capable of financing.**
- **Attracting the support of external agents.**
- **Ability and attitude for internationalization.**
- **Facilitating access to innovation processes.**

## 7.2. Line 2: Incentivized cluster strategy.

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This line represent those processes of clustering / cooperation driven by outside companies, led from the public and incentivized through aids or grants for cooperation projects and corporate bonding.

In this second case, the absence of a leader (tractor enterprise) in any sector or activity that could attract other, would begin an assisted process of grouping various companies and organizations with similar interests and activities and establish with them in a cluster through a person who stimulates and energizes the process.

Unlike what happens with the tractor company model, clustering objectives must be established in a first stage. These must be clearly defined, shared and objectively reported. To this end, dynamic network team-building is revealed as an essential role, using communication tools, to ensure that they are shared, properly defined and ensuring the involvement of components. Furthermore, preventing obstacles and proposing correction elements for improvement should be worked out.

This whole dynamic stimulation will be carried out by the individual tractor along with cluster members. This person is might be considered as a "network weaver" and should have a dedicated performance in cluster operation.

## 7.3. Line 3: Spontaneous cluster strategy.

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For this model there is a process of clustering / cooperation as a result of interactions between companies and institutions that occur in spaces enabled for personal relationships among members of these entities.

To be effective, in these meetings need to come together and meet companies and organizations that can provide input to the clustering -innovation, new businesses detection, detection of possible competitive improvements-, the objective is that these spaces are conducive to the development of synergies between them.

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## 7.4. Objectives and actions according to the strategic line.

### LINE 1: TRACTOR COMPANY CLUSTER STRATEGY

#### Objective 1: Detecting potential tractor companies.

##### ACTIONS:

- Communication campaigns for tractor companies' detection.
- Business advising for clusterization in MED region.
- Fostering synergies connecting potential tractor companies with SMEs.
- Searching for political and financial supports, in case they are needed.

#### Objective 2: Creating a network for business opportunities detection and support.

##### ACTIONS:

- Travels for detection of potential business, business groups and technical assistants.
- Stimulating interaction and connection with companies from different regions.
- Interaction of large companies and SMEs, spaces for synergies' seeking.
- Spaces for creativity – new businesses proposals.
- Information: sectorial, social and market analysis.

#### Objective 3: Maximizing training and research.

**ACTIONS:**

- Training in internationalization abilities and skills.
  - Encouraging exchange of research results among companies, universities and research centers.
  - Aiming to apply knowledge in business spheres.
- (See objectives and actions in 6.3: innovation and knowledge transfer in companies).

**LINE 2: INCENTIVIZED CLUSTER STRATEGY.**

**Objective 1: Incentivizing the creation of business groups with enough critical mass to perform the role of tractor company.**

**ACTIONS:**

- Stimulating financing in local, regional, national and European levels.
- Stimulating contacts with private financing entities –preferably associated to cooperative system-financing cooperatives, mutualities, etc.
- Stimulating or increasing Public Administration’s support in knowledge and innovation transfer.
- Increasing business support services oriented to clusterization needs.
- Adapting Infrastructure and knowledge services from businesses to complementary activities in the cluster.
- Fostering MED region attractiveness –elements that provide added value-.
- Stimulating innovation implementation in the value chain.

**LINE 3: SPONTANEOUS CLUSTER STRATEGY.**

**Objective 1: Stimulating interaction among companies, public entities, financing system and knowledge centers.**

**ACTIONS:**

- Creating business, institutions and clusterizable economic activities presentations.
- Creating working groups for finding synergies.
- Elaboration of a program of travels for business exchange.
- Analyzing and using existing networks that may favor interrelation among companies.
- Promoting the creation of a business network for business opportunities detection in MED region.

## 8. Clustering processes in MED area.

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## 8. Clustering processes in MED area.

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Finally, this section shows the order of actions to be followed to establish clustering processes in MED Zone, taking into account three key factors in establishing a cluster: creation, consolidation and maintenance:

- **Initialactions.**
- **Consolidationactions.**
- **Clusterstimulationactions.**

### INITIAL ACTIONS:

- Educationof interested cooperatives and their members in potential social and economic benefits of creating a cluster.
- Detectionof tractor companies.
- Creating tractor group.
- Qualification of technical and societal staff.
- Identifying SWOT parameters in each potential cluster
- Fundingsearch.
- Supportfromexternalagents.
- Training ininternationalization.
- Facilitating participation in innovation processes.
- Existence of competitive advantage through technological or organizational / culturalinnovation.
- Providinga legal entity for the cluster.
- Establishing an internal System of Rules.
- Creating a managementstructure.
- Development of a “Cluster vision”
- Development of cluster targets and objectives.
- Development of a strategic program of immediate action.

### CONSOLIDATION ACTIONS:

- Constant and intensive contact with research institutes and universities.
- Improveinternationalization.
- InnovationImplementation.
- CorporateDynamicteam-building.
- Detection of new business opportunities.
- Continuous cluster evaluation

## CLUSTER STIMULATION ACTIONS:

- Technological and organizational / cultural innovation, generating a profitable path.
- Stimulation and creating new markets.
- Leveraging existing internationalization, innovation and funding channels.

## 9. Bibliography.

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## On-line resources

### FUNDACIÓN LUIS VIVES

<http://www.fundacionluisvives.org/rets/8/articulos/26805/index.html>

### PROGRAMA MED 2007-2013

<http://www.programmemed.eu/index.php?id=15381&L=1>

## Legislation

Law 3/2011, of March 4th, which regulates the European Cooperative Society established in Spain.

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