

# ITALIAN CLUSTER EXPERIENCE

## CLUSTER DEFINITION

- ABOUT 200 CLUSTERS IN ITALY, FOCUSED ON FASHION (textile, gold), HOME (furniture, cuisines, tiles), MECHANICS, LEATHER, FOOD THAT ACCOUNTS FOR 2,2 MILLION JOBS AND 1/3 ITALIAN EXPORT
- A MIX OF FIRMS WHICH COMPETE AND COOPERATE AT THE SAME TIME ON THE SAME PRODUCT
- A CONCENTRATION OF PRODUCTION, TERRITORY, SOCIETY TOWARD A COMMON SECTORIAL ECONOMIC CULTURE

## CLUSTERS STRENGTH FACTORS

- ECONOMY OF SCALE FOR SMALL BUSINESS (MINI-GLOBAL COMPANIES)
- EXTERNAL ECONOMIES FOR SMALL BUSINESS (KNOW HOW, FINANCE, CULTURE)
- NETWORKING AND ALLIANCES FOR STRATEGICAL RESOURCES (RESEARCH, RECRUITING, LOBBING, ECC.)
- FLEXIBILITY AND TIME TO MARKET HIGHER THAN BIG COMPANIES

## NEW TRENDS IN ITALIAN CLUSTERS

- FROM COMPETITIVE POLICIES TO SCOUTING
- FROM A PRODUCT ORIENTED APPROACH TO A KNOWLEDGE BASED ONE (research, university links, common labs)
- GLOBALIZATION DEVELOPMENT THROUGH DELOCALIZING, JOINT VENTURES, M. & A.
- NEW LOCAL HIERARCHY (financial leaders + 85% in subcontracting and outsourcing)

## ARE WE ABLE TO REPRODUCE CLUSTERS?

- FIND A BULK OF LOCAL RESOURCES (people, natural resources, values and culture)
- INCREASE INNOVATION (social and economic)
- FOCUS ON LOCAL DEVELOPMENT
- ESTABLISH PUBLIC-PRIVATE MIXED STRATEGY

## The Lombardy case

- ✓ Lombardy is: 8 million people, high income per-capita (28.000,00 €/y), low unemployment (5,5%)
- ✓ Huge entrepreneurial base: 800.000 firms (90% less than 10 employees)
- ✓ Big shifting from industry to service sector, from big to small companies in the last years
- ✓ Good entrepreneurial spirits, low economic culture
- ✓ Good natality of firms (2% a year), great turbulence (8% a year), large mortality (about 67% a year)

## Italian policy toward entrepreneurship

### National level

- ✓ Law 68/86, Agency for youth entrepreneurship, Sviluppo Italia

### Regional level

- ✓ Regional laws, Chamber of Commerce, private initiatives, BIC

## Lombardy case

### **First phase: the start (early 90's)**

- ✓ Focus on job creation
- ✓ Targeted to young unemployed people
- ✓ Preferred tools: finance (grants, loans, etc.), facilities (incubators)

### **Second phase: the services approach (mid. 90's)**

- ✓ Shift from finance to real services
- ✓ Much more emphasis on information (PNI network: 10.000 people a year)
- ✓ Training: more than 10.000 entrepreneurs trained a year by the Chambers of Commerce
- ✓ Consulting: linked to regional laws for young and women entrepreneurs

## Third phase: the synthesis (finance + services)

### ✓ Saturno global grant (2003-2005)

- Region Lombardy gave to Chamber of Commerce network a

grant of 20 million Euros, financed by ESF, to promote entrepreneurship

- 8 million Euros for small grant (25.000,00 €) for SMES

- 9 million Euros for services (information, consulting, training, family business)

- 3 million Euros for system support (research, infos, marketing, etc.)



## New challenges for policy toward entrepreneurship

### Background trends

- ✓ From an industrial economy to the information and service economy
- ✓ Increasing globalization issues
- ✓ Need of pervasive innovation

### Possible answers

- ✓ Double approach: service system for microentrepreneurs; finance for bigger companies
- ✓ Policies better focused
- ✓ Special programmes for women, immigrants, young entrepreneurs
- ✓ Internationalization for SMES: one stepdesk, networks integration

## Institutional building for entrepreneurship support

- ✓ Public - private joint effort
- ✓ Horizontal approach (not only one sector, not only one service)
- ✓ Emphasis on family business, birth and growth
- ✓ Bottom-up approach (Chambers of Commerce plus associations of entrepreneurs near to companies better than Regional public level)



