Private Sector-led Economic Development and Competitiveness Strategies: Practices from Regional Economic Ecosystems

Private Sector Development Initiative for Southeastern Europe – Building Competitive Regions
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Alter-Globalization: Global Industrial Topology of the ICT Industry

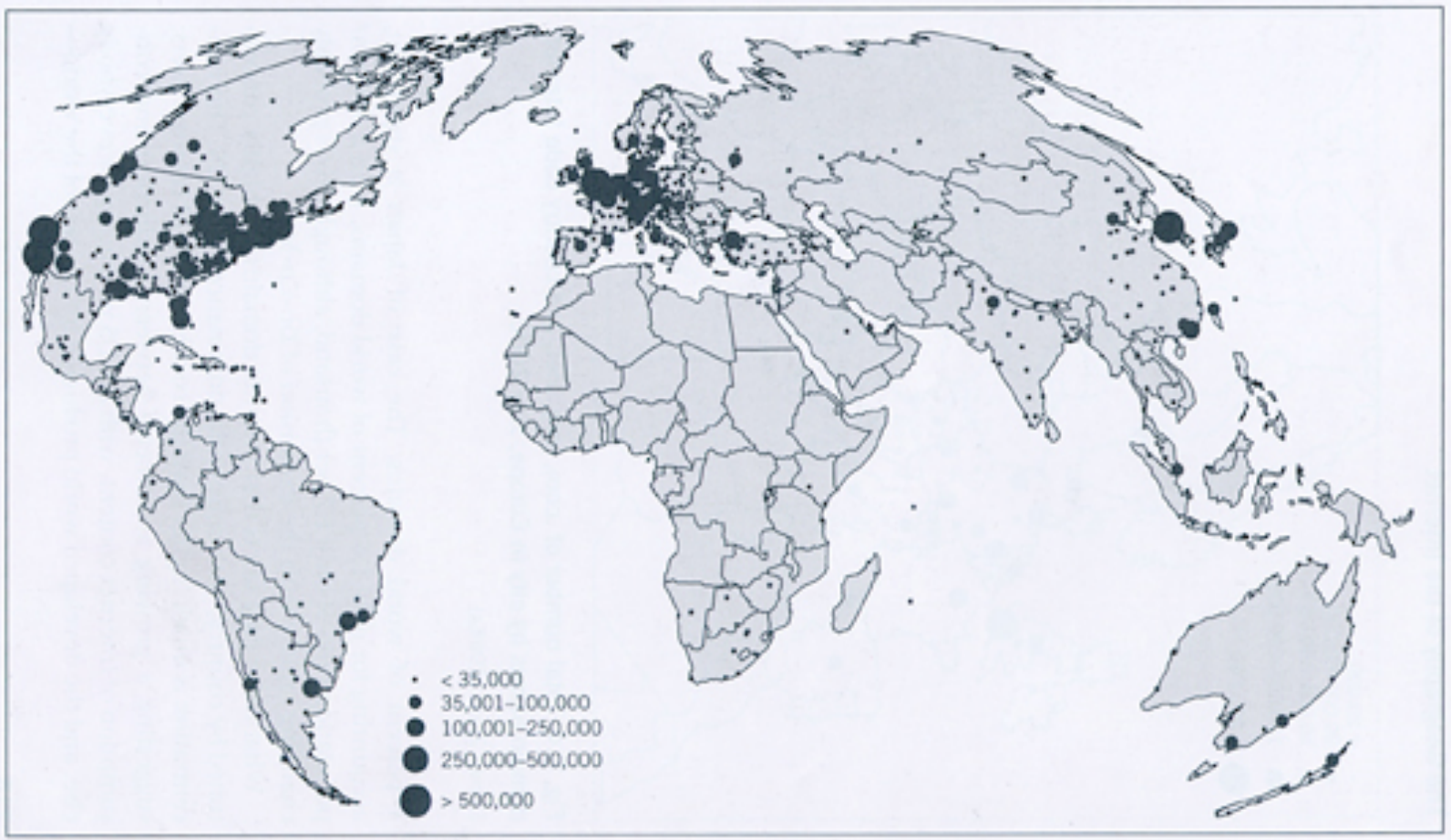

Fig. 8.3 Total number of .com, .org, .net, and country code Internet domain names by city worldwide, July 2000

Source: Zook (2001a)

Alter-Globalization: Global Topology of the ICT Industry – US

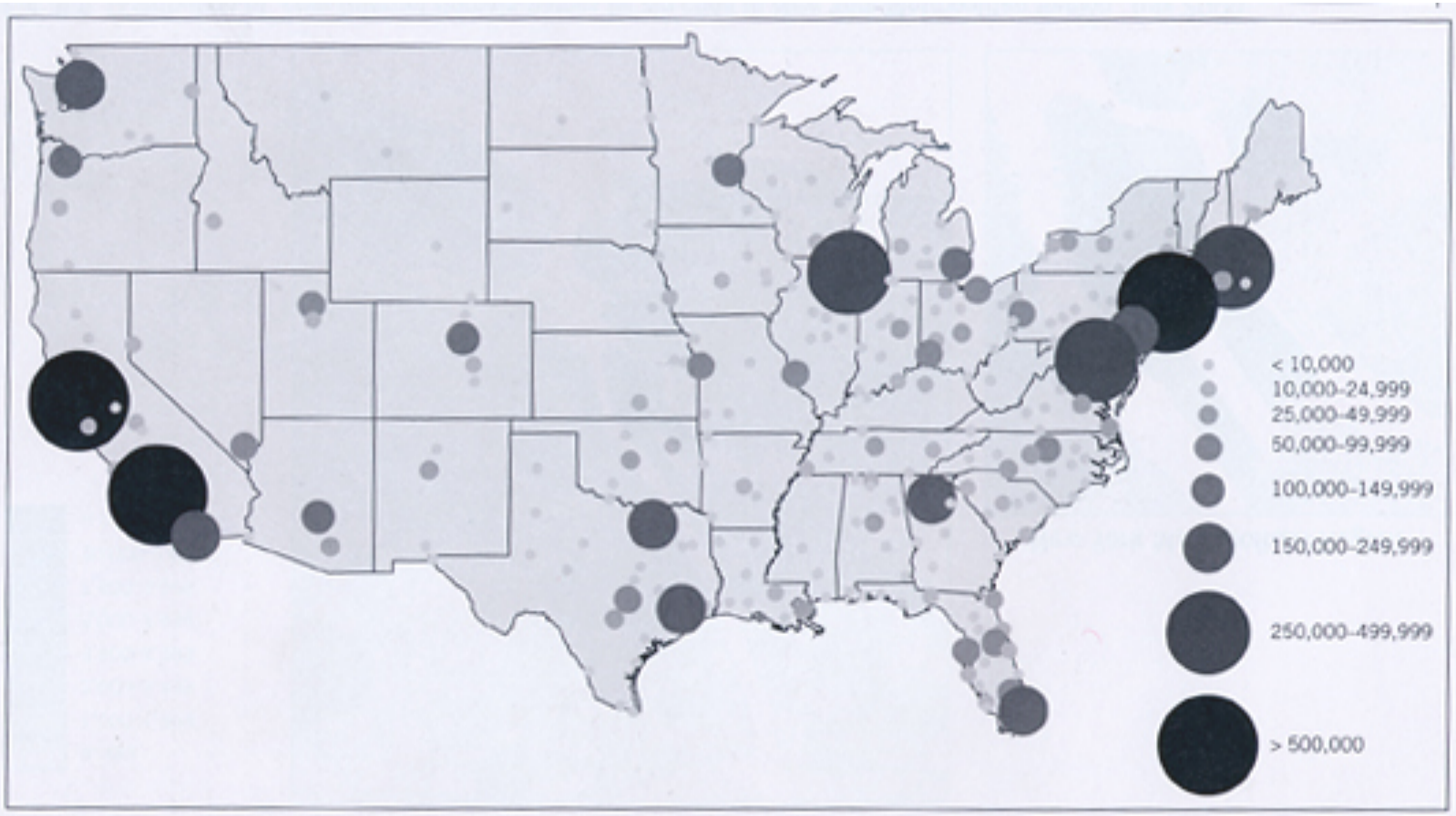

Fig. 8.5 Total number of .com, .org, .net, and country code Internet domain names by city in the US, July 2000

Source: Zook (2001*a*)

Alter-Globalization: Industrial Topology of the ICT Industry - EU

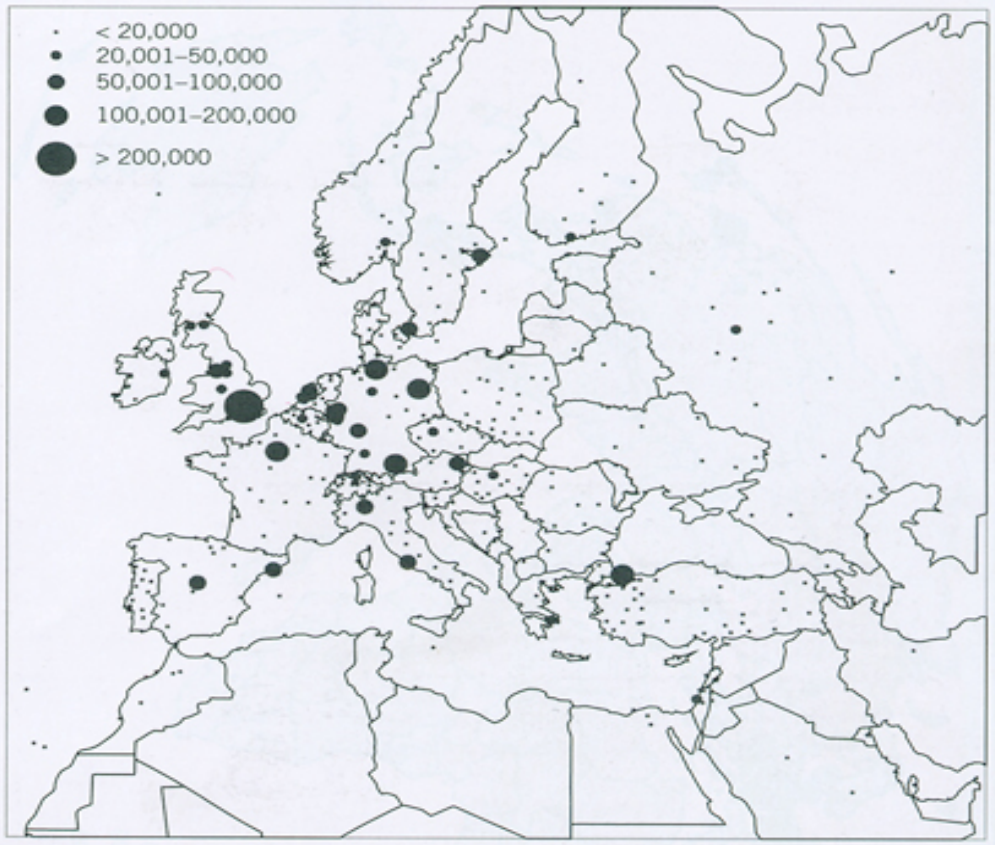

Fig. 8.4 Total number of .com, .org, .net, and country code Internet domain names by city in Europe, July 2000

Source: Zook (2001*a*)

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What's 'inside' them…

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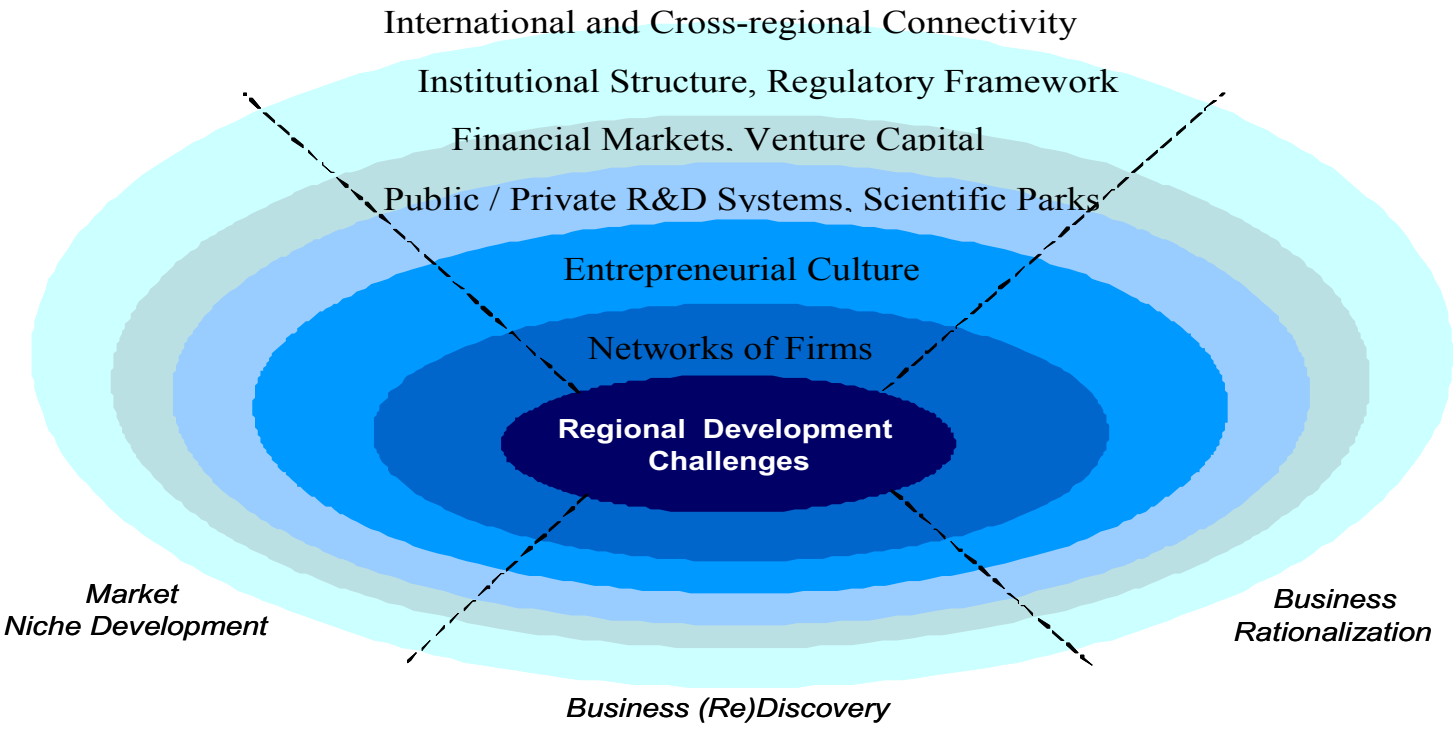
Elements of Regional Economic Ecosystems



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Functions of regional economic ecosystems

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What do regional economic ecosystems do?

- provide entrepreneurs, start-up companies and established companies with a supportive environment to help develop business projects
- provide a ‘one-stop’ basis, and allow for overhead costs to be reduced by sharing facilities
- facilitate access to networks, particularly in business management, marketing, technical and financial areas
- facilitate networking with other entrepreneurs and access to relevant business experience, skills and knowledge
- have an important impact on regional economic development by supporting industrial innovation and the commercialization of new technology
- combine ‘hard’ technological, ‘soft’ organisational and social, ‘ambient’ or ‘smart’ infrastructures
- support industrial diversification through the development of creative industries with high growth potential and competition but also employment and entrepreneurship

Umbria and the Vilnius-Kaunas Dipolis

Strategic objective: to improve the performance of SMEs located in Umbria and the 'Vilnius and Kaunas Dipolis' by identifying and promoting complementary competencies and capacity for cross-regional collaborative business ventures

Tactical objectives:

- To assist the regional government of Umbria, the 'Vilnius and Kaunas Dipolis', and related agencies, industrial clusters and SMEs establish cross-regional business ventures
- To accumulate cross-regional capacity for SMEs and clusters to identify potential collaborators and business opportunities on a cross-regional basis
- To establish a cross-regional basis of collaboration to increase the performance and competitiveness of SMEs and regional clusters through the accumulation and concentration of required business development support competencies
- To improve the innovation capabilities and performance of SMEs and regional clusters through the identification of complementary competencies and capacity for cross-regional collaborative production, distribution, delivery, marketing and promotion of products and services.

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Competency mapping in the regional economic ecosystem

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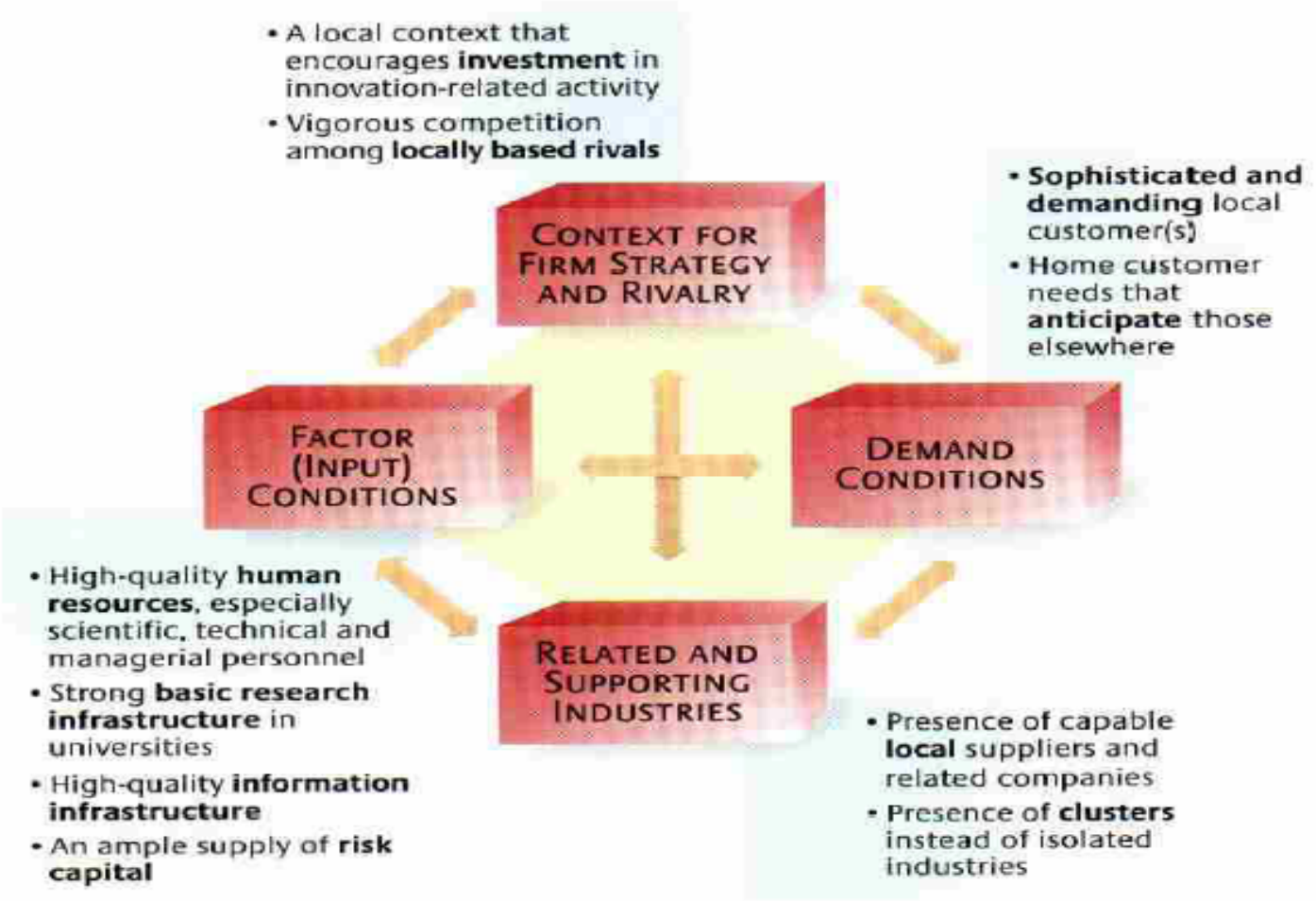

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Competency mapping in the regional economic ecosystem

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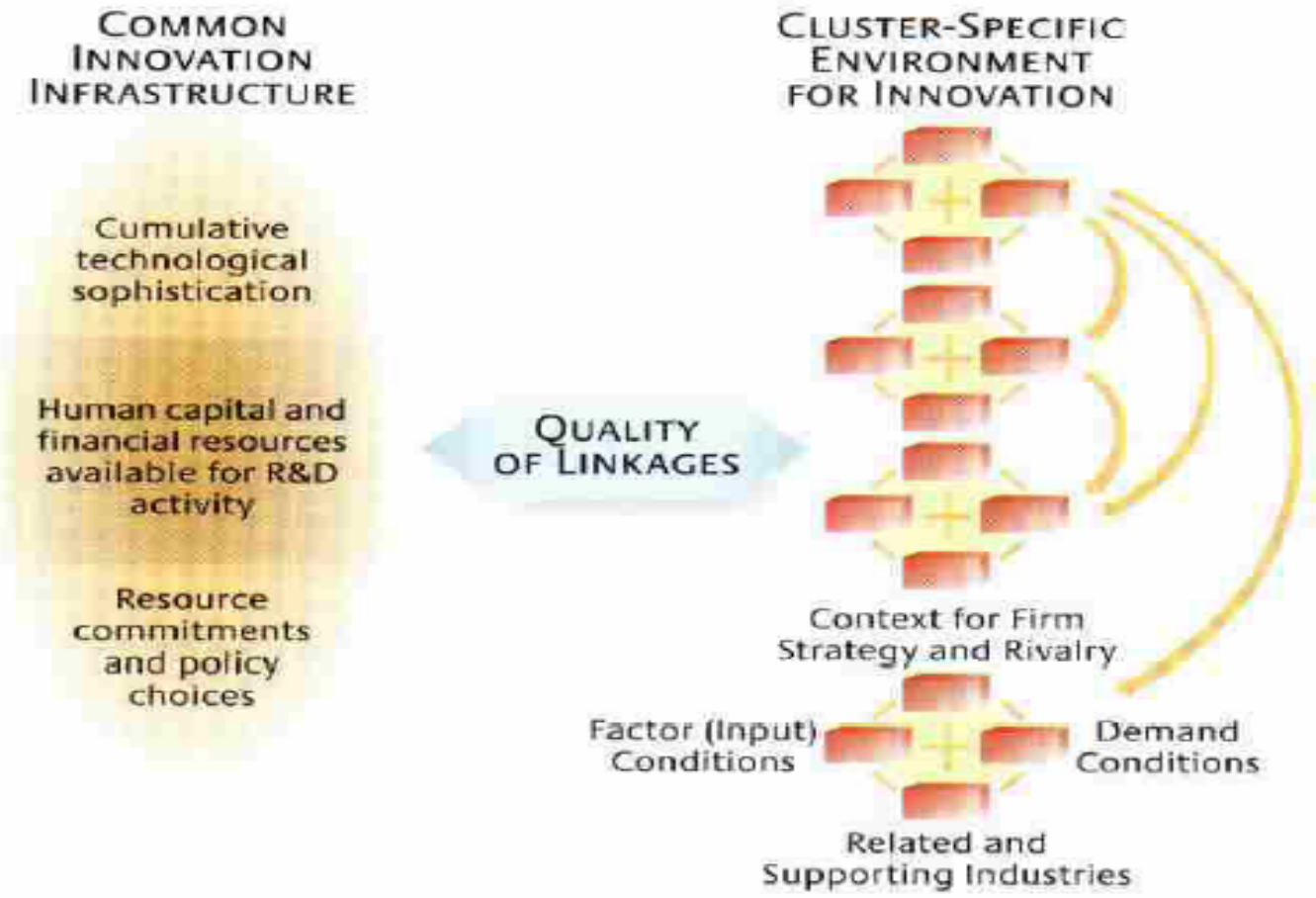
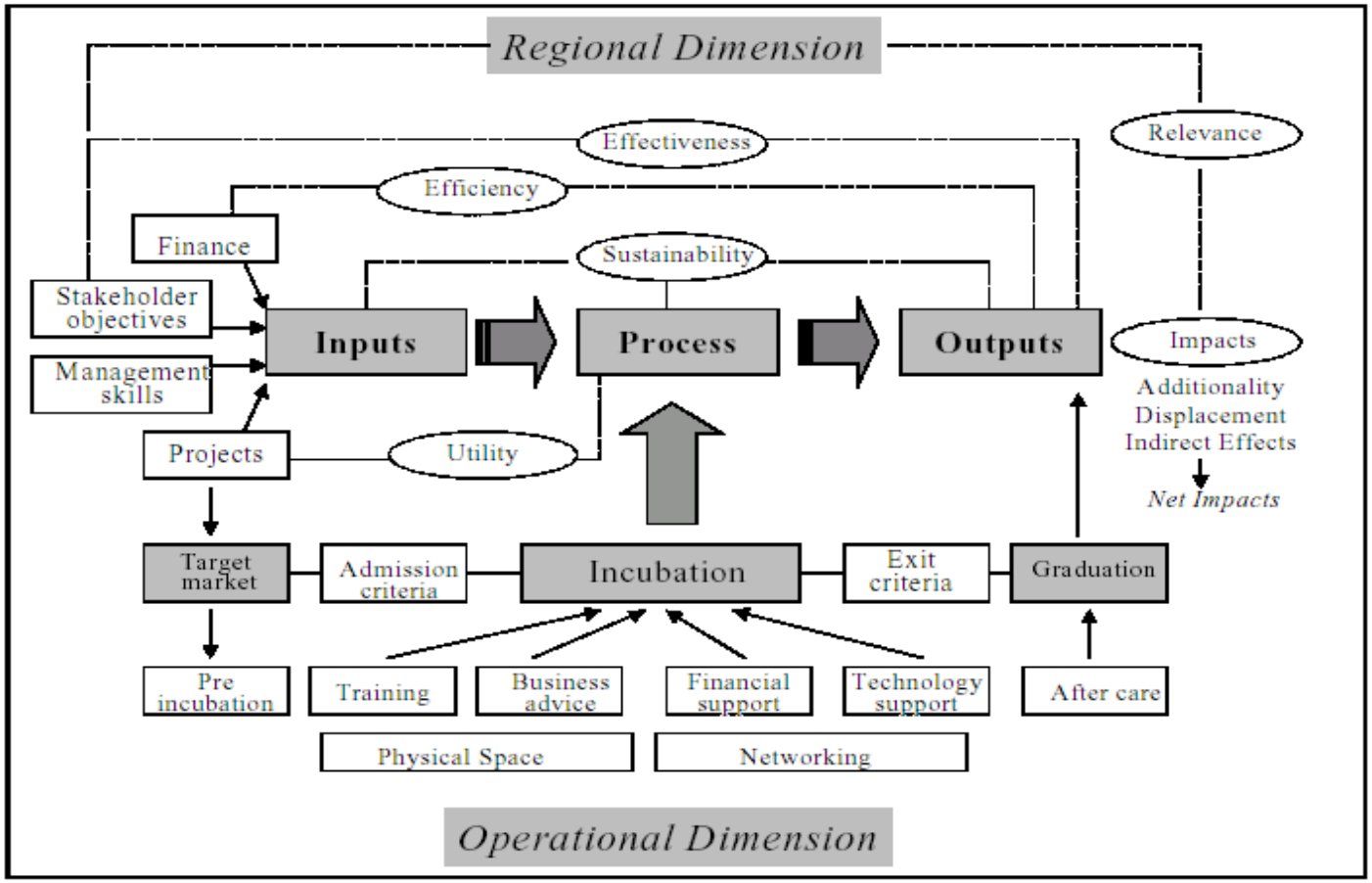


Elements of regional economic ecosystem modelling



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Designing a regional economic ecosystem strategy

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Which approach to regional competitiveness strategy ?

Approach: A global 'economic' approach to business that covers every aspect of a firm and the regional economic base

Focus: May be high-tech, mid-tech, or low-tech or may even involve innovations of a non-technological nature such as the development of 'ambient' technology

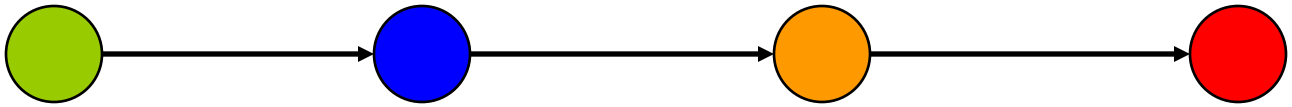
Key: Identify different enterprises and systems of knowledge and technology at different parts of the value chain and create an environment that maximises synergies which contribute not only to economic growth of the companies themselves but also to the economic growth of the region

Performance parameters of regional competitiveness strategy:

1. Governance and management of regional ecosystem
2. Enterprise development program of ecosystem
3. Marketing strategy of ecosystem
4. Physical facilities and general business services of ecosystem
5. Financial model of ecosystem
6. Technology transfer

Mapping the Regional Economic Ecosystem Life Cycle

Stages of regional economic ecosystem development



Launch	Identity	Implementation	Institutionalization
Rationale	Self awareness	Initiatives	Collaborative organizations
Objectives	Ecosystem analysis	Networking	Cross-regionalization
Strategy	Action plans	Involvement	Business reconfiguration
Stakeholders	Policy mix	Policy steps	Agenda reviews

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... and what we miss

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Regional competitiveness strategy is not what it used to be...

1. Regional strategy... This means different things to different people in different regions...

2. Relative dependence of key stakeholders – regional and international - on the regional capabilities of the region... This is given, as much as it is made...

3. Institutions, regional and national... The EU matters but regional strategies with the backing of national governments matter more...

4. Diversification of the regional economy... More given than made... But...

5. Understanding the value topology of regional economies and their policy implications... One size does not fit all...

6. Synchronization of regional administrative structures with economic transformations... Who is 'learning'?

7. Education and training... Caution! Not a 'motherhood' issue...

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Thank You

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