



An Roinn Gnó,  
Fiontar agus Nuálaíochta  
Department of Business,  
Enterprise and Innovation

# Clustering & Enterprise Development in Ireland

Cluster Policies in the Piedmont Region

Study Trip, October 2019

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# A changing context... “Enterprise 2025”



- **Significant international developments since 2015**
  - Brexit.....
  - US Administration ..... Policies that impact on trade, migration, taxation.....
  - International Tax Developments .... Driven by OECD and EU .... Continuing to evolve
- **Unrelenting pace of technological advancement, climate change**
- **Nationally..... while performance has been strong...**
  - Investments in RD&I remain below comparator countries
  - Concentrated in terms of export markets and source markets for FDI
  - Concentrations in sectors ?
  - Productivity slow down and divergence;
  - Tightening of labour market; quality jobs



# Enterprise 2025 - national enterprise policy



1. Sustaining what we have in the context of external challenges such as Brexit
  2. Transforming performance to ensure longer term resilience (innovation, productivity, capability...)
  3. Building on our strengths - successful enterprises, scaling internationally
- Developing our *Irish owned* enterprises – embedding resilience in our enterprise base
  - Harnessing the distinctive characteristics of our foreign and Irish owned enterprise mix through *collaboration and clustering*
  - Spotlight on *innovation and talent* and leveraging our strengths in *disruptive technologies*
  - Realising the full potential of our regions through investments in *place-making*
  - Developing *international relationships* and strengthening economic diplomacy



# Future Jobs Ireland – from policy to action

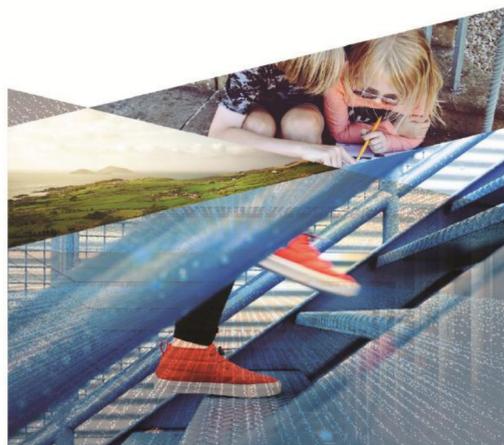


Future Jobs Ireland is a new multiannual strategy to help to prepare Ireland for the challenges the world will face and for the economy of tomorrow.

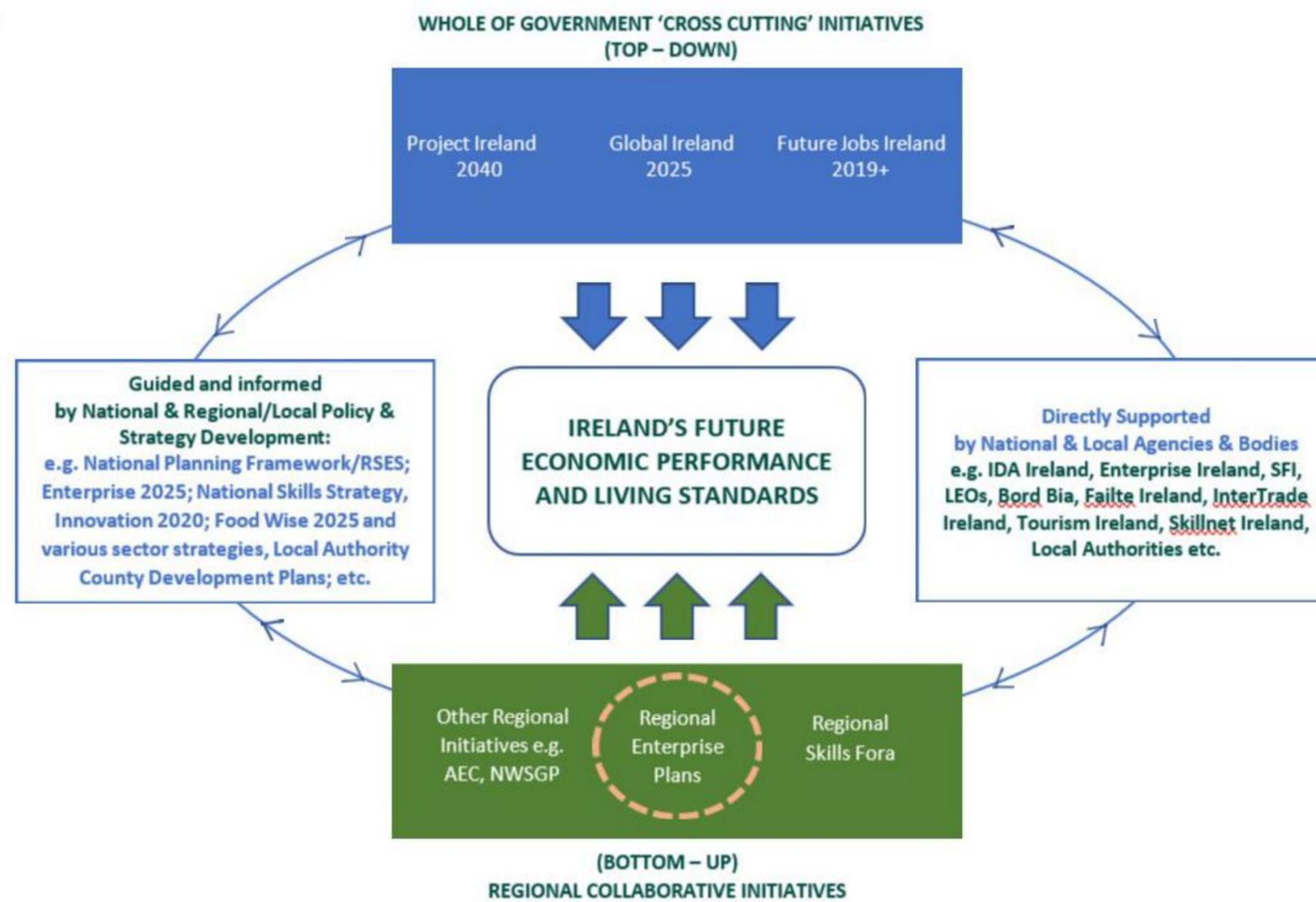
It provides a framework of focused ambitions that will form a key part of Ireland's economic agenda over the medium term.

➤ Future Jobs Ireland 2019 (launched in March) is the first stage in a series of annual Future Jobs Ireland editions, and is focused on five pillars :

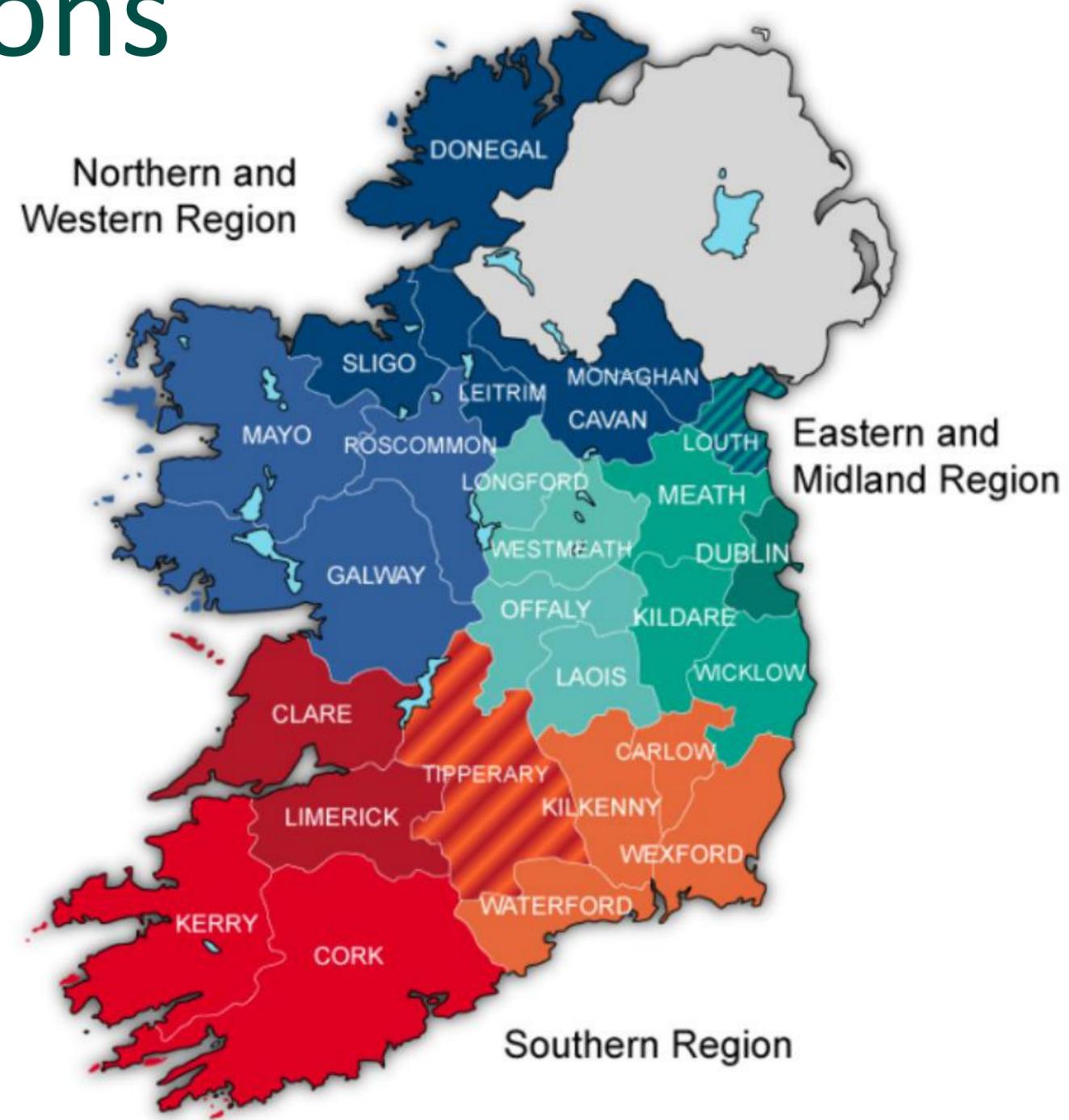
- *Embracing Innovation and Technological Change*
- *Improving SME Productivity*
- *Enhancing Skills and Developing and Attracting Talent*
- *Increasing Participation in the Labour Force*
- *Transitioning to a Low Carbon Economy*



# Translating national enterprise policy to regional impact – a bottom-up approach



# Ireland's regions



# Regional Enterprise Development from crisis to driving regional growth...



- **Regional Action Plan for Jobs 2015-2017+:**
  - 285,600 jobs created since Q1 2015: 3 out of 5 outside Dublin
  - Strengthened link between national policy and achieving regional impact
  - New structure for regional actors to work together – public/private
  - Implementation momentum
  - Introduction of the €60 million REDF

## **While overall results strong...**

- clear that not all regions are improving at the same rate, need to focus on quality jobs
- perceived disconnect between national policy and regional priorities
- need to focus on regionally based capabilities and opportunities - from the ground up

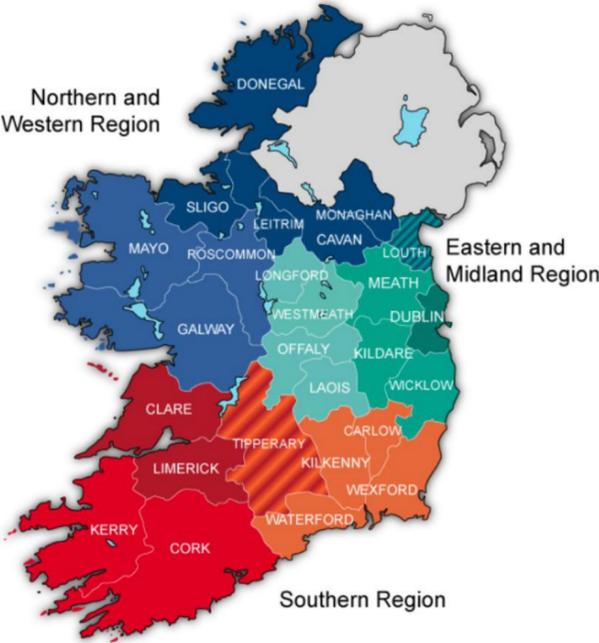
# Regional Enterprise Plans (REPs) to 2020



- Revisit priorities for each region (Enterprise 2025 lens)
- Build on the collaboration momentum
- Maintain public/private structure
- Stakeholder led (bottom-up) process
- Make choices
- Focus on added value
- Bring forward strategic projects for REDF funding
- 2-year rolling agenda



# Regional Enterprise Plans (REPs) to 2020



Midlands

South-West

Dublin

North-East

South-East

Mid-East

Mid-West

North-West

West

Skills & Talent

Tourism

Live, Work, Visit

Enterprise Hu

Clustering International

Skills & Talent

Tourism

Sustaina

Tourism

SME resilience

Regional talent

Enterprise growth & resilience

Marketing the Region

'A Learning Region'

Engagement strategy

Tourism

Co-working

Capacity building

Skills & Talent

Training & Skills

West

Creative Sector

Life Sciences

Enterprise Space

# REPs - Translating national enterprise policy to regional impact – bottom-up approach



West



Dublin



Midlands



Mid-West



Mid-East



North-East



North-West



South-West



South-East

# Translating national enterprise policy to regional impact – a bottom-up approach



- Strengthened institutional capacity; structured context for public and private sector to focus on their region's enterprise potential (& new challenges)
- Buy-in achieved ('local ownership' at the heart of the process)
- Local Authorities engaged in collaborative initiatives- resourcing Programme Managers to support project activation
- Implementation underway: cluster workshop (SW); regional jobs fair (Midlands); regional food strategy (Midlands); engineering cluster launched (South-East); and DKIT business outreach (North-East)
- New REPs backed by €45 million third call under the REDF



# Clustering policy in Ireland



- Fostering and enabling the bottom-up dynamic of clustering will help to achieve national enterprise policy objectives.
- Currently cluster policy permeates through a range of enterprise policy interventions rather than through a singular cluster policy initiative.
- As a small country, sensible to consider clustering initiatives at the national as well as the regional scale – to achieve critical mass of participants and potential.
- Important to note the distinct character of our enterprise base, which includes a significant foreign-owned enterprise cohort.
- Significant focus on ‘seed stage’ funding – challenge of growing clusters of scale and sophistication

# Clustering activity in Ireland



- Organic 'geographical concentrations' of activity.
- Industry-led (networks & industry representative organisations)
- Investments in formal innovation collaborations (Science Foundation Ireland)
- Global sourcing initiative (Foreign/Indigenous linkages)
- Skillnets (industry led training networks)
- Regional funding (Regional Enterprise Development Fund, Regional Technology Clustering)
- Disruptive Technologies

# Regional Enterprise Development Fund - support for clustering



- REDF complements and supports the Regional Enterprise Plans.
- The purpose of the Fund is to:
  - accelerate economic recovery in all regions by delivering on the potential of local and regional enterprise strengths
  - support the development and implementation of collaborative and innovative projects
- 3 funding streams - one of which focuses on 'Enterprise Clustering Projects'
  - Funding of up to 350k per project is available.

# Regional Technology Clustering Fund



- An initial budget of €2.75m aimed at Institutes of Technology and Technological Universities
- Grow engagement between enterprise and regionally based Institutes of Technology
- Drive productivity and competitiveness in SMEs and support internationalisation activity- led by Institute of Technologies
- Two streams:
  - formation of new engagements
  - existing enterprise clustering

# Cluster building through RD&I collaborations



- Science Foundation Ireland (SFI)

(Investment in science, technology, engineering and mathematics research)

- SFI Research Centres:

- help link scientists and engineers in partnerships across academia and industry

- Are multi-institutional and collaborate with both SMEs and MNCs throughout the country

- 17 SFI Research Centres and currently funded by Science Foundation Ireland

- important scientific advances, enhancing enterprise and industry, training students with critical, in-demand skills, supporting regional development, and enhancing Ireland's international reputation



# Cluster building through RD&I collaborations



- Disruptive Technologies Innovation Fund (DTIF)
  - projects must involve collaboration, innovation and/or be disruptive in its impact on one of the Research Priority Areas designated by Government:
    - ✓ ICT; Health and Wellbeing; Food; Energy, Climate Action and Sustainability; Manufacturing and Materials; Business Services and Processes.
    - ✓ Specific priority areas such as Robotics; Artificial Intelligence; Augmented and Virtual Reality; Advanced and Smart Manufacturing; and Smart and Sustainable Food Production and Processing.
- Applications for project funding amounts of €1 million or more.
- First call under the DTIF in 2018 saw 27 collaborative projects funded with over 100 partners involved

# Cluster building through RD&I collaborations



- Department of Public Expenditure and Reform (DPER) have confirmed funding for the Disruptive Technologies Innovation Fund (DTIF) to 2022 as follows:

Year	DTIF
2019	€20m
2020	€30m
2021	€40m
2022	€90m

- This will provide a total capital funding allocation to end 2022 of €180 million

# Future Jobs Ireland 2020 - National Cluster Policy

- 2019 Deliverables:
  - Evaluation of the Global Sourcing Initiative to identify ways to increase its reach
  - Develop a Regional Innovation and Technology Clustering Programme
  - Develop new and existing clusters to support best practice sharing and knowledge development
  - Identify Government funds/programmes to strengthen linkages with SMEs and education providers
- 2020 Deliverables- Clustering a key theme
  - Consultations have commenced/ national summit in Nov
  - Clusters- a policy tool, not the end in itself
  - What is the role of policy... what do we want to achieve?



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