



Different kinds of Cooperation, how can Africans seize the opportunity? A cluster approach

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Agenda

- How to seize the opportunity, how to become competitive?
- Why Clusters are important to develop food-markets?
- Experiences so far, Round Table Africa
- Conclusions



Competitiveness a definition

- Competitive advantage at the enterprise level is the capacity of a firm to gain, maintain and expand its share in markets for final products (value upgrading)
- At the cluster level: enterprises in the cluster together do better than those who are not part of the cluster (value upgrading)
- Different definitions, different levels and corresponding policy recommendations



Definition of clusters

- *Clusters are “geographic concentrations of interconnected companies, specialized suppliers, service providers, and associated institutions in a particular field” (Porter, 1998).*



Clustering enhances competitiveness

- *Enterprises in the cluster together do better than those who are not part of the cluster*
- *Availability and pooling of skilled labor force*
- *Availability of specialized service suppliers*
- *Improved market access (economies of scale)*
- *Circulation of information (univ-firms-gov)*
- *Government and institutional support*

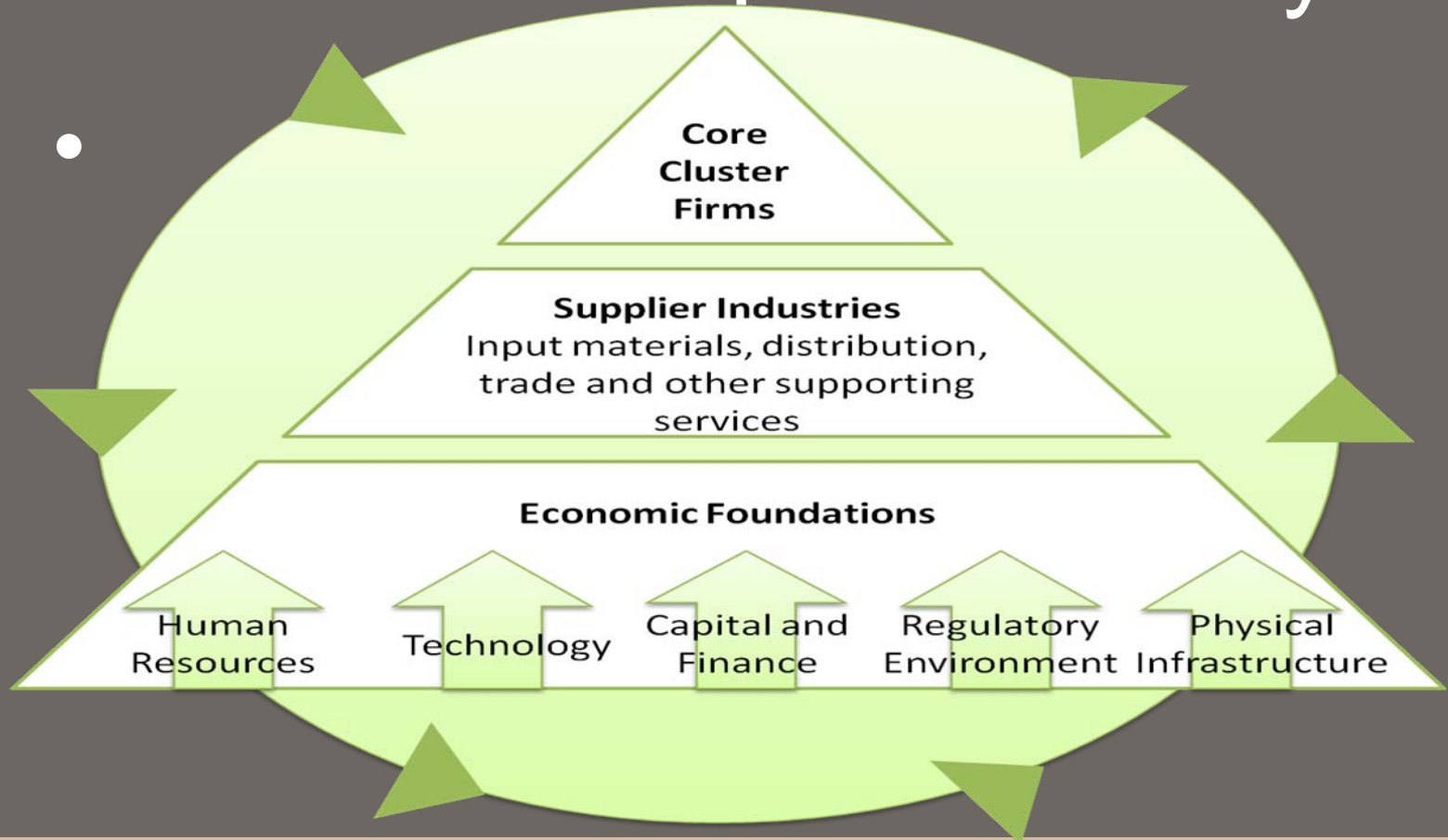


Competitiveness at cluster level

1. Investment climate (access to finance)
2. Infrastructure
3. Education (health)
4. Policy development
5. Research
6. Lead firms
7. Suppliers



Cluster Development Analysis





Experience in the Netherlands

- Peaks in the Delta (Greenport, port of Rotterdam, Schiphol, etc) , per province;
- Top-sectors (water, agro food, Life Science & health, Chemicals, High Tech, Energy, Logistics, Creative industry)
- Financial assistance by the Ministry and provinces.



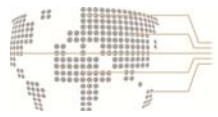
Experience in Africa

- Corridors in Mozambique and Tanzania
- Cluster development by OTF (On the Frontiers, Porter) in Rwanda
- Pan African Competitiveness Forum with SIDO (Sweden) focused cluster analysis in Nigeria, Ghana and Kenya.
- UNIDO
- Round Table Africa



Cluster challenges in Africa

- Keeping up with the knowledge revolution and increasing global competition
- Lack of critical mass of skills and talent
- Weak links between businesses and knowledge institutions
- Weak governmental, institutional support
- Failure to meet international standards

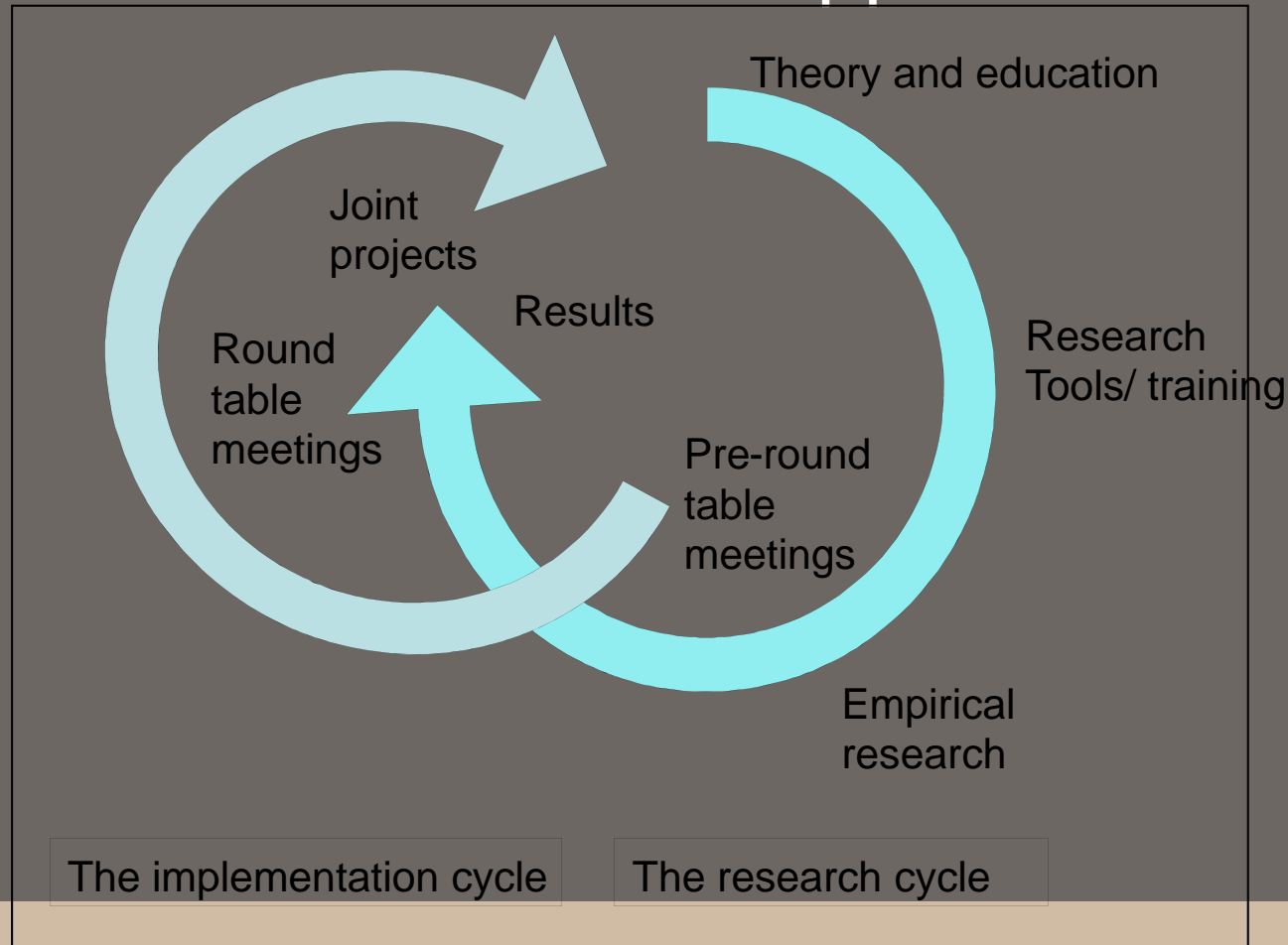


An example: Round Table Africa

- To stimulate sustainable business by linking research with business development (link macro-micro) in East Africa
- Focus on MBA and PhD students (public and commercial funding)
- A programme of MsM and ESAMI
- Four steps (linkages): Education, Research (Gov.-Value Chain analysis), Round Tables (Africa- Europe), Projects (Business)



The Round Table Approach





Results after six years

- 50 PhD/ DBA students from Africa enrolled
- 50 different kinds of business-research such as:
 - business community partnership (horticulture, Tanzania)
 - The role of the middleman (potatoes in Kenya)
 - Agro-input subsidy packages in Tanzania
 - EAC trade hurdles for the agro-sector
- Different projects (SME agro-bank, Association of oilseed-producers, Waste management system for the Serengeti, etc.)



Competitive?

- Did we create more sustainable business development?
 - *Partly, but scattered and therefore probably less effective should focus on a few clusters*
- Did we focus on the strength through value chain analysis?
 - *Partly, too much focus on one beneficiary (association, lead-firm) in the VC more focus on Cluster mapping/ analysis*



Effective?

- Did we link Dutch investors with African businesses?

Proved to be difficult for us. As a knowledge institute we are not so good in everything, i.e.: education, research, matchmaking, round tables and project implementation

- We have to work together in real clusters



Conclusion: Linking demand and supply

- Cluster development is more holistic-more organisations need to work together; Value chain analysis is more one-dimensional
- Cluster dev. forces to be selective (scarce res.).
- Cluster development in Africa, focuses on the demand in Africa
- Most instruments in the Netherlands are supply driven (PSI, PPP, etc)
- Matchmaking of clusters in Africa with top-sectors in Holland



Example: 2g@there-OS

- Clustering companies with knowledge institutions here and in one of the 15 selected countries of the Ministry in Africa and Asia
- Trials in Kenya (dairy) and Ethiopia
- Do we seize the opportunity?
Demand should be leading



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Thank you

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