



annual report 08

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In 2008, Orkestra-Basque Institute of Competitiveness completed its third year of working life. The institute is becoming more firmly established by the day; it is, above all, a dynamic, living project, built on some very solid pillars. The annual report for 2008, which we now make available to you, is a fair reflection of the objectives achieved, the enthusiasms shared and our ambitions and aspirations for the future.

Today a palpable reality, Orkestra-Basque Institute of Competitiveness is a project with a great future. It has been built up by people who work together and who share their ambitions, skills and commitment to ensure the organization achieves the mission it was created to fulfil. They are the people who, as individuals and also as representatives of the sensibilities to be found in institutions, businesses and organizations, make our daily activities possible.

I said last year that, although we had a huge store of questions, we were also finding answers. And that's what we have continued to do: look for answers to our questions, find them, conceptualize them and, finally, socialize them. And we have found new

questions, new fields in which to work and expend our efforts, new opportunities to contribute our knowledge and experience to make Basque society more competitive and to increase the store of universal knowledge and reflection on competitiveness from our regional standpoint.

The permanent equilibrium between local and global is an essential part of our bid to move forward, ever mindful of our twofold objective of enhancing the situation in the Basque Country and improving economic and social development in the region, while at the same time helping the international community to develop.

To guide us, we continue to lay stress on three areas, what we call the 3Is: insight, interaction and instruction. In this sense, the experience has been most rewarding. The 3Is are all employed to provide our unique value proposition. This Annual Report helps us to appreciate the rewards reaped in 2008 and the work proposals for the future.

We are still committed to fashioning the new language of competitiveness, which is why we need to work permanently with all kinds

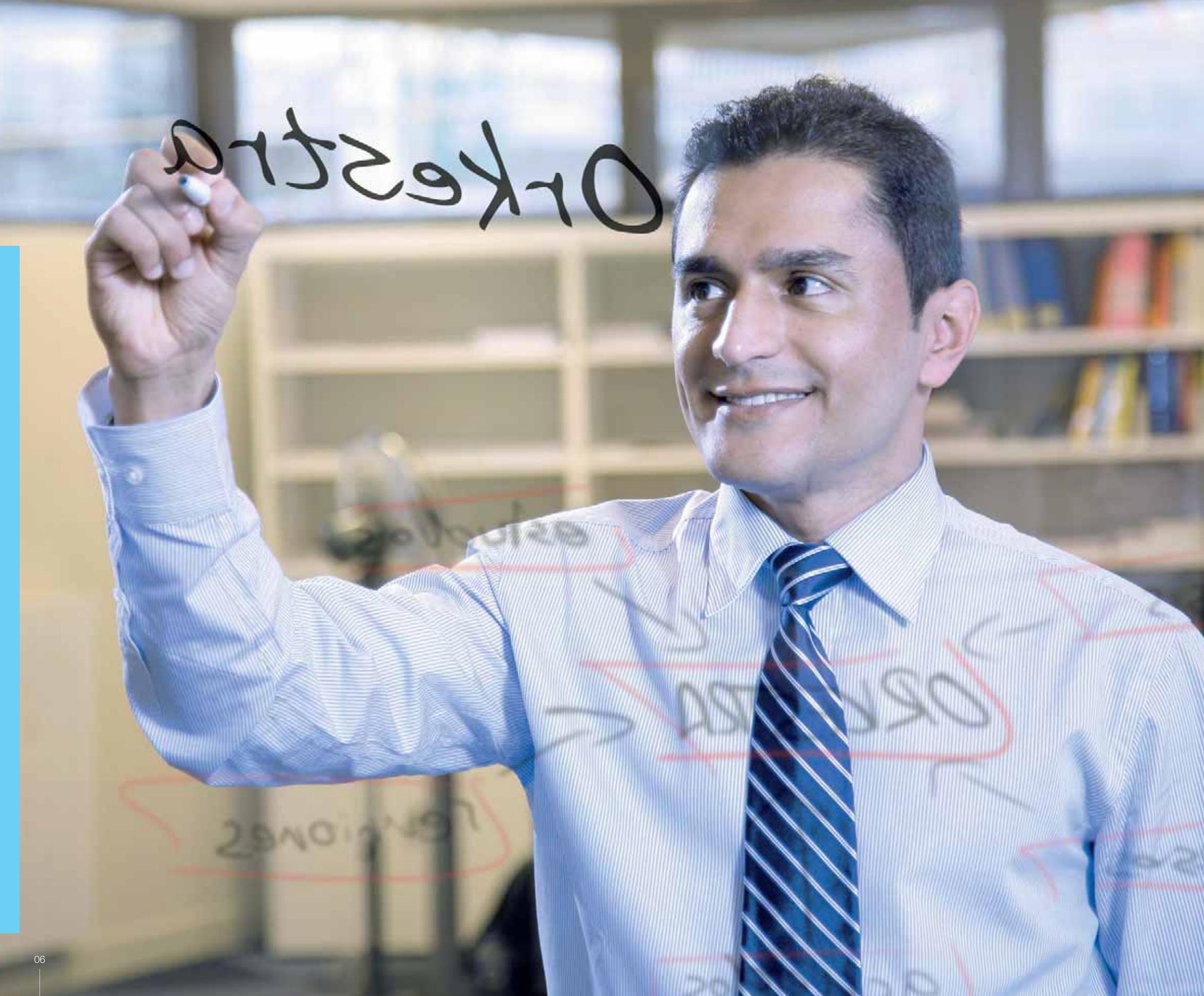
of players. This commitment is even more important now, at a time like the present, where the economic map is undergoing major redefinition, new questions are being posed, and where we are all inevitably going to have to adapt to new scenarios as yet undefined and unbuilt.

Fully aware of the Institute's short but remarkably solid history, and its commitment to the future, I now call on everyone to cooperate, to work together, to lay the foundations for a better future.

Finally, my thanks to everyone who has made the Institute possible and to those who come to us to share their projects with ours.

A handwritten signature in white ink on a blue background. The signature is stylized and appears to be 'JL Larrea'. It consists of a large, loopy 'J' followed by 'L' and 'Larrea' in a cursive script. A long horizontal line extends from the end of the signature to the right.

José Luis Larrea
Chairman, Basque Institute of Competitiveness



Orkestra

1.1 Introduction

Founded in 2006, Orkestra-Basque Institute of Competitiveness of Deusto Foundation (herein-after Orkestra) has the mission to support the activities of the region's public administration, social and economic players and universities in all areas associated with competitiveness.

Orkestra is the result of the convergence of a number of strategic attempts that have led to a "cooperative partenariat" in the service of competitiveness and prosperity in the Basque Country.

1.2 What is Orkestra?

Orkestra was set up to identify the real paths to competitiveness and wellbeing required by the rapidly changing, innovative society of the Basque Country. This it does by orienting and accelerating the development and implementation of public policies and private business agendas through the synergy-driven performance of three essential functions: insight, interaction and instruction.

With its HQ on the University of Deusto's campus in San Sebastián, the Institute has an extensive network of collaborators, with major roles taken by the Basque regional government (through its regional development agency, SPRI), the Provincial Council of Guipúzcoa, Euskaltel, Gamesa, Kutxa and Repsol-Petronor.

Our experience, track record, and commitment to the future has led to a degree of mutual dependence with other regions, in terms of learning and the capacity to exert influence in generating competitive models and tools, which the Basque Country needs as much as the rest of the world.

After some hard thinking, we synthesized the mission, values and *raison d'être* of our activity in a document called Vision and Strategic Purpose. We also defined our own competitive model in another document, with the self-explanatory title Model of Competitiveness (both currently available at our webpage: www.orkestra.deusto.es).



Vision and Strategic Purpose

“...Orkestra is the result of some very exacting work done by players concerned with competitiveness that over the years have favoured the region's development, in the context of a “living—and successful—competitive strategy” for the Basque Country. Its beginnings can be traced to the promotion of a training programme on

the microeconomy of competitiveness (CCEDR-MOC) which, in the frame of the MOC network (www.isc.edu, or www.ccedr.com), was launched at the University of Deusto's ESTE Faculty...”

“...From this background, and with its understanding of the world we live in, the present and future challenges and the major opportunities available, the Institute came into being with a clear value proposition that distinguishes it from both the galaxy of Institutes and Centres for Competitiveness all over the world and from the other players in the game. The Institute was created to identify the real paths to competitiveness and wellbeing required by the rapidly changing and innovative society of the Basque Country, something it would do by orienting and accelerating the development and implementation of public policies and private business agendas. Its experience, track record and commitment to the future made its mutual dependence with other regions in the world (and tools with complementary strategies) “inevitable”, both in terms of learning and the capacity to exert influence on the generation of competitive models and tools, which the Basque Country needs as much as the rest of the world...”

“...The Institute champions “competitiveness in solidarity” as a message for the general enhancement and wellbeing of all players involved. Such competitiveness involves discovering and opening up new areas

of opportunity that will be reinforced by suitably integrating the three essential contents that provide, in daily practice, a natural way to favour the change and progress desired:

- 1) From the conceptualization of the “economy–territory” pairing, the guiding principle of the basic areas of knowledge and research
- 2) The integration and application of knowledge in demand via the synergy-driven development of three essential functions: Insight, interaction and instruction
- 3) The generation, membership and/or activation of a worldwide “Network of Networks”....”

“...In short, Orkestra-Basque Institute of Competitiveness is a strategic bid to generate a gloKal, interdependent competitive platform for wellbeing, orchestrated between competitive players and tools in the heat of permanent creative innovation and based on the excellent synergy of research, specialist instruction and mediation or brokering in the service of a Basque Model of Competitiveness.

This Model is conceived with a twofold objective: to make the Basque case a model for success to the benefit of the region's own society and to promote it throughout the world as a representative example of competitiveness proper to successful countries at the cutting edge...”.

...Building our own model of competitiveness...

Model of Competitiveness

“...Facilitating the real paths towards competitiveness means applying the Institute’s competitive model to the real competitive model in the Basque Country and gradually enhancing the model through comparison with others at home and abroad...”

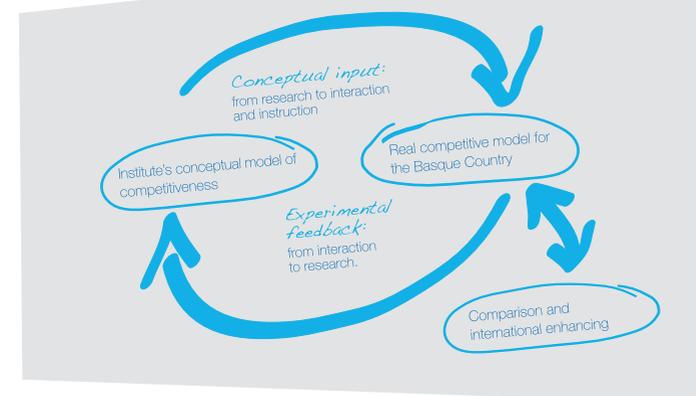
“...Essentially, the Institute’s concept of competitiveness is a concept of microeconomic competitiveness in solidarity, based on the idea of the central importance in the model of factors of microeconomic competitiveness. Recently a general consensus has arisen on the importance of microeconomic factors, as opposed to macroeconomic factors, in the competitiveness and wellbeing of a particular geographical unit or area...”

“...The model has three basic aspects: where we are, where we want to go and how we get there. Quantitative and qualitative analysis of all the essential features of the MOC will help us to understand where we are. Although “where we want to go” should also take account of these essential elements, it should be a “where we want to go” shared with a broad spectrum of Basque social and economic players. The “how we get there” entails a shared strategic vision and the coordination of all players involved. The real road to competitiveness means forging a path from the current situation to the desired one...”

→ Orkestra Basque Institute of Competitiveness

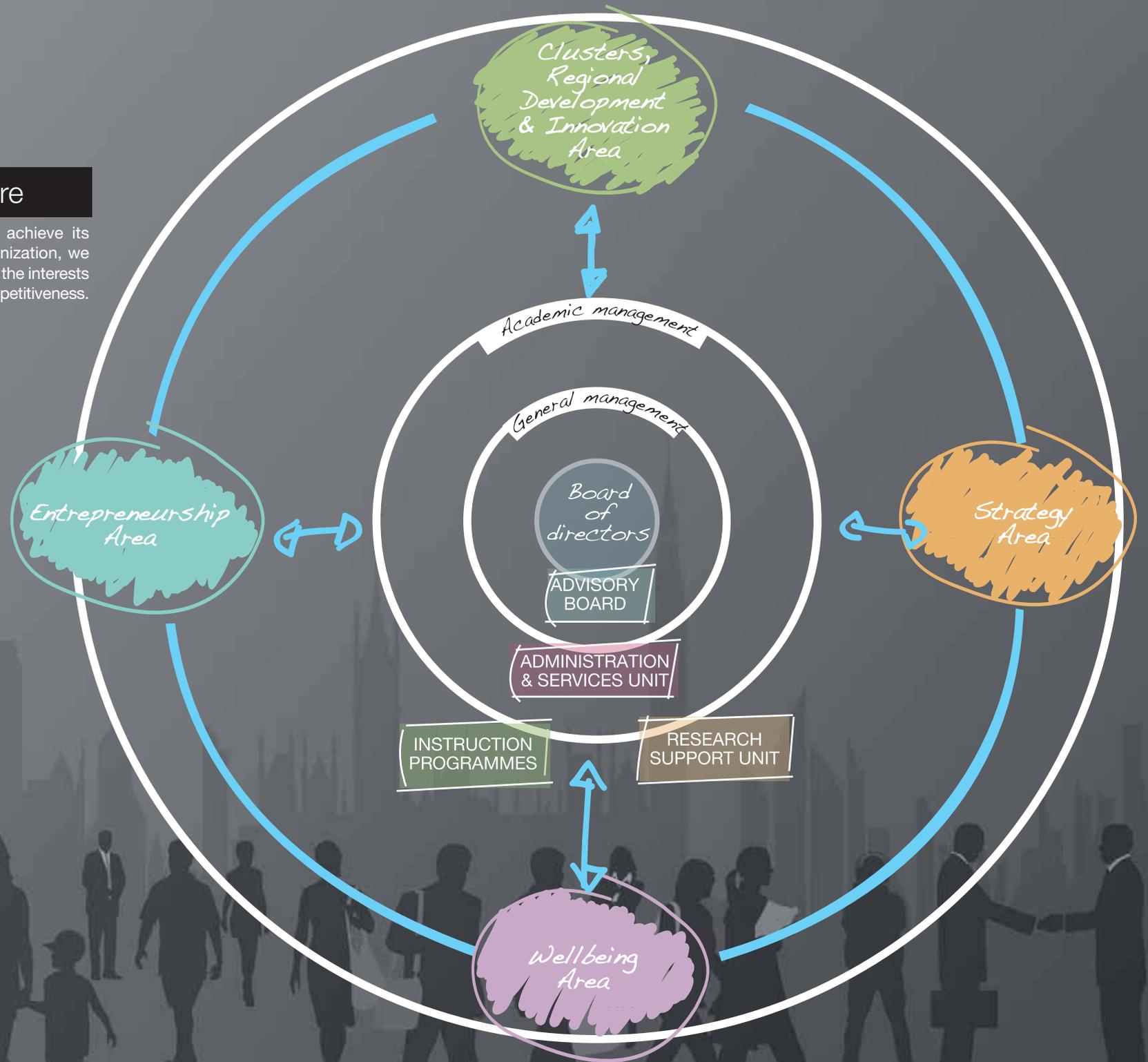
“...On the way, we have to set higher stakes of knowledge, training, dissemination and mediation, based on the essential features or parts of the basic model which has been learnt and is the object of what we do. This means:

- A) Systemic interest, not the individualized success of the parties involved.
- B) Provoking-generating a competitive area rather than just observing or describing it.
- C) Strategic organization, outreaching from a business towards its interactions (the succession of value chains).
- D) The frameworks and rules of the game in the n interrelated industries of which businesses are a part and which have a major role in the region.
- E) The active clusterization of economic activity and the relevant players in the target territory.
- F) Partial and gloKal strategies for clusterization at and from all key players.
- G) The diamond in its triple version: the economy-territory pairing, the target cluster, and the target cluster with regard to its unique position of value in the light of observable trends and future benchmarks.
- H) The strategic role of the government in generating the competitive arena.
- I) GloKalized, clusterized interaction in all the geo-economic areas anywhere in the world where action is required.
- J) Orkestrating internal and external strategies and players...”



1.3 Organizational structure

The Institute was designed to best achieve its objectives. In all sections of the organization, we strive to maintain the balance between the interests of all players involved in improving competitiveness.



Insight · Interaction · Instruction

→ Orkestra Basque Institute of Competitiveness

1.3.1 Board of Directors

At the meeting held on 11 April 2006 to signal the official creation of the Board of Directors of the Basque Institute of Competitiveness, the agreement of the Trustees of Deusto Foundation was read, the Members of the Board formally accepted their appointments and the Board of Directors came into being, with José Luis Larrea named by the Trustees of the Fundación as Chairman.

In 2008, Alberto Martínez Aramberri was replaced by Xabier Iturbe as the representative from KUTXA. Everyone at Orkestra thanks Mr. Martínez Aramberri for his efforts and dedication, and his contribution to the project since it began.

As at 31 December 2008, the Members of the Board of Directors were:

In 2008, the Board of Directors held meetings to discuss the Institute's plans, from the basic viewpoints of strategic positioning, corporate development, recruitment, economic and administrative management and the management of its own activities in insight, interaction and instruction



Michael E. Porter
Honorary Chairman



José Luis Larrea
Chairman
Deusto Foundation,
Chairman-Ibermática

Board of Directors



Alberto Alberdi
Basque Regional Development Agency
SPRI-Basque Government, adviser to the
Basque regional minister of Industry,
Trade & Tourism



Xabier Iturbe Otaegui
Kutxa, Chairman Kutxa



Jesús Alberdi
Deusto Foundation,
Chief Executive Officer-Elkargi



Emiliano López Atxurra
Repsol – Petronor,
member of the Board. Petronor



Andrés Arizkorreta
Deusto Foundation,
Chief Executive Officer--CAF



Susana Rodríguez
Deusto Foundation,
Dean of La Comercial
(University of Deusto)



Lucio Delgado
Deusto Foundation



Guillermo Ulacia
Gamesa-Executive Chairman and
CEO Gamesa



Alberto García Erauzkin
Euskaltel, Consejero -
Board Member Euskaltel-
CEO Euskaltel



Pedro Luis Uriarte
Deusto Foundation, Chairman
Economía, Empresa y Estrategia.
Chairman Innobasque



José Ramón Guridi
Provincial Council of Gipuzkoa,
Innovation Delegate, Provincial
Council of Gipuzkoa



Víctor Urcelay
Secretary to the Board of Directors
Deusto Foundation, Dean ESTE
(University of Deusto)

1.3.2 Advisory Board

The Institute's Advisory Board, consisting of international experts on competitiveness, advises the Board of Directors and its Chairman in reviewing and supervising the way the Institute operates. It also advises the Institute's chairs and their holders, fostering and promoting new initiatives in the areas of instruction, research and interaction with the various agents.

At 31 December 2008, the Advisory Board's nuclear structure was formed by:



Jon Azua

Chairman, Advisory Board



Christian Ketels

Member, Advisory Board

In keeping with the Programme of Objectives and Activities for 2008, the Advisory Board contributed to the Institute's development by facilitating and

stimulating a number of initiatives and activities, including:

- 1) Managing the process to formulate and internally socialize two essential parts of the conceptual model that informs everything we do:
 - ▶ Vision, strategy and unique value proposition for the Institute.
 - ▶ Competitiveness map of the Institute.
- 2) Stimulating and facilitating the institutional relationship with the Honorary Chairman, Michael E. Porter, and the Institute of Competitiveness & Strategy at the University of Harvard.
- 3) Redesigning and organizing the plan to extend the Nodal Network for the Institute's formal internationalization, via the Basque Chair of Competitiveness (BCC) already installed in China (BCC-China Europe International Business School, CEIBS, Shanghai).
- 4) This also includes prospection and negotiations with target players and members.
- 5) Representing the Institute at a range of international events, academic conferences and publications.
- 6) Active participation in research projects on the Institute agenda.
- 7) Intense teaching activity performed through the Institute's executive training offer and in particular the MOC programmes (Bilbao, San Sebastián), the world MOC network, BCC-“Being Competitive in/from China” in Shanghai and programmes in cooperation with Deusto Business School (DBS), including PLD.



→ Orkestra Basque Institute of Competitiveness

1.3.3 Members of the Institute

The Institute is the node that orchestrates a network of equals: government, business, academic institutions and civil society. Materializing out of Deusto Foundation, it has the decided support of the Basque Government via the regional development agency SPRI, and the Provincial Council of Gipuzkoa (PCG). Both institutions took part in launching a project destined to play a major role in supporting the local authorities' competitive strategies.

But however important it is to cooperate with local and regional authorities, we would clearly be incomplete if we excluded businesses and other private organizations. From the very beginning, we have sought to persuade major business groups to become involved in the initiative.

Several public authorities and businesses take an active part in Orkestra and their cooperation is vital to our development and success:

- ▶ Sociedad para la Promoción y Reconversión Industrial - Basque Government
- ▶ Provincial Council of Gipuzkoa
- ▶ Euskaltel
- ▶ Gamesa Corporación Tecnológica
- ▶ Kutxa
- ▶ Repsol-Petronor



Gipuzkoako Foru Aldundia
Diputación Foral de Gipuzkoa



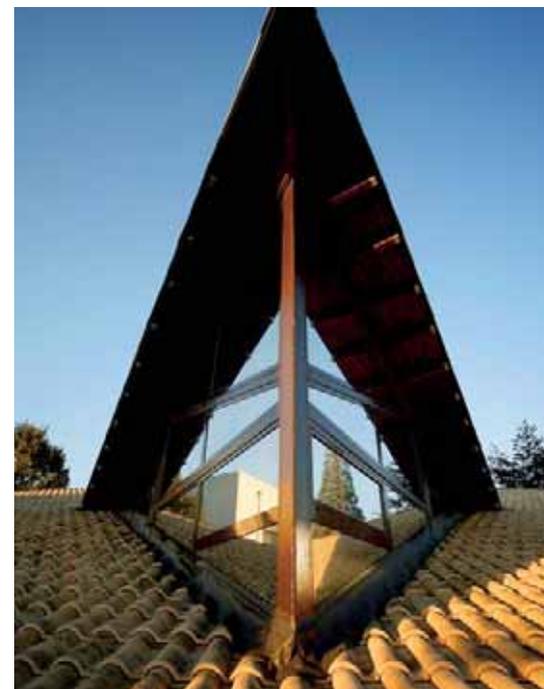
1.3.4 Corporate Development

In 2008 we worked to consolidate and stimulate Orkestra. One major feature was the strengthening of our corporate image, which, while maintaining the project's initial spirit, now reinforces the Institute's unique value proposition as the player orchestrating improvements in competitiveness in the Basque Country.

As CEO, Alejandro Ruelas-Gossi led the consolidation of the project in the first half of the year. In July, personal and professional motives obliged

him to resign from the post. We would like to take this opportunity to thank Mr. Ruelas-Gossia for his valuable contribution to the Institute's launch.

Internally we worked on consolidating the areas of the Institute, by continuing and powering up its activities. Here, in particular, the local and international network of alliances forged by the Institute really came into its own. Finally, part of the work done involved the launch of our publications policy, including our own publications and others of the highest quality with other publishing firms.



1.3.5 People

We have made a big effort to recruit the best professionals to consolidate all areas of the Institute and ensure we move forward with the right means and resources:



Number of professionals: comparative table 2006-2007-2008			
(No. of professionals as at 31/12)	2006	2007	2008
ADMINISTRATION AND SERVICES UNIT	2	4	6
RESEARCH SUPPORT UNIT	3	3	3
CLUSTERS, REGIONAL DEVELOPMENT AND INNOVATION	3	7	10
ENTREPRENEURSHIP	2	4	3
STRATEGY	2	4	3
WELLBEING	0	0	0
TOTAL	12	22	25

→ *Orkestra*
Basque Institute of Competitiveness

Clusters, Regional Development and Innovation



María José Aranguren
 Head of area



Massimo Cermelli
 Research assistant



Aloña Martiarena
 Research assistant



Rakel Vázquez
 Research assistant



Miren Larrea
 Senior researcher



Xabier de la Maza
 Research assistant

Strategy



Olga Rivera
 Senior researcher

Administration and Services



Ibon Gil de San Vicente
 Head of area



Mikel Navarro
 Senior researcher



Leire Oiarbide
 Research assistant



Josune Sáenz
 Senior researcher



Aitziber Barrio
 Secretariat general

Entrepreneurship



Mario Davide Parrilli
 Senior researcher



Iñaki Peña
 Head of area



Aitziber Elola
 Researcher



Cristina Molina
 Support resources



James Wilson
 Senior researcher



Miguel Ángel López
 Researcher

Research Support Unit



Asier Murciego
 Head of area



Idoia Egaña
 Accounting and administration



Ricardo Aguado
 Researcher



Ferrán Vendrell
 Researcher



Juan José Gibaja
 Senior researcher



Natalia Martínez
 Support resources



Amaia Azpiazu
 Research assistant



José Luis González
 Research assistant



Patricia Canto
 Communication

1.3.6 External collaborators

The following people worked or helped on research activities and projects.

NAME	ORGANIZATION	PROJECT
Beñat Bilbao	Organization for Economic Cooperation and Development (OECD)	Evaluation of the innovation policy of the Basque Country
Carlos Osorio	Adolfo Ibáñez University, Chile	Innovation @ Euskadi Innovation processes and value of international networks
Evert Meijers Joris Hoekstra	DELFT University	The Basque City Network Basque Cities & Competitiveness
Cristina Aragón Cristina Iturrioz	Faculty of Economics & Business Sciences of the University of Deusto (ESTE)	Participative evaluation of cluster policy
Marian Díez	University of the Basque Country (UPV)	Participative evaluation of cluster policy
Kristina Zabala Arantza Zubiaurre	ESTE	Local innovation capacity: a typology for Basque counties
Eduarne Magro	INASMET	Research and development policy in the Basque Country: a study of territorially-based subsidy distribution
Aitor Garmendia Olga del Orden Kristina Zabala	ESTE	Report on business groups
Carlos Arruda André Almeida Lourdes Casanova Henning Hoerber	Fundação Dom Cabral INSEAD	Emerging Global Latin business case studies: - POLITEC - POLLO CAMPERO
Alejandro Cuesta	Ibermática Institute for Innovation (i3B)	ICT in Basque business
Paul San Sebastián Anaïs Iglesias Isabel Fernández Ainara Martínez Iratxe Esnaola	Innovandis-Deusto Foundation (Innovandis)	ICT in Basque business
Asier Minondo	ESTE	Levels of sophistication of Basque manufactured goods for export
Santiago López	University of Salamanca	Report on the origins of the Basque Electronics, Computer and Telecommunications Cluster (GAIA) and the Basque paper industry cluster
Jesús Mari Valdaliso	UPV/EHU	
Nahikari Irastorza Scott Jackson	Orkestra	Entrepreneurship area

→ *Orkestra*
Basque Institute of Competitiveness

NAME	ORGANIZATION	PROJECT	
Iñaki Heras	UPV/EHU	Basque entrepreneurial activity with high growth potential	
Martín Larraza Kintana	University of Birmingham		
Saioa Arando	Mondragon Unibertsitatea (MU)		
Cristina Aragón Cristina Iturrioz	ESTE		
Marcela Valania Lisa De Propis Silvia Sacchetti Roger Sugden	University of Birmingham		
Karl Aiginger	Austrian Institute of Economic Research and University of Vienna		
Josep María Arauzo Carod	University Rovira i Virgili		
Marco Bellandi Luciana Lazzeretti	University of Florence		
J. Robert Branston Eleanor Morgan	University of Bath		11 th European Network on Industrial Policy (EUNIP) International Conference in September 2008
Olivier Crevoisier	University of Neuchâtel		
Keith Cowling	University of Warwick		
Joost Heijs	Universidad Complutense de Madrid		
Helena Lenizan	University of Limerick		
Anne Lorentzen	University of Alborg		
Federico Pablo Martí	University of Alcalá		
Ana Teresa Tavares	University of Porto		
Johan Willner	Åbo Akademi University		

Grant holders		
Joana Arrizabalaga (Clusters, Regional Development and Innovation)	Alaitz Artolazabal (Strategy)	Milena Montesinos (Research support)
Ainhoa Ayerbe (Clusters, Regional Development and Innovation)	Laida Agote (Strategy)	Raquel Peña (Research support)
Erlantz Allur (Entrepreneurship)	Ander Macazaga (Research support)	Ernesto Hernández (Research support)

التعليم



We work to identify paths towards attaining competitive models for a changing and innovative society.

Orkestra-Basque Institute of Competitiveness is a strategic initiative designed to generate a competitive platform for wellbeing thanks to the synergy-driven development of our three essential functions, which we refer to as the 3Is:

Insight, typified by its academic excellence, objectivity and independence and supported by an assessable scientific and research programme.

Specialized **Interaction**, understood as the practical business of “enabling” the application of competitive strategies with expert accompaniment in special projects and in the definition of agendas and public and private policy.

Instruction of the sort that makes us a kind of “broker of excellent education” by establishing contents, guaranteeing programmes, material and trainers to prepare the real leaders of competitiveness, and designing and teaching our own programmes.

We perform these functions on the basis of our interactive specialist areas:

Clusters, Regional Development and Innovation: clusterization of economic activity, regionalized systems of innovation and competitiveness and territorial development.

Entrepreneurship: endogenous creative entrepreneurship.

Strategy: business and territorial strategy.

Social Wellbeing: creative enhancement of wellbeing.

The insight, interaction and instruction functions are also to the fore in **other activities** including the organization of lectures, seminars and courses. This is a clear example of the synergies between the insight, interaction and instruction functions and of the interactive nature of our research areas.

Strategic Lines

2.1. Clusters, Regional Development & Innovation Area:

- Territory
- Clusters
- Innovation
- Other competitive factors

2.2. Entrepreneurship Area:

- Innovation and the internationalization of new businesses
- Financing new businesses
- Intrapreneurship and spin-offs
- Business demographics
- Institutions and social capital

2.3. Strategy Area:

- Globalization of Basque business
- Sophistication of business strategies and operating methods
- Innovation
- Energy

2.4. Wellbeing Area

2.5. Research Support Area

2.6. Basque Chair of Competitiveness

2.7. Other activities

2.1 Clusters, Regional Development & Innovation Area



As the leading players competing in markets and generating value in any geographical area, businesses are key agents in the transition from an efficiency-based model to one based on ideas. A firm's competitive capacity is affected by both internal and external factors. Clusters, Regional Development and Innovation seeks to contribute to the second major transformation facing the Basque economy and regional society by working on one of the major regional-related aspects affecting business competitiveness.

The year 2008 was particularly positive for our Clusters, Regional Development and Innovation team. We managed to consolidate the area's most important asset, i.e. a team of Basque and international researchers with great potential for development in the future. Furthermore, the team combines a range of key competencies for the activity the Institute has to perform in its mission of

"improving the real paths towards competitiveness in Basque society." We have gradually oriented our insight, interaction and instruction activity towards "improving the real paths towards competitiveness." Progress last year included:

1. Contacting first-class international teams with major experience in action research, a research method very close to the Institute mission. These contacts entail a clear strategic move for the mid- and long-term. We began to work with these teams to learn from their experience, to add formally the key elements of this brand of research to our own projects and to compare what we do with their activities.

2. The transformation processes for improving competitiveness in the Basque Country has to be generated through Basque players, which means that creating bonds of trust with them is a vital feature of our working model. We also need to do work that will ensure these players take new processes and capabilities on board. Work done with county development agencies and cluster associations, for instance, has enabled us to generate social capital.

3. Our international position improved greatly over the year, particularly in international networks with key issues and research methods closely linked to the area's own research and methodologies. The organization of the EUNIP international congress and an international competitiveness event were essential and opened up new horizons as regards publications and positioning in the international arena. Coordinating essays and articles for journals of international prestige and the publication of international books is now a major possibility. Learning from the knowledge generated by researchers in leading international networks and comparing our work to theirs is vital if we want to move forward and be a benchmark Institute in competitiveness issues

Lines of Research

In the new innovation stadium, not all the factors in the Basque business milieu have the same relevance for company competitiveness. This is why our current research lines in this area are:

2.1.1 Territory

Territory has acquired importance in competitiveness studies for a number of reasons. One is the increase in the importance of microeconomic factors to the detriment of macroeconomic factors as decisive features of competitiveness. Another is the sheer variety of microeconomic factors influencing competitiveness and, above all, the importance of the interaction between them. Finally in advanced states of competitive development the leading factors are linked to the generation, transmission and application of knowledge. Today, more than ever, such knowledge-related processes require interaction between a whole range of players: business, academia, institutions promoting cooperation, authorities and so on. Such interactions, and the consequent tacit and explicit transmission of knowledge, happen fundamentally in neighbouring working environments.

Given the importance of the interaction between factors of territorial competitiveness in analyses of "territory" as a key factor for competitiveness, we approach our analysis from a systemic viewpoint, one in which the relations between players and elements of the system are a key factor in their development.

The main challenges identified to date in this area for enabling the transition to the innovation-based stadium are:

- 1. The definition of territorial strategies** (based on innovation and on the cluster) to reach the desired new stadium.
- 2. Multigovernance**, understood as improved coordination between administrative bodies and between the levels within individual administrative authorities. This is necessary to ensure competitiveness becomes an integral regional policy, as the process that will facilitate a framework economic strategy and a solid structure for public and private players to take part in its establishment and development.

2.1.2 Clusters

Innovation is increasingly the basis for competitiveness in developed economies. Today, however, the knowledge needed to innovate depends less on the individual activity of a particular business and more on the combined action of several firms, each one specializing in specific combinations of technology, skills and competencies. This explains the successful emergence of geographically-based concentrations of inter-related firms, because it helps to accelerate business specialization and their operation in networks and clusters in advanced countries.

The Basque Country has launched a significant number of cluster initiatives and associations (understood as formal organizations designed to promote and stimulate the development and competitiveness of certain cluster members and areas) and the regional Basque government introduced a pioneering, active clusters policy that has helped to generate a range of cluster initiatives (thirteen to date).

We have identified a number of challenges in enabling the transition to the desired stadium in innovation:

- 1. An innovative** transformation of existing cluster associations is required.
- 2. New clusterization** processes are needed, for which real cluster situations in the Basque Country have to be identified and analyzed.
- 3. Cluster** policy in the region has to be evaluated for improvements.

2.1.3 Innovation

Innovation is the basis of competitiveness, of economic growth and wellbeing in developed economies. Competitiveness cannot be sustained purely through advantages in costs; even advantages in quality are not enough. Innovation is what enables us to generate more value added per capita and greater capacity for economic growth and wellbeing.

The main challenges in enabling the transition to the desired innovation-based stadium are:

- 1. A study** of the types of regional innovation systems in Europe and Spain, to identify types similar to our own as references from which we can learn.
- 2. The identification** of reasons why, even when competitiveness indicators such as per capita income are good, our relative position in innovation indicators compared to other European regions is considerably worse.



2.1.4 Other competitive factors

In recent decades there has been a radical change in the concept of competitiveness. Analysts today give increasing primacy to microeconomic features and focus far less on macroeconomic factors.

Two major phenomena have influenced this change: first, the realization that globalization and economic integration processes mean there is much less margin for action in macroeconomic policy and, second, the fact that countries with similar macroeconomic contexts had very different competitive positions.

A host of microeconomic factors affect competitiveness and the development of competitiveness entails a whole range of ingredients, public and private players and institutions to interact and work with each other. A study of these microeconomic factors and their influence on competitiveness, and an analysis of the comparative position of the Basque Country with regard to other benchmark geographical areas, are key factors in defining development strategies for our economy and improving our levels of wellbeing.

The main challenge here is the conceptual development of territorial competitiveness and the definition of reliable measurements to accompany it.

Lines of Action

Transferring methodologies and training to Basque development agencies. One of our aims is to influence policy makers in the Basque Country. To that end, we are currently profiling several cooperation networks. The objective is to open channels we can subsequently use to transfer methodologies designed at the Institute and which might make these players more efficient when they perform their projects. The idea is to establish a frame for cooperation with the Association of Basque Development Agencies (Garapen), in which we can perform methodology transfers. The other idea is to train business technicians from local development agents in the Basque region, to support Garapen in designing training, information and cooperation promotion initiatives to be shared by company officers.

Orkestrating territories. New trends associated with clusters, innovation and regional development require new approaches to competitiveness and innovation policies. In particular, we need to take on board the equilibrium between tangible and intangible objectives, the systemic nature of the processes, the complexity of the relations of cause and effect and the need to find a balance between top-down and bottom-up processes. We are working on the hypothesis that research in these areas must evolve and adapt to the circumstances. For this we propose the concept of action research. The project is designed to conceptualize this type of research and consequently define a possible interpretation of the orchestration of territories and of our role in transforming the Basque Country into an ideas economy.

Developing a model for identifying opportunities for cooperation. One of the aspects associated with the competitive model of the Basque Country that we are currently analyzing is the model of interaction between the players that optimize cooperation processes. One hypothesis we are looking into is that local processes of diagnosis are needed to detect potential for cooperation between players from the same county or between these players and others outside the county in question. The project seeks to design a survey to detect synergies and areas for possible cooperation on innovation for companies in a particular county. This project could provide major support in the development of other key projects and in the definition of local innovation support policies currently being tested with municipal and county officers in Azkoitia and Azpeitia.

Identifying clusters in the Basque Country, its municipalities and county districts. Clusters are a key feature of the model we are working on. In the Institute's First Competitiveness Report, a number of crucial challenges for improving competitiveness and wellbeing in the region were detected. One of these was the need for new clusterization processes. This project is a key feature for responding to the challenge set. Work has been done in parallel on two areas. The first concentrated on identifying clusters and subclusters in the Basque region and its three individual provinces (Guipúzcoa, Vizcaya and Álava) through its exports. The second is designed to transfer to local players a tool created by the Institute for identifying local clusters of relevance to them, as a way of generating capabilities for new clusterization processes. The way we have gone about it, the project also contributes to solving another of the challenges we are working on, which is to "improve

governance or the way in which decisions are taken and implemented in a coordinated manner in the Basque Country", another key factor in the region's model of competitiveness.

Participative evaluation of cluster policy. One of the crucial challenges for improving competitiveness and wellbeing in the Basque Country is the evaluation of the Basque regional government's cluster policy. This is in fact the subject of a research project we are working on with a team from ESTE and a researcher from the UPV. The goal here is to apply the knowledge and methodologies generated in the research line on evaluating cluster policy and make headway on applying a new methodology (which we call participative evaluation) for the assessment and evaluation of the Basque government's cluster policy. The principal virtue of this methodology resides in the fact that, by being participative, the evaluation becomes a key feature for improving cluster policy.

Report on Cluster Associations (CA) in the Basque Country. Both clusters and the CA that work to promote and stimulate them are key elements in the competitive model we are now working on. This was made clear in the Institute's first report on competitiveness. Crucial challenges detected for improving competitiveness and wellbeing in the Basque region included the generation of new clusterization processes, the evaluation and assessment of the Basque government's cluster policy and the innovative transformation of existing CA. Coming within the framework of this last challenge, the project identifies some crucial factors the thirteen CA in the region need to work on and find a response to.

→ Activities

Insight, Interaction, Instruction



Study of the legacies of cluster associations.

Knowledge and understanding of the competitive advantages of each cluster and of how such advantages have evolved provides further knowledge about the current competitive advantages and challenges such clusters face today. This project analyzes the current situation and the origins of clusters in the Basque region. Part of a cooperation agreement with Eusko Ikaskuntza, the project has been conducted by a research team from Orkestra and two historians, one from the University of Salamanca and the other from the University of the Basque Country. The report examines when and how businesses and the cluster as a whole gradually create and develop competitive advantage, what competitive factors were involved and how they evolved.

Innovation, learning and competitiveness.

This project has two main objectives: one is to produce diagnoses of the situation and an analysis of the efficiency of the Basque innovation system (scientific system, technology infrastructures and companies) coupled with a more detailed study of Basque technology infrastructures (technology parks and centres, basically) and the other involves analyzing the reasons why, despite competitiveness indicators such as per capita income (expressed in PPP) being good, our relative position in the usual innovation indicators should be considerably worse.

Regional competitiveness project. This has two objectives. The first consists in the conceptual development of territorial competitiveness, integrating other important elements in accordance with the latest progress made on competitiveness that complements the more habitually used concepts of per capita income or productivity. The second objective is to define methodologies for measuring competitiveness in the Basque Country and measuring it to compare our position with other benchmark regions. As part of the general frame of the range of elements influencing regional competitiveness, work is currently going ahead on three specific projects: Basque cities and competitiveness, Route map for improving the sophistication of Basque products and Ownership structures and business bodies.

2.2 Entrepreneurship Area



Entrepreneurial activity in the Basque Country (i.e. activity that contributes to the creation of jobs and income, to the appearance and renewal of industrial sectors, the revitalization of geographical areas in decline, etc.), may play a major transformative role and act as a key driver stimulating the ongoing process of change and evolution.

So, the Entrepreneurship Area has three essential objectives:

1. **To research** the scientific discipline of business creation.
2. **To mediate** in our society through the orchestration of strategic nodes designed to strengthen Basque business.
3. **To instruct and make** our community aware of the need to promote the entrepreneurial spirit.

For the members of the team analyzing the entrepreneurial phenomenon, 2008 ended on a promising note. We consolidated a number of major projects and also introduced some new features. Besides publishing our annual Global Entrepreneurship Monitor (GEM) report, we concluded the Entrepreneurial activity with high growth potential project, which, to some extent, was driven by the sessions of reflection and debate held at the Institute, and which involved a range of local and international social players throughout the year.

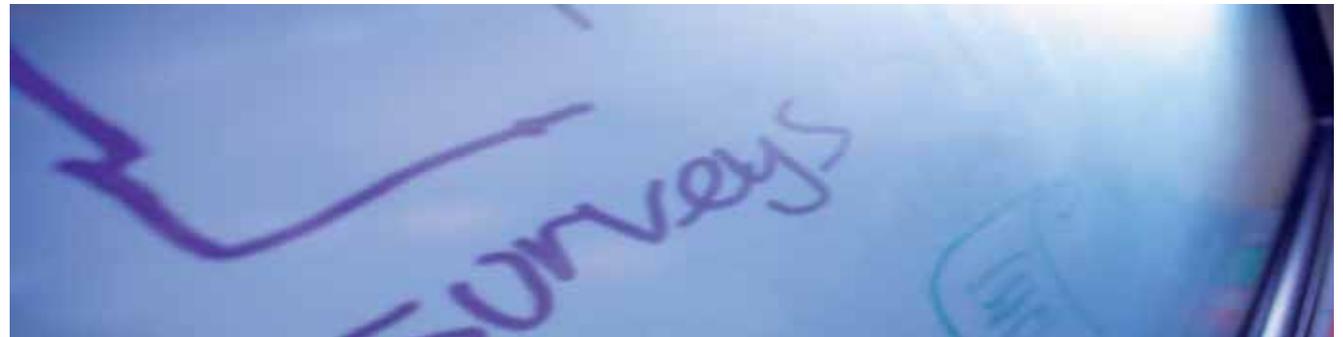
Researchers who have produced their entrepreneurship theses under our direction have successfully completed their PhD studies and others are taking part in a training programme given by other institutions. From October to December, José Luis González Pernía was at Erasmus University. In December he was guest researcher in the Entrepreneurship, Governance, Organization & Strategy team from the Erasmus School of Economics. From September, Aloña Martiarena has combined an MA course at London School of Economics with her research work in the area. In instruction we defined and established the conditions for launching a course addressed to people looking to develop and implement an entrepreneurial project with high growth potential. We are confident these activities will help us to broaden our knowledge and experience on the supposed links between entrepreneurial activity and regional competitiveness.

Lines of Research

2.2.1 Innovation and the internationalization of new businesses

By their very nature, entrepreneurial projects run the risk of failure. Risk is greater when the economic activity of a business consists primarily in inventing and innovating. Occasionally, the effort made in innovation is not rewarded because, for instance, the innovative products don't reach the market, or, if they do, are not marketed with the expected profit margins. To this "risk by innovation" should be added a rather more common one: internationalization.

An important phenomenon in recent times is the internationalization of organizations at an increasingly early stage of their development. A growing number of business projects bill on foreign markets from the first year of business life. This behaviour, visible in contemporary society, does not coincide with the traditional paradigm of gradual or incremental internationalization defended and sustained by the academic community in recent decades. Indeed, as a report we published recently on Basque business activity showed, younger firms, the ones still in their infancy, are more likely to penetrate foreign markets. This calls for a closer look at the issue.



Lines of Action

2.2.2 Financing new businesses

Traditional sources of financing for business projects, usually financial institutions from the banking sector or, to a lesser extent, informal investments by friends and relations, are not sufficient to attend to certain types of financial requirements.

Financing for an innovative, global, large-scale project entails new formulas for injecting capital largely because of the high level of risk involved. In recent years, the scientific community has analyzed the issue of venture capital and business angels. We consider this a priority field of study, in view of the shortage of modern financing formulas in the Basque Country.

2.2.3 Intrapreneurship and spin-offs

Businesses are also involved in entrepreneurial activity in any territory. In other words, some businesses also create other firms. Occasionally, the new ones develop and establish themselves thanks to the support received from the parent company. As few reports have been produced in this research field, a demand for analysis clearly exists.

2.2.4 Business demographics

In recent decades, the scientific community has analyzed issues such as the capacity to create businesses and the death, survival and growth of young companies. Many studies have attempted to link the make-up of business demographics to levels of wellbeing in a region.

Although the results have been largely inconclusive, there does seem to be a U-curve relationship between business activity and the level of per capita income. Studies are clearly required to facilitate greater understanding of the factors affecting business creation, survival and growth. Such reports provide a tool to measure the health of our entrepreneurial capacity.

2.2.5 Institutions and social capital

As a field of research, institutional theory has become increasingly popular since the 1990s. Public policies designed to promote the creation of companies can substantially favour the appearance of the right sort of milieu for launching successful business projects with major economic impact. Analysis of the role of institutions is clearly a research priority for the area.

Institutions apart, we think an interesting portion of the community's social capital resides in people living in our community, some of them of retirement age, whose business experience and knowledge are priceless.

High Growth Firms. Designed to identify the profile of Basque firms with potential for rapid growth and the capacity for internationalization. We have set the following objectives: to analyze the initiatives implemented in a selection of more advanced regions to promote innovative entrepreneurial activity and, based on this analysis, to study the conditions in the milieu that favour such activity, to identify and analyze innovative entrepreneurial projects in the Basque region and to analyze the factors behind the rapid growth and early internationalization of Basque companies.

Global Entrepreneurship Monitor report on the Basque Country 2007. This project is part of an international consortium to measure regional entrepreneurial capability. The result is an annual report that conducts a diagnosis of entrepreneurial capability in the Basque Country. Basically, it compares the capacity for creating businesses in the region with the same capacity in other countries and in other Spanish regions. Comparisons are also drawn between the differing situations of entrepreneurs living in the region's three provinces, Álava, Guipúzcoa and Vizcaya.



Lines of Research

2.3 Strategy Area



The degree of sophistication and globalization of business strategies is the most important feature of the macroeconomic environment. A territory progresses to the extent that its businesses produce unique value propositions.

Businesses in the Basque Country have two important windows of opportunity. One is associated with its innovation system and the other has to do with the sophistication of its strategies and business operating methods. If the Basque Country aspires to play in the ideas economy, it will have to improve on both counts.

2.3.1 Globalization of Basque business

In an increasingly open, globalized business environment, internationalization has become a key strategic decision for business competitiveness. This is why it is so important to study Basque firms that have embarked on the internationalization process, either by exporting or through direct investments abroad. There are three basic reasons for globalization: growth, acquisition of knowledge and ensuring the supply of natural resources. So the internationalization of Basque companies will vary depending on the sector they work in.

2.3.2 Sophistication of business strategies and operating methods

In this line of research we seek to identify where exactly Basque businesses are in the process of transition towards the ideas economy. There is a clear interaction here with the chair of clusters. We analyze the degree of sophistication of the cluster in question (external to the company) and within the firm to determine the existing levels of technology and knowledge.

2.3.3 Innovation

Known as the “how-to-innovate” technology, innovation processes have shown that, when suitably systematized, they enable businesses to learn how to innovate consistently and predictably. Despite the amounts invested in R&D programmes in the Basque Country and the efforts made in recent years (technology parks, etc.), there is still much to be done.

2.3.4 Energy

The Basque Country is one of Spain’s most important focal points of industry and, as part of its industrial activity, energy is one of the basic drivers of the region’s economic development, both because of its sheer volume and its strategic importance. The Basque Country currently faces three major challenges to the competitiveness of the region and its businesses: guaranteeing the security and safety of the energy supply, promoting policies that help to boost energy-related industry in the region and achieve tariffs in line with the business competitiveness parameters.



Lines of Action

Basque business internationalization processes.

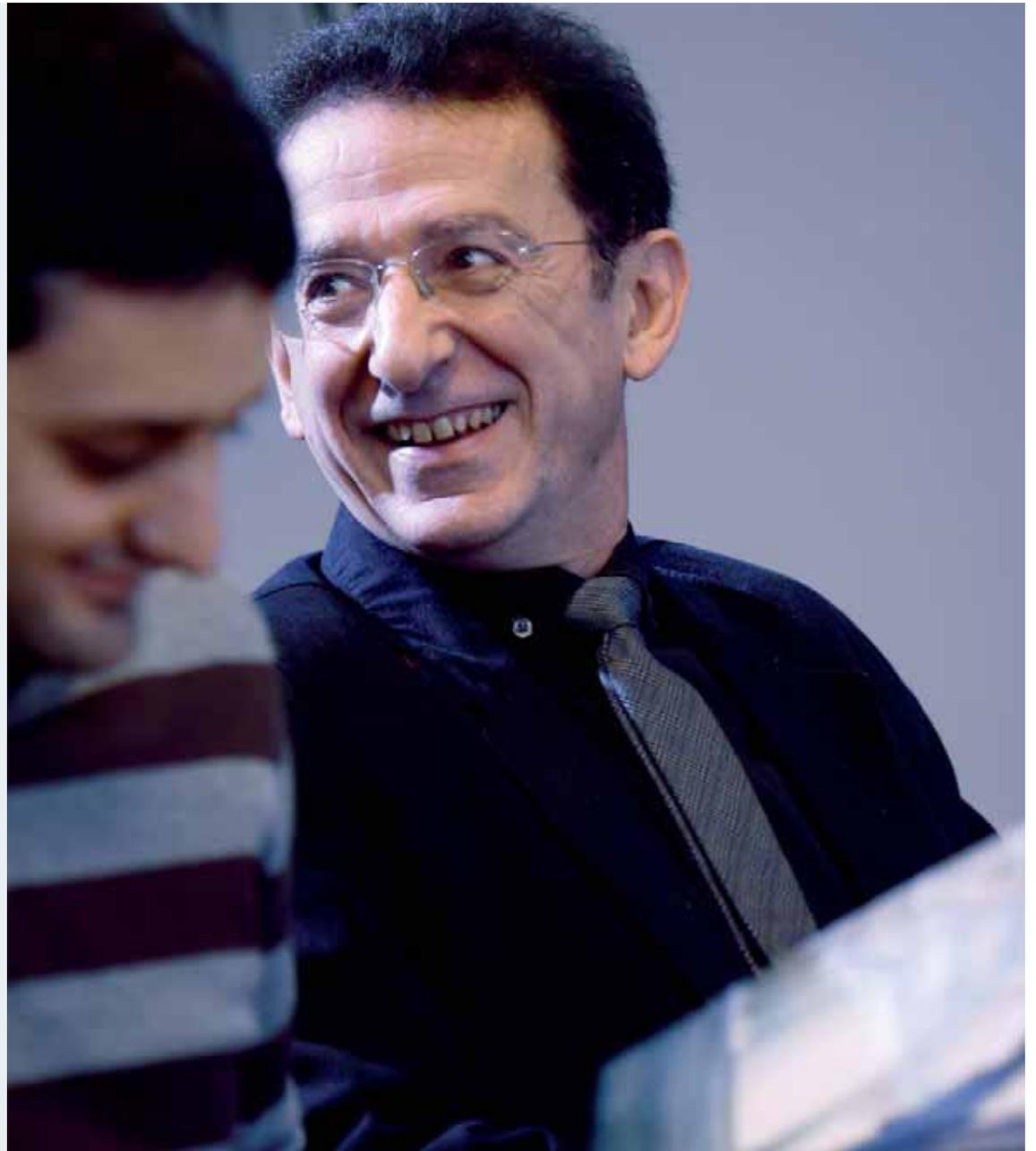
Internationalization has become a key strategic decision for business competitiveness. In our view, priority should be given to studies of Basque firms that have embarked on the internationalization process, with particular emphasis being placed on the business strategies adopted by the firms in question in their internationalization processes, on the factors that determined the process and the problems they encountered.

Innovation processes and networks in Basque business.

After almost two decades of sustained economic growth, we are now in the middle of a second transformation, which involves taking on board an innovation-based model for growth capable of generating greater value and improving our well being and quality of life still further. The project seeks greater understanding of how Basque businesses innovate and how they employ the knowledge gleaned from their relational capital in their innovation processes. Ultimately our objective is to identify the way to make such processes more effective and generate guidelines for improvement that can then be socialized.

Observatory of excellent companies.

The innovation economy requires agility, flexibility, rapid reflexes, the capacity to change and transform, the ability to identify what we can be unique in and exploit it to the maximum. It also means, among other things, finding new ways of generating value the rest are incapable of imitating, making full use of the advantages of networking to overcome our limitations and generating and exploiting new ideas. This project is designed to provide a tool that enables us to evaluate all these questions and which, furthermore, allows us to analyze the impact of each factor in the generation of wealth. Applying this tool will also enable us to identify successful experiences for in-depth analysis and disseminate them to the rest of society as a whole.



2.4 Wellbeing Area



Achieving “sustainable wellbeing for all citizens” is the ultimate goal of competitiveness. Indeed, the Institute’s work in all of its areas is ultimately focused on achieving and increasing competitiveness for the territory, for the community, and for each and every one of its agents; this translates into a consistent dual focus on **COMPETITIVENESS AND WELLBEING**. However, the cutting-edge societies of tomorrow (the Basque Country clearly among them) must pay particular attention to wellbeing, understood not only in terms of public policy and business strategies linked to the elements of a social welfare state (education, health, social wellbeing, demography etc.), but also to the capacity of the territory to generate wealth, businesses, economic activity and employment. This latter aspect is precisely the focus around which our dedicated area of wellbeing develops its activities. Here we work in line with the two-way interaction concept of ‘Business Strategy - Society Strategy’, which moves beyond the borders of so-called corporate social responsibility. We aim, in short, to approach the special and differential traits of the welfare state by incorporating competitiveness determinants in each and every policy, agent and welfare space, including those frequently considered as ‘non-economic’ or ‘non-business’ in a classical conception that we believe we have outgrown.



2.5 Research Support Area



Two essential aspects of the research we do at the Institute involve exploiting information and performing econometric analysis. Although these two areas are sufficiently complex in themselves, the complexity is increased by the speed with which they develop, which means we have to update permanently to be competitive in research.

The Support Area is responsible for IT in the service of research and statistical analysis, and defines the following lines of action designed to improve the reports and studies the Institute produces:

Centralization of Institute data in a shared store with normalized structure facilitating the crosschecking and comparison of data, automatic analysis and maintenance.

Introduction of new analytical techniques adapted to new lines of research, plus the tools to put them into practice.

Contribution to the quality of the results by using the accompanying tools, graphic communication strategies and all the media required for efficient, open dissemination.

2008 was a year of definition for the Support Area. Over the twelve-month period, the area's task in the Institute came into focus and it became a valuable asset. The research support team was formally appointed to cover technical facets relating to data storage and management, and more theoretical aspects for their exploitation and analysis. At the same time, we continued to provide the administrative area with support on any technological work that made it more efficient.

Our main activities focus on designing and producing databases, developing tools for research and specialized technical training.



Cluster mapping



Regional distribution of clusters graph

2.6 Basque Chair of Competitiveness



One of the essential ingredients of the Institute's vision and its unique value proposition is the "generation, membership and/or activation of a worldwide network of networks, establishing nodes that contribute to a twofold goal: the construction of a Basque model of competitiveness in the service of a prosperous regional society by 2020 and its dissemination throughout the world." Its practical application is envisaged through a common vehicle, the BCC, which will integrate the Institute's entire model of knowledge, working as an antenna, a source of knowledge and as accompaniment for our economic and institutional players in their expansion and presence abroad.

In 2008 we took two major steps forward in stimulating and developing the Basque Chair of Competitiveness:

- ▶ Its conceptual development as a vehicle for extending the internationalization of the Institute in its worldwide nodal network, and
- ▶ Its successful application in the first initiatives programmed in one of its nodes, setting up in operational form in Shanghai, in the company of its ally, CEIBS.

In 2008 the model was profiled, with its unique operational structure, the head was appointed (chairman of the Advisory Board) and the approval of criteria and operational regulations for its strategic deployment.

During the year, it began operations in China, concentrating on:

1. **Designing and giving** an executive seminar, Being Competitive in/from China, given in CEIBS, Shanghai.
2. **Preparing the first report** Basque business in China, which compiles information about the experiences of 100 Basque firms.
3. Listing **case studies** of Basque firms in China (Arteche, MCC, etc.).
4. The conditions for a research, teaching and **facilitator programme** in the service of players with interests in China.



The basic criteria governing these antennae and platforms, which will become more explicit over the next few years, are:

1. To accompany international sponsors that guarantee their mid- and long-term activity, as companies with joint Basque Country-Target Region interests.
2. In alliance with a local organization of the greatest local and international prestige and recognition.
3. A clear platform for the triple task of research, instruction and interaction on competitiveness, which together make up our unique value proposition.

2.7 Other activities



The insight, interaction and instruction functions also permeate activities that complement the work performed by the other areas and which need to be coordinated to be successful.

2.7.1 MOC Course

In 2008 we celebrated the fifth anniversary of the first MOC Course in the Basque Country. To mark the occasion, coinciding with the launch of the course, we published a report showing the ground covered in previous editions and the importance of the network and the dynamics created



MOC course: the participants

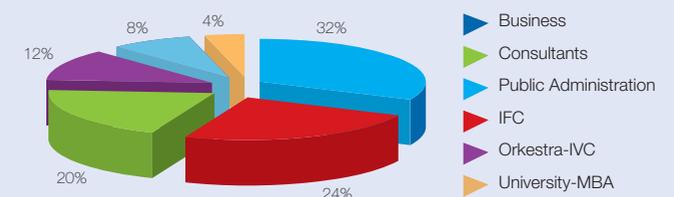
MOC 2008 San Sebastián



Participants

- ▶ Number of participants **25**
- ▶ Average age **36**
- ▶ Average course assessment **8.2**

Where they work



MOC course: the participants

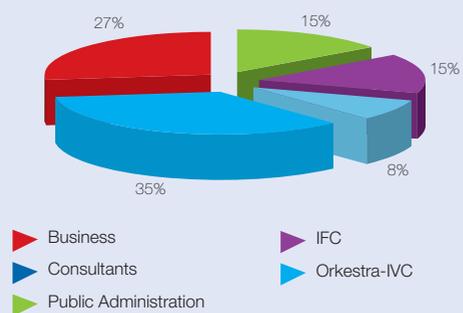
2008 Bilbao Edition



Participants

▶ Number of participants	26
▶ Average age	39
▶ Average course assessment	8.3

Where they work



Course lecturers

Besides the three lecturers who give the course every year, Mikel Navarro, from the Economy Area, Olga Rivera from Strategy and Jon Azua, chairman of the Orkestra Advisory Board, Ricardo Aguado also contributed, fresh from attending the Harvard Workshop 2007. Aguado joined MOC as a tutor and coordinator of cluster-country projects. His participation as lecturer in 2008 intensified in the case-study debating sessions and development of MOC subjects.

Final projects

The final projects play a major role in fulfilling the course's teaching targets. They are essential in mobilizing participants, as they have to apply the concepts, analysis and decision methodologies learnt to a specific reality.

San Sebastián

Biotechnology cluster in Ireland

Lift cluster in Basque Country

Steel cluster in India

Logistics cluster in Ireland

Glass cluster in Álava

Bilbao

Tourism cluster in Greater Bilbao

Bioethanol cluster in Brazil

Wine cluster in Bohai Bay (China)

Ecotourism cluster in Rioja Alavesa

Tequila cluster in Jalisco (Mexico)

Harvard prize for MOC project

In December, coinciding with the first international meeting of the MOC network at Harvard University, the first MOC Project Competition was held, with second prize going to the project by Orkestra students on the Bicycle Industry Cluster in the districts of Debagoiena, Debarrena and Durangaldea.

2.7.2 Being Competitive (in/from) China

From 21 to 26 July the Being Competitive in/from China course was held in Shanghai. Part of the BCC, the course is organized by Orkestra with the cooperation of the Basque regional development agency SPRI and CEIBS. Lasting six days in all, the programme combined presentations, case studies, visits and round tables.



The object is to provide experiences and knowledge from around the world on important issues associated with competitiveness for the business community interested in the Basque and Chinese economies.

Leading Orkestra and CEIBS lecturers, including Jon Azua, Iñaki Peña, Mikel Navarro, Henri-Claude de Bettignies, Norma Harrison, David Gosset, Wang Jianmao and Wang Jianmao, took part.



Soumitra Dutta's Conference



Donald Sull's Conference



Donald Sull's Conference

2.7.3 Conferences and events

Conference on 'Best Practices in World Class Innovation'

More than two hundred people attended a conference entitled **Best Practices in World Class Innovation** we organized on Thursday 28 February at the Kursaal Conference Centre in San Sebastián. Speaking at the conference was Soumitra Dutta, international expert and consultant from the World Economic Forum (WEF) on issues relating to technology-rooted innovation. Dutta identified the main emerging drivers of global innovation. The conference was the culmination of a day-long session on the link between innovation, technology and organizational design as a factor in business success. In the morning we brought together a group of executives who interacted with Dutta at a seminar held at the city's Hotel María Cristina.

Lecture on 'Why good companies go bad'

On 22 May Donald Sull gave a lecture at the Guggenheim Museum Bilbao auditorium with the title **Why good companies go bad**. A renowned international expert on issues of strategy, Sull is associate professor at the London Business School. Attended by nearly 300 people, the lecture was presided over by the Basque regional minister for Industry, Trade & Tourism, Ms. Ana Aguirre, and rounded off a day devoted to the study of different approaches for companies looking to take advantage of the opportunities that arise in times of instability and to manage the risks inherent to such periods. In the morning a group of executives were given the opportunity to interact with Sull in a seminar held at the University of Deusto (Bilbao).

12th International Conference on Competitiveness

In coordination with the Basque regional Government Department of Industry, Trade & Tourism, and in cooperation with TCI, thirty European experts in governance and competitiveness were invited on 10 and 11 July to take part in an event that provided a unique opportunity to compare and contrast experiences and knowledge, facilitate the generation of ideas and promote debate and discussion. The representatives invited came from Sweden, Norway, Finland, Denmark, Germany, United Kingdom, Ireland, Portugal and Spain. Concentrating on the measurement and comparative evaluation of competitiveness, the conference was divided into sessions at which specialists presented their specific experiences, relevant to or associated with the areas of action of the other participants, and the challenges in competitive policy in a broader sense.



European Network on Industrial Policy (EUNIP) 2008



In cooperation with ESTE, in September we organized the eleventh annual EUNIP congress. EUNIP is an international economy and management

research network with specific interest in economic development and in related public policy.

With the title Competitiveness, Territory and Industrial Policy, this edition brought together one hundred-plus experts from research centres, universities and public administrations from more than twenty countries. After an official reception at the PCG, the congress held two

sessions in which experts presented their most recent contributions and exchanged experiences and knowledge.

Power Breakfast

To mark the presentation of the report entitled Competence and regulation in the gas and electricity industries in Spain, written by Orkestra and IESE's SP-SP Centre, on 10 December we organized a "power" breakfast in Bilbao to facilitate communications between professionals and orient progress in the sector towards sustained competitiveness. The report was presented by the authors, Xavier Vives and Giulio Federico.

Presiding the event was José Ignacio Zudaire (deputy regional minister for Innovation & Energy), and moderated by Orkestra chairman José Luis Larrea. Also at the presentation were Guillermo Ulaia, executive chairman and CEO, Gamesa Corporación Tecnológica, and Petronor chairman Josu Jon Imaz.



Regional economic development in the entrepreneurial society

To mark the signing of a frame agreement on cooperation between Orkestra and the Max Planck Institute of Economics, Dr. David Audretsch gave a lecture called Regional economic development in the entrepreneurial society, in the Digital Classroom on the University of Deusto's San Sebastián campus. The lecture was broadcast by videoconference to the University of Deusto campus in Bilbao.

2.7.4 Communication tools

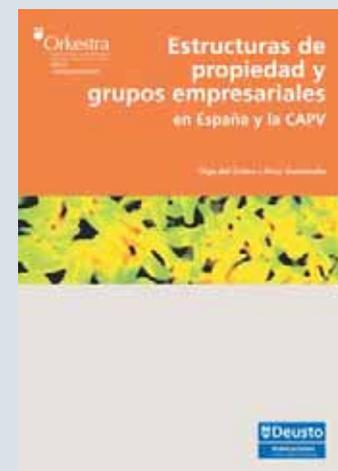
In 2008 we made a big effort to design and launch the Institute's publications policy, defining its funda-

mental objectives as (I) stimulating debate on all aspects having an impact on competitiveness in the Basque Country, or influencing the way social and economic players understand it and, (II) making Orkestra a "must read and consult" organi-

zation worldwide on issues of territorial competitiveness, acknowledged for its rigour and capacity to influence.

In 2008 we produced three written Orkestra publications and four digital Orkestra publications.

Publications



Orkestra Working Paper Series in Territorial Competitiveness

Edited by Miren Larrea and James Wilson, Orkestra Working Paper Series in Territorial Competitiveness aspires to become an international benchmark for the early dissemination of regional competitiveness-related conceptual and applied research. This electronic publication has an International Standard Serial Number (ISSN). The series, available on the Institute webpage from July to 31 December 2008, included the following articles:

ERAUSKIN, I. (2008).

"The Sources of Economic Growth in the Basque Country, Navarre and Spain during the period 1986-2004". Working Paper in Territorial Competitiveness, Number 2008-01, July 2008.

WILSON, J. (2008).

"Territorial Competitiveness and Development Policy", Orkestra Working Paper in Territorial Competitiveness, Number 2008-02, July 2008.

MINONDO, A. (2008).

"The Sophistication of Basque Exports". Working Paper in Territorial Competitiveness, Number 2008-03, July 2008.

NAVARRO, M., GIBAJA, J. J., AGUADO, R., BILBAO, B. (2008).

"Patterns of innovation in the EU-25 regions: a typology and policy recommendations". Working Paper in Territorial Competitiveness, Number 2008-04, July 2008.

MEIJERS, E., HOEKSTRA, J., AGUADO, R. (2008).

"Strategic planning for city networks: The emergence of a Basque Global City?". Working Paper in Territorial Competitiveness, Number 2008-05, July 2008.

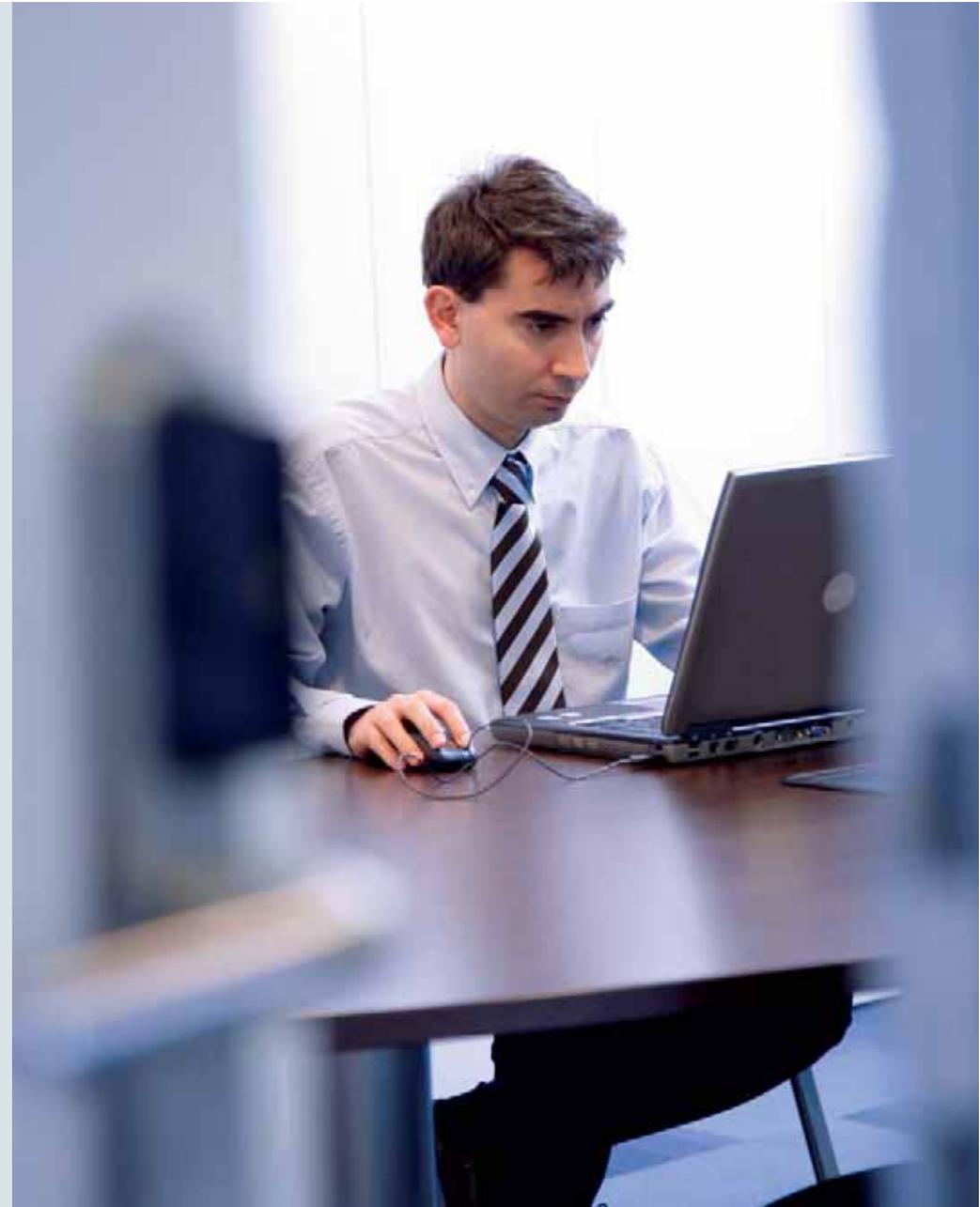
LAZZERETTI, L., CAPONE, F., CINTI, T. (2008).

"Regional Development Platform based on 'Related Variety': Some Evidences from Tuscany". Working Paper in Territorial Competitiveness, Number 2008-06, October 2008.



'Orkestra Newsletter'

Orkestra Newsletter is a quarterly external communication tool informing the leading social and economic players of the Institute's activities. The first number was published on the webpage in April, and the following numbers, for 2Q and 3Q 2008, appeared there in July and October. Replicating the structure of the 3Is, Orkestra Newsletter presents the Institute's most important Insight, interaction and instruction activities and is automatically sent on publication day to 203 users registered on the webpage.



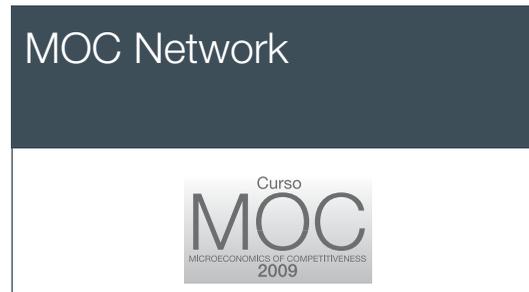
Netzwerke



Having recognized the importance of cooperation, our membership of worldwide and local networks of excellence enables us to provide input for our research processes, comparing, applying and enhancing them with first-class knowledge. Our network involves the finest business schools and research institutes working on competitiveness. We have also actively promoted alliances with other institutions and visits by local and international players interested in exploring ways to cooperate.



From the beginning we have maintained close links with the Institute for Strategy and Competitiveness at Harvard University, directed by professor Michael Porter. This is a first-class strategic alliance that provided substantial aid in the Institute's development and start up. Our agreements make us an official member of the world network of Institutes for Competitiveness of the Institute for Strategy and Competitiveness of Harvard University (ISC). The network enables us to access and share knowledge and activities at international level.



A prestigious international course designed by the Institute for Strategy and Competitiveness at Harvard. The methodology and materials are adapted to the situation in our milieu as regards the evaluation and identification of competitiveness.

The MOC Network is a unique training programme experience in an operational network, in which all participants share the same methodology, processes and materials with more than a hundred prestigious training centres in all five continents that run the course simultaneously during the year.



We implemented the CEIBS-SPRI-Orchestra Agreement in the definition of the contents of the BCC Chair. We also maintain institutional relations as regards coordination with the chairman of CEIBS, SPRI and the regional Basque government. A highlight of 2008 was the *Being Competitive in/from China* course, held in Shanghai from 21 to 26 July.



A business school and research centre with campus in Fontainebleau, just outside Paris, and Singapore. As one of the world's leading business schools, it differs from the rest largely because of its global viewpoint and multicultural diversity. Activities arising from the agreement with INSEAD included the lecture and seminar given by Soumitra Dutta, professor and leading researcher at INSEAD, in San Sebastián on 28 February.

Max Planck Institute of Economics



The Max Planck Institute has a worldwide reputation as a scientific research organization. The Max Planck Society for the Progress of Science is a network of scientific research institutes in Germany encompassing 79 Institutes in as many disciplines, including the Max Planck Institute of Economics. Our agreements focus largely on developing and stimulating research activities on entrepreneurship. In January, Dr. David Audrescht gave a lecture entitled *Regional economic development in the entrepreneurial society* at the University of Deusto's San Sebastián campus, which was broadcast by videoconference.



EUNIP

EUNIP 2008

EUNIP is a global network of researchers with specific interests in the economy and industrial policy. This year we organized, with ESTE and the cooperation of many prestigious world experts, the eleventh edition of the international conference EUNIP 2008, held in San Sebastián on 10, 11 and 12 September 2008.

TCI



TCI is an international network of excellence in advanced knowledge on clusters, with more than 800 members from 70 countries. Events of interest during the year included Leire Oiarbide's arrival at the Clusters, Regional Development & Innovation area. Oiarbide works from the management area at TCI HQ in Barcelona to manage the movement of knowledge between both institutions and acts as an antenna for Orkestra in the TCI network. Other features of the year included the organization in July of a *Competitiveness Encounter* in San Sebastián, participation in the eleventh edition of the *TCI International Conference on Competitiveness* in Cape Town, South Africa (November 2008) and Orkestra's participation in the *International Latin America Conference*.

Orkestra's participation in TCI is supported by the Basque regional government.

Frame agreement between Orkestra and Garapen



On 22 January we signed a frame agreement with Garapen which covers the transfer of knowledge and methodology from Orkestra to county development agencies in the Basque Country.

This agreement was designed to transfer methodologies and tools developed in local competitiveness policies from the Institute to county development players. It is a major step towards establishing cooperation to promote social innovation. In 2008 we conducted several training activities for officers from county development agency companies, including five workshops held to transfer tools and methodology to the development agencies to perform local competitiveness diagnoses, thus enabling us to generate new competencies in the local sphere.

Cooperation Agreement between Orkestra and Eusko Ikaskuntza



Our cooperation agreement with Eusko Ikaskuntza is designed to develop research into the origins of Basque clusters. The first fruit of this agreement was the publication entitled *The historic origins of the Paper Cluster in the Basque Country and its legacy for the*



present day, covering the phases in the cluster's evolution, its present situation and the challenges facing firms in the sector.

Lines of cooperation include the execution of research and development projects and programmes, mutual assessment on issues concerning the activity of both organizations, cooperation on research and technical staff training programmes, sharing databases or research materials that might be useful to the research activity of either party to the agreement and the organization and execution of common activities concerning the social promotion of research and technological development.

Alliance between Orkestra and the Basque Innovation Agency (Innobasque)



This alliance seeks to establish a framework for cooperation and coordination between the two organizations that will facilitate future innovation promotion actions and the kind of social mobilization required for the second great economic and social transformation of the Basque Country.

Under the alliance, both parties have undertaken to work actively in training to promote and develop this second great economic and social transformation: Innobasque, as the coordinator and stimulator of innovation in the Basque Country, and Orkestra, as a centre of excellent knowledge in the study of regional competitiveness.

The alliance agreement was signed on 12 December in Bilbao by Innobasque chairman Pedro Luis Uriarte and José Luis Larrea, chairman of Orkestra.

Cooperation agreement between Orkestra and Deusto Business School (DBS)



The University of Deusto hosted the signing of the competitiveness research and knowledge transfer cooperation agreement between DBS and Orkestra. The agreement was signed by the chairman of the Board of Directors of DBS, Alfredo Sáenz, and by José Luis Larrea, chairman of the Board of Directors of the Basque Institute of Competitiveness. Both organizations agreed to work together to stimulate instruction through educational programmes, brokering and research in all business competitiveness-related areas in general, and in the Basque Country in particular.

Cooperation agreement between Orkestra and i3B



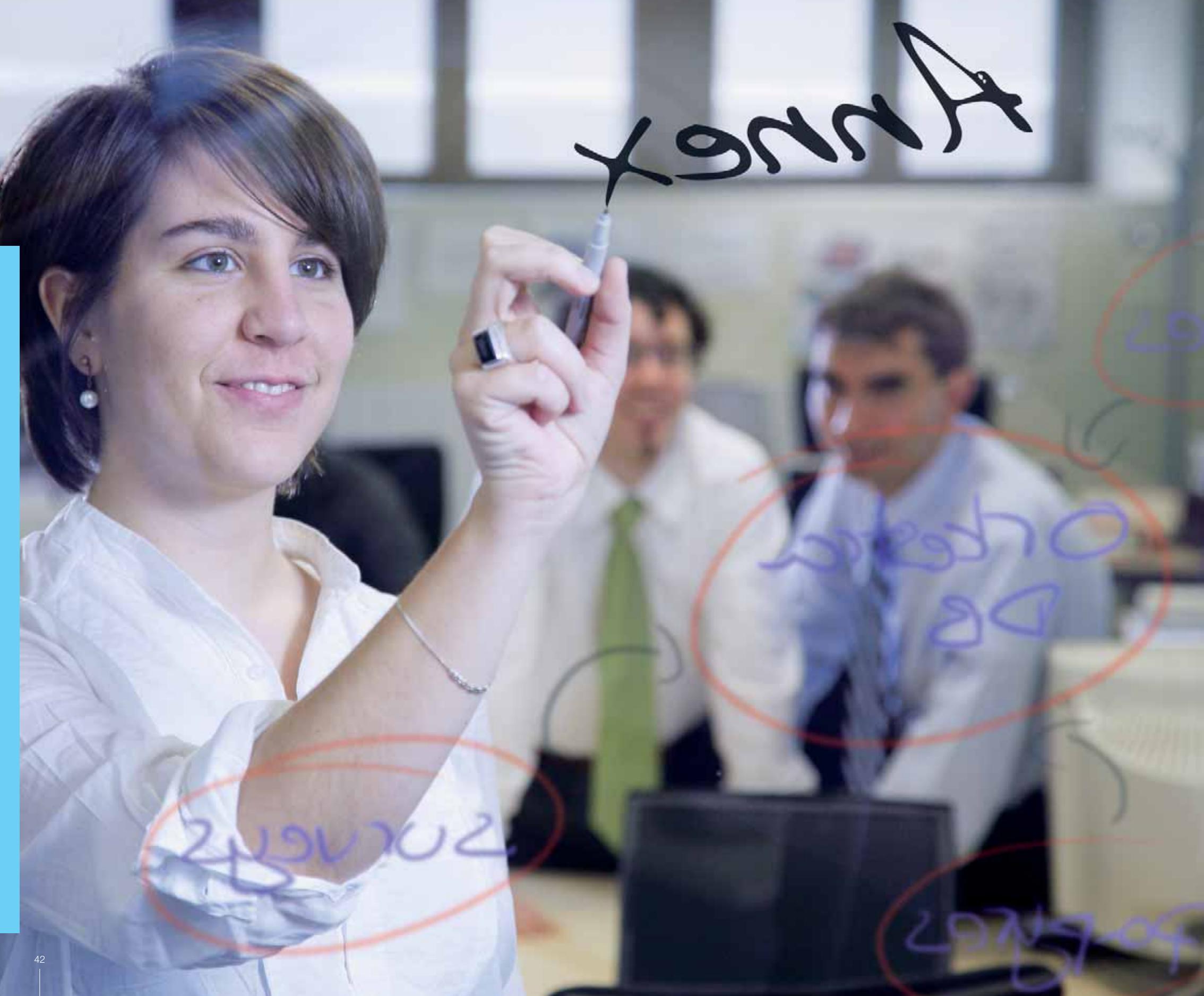
In tandem with Ibermática Innovation Institute (i3B), we are currently promoting the generation of innovative projects on which businesses from the same local district can cooperate or, alternatively, on which such businesses can work with technology or training centres. The idea is for these projects to give extra leverage to the drive to transform the production sector in the region. To that end, both organizations will perform preliminary diagnoses to measure innovation levels in counties and detect potential for cooperation.

Other networks of interest

As part of a global research network, we receive visits from individuals and institutions interested in finding out more about the work the Institute does or in exploring the potential for cooperation. In 2008 one illustrious visitor was Eduardo Frei, president of Chile from 1994 to 2000 and today senator of the Republic, who was accompanied by a delegation from the country's region of Maule.

We also have agreements with all kinds of local and regional institutions, both public and private, working actively to improve competitiveness:

- IESE
- GLOBAL ENTREPRENEURSHIP MONITOR (GEM)
- IRAURGI LANTZEN
- UNIVERSITY OF DEUSTO
- UPV/EHU



Kona

DB
2015

2016

2017

4.1 A close-up of the 3Is



Below is a list of the contributions to the 3Is deriving from the lines of research and action described above.

Insight

... academic rigour, objectivity and independence...

Publications

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"Clusters and Policy: Experiences from the Basque Country". Research 'Research Driven Clusters', Delegation of the Spanish Higher Council for Scientific Research (CSIC), Brussels, 14 October.

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Interaction

...facilitating in practice the application of competitive strategies...

Frame agreement between Orkestra and Garapen signed (Orkestra, 22 January).

Cluster mapping from export data and Evaluation of cluster policy.

Presentations made at the encounter between chairmen and CEOs from priority Basque clusters organized by the Department of Industry, Trade & Tourism. Mari Jose Aranguren y Mikel Navarro (Bilbao, 11 February)

Methodologies for facilitating the definition of municipal/county innovation policy. Presentation at Azcoitia Town Hall. Miren Larrea (Azcoitia, 1 and 21 February).

Garapen Day Forum. Participation of Iñaki Peña (Durango, 4 March).

Seminar: Current challenges facing the Basque economy. Rooms at the Kutxa Arts Centre. Mari Jose Aranguren (San Sebastián, 6 March).

Promoting innovation in the local environment, organized by the Association of Basque Municipalities (EUDEL) and Garapen at the Bilbao Chamber of Commerce. Jon Azua and Miren Larrea (Bilbao, 11 April).

Innovation and territory: the role of the districts. Lecture given at the presentation of Iraurgi Hiria as an agent of Euskadi-Innova. Mikel Navarro (Azcoitia, 16 April).

County innovation strategy drivers. Lecture given at the presentation of Uggasa as an agent of Euskadi-Innova. Mikel Navarro (Zumarraga, 15 May).

Workshops to define County Competitiveness Diagnoses. (15 April, 13 May, 14 May and 10 June) and final presentation of the competitiveness diagnoses by county development agencies in Guipúzcoa at a forum attended by representatives from the Basque regional government, PCG, Garapen and EUDEL.

Local Competitiveness Indicators. Presentation at the closure of the DEPURE project. Mikel Navarro and Miren Larrea (Bilbao, 12 June).

Challenges facing business in Guipúzcoa. Debate organized by Noticias de Gipuzkoa and the PCG. University of Deusto, Mikel Navarro (San Sebastián, 26 June).

Are we doing things properly in innovation? Lecture for the course organized by the University School of Technical Engineering, UPV, Xabier de la Maza (Eibar, 3 July).

Forum to discuss report on “Cluster Associations: competitiveness in the Basque Country through cooperation” with Basque CA: challenges and exchange of ideas. Mari Jose Aranguren, Xabier de la Maza, James Wilson and Miren Larrea (Orkestra, 21 July).

Summer Institute of Entrepreneurship, Max Planck Institute of Economics. Aloña Martiarena and José Luis González Pernía took part (Jena, Germany, 17-23 August).

Launch of project to map local clusters, in cooperation with Garapen and the Basque regional government. Mari Jose Aranguren, Miren Larrea, James Wilson (Durango, 24 and 25 September)

Territorial axis in innovation. Presentation of a delegation from the region of Maule, Chile. Miren Larrea and Mari Jose Aranguren (Orkestra, 25 September).

Competitiveness diagnosis for Galdakao. Presentation to information commission at Galdakao town council. Miren Larrea, Amaia Azpiazu and Mari Jose Aranguren (Galdakao, 14 de octubre).

Competitiveness and innovation in the Basque Country: indicators are no use without strategy. Debegesa, Mikel Navarro (Eibar, 14 October).

Third International Seminar on Regional Innovation Policies. Miren Larrea and Mari Jose Aranguren (Santander, 16 and 17 October).

Entrepreneurship and Higher Education.

Directorate General Education and Culture, European Commission. Iñaki Peña (Tenerife, 30-31 October).

Advising on policies designed to promote the capital social of the PCG.

Miren Larrea and Mari Jose Aranguren (4 November and 22 December).

Workshops on cluster mapping with county development agencies.

Mari Jose Aranguren, Amaia Azpiazu, Miren Larrea, Asier Murciego and James Wilson (Orkestra, 5 November and 1 December).

Basque entrepreneurial capital.

Presentation to the Advanced Entrepreneurship Learning Council, Innobasque. Iñaki Peña (5 November).

Entrepreneurial initiatives with high growth potential in the Basque Country.

Iñaki Peña (Orkestra, 7 November).

Analysis of the role of academic research in society.

Roger Sudgen, director, Stirling Management School at the University of Stirling (UK). (Orkestra, 13 November).

“Institutions and Entrepreneurship”.

ERIM Research Workshop. José Luis González Pernía (Rotterdam, 14 November).

Revolving Doors: Entrepreneurial Survival and Exit.

ERIM Research Workshop. José Luis González Pernía (Rotterdam, 27-28 November).

Participative evaluation in Basque regional government cluster policy.

Working meetings with a range of players (Orkestra, 22 April; Orkestra, 26 June; Zamudio, 14 July; Orkestra, 9 September; and Orkestra, 12 November) and workshop with companies from the Basque Aerospace Cluster (HEGAN) and the Basque regional government (Zamudio, 16 December). Mari Jose Aranguren, James Wilson, Miren Larrea

Observatory of industrial situation.

Organized by Basque Regional Development Agency SPRI. Mari Jose Aranguren (Bilbao, 20 February, 16 July and 1 December).

Presentation of the activities of the Institute to the Provincial Councils of Vizcaya, Guipúzcoa and Álava.

Miren Larrea, Mari Jose Aranguren and Ricardo Aguado (5 February, 3 April and 20 May).

Instruction

...specialized instruction that profiles us as a broker of excellent education....

SME, clusters and regional development.

Mari Jose Aranguren, Miren Larrea and Iñaki Peña. ICADE PhD course (Madrid, 10-12 January).

The International Business Environment.

MBA Executive, University of Birmingham, UK. James Wilson (12 to 13 January).

From prospection to action. Course given to training officers in companies belonging to Basque county development agencies. Miren Larrea (Orkestra, 20 February).

Technological Change and Innovation Policy.

MSc on Economic Policy and International Business, University of Birmingham, UK. James Wilson (1 April).

Collective bargaining in the Basque Country and complementary social contributions: the employment EPSV.

University of Deusto. Mikel Navarro, member of board of examiners for PhD thesis (San Sebastián, 9 May).

The role of district development agencies in the new concept of innovation.

Course given to officers from SME in Basque county development agencies. Mikel Navarro and Miren Larrea (Durango, 22 May).

Territorial competitiveness and policies for economic development: concepts, measurements and implications.

PhD course, ESTE. James Wilson (31 May).

Clusters and local networks.

Mari Jose Aranguren and Miren Larrea. PhD course, ESTE (San Sebastián, 6-7 June).

Microeconomics of Competitiveness (MOC).

San Sebastián Edition (Closure 24 June).

Economic Development: What is it and can we measure it?

Universitas 21 Summer School on Embracing Diversity through Creativity, Culture and Innovation. Birmingham, UK. James Wilson (5 July).

The International Business Environment,

University of Deusto, San Sebastián. James Wilson (16 to 29 July).

Being Competitive (in/from) China.

BCC Chair (Shanghai, 21-26 July).

Economic Development, Globalisation and Competitiveness,

DARE Graduate School in Economic Governance, Development and Public Policy, Abo Akademi University, Turku, Finland, James Wilson (15 September).

Cooperation networks and development in the Basque region.

PhD programme, ESTE. Mari Jose Aranguren, James Wilson and Miren Larrea (San Sebastián, 6 November).

Workshop for officers from Ezagutza Gunea

about to perform the first innovation diagnosis using the new tool designed by Orkestra and Ibermática.

Miren Larrea (Orkestra, 7 November).

New concepts of local development and tools for its implementation.

Workshop for officers from development agencies. Miren Larrea (Orkestra, 26 November).

Business Angels, Seed Capital, Venture Capital.

ESTE Seminar, MBA Executive. Iñaki Peña (San Sebastián, 14 and 28 November).

Proposal for a manual for acquiring and developing entrepreneurial initiative competence from the experience of Saiolan, Business and Innovation Centre, Mondragón.

Participation in board of examiners for thesis. Iñaki Peña (UM, 5 December).

Innovation and competitiveness,

ESTE, James Wilson (12 and 19 December).

Microeconomics of Competitiveness (MOC).

Bilbao Edition (Closure, 18 December).

Legal Structure as a determinant of Business Demography.

Direction of PhD thesis. Iñaki Peña.

Legal structure as a determinant of business demography.

University of Deusto. Mari Jose Aranguren and Mikel Navarro, members of board of examiners of a PhD thesis.

The influence of gender and family milieu in the success and failure of entrepreneurial initiatives.

Participation on board of examiners for PhD thesis. University Autónoma, Madrid. Iñaki Peña.

A study of the technical efficiency of the network of offices of the universal Venezuelan bank using the DEA method in 2003 and 2004.

Mari Jose Aranguren, member of the board of examiners of a PhD thesis.

4.2 Economic statement

In line with its commitment to accountability, the Basque Institute of Competitiveness submitted its 2008 annual account to revision.



The following table summarizes the executed budget in 2008 (in thousand €):

Expenses	2,747
INCOME	
Agreements institutions and businesses	2,443
Projects and others	386
Total income	2,829
BUDGET SURPLUS/DEFICIT	82

4.3 Media matters

In observance of our essential function of generating and disseminating ideas useful for shaping public opinion, we appeared regularly in the media in 2008.

Articles written by members of the Institute for the press and specialist journals:

- RUELAS-GOSSI, A. (2008, 17 de enero). "«Los gatos flacos tenemos hambre de conocimiento". El Correo.
- AUDRETSCH, D. (2008, 25 de enero). "La universidad debe ser clave para que Euskadi sea una zona emprendedora". Noticias de Gipuzkoa.
- RUELAS-GOSSI, A. (2008, 11 de febrero). "No deberíamos fabricar nada aquí, sino pensar y que fabriquen otros". Expansión.
- NAVARRO, M. (2008, 21 de septiembre). "La crisis como oportunidad". El País.
- NAVARRO, M. (2008, 16 de noviembre). "La I+D cojea en las empresas". El País (suplemento Innovación en el País Vasco), p. 3.
- PARRILLI, M. D. (2008, 16 de noviembre). "La Universidad debe escuchar las demandas de las empresas". El País (suplemento Innovación en el País Vasco), p. 20.
- PARRILLI, M. D. (2008, 14 de diciembre). "¿Recortar gastos o invertir en innovación y aprendizaje? (I)". Diario Vasco, p. 34.
- WILSON J. (2008, 17 de diciembre). "Innovación: ¿Para qué?" En la 2.ª Guía de la Innovación del País Vasco (Estrategia Empresarial), p. 12.
- PARRILLI, M. D. (2008, 21 de diciembre). "País Vasco: ¿Un sistema de innovación eficiente o ineficiente?". Diario Vasco, p. 30.

News items in the press about Orkestra:

- Noticias de Gipuzkoa, 17/01/08. "Orkestra estrena hoy su nueva página web".
- Nueva Gestión, 17/01/08. "Orkestra estrena nueva página web".
- Noticias de Gipuzkoa, 23/01/08. "Acuerdo entre el Instituto Vasco de Competitividad y Garapen".
- Nueva Gestión, 25/01/08, "Orkestra y Max Planck Institute of Economics firman un acuerdo para desarrollar programas de investigación conjuntos".
- Deia, 25/01/08, "Tres profesoras de la Universidad de Deusto reciben en Canadá un premio a la "mejor comunicación".
- Estrategia Empresarial, 04/02/08. "Orkestra y Garapen, por la innovación".
- Estrategia Empresarial, 16/02/08, "Los directivos aprenden con el MOC las claves para competir".
- Diario Vasco, 17/02/08, "Vencer las resistencias al cambio".
- Nueva Gestión, 21/02/08, "El curso MOC, que actualmente imparte Orkestra para mejorar la competitividad local, cumple cinco años en funcionamiento".
- Nueva Gestión, 29/02/08, "Una actitud flexible y adaptativa facilita la concreción de la innovación en nuevos productos y servicios".
- Deia, 27/02/08, "Orkestra institutuak Soumitra Dutta berrikuntza gaietako adituaren hitzaldia antolatu du biharko".
- Europa Press, 27/02/08, "Orkestra institutuak Soumitra Dutta berrikuntza gaietako adituaren hitzaldia antolatu du biharko Donostian".
- Noticias de Gipuzkoa, 02/03/08, "Soumitra Dutta ofrece las claves de la innovación global".
- El País, 18/04/08, "El tamaño empresarial importa".
- Diario Vasco, 18/04/08, "La empresa vasca deberá hacer "grandes cambios" para seguir siendo competitiva".
- Nueva Gestión, 06/05/08, "Orkestra publica su memoria de actividades de 2007 que refleja que avanza con dinamismo proyectándose día a día".
- Noticias de Gipuzkoa, 22/05/08, "La tasa de emprendizaje de Gipuzkoa es, con el 9,2%, la más alta de la UE".
- Diario Vasco, 22/05/08, "Gipuzkoa lidera la tasa de actividad emprendedora en Euskadi y en la UE".
- Nueva Gestión, 22/05/08, "La actividad emprendedora en Euskadi asciende a un 6,4% en 2007 y supera la media de la Unión Europea en más de un punto".
- Estrategia Empresarial, 01/06/08, "Orkestra analiza cómo se conducen las empresas en tiempos de crisis".
- Social Press, 06/06/08, "¿Por qué fracasan las buenas empresas?".
- Deia, 06/06/08, "SPRI, Orkestra y CEIBS organizan un curso en Shanghái para favorecer las oportunidades de las empresas vascas en China".

- Diario Vasco, 07/06/08, "Curso para ser competitivo en China".
- Nueva Gestión, 09/06/08, "SPRI, Orkestra y CEIBS organizan un curso en Shanghái para favorecer las oportunidades de las empresas vascas en China".
- Noticias de Gipuzkoa, 29/06/08, "Aumento de músculo. La cooperación, clave para ganar en tamaño".
- Noticias de Gipuzkoa, 05/07/08, "Conferencia Internacional sobre Competitividad".
- Noticias de Gipuzkoa, 12/07/08, "Orkestra reúne en Donostia a 30 expertos internacionales".
- Finanzas.com, 24/07/08, "SPRI organiza un curso en Shanghái para favorecer las oportunidades de las empresas vascas en China".
- El Correo, 24/07/08, "China es el colchón de la crisis".
- El Correo, 27/07/08, "Sólo cuatro de cada diez empresas vascas implantadas en China obtiene beneficios".
- Europapress.es, 08/09/08, "Orkestra y la ESTE de San Sebastián reúnen mañana en la conferencia EUNIP a un centenar de expertos en competitividad".
- El Economista, 08/09/08, "Orkestra y la ESTE de San Sebastián reúnen mañana en la conferencia EUNIP a un centenar de expertos en Competitividad".
- Nueva Gestión, 09/09/08, "Orkestra y la ESTE de San Sebastián reúnen a un centenar de expertos en competitividad".
- Loyolamedia.com, 10/09/08, "Lehiakortasunean, lurraldean eta industri politikan ehun aditu bilduko dira Donostiako EUNIP biltzarrean".
- Diario Vasco, 10/09/08, "La competitividad a debate en Donostia".
- Finanzas.com, 10/09/08, "Lehiakortasunean, lurraldean eta industria politikan ehun aditu bilduko dira Donostiako EUNIP biltzarrean".
- Terra.es, 10/09/08, "Orkestra y la ESTE de San Sebastián reúnen mañana en la conferencia EUNIP a un centenar de expertos en competitividad".
- Noticias de Gipuzkoa, 11/09/08, "Donostia acoge un ciclo sobre política industrial".
- Noticias de Gipuzkoa, 12/09/08, "Expertos defienden la importancia de la industria regional ante la globalización".
- El País, 11/11/08, "Hace falta que la mujer se atreva a ser emprendedora".
- Finanzas.com, 12/11/08, "Orkestra cree que la sostenibilidad del Clúster del Papel requiere el desarrollo de ventajas competitivas "inimitables".
- Diario Vasco, 13/11/08, "Las papeleras vascas precisan estrategias "más sofisticadas" para poder competir".
- Noticias de Gipuzkoa, 13/11/08, "El sector del papel observa la crisis con "preocupación" aunque saldrá "reforzado".
- Nueva Gestión, 13/11/08, "Orkestra cree que la sostenibilidad del Clúster del Papel requiere el desarrollo de ventajas competitivas inimitables".
- Gara, 16/11/08, "Más de cien empresas vascas producen bajo el epígrafe "Made in China" desde los noventa".
- El País (suplemento Innovación en el País Vasco), 16/11/08, "Avance con recorrido de mejora".
- Estrategia Empresarial, 01/12/08, "El desarrollo de ventajas sofisticadas marcará el futuro del Clúster del Papel".
- Euskosare.org, 07/12/08, "Los orígenes históricos del Clúster del Papel en el País Vasco y su legado para el presente".
- Diario Vasco, 10/12/08, "Tenemos que seguir adelante".
- Finanzas.com, 10/12/08, "Instan en un informe a "ajustar" las tarifas de electricidad a los costes".
- Deia, 11/12/08, "Las tarifas eléctricas subirán un 3,6% en enero, según la propuesta ministerial".
- El Correo, 11/12/08, "Industria plantea subir la luz un 3,5% al mes y bajar el gas 1,5 euros".
- Expansión, 11/12/08, "Los expertos piden ajustar las tarifas eléctricas a su coste".
- Nueva Gestión, 11/12/08, "Apuesta por el impulso del sector energético para favorecer la actividad económica, el desarrollo tecnológico y la Innovación".
- Energiadiario.com, 11/12/08, "El Instituto Vasco de Competitividad Orkestra presenta un informe sobre las tarifas eléctricas y el déficit tarifario".
- Estrategia Empresarial, 16/12/08, "El País Vasco sólo genera el 5% de la energía que consume".
- Nueva Gestión, 16/12/08, "Orkestra-Instituto Vasco de Competitividad e Innobasque firman una alianza".
- Noticias de Gipuzkoa, 16/12/08, "Acuerdo estratégico entre Innobasque y Orkestra".
- Il Guía de la Innovación del País Vasco (Estrategia Empresarial), 17/12/08, "Investigación de alto nivel en Euskadi".

4.4 Glossary

- ▶ Basque Innovation Agency (Innobasque)
- ▶ Annual Academic Summit of Trade and Industrial Policy (TIPS)
- ▶ Basque Aerospace Cluster (HEGAN)
- ▶ Basque Country Autonomous Community (CAPV)
- ▶ Association of Basque Municipalities (EUDEL)
- ▶ Association of Basque Development Agencies (GARAPEN)
- ▶ Cluster Associations (CA)
- ▶ Database of indicators for Spanish regions (REGES)
- ▶ Basque Chair of Competitiveness (BCC)
- ▶ Public Sector-Private Sector Centre, IESE (Centro SP-SP)
- ▶ China-Europe International Business School (CEIBS)
- ▶ Basque Electronics, Computer and Telecommunications Cluster (GAIA)
- ▶ Deusto Business School (DBS)
- ▶ Provincial Council of Guipúzcoa (PCG)
- ▶ European Network on Industrial Policy (EUNIP)
- ▶ Faculty of Economics & Business Science of the University of Deusto (ESTE)
- ▶ World Economic Forum (WEF)
- ▶ Global Entrepreneurship Monitor (GEM)
- ▶ Institutions for Collaboration (IFC)
- ▶ Institute for Strategy and Competitiveness (ISC)
- ▶ Ibermática Innovation Institute (i3B)
- ▶ Microeconomics of Competitiveness (MOC)
- ▶ Mondragon University (MU)
- ▶ Organization for Economic Cooperation and Development (OECD)
- ▶ Basque Regional Development Agency (SPRI)
- ▶ The Competitiveness Institute (TCI)
- ▶ University of the Basque Country (UPV)



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