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The role of cluster initiatives in strategic alliances: a view from the Basque Country region

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Abstract
Clusters initiatives are appropriate environments for their members to gain in competitiveness through collaboration. The entrepreneurial process of discovery, one of the main principals in the new concept of smart specialization can be embodied in clusters initiatives. When addressing new business opportunities through collaboration within a cluster, companies usually form strategic alliances. Business strategy is clearly related to regional strategy. In most cases, successful regional strategies depend on successful business strategies. This paper considers the relationship between the two types of strategies, focussing on strategic alliances and the role of cluster initiatives in their development in the context of the Basque Country region. To provide insight about the perceived role of cluster initiatives in both fostering strategic alliances and in defining and developing regional smart specialization strategies in mature cluster initiatives, primary data was gathered in the Basque Country from Cluster Managers and Business Members of various clusters.

Key words
Strategic alliances, Basque cluster initiatives, smart specialization strategies.

Resumen
Las iniciativas clúster se consideran entornos propicios para que sus miembros puedan mejorar su competitividad a través de la cooperación. En este sentido constituyen espacios en los que se materializa el llamado proceso de descubrimiento emprendedor, uno de los principios clave del nuevo concepto de estrategias de especialización inteligente. En el seno de las iniciativas clúster, las empresas cuando tratan de abordar nuevas oportunidades de negocio a través de la colaboración habitualmente terminan formando alianzas estratégicas. Así, se manifiestan claras relaciones entre la estrategia empresarial y la estrategia regional. Para que las estrategias regionales tengan éxito normalmente se requerirá que las estrategias empresariales también lo tengan. Este artículo analiza la relación entre ambos tipos de estrategias, la empresarial y la regional, poniendo el foco en las alianzas estratégicas y el papel de las iniciativas clúster en su desarrollo en el contexto del País Vasco. Puesto que su evaluación se hace normalmente a través de las propias asociaciones clúster, se ha recogido data primaria para conocer la percepción de las empresas miembro de varios clústeres vascos de gran tradición y dinamismo en la política clúster.

Palabras clave
Alianzas estratégicas, iniciativas clúster vascas, estrategias de especialización inteligentes.

"Clusters are powerful instruments to foster industrial competitiveness, innovation and regional growth"

1. Clusters as innovation and entrepreneurial ecosystems, key pieces in smart specialization strategy

Clustering opens the door to efficiency gains and business opportunities which individual enterprises can rarely attain. Schmitz (1997) postulates that these gains are captured in the concept of collective efficiency, defined as the competitive advantage derived from local external economies and joint action. We will focus on the latter.

Since the early 90s and Porter's theories about clusters and their impact on regional and corporate competitiveness (Porter, 1990), hundreds of cluster initiatives have been developed all over the world as the benefits of clusters for productivity and innovation have become better understood (Sölvell, Lindqvist & Ketels, 2003). Cluster initiatives are intermediary organizations to formalize and develop linkages and networks for the benefit of firms, and other organizations within the clusters (Laur, Klofsten & Bienkowska, 2012). In this way they foster cluster competitiveness proactively instead of waiting for a natural process to occur.

Some of the world's earliest cluster initiatives were born in the Basque Country in the early 90s and are still going strong while most cluster initiatives active in 2012 worldwide were initiated in 2007 or later, according to Lindqvist, Ketels and Sölvell (2013). Based from the outset on the idea of priority clusters, the first Basque cluster initiatives were created upon the foundation of previously existing business associations which then engaged in extending their scope to enhance cluster competitiveness, although some of them involved the creation of a totally new cluster association.

More than ten years later, the Basque cluster associations network is considered to be a key piece in the innovation and competitiveness network. As a matter of fact, Kevin Morgan, recently hired by the EU as an expert in the context of the process towards smart specialization strategies to give feed-back to the Basque Country, after the review of regional innovation repertoires, claimed that "the Basque Country has been a regional success story". Among the highlighted six key regional authority contributions is the encouragement of firms associational activity, and specifically cluster associations (Morgan, 2013).

In addition, from the same European Commission, one of the recommended policies is to develop business associations and excellence clusters and to create both internal and external environments for collaboration and cross fertilization between sectors and technological areas to ease the diversification and modernization of the business fabric. "Clusters are powerful instruments to foster industrial competitiveness, innovation and regional growth... They can be used at both the design and the implementation phase of smart specialization strategies" (European Union, Regional Policy, 2012).

In the case of the Basque smart specialization strategy, the proposed way of working by the cluster policy is considered to be an entrepreneurial process of discovery as the stakeholders involved in the cluster initiative must reflect upon their future challenges and identify opportunities to address through collaboration projects (Freije, 2013a).

In fact, within the Basque Cluster Policy, the mission of the Basque cluster associations is to improve business competitiveness through cooperation projects, focusing on the competitive strategic challenges that cannot be addressed by individual actions carried out by the companies alone. To achieve this goal, the work process begins with the gathering and the spreading of strategic information to identify and evaluate strategic challenges and synergies, and finally, the promoting of collaborative groups with common interests in order to generate

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In most cases, successful regional strategies depend on successful business strategies

joint projects. The work of the cluster association usually finishes at this final step, as the partners tend to form a business alliance in order to develop the project.

Nevertheless, it is not a simple process and this is the reason why this scheme is called the cooperation pyramid or the cooperation ladder. In order to reach the final phase considerable work has to be done in the previous steps.

As a matter of fact, although the number of projects the Basque cluster associations include in their annual agreements each year with the Basque Government is fairly significant, not so remarkable is the number of collaborative groups created to generate separate business projects. For this reason, the percentage of Basque Government financial aid for these kinds of projects included in the final step became higher in 2012, reaching 70%[1], as an incentive for this kind of activities (Basque Government, 2010).

Aranguren and Wilson (2013) claim that these strategic reflection processes of existing clusters can provide lessons in constructing a common vision, and the clusters themselves are important vehicles for the construction and the communication of a regional vision. These authors also recognize important elements of the entrepreneurial process of discovery embodied in existing clusters and cluster policies.

2. From regional strategy to business strategy

Smart specialisation is a relatively new concept. Coined by a group of scholars in 2008 (Foray & Van Ark, 2008) it has become an essential feature of the new Cohesion Policy. However, besides the European Union, other international institutions, such as the OECD (2012), have also been promoting this concept in recent years.

The conceptual framework developed by a group of experts along with the European Commission (European Union, Regional Policy, 2012) has resulted in a guide for research and innovation strategies for smart specialisation (RIS3) of which five key elements have been identified. Among them, the second principle[2] ("They build on each country's/region's strengths, competitive advantages and potential for excellence") is applicable to all strategies, not only regional ones but also to business or other kinds of strategies. The main idea is apparently quite simple. When addressing new opportunities, the likelihood of success increases if the strategy is built on strengths, competitive advantages and potential for excellence.

Obviously, when doing so, companies should try to avoid risk caused by lack of flexibility and high susceptibility to certain risks as well as to the logical depletion of opportunities in a maturing field, all of which result in a lack of sustainability. The present crisis has reminded us of just how important flexibility is. In fact, one kind of flexibility, so called resilience, is being increasingly taken into consideration in fields other than economics and business.

Consequently, a good strategy must combine a sound foundation upon which to build, along with the search for new development opportunities. In other words, smart strategies should be built on strengths while ensuring sufficient risk diversification at the same time. In the field of regional strategies, this could lead us to diversification based on the exploitation of related

1 Although ensuring that the entire aid granted does not exceed 60% of internal costs and 50% of external ones.
2 Along with others requiring some adaptation, for example the need for stakeholder involvement, innovation or necessary monitoring.

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The potential pitfalls of M&A push management to form strategic alliances

varieties. Diversification strategies based on synergies are the equivalent in the field of business strategies, that is, related diversification.

According to Foray (2013) "structural changes as the main outcome of a smart specialisation process invariably involve some kind of related diversification, a process that builds upon existing capabilities and industrial knowledge and that is animated by the development of R&D and innovation activities". The different logics of related diversification go from modernisation (representing here a significant improvement in the efficiency and quality of an existing activity) to radical foundation (which is considered to be non related diversification) through transition (where a new domain emerges from existing industrial capabilities) and diversification in a narrower sense, towards a new and profitable activity based on synergies.

So, as we can see, besides these similarities, frequently there is a direct relationship between both types of strategies. In most cases, successful regional strategies depend on successful business strategies. One of the pillars of regional strategies is the business and entrepreneurial fabric. In order to make it possible to generate new economic activity and growth, companies should be able to address new business opportunities.

Synergies are the basis of most business growth strategies except for non-related diversification. The famous 2 + 2 = 5 effect, introduced in corporate strategy discipline at the beginning of the 60s (Ansoff, 1965; Campbell & Luchs, 1998), is an essential part of almost every business strategy. It means that the whole is greater than the sum of the individual parts because of the interrelations within the system.

The same concept is applicable in a regional context as scale, scope and spillovers are considered to be important determinants of R&D and the productivity of other innovation-related activities and the ability to achieve economies of scale and scope and capture spillovers is strongly conditional on size and on the existence of critical mass, critical networks and critical clusters (Foray, 2013).

Obviously the perspective, however, is clearly different. In a business strategy, synergies are attained from the joint work of two or more activities (either within the same company or group, or between various partners). In a regional strategy, the scope is usually broader as the system includes, along with companies, knowledge agents, intermediary agents, government bodies, and other stakeholders. But even in business strategy, "no company is self-contained" (Porter & Kramer, 2011). Advantages derived from supporting companies and infrastructure around it strongly influence a company's productivity and innovation capabilities.

If we focus on business strategy, as mentioned above, we see that synergies are a pillar of the type of strategy. In fact, the strategy typology depends heavily on the extent and the type of the underlying synergies.

Regarding the extent, it is possible to distinguish between closely related and far-reaching business strategies; more strictly, according to the specific language of Ansoff classical growth vector between expansion strategies and diversification strategies depending on whether the company is growing in the current strategic business area or in new and separate businesses.

Ansoff's classical strategies can be completed at least with efficiency or cost and productivity strategy, apart from restructuring which is appropriate when the strategic efforts are not made to gain new market share but to defend at least a part of the present business. Due to its instrumental nature efficiency strategy always goes hand in hand with any of the others.

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Alliances are a flexible but collaborative way to develop a strategy

Nevertheless, sometimes it plays a superior role, e.g. when a company innovates in product design and/or manufacturing processes in order to save costs and increase productivity.

Returning to the aforementioned logics of the related diversification, referring to regional strategies, and comparing them with the different kinds of business strategies, a relationship between them can be observed, except in the case of market penetration or market development (see Table 1). Although both strategies are clear sources of economic growth (not only for the company carrying out the strategy, but also for a region if it is the sector which is undertaking the strategy) the cause is an increase in the size and the geographical scope of the present activities. A similar situation may be thought to occur in the case of modernisation, but in this case, another sector is developing new activities, for example ICT or advanced services. However, from our point of view, there are fruitful opportunities for both strategies through collaboration between companies which sometimes require other types of innovation, not technological but in the marketing mix or in the business models. The latter have proven in recent years to be sustainable routes towards achieving competitive advantages as Ikea and other well known examples have shown (Porter, 1996; Chan & Mauborgne, 2005; Chesbrough, 2010).

Table 1
Business strategies corresponding to logics of diversification in regional strategy

Regional strategy	Business strategy
Modernisation	Efficiency (cost & productivity strategy)
Transition	Product development
Diversification	Related diversification: horizontal, vertical integration, concentric diversification
Non-related diversification	Conglomerate diversification

In any case, it should be underlined that business strategy type is always dependent on the starting business. The same movement constitutes a different strategy according to the perspective of the starting company. For example, modernisation of a sector based on ICTs, usually involves companies from within the sector along with ICT companies. From the sector companies' point of view, it may involve an efficiency strategy. But seen from the ICT's perspective, it will probably be a concentric diversification as it requires the development of a new product to cover the specific needs of a new client sector, or product development, if the sector is a current client.

Furthermore, one strategy usually leads into another strategy, as new opportunities and changes arise. The case of a Basque cooperative company, Maier, can be considered as an illustration of this. Maier, belonging to the largest Basque business group, Mondragon Corporation, started their activity of plastic parts manufacture mainly to serve the household appliances segment. Based on the capabilities developed, they entered the automotive sector and became very innovative providing solutions especially in the development of new aesthetics and functions. As a consequence and also because of the different evolution of the sectors, they are, nowadays, mainly based in the automotive sector, while household appliances became a very residual client segment for them. From the regional point of view, it can be considered as a transition, and the strength of both the Basque household appliances cluster[3] and the Basque automotive cluster had an important role in the process. From the

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Companies seek new opportunities they cannot address alone

company side, the product development strategy evolved towards a concentric diversification as increasingly sophisticated products and technologies were needed to supply the automotive sector.

3. Strategic alliances in growth business strategies

To carry out the aforementioned business strategies, a company has to choose between going it alone or joining forces with other companies to achieve the intended synergies. While internal development, also known as organic growth, allows the company to enjoy total decision autonomy, it implies at the same time the ability to grow without the support of another company as far as resources, competences and capabilities are concerned. Therefore companies frequently carry out external development, usually through mergers or acquisitions. These are complex and very risky ways of carrying out a strategy. Moreover, they usually imply renouncing decision making independence or, if not, a huge amount of resources is necessary to pay for the acquired company, including its premium price. Although found to be frequently unsuccessful (according to Malatesta, 1983; Mascareñas, 2011; Rapallo, 2007, among others), these are very common strategies. Nevertheless, the potential pitfalls push management to take other alternatives into consideration, such as strategic alliances. In fact, alliances are considered to be located somewhere between external and internal development (Freije, Rodríguez, Freije & Freije, 1994; Navas & Guerras, 2002).

Of these strategic growth alternatives, we will focus on alliances, on the one hand, because they are not only more dependent on regional innovation systems, but are also more easily fostered by the umbrella of regional policies. Frequently, there are externalities, or spillovers or there exists distinctive social capital that make up the basis of the collaboration. On the other hand, as previously stated, cooperation projects within the cluster to address new business opportunities usually can be materialized in strategic alliances. However, strategic alliances also have pros and cons when compared to other methods of carrying out a business strategy.

According to Yoshino and Rangan (1995) a strategic alliance is defined by the three following aspects:

- Partner firms' independence after the alliance (and during the alliance, regarding other businesses and activities not included in the agreement), while in acquisitions and mergers at least one of the companies loses their autonomy.
- Firms are jointly responsible for alliance activities and share the benefits, while in other inter-firm relationships, such as licensing, franchising and so on, where all the companies involved also remain independent, one firm defines the framework and conditions and the others accept and hire them in a process which is negotiated to a greater or lesser extent.
- Firms make an ongoing contribution in the strategic areas (e.g., technology, marketing, distribution). This may be seen as a common point in all the alternatives because synergies, as has been previously stated, are the basis of any strategy.

Consequently, alliances are a flexible but collaborative way to develop a strategy. As Pietras and Stormer (2001) claimed this flexibility is their strength as well as their potential weakness

[3] Moreover with the great importance of Mondragon Corporation therein.

Strategic alliances formation can be the culmination of a collective work within a cluster initiative

because it also implies the partial commitments of the other alliance members. A similar rationality is also valid for their collaborative nature. Cooperating with others can pave the way for a company to new business opportunities but there are also some trade-offs. However, the management of the strategy becomes more complex (Harper, 2001) and the partnership can be more easily broken.

Consequently, apart from the strategic basis, any alliance has to be built on another two well defined bases: human and legal. The search for partners becomes a critical feature, and the due diligence process must include cultural aspects taking into account the permanent coexistence of multiple cultures and the particular objectives of each organization. In addition, a legal structure is needed for the alliance in order to regulate contributions, rights, intellectual and common property resources, control, distributions, etc. (Freije & Freije, 2009).

The new business environment characterized by globalization and rapid pace of technological development has led to an increase in the number of strategic alliances being formed. Companies seek new opportunities they cannot address alone because of the lack of resources and competences or they try to reduce the technological or competitive risk (Das & Teng, 2001; Steinhilber, 2008). However, research has uncovered further evidence of the risk of failure of strategic alliances (Kale & Singh, 2009; Dyer, Kale & Singh, 2004).

In short, in spite of the high risk of failure, companies need to form a greater number of alliances than before, and must increasingly rely on them as a means of enhancing their competitiveness and growth. That is the so-called “alliance paradox”. However, it is important to note that even in the case of a rapid alliance break-down, failure is not necessarily implied as other results can be reaped with regard to knowledge, skills and competences.

Regarding the aims of developing an alliance, we can consider three perspectives. Firstly, the joint activities to attain synergies. When specifying the field of strategic alliances within inter-firm relationships, Yoshino and Rangan (1995) identified various contents of agreements in strategic alliances considering just the nature of the pursued synergies.[4] They can be seen in the first column of Table 2.

Secondly, we will relate this with the underlying strategy in the second column. And finally, the third column indicates the intended aim. The categories of this last column are those which have been considered in the survey (as can be seen in Table 5).

4. Cluster initiatives as a way of fostering strategic alliances in The Basque Country

Basque cluster initiatives are mature cluster initiatives with a long tradition in fostering and facilitating collaborative work. Strategic alliances formation can be, as previously considered, the culmination of a collective work within a cluster initiative. Despite the fairly significant indicator of the collaborative work in terms of the number of projects the Basque cluster associations include in their annual agreements with the Basque Government (2010) much smaller is the number of cooperation groups created to develop separate business projects. Furthermore, all this information is gathered and provided by the Cluster Association for the

[4] We are not considering here how inter-company relationships are structured for their development through the alliance which is also included by these authors.

Table 2
Joint activities, underlying strategy and the aim for the alliance

Joint activities	Underlying strategy	Aims
Joint research	Product development Efficiencies	Access new markets and clients To share complementary resources and skills To develop new products or processes To access strategic resources
Joint product development	Product development	Access new markets and clients To share complementary resources and skills To develop new products or processes To save manufacturing or procurement cost through scale economies, greater bargaining power, etc. To access strategic resources
Long term sourcing agreements	Vertical integration	Access new markets and clients To share complementary resources and skills To develop new products or processes To access strategic resources
Join manufacturing	Efficiencies	To share complementary resources and skills To access to the critical mass necessary for a business To save manufacturing or procurement cost through scale economies, greater bargaining power, etc. To access strategic resources
Share distribution/ service	Market development Horizontal diversification	Access new markets and clients To share complementary resources and skills To access to the critical mass necessary for a business To access strategic resources
Join marketing	Market development Horizontal diversification	Access new markets and clients To share complementary resources and skills To access to the critical mass necessary for a business To access strategic resources
Standard setting/ research consortia	Product development Efficiencies	Access new markets and clients To share complementary resources and skills To access to the critical mass necessary for a business To develop new products or processes To access strategic resources

purposes of accountability and in order to report to partners and other funders such as the Government. Consequently, from our point of view, it is also necessary to have some input from the company members. For this reason we launched a survey.

The main objective was to have an insight into the perceived role of cluster initiatives, on the one hand, in helping companies to form strategic alliances, and on the other hand, in smart specialization strategies. A summary of the reasonably positive results were presented in Freije (2013b).

There have been two types of participants: cluster managers and business members so as to be able to compare both perspectives with the aim of finding out if there is a difference between them.

The survey was undertaken with a selection of 9 Basque cluster initiatives. They are all part of the so called Basque priority clusters, founded or reconverted between 1992 and 1997,

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Two types of participants in the survey: cluster managers (9) and business members (87)

except the newest one, the Habitat and Contract cluster, which was one of the three cluster initiatives to have been recognized as pre-cluster when the Basque Government launched the first open call to tender for pre-cluster applications in 2009. The seed of this cluster initiative is Enbor, a trade association established in 1986 on the initiative of the leading companies in the wooden furniture sector in the region. Consequently, they all have a long tradition in promoting collaboration between cluster companies and what is more, they are considered to be quite dynamic according to their activity within the cluster policy. For this last assessment we have taken into consideration their activity in terms of the projects included in recent annual agreements within cluster policy as well as their general activity in terms of inter-firm collaboration presented in their annual general assemblies.

In addition to the 9 cluster managers, 87 cluster business members answered a separate questionnaire which had been specifically prepared for them. The distribution of the participants of the cluster initiatives involved can be seen in Table 3. The sample had to include companies with enough experience of cooperation within the cluster association (see Table 4) and preferably also externally. The questionnaire was sent to the cluster members via cluster managers due to two main reasons. First, they were in a better position to select company respondents who fulfilled the requirements, second it was thought to be a more efficient way of achieving more responses. The disadvantage was the different interpretation of their role as there was not fixed limit to the number of responses (mainly because of the differences in the number of members, from fewer than ten to more than 250). Some of them selected a small number of members of the board while others opened the questionnaire to a broader sample.

Table 3
Firm respondents

	Respondents	Percentage
ACEDE - Household Appliances C. A.	3	3%
ACICAE - Automotive Industries and Components C. A.	7	8%
ACLIMA - Environmental Industries Cluster Association	19	22%
AFM - Machine Tool Manufacturers Association	14	16%
Basque Maritime Forum - Basque Maritime Industries	19	22%
GAIA - Electronics and Information Industries	5	6%
HEGAN - Aeronautics and Space	3	3%
Energy Cluster Association	8	9%
HABIC - Habitat and Contract	9	10%

Table 4 shows the level of participation in the cluster activities of the firms' respondents. Most of them were members of the board of their cluster initiatives.

With reference to the position in the firm of the person responding to the questionnaire, a majority (59%) were in a General Management position, followed by Commercial and Marketing Directors and Manufacturing and Operation Directors (14% each). Only 2 of the respondents claim not to be in a managerial position.

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Small companies find the cluster initiative more useful for the search for partners and opportunities

Table 4
Type of firm respondents participation in cluster activities

During the time as cluster member our company...	Respondents	Percentage upon responses	Percentage upon respondents
Have participated in the cluster board unless for the number of years of a period of election	53	37%	61%
Have participated in at least 5 committees or work groups whose aim was to address strategic challenges through cooperation or to identify synergies between the cluster members	44	31%	52%
Have taken part in at least one cooperative project initiated within the cluster association but then developed by a group of cluster members having been formalized through a contact or a new company like a joint venture	31	22%	36%
Other	16	11%	19%

Regarding the company size, the sample is quite balanced, as although the major segment (32% of the respondents) is the largest one, of more than 250 workers, this is followed by the segment from 10 to 50 workers (26%). More than half of the respondents are under 100 workers. If we consider also the aforementioned participation in the cluster activities we can be sure that the participation of small companies in Basque cluster initiatives is significant.

Consequently, from the characteristics of the respondents, we can state that they are in good conditions for collaboration through cluster initiative participation because of their active membership and their positions in their own companies. In addition, all the respondents consider strategic alliances as an alternative to mergers and acquisitions when developing strategies. This is the only question with full unanimity in the companies' responses, showing that all the respondents are open to alliances, at least to a certain extent. In fact, 70% of the respondents have taken part in a strategic alliance in the last five years, nearly half of them within the cluster initiative as well as outside it, but the other half have only been involved in partnerships outside the cluster. We can see a clear gap in which to enhance these kind of business opportunities.

Interestingly, only 11% of the biggest companies (above 250 workers) claim not to have made any alliance compared to the percentages, near 40%, in the cases of the smaller ones. Furthermore, only 4% of the biggest companies claim to have allied within the cluster while in the segment 50-100 workers the figure rises to 27%. This could confirm the general believe that small companies may find the cluster initiative support more useful for the search for partners and new opportunities.

We also included in the survey a question about the real comparison between mergers and acquisitions and alliances before choosing one or the other. Asking this question, in their research, Dyer et al. (2004) found that companies "do not practice what they preach" as only 24% of the 200 US companies of their sample claimed that they had considered the alternative of forming an alliance when their companies carried out their last acquisition. In our case, in another context and more than a decade later, the positive results grow to 50%.

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Cluster initiatives have an active role to play in helping companies to develop alliances

Regarding the type of alliance, Table 5 shows the main objectives of the alliances considered. The respondents see alliances as a means to address new business opportunities, mainly accessing new markets and clients (89% of the respondents), followed by other more instrumental responses such as “to share complementary resources and skills”, “to develop new products or processes” or to gain efficiencies through scale economies and bargaining power. Interestingly, the responses are not so clear in the case of the cluster managers survey where only 56% consider strategic alliances as a way to access new markets and clients.

In a recent report Franco and Wilson (2012) asked companies from various sectors (mostly different from ours) if they engaged in joint activities with other companies or institutions in the region, distinguishing between: Purchasing, Branding, Attracting Employees, Developing The Entrepreneurial Environment, Access To New Markets, Research and Development and Training. If we consider only strategic synergies from a strictly business strategy point of view, the best results were also found in Access to New Markets and Research and Development.

With reference to the role of cluster initiatives in this realm, it can be highlighted that the majority of the company respondents (61%) consider the cluster initiative to be a good environment in which to seek partners for an alliance, and another 30% believe in their potential despite not currently taking advantage of it.

Only a few companies (five from three different clusters) consider that cluster initiatives should not be involved in helping companies to form strategic alliances or that this is not an objective of their cluster association (less than 10%). In fact, a significant 26% claim that their cluster initiative had been a useful tool in the past in the case of alliances in which they took part. Nevertheless, most companies are waiting for specific results.

More specifically, most of the company respondents assign to the cluster initiative the responsibility of organizing activities for identifying opportunities (76%), to play the role of

Table 5
Type of strategic alliances firm and cluster managers respondents consider more interesting

Strategic alliance to...	Companies respondents	Percentage	Cluster managers respondents	Percentage
Access to new markets or clients	**77**	89%	5	56%
To save manufacturing or procurement costs through scale economies, greater bargaining power, etc.	**47**	54%	3	33%
To share complementary resources and skills	**59**	68%	6	67%
To access the critical mass necessary for a business	**36**	41%	4	44%
To develop new products or processes	**49**	56%	6	67%
To access strategic resources	**32**	37%	6	67%
Others (customer supplier strategic agreements)	**0**	0%	1	11%

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The cluster initiative is assigned the responsibility of organizing activities for identifying opportunities

facilitator of members proposals (66%) and to create an environment of trust in which to develop appropriate social capital (56%).

Perhaps unsurprisingly, in comparison to the company views, the cluster managers' responses are more positive regarding the usefulness of the cluster associations to help companies to develop strategic alliances. Most of them claim that this has been proved by their participation in past alliances (60%), and only one is waiting for sufficient specific results. And the last two cluster managers state that when there are few agents in the cluster the natural environment in which to search for partners is not the cluster initiative. Another interesting comment made by them was that sometimes the cluster association should stay on the edge, giving the members the opportunity to choose whether or not they should use the help of the cluster organization.

With reference to their knowledge of the concept of smart specialization strategies that have been promoted recently by the European Union, we can observe a huge difference between the two respondent collectives. While all the cluster managers declare themselves to be familiar with the concept, although only one has participated actively in meetings about this topic, the level of knowledge is fairly limited in the case of Business Members. Only 26% claim to have heard about smart specialization strategies, while a majority 55% have not, and the remaining do not recall although it does sound familiar to them. These results clearly reflect the novelty of the concept. So, until clearer measures are introduced from the various authorities, it seems to be that this is not a priority for cluster associations and even less so for Business Members.

However, what it is clear among cluster managers is that they should assure their participation in the definition of smart specialization strategies, as there is unanimity with regard to this item. Nearly all consider also that they should play a very active role guiding cooperation opportunities among their members aligned with the smart specialization strategies which were designed in the Basque Country and that, in addition, they should give their members information about available aids and resources in the field of smart specialization strategies. Nevertheless, three out of nine, do not assign themselves such an active role in the definition of new strategies as they do not consider that the cluster initiatives can be the seed of smart specialization strategies (see Table 6). This could imply that they do not see the same relationship as we do between the search for new business opportunities and smart specialization strategy, so further action to make it clear would be required.

Somewhat clearer is the response of the company respondents, as they consider that the cluster associations should play a very active role in guiding cooperation opportunities among their members aligned with the smart specialization strategies which were defined in the Basque Country (87% of the respondents, taking into consideration that the only people who were supposed to respond were those who had answered affirmatively in the previous question, this being 23. Considering the real number of respondents to this last question, 20, the percentage would be 100%). The level of agreement is a bit lower (but 90% and 80% of the real respondents, respectively) regarding the other statements (see Table 6).

Consequently, we can conclude from this analysis that both cluster managers and business members do assign a role to cluster initiatives in the field of smart specialization strategies, although some ideas were not very clear mainly because of their recent introduction, especially in the case of member companies.

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Although the long tradition in cooperation, there is plenty of room for improvement

Table 6
Role of cluster associations in smart specialisation strategies

Role of cluster associations in the field of smart specialisation strategies	Cluster managers respondents	Percentage	Companies respondents	Percentage
Cluster associations should assure their involvement in the definition of the regional smart specialisation strategies	9	100%	16	70%
From the initiatives generated within the clusters, the seed of smart specialisation strategies can surge	6	67%	16	70%
Cluster associations should play a very active role to guide cooperation opportunities among their members aligned with the smart specialisation strategies which were designed in The Basque Country regional	8	89%	20	87%
Cluster associations should give their members information about available aids and resources in the field of the smart specialisation strategies	8	89%	18	78%

5. Conclusions

According to our research, companies consider their cluster initiatives as a good environment in which to seek out partners and furthermore, a significant number of them recognized the worth of their role in past alliances in which they had taken part. There is a clear agreement that the cluster initiative has an active role to play in helping companies to develop strategic alliances, not only building up confidence and as a facilitator of members' proposals but also during the stage of identifying opportunities.

However, not surprisingly, there is plenty of room for improvement, not only because a considerable number of them are waiting for specific results but also because the participants are a selected sample of dynamic and involved cluster members, taking part in what are also dynamic cluster initiatives.

There is already a certain lack of awareness about the concept of smart specialization strategies, and perhaps ideas are somewhat blurry mainly due to their recent introduction, especially in the case of member companies.

However, taking into consideration only the ones who are familiar with the S3 strategies, both cluster managers and business members do assign a role to cluster initiatives in the field of smart specialization strategies.

So we can conclude that, to date and until clearer measures are taken by the various authorities, S3 is not a priority for Basque cluster associations and much less so for member companies although it is clearly connected with their main objectives and some of their present activities and consequently there is a huge potential for improvement in the near future.

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Finally, apart from the aforementioned companies' lack of knowledge about the concept of smart specialization, significant differences have not been found between the two collectives of respondents.

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