

## **IKINET**

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# **EMERGENCE AND TRANSFORMATION OF CLUSTERS AND MILIEUS**

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A renewed interest in the location of the productive activity has appeared during the last two decades. The literature analyzes a great number of cases of clusters and local productive systems in which all types of goods are produced and which are located in regions and countries with different levels of development (Altenburg and Meyer-Stamer, 1999; Rosenfeld, 1997; Staber, 1997; Porter, 1998). Electronics in Silicon Valley, in the U.S. and Silicon Glen in Scotland, but also in Guadalajara, Mexico and in Penang, Malaysia; optics in Rochester, New York, and in Orlando, Florida; the car industry in Detroit, Michigan and in Vigo, Spain, but also in Tianjin, China where Toyota has helped create a cluster; ceramic tiles in Sassuolo, Italy and in Castellón, Spain, as well as in Criciúma, Santa Catarina, Brazil; the shoe industry in Brenta, Italy and in Elche, Spain, as well as in León, (Guanajuato) Mexico; and in Marikina, Philippines; textiles and the garment industry in Reutlingen, Germany, but also in the Itají Valley, Brazil and in the Republic of Mauritius. Financial services in New York City, London and Frankfurt, Germany, but also in Hong Kong and Shanghai, in China.

This changing diversity has been dealt with from different points of view; no doubt due to the fact that sociologists, geographers and economists believe that at the present time the organization of production is experiencing a profound transformation process in which the hierarchic models, so characteristic of the large Fordist firm, reduce in hegemony and give way to more flexible and decentralized forms of organization. This has produced multiple interpretations such as the industrial districts (Becattini, 1979), flexible specialization (Piore and Sabel, 1984), the new industrial spaces (Scott, 1988), industrial clusters (Porter, 1990), the knowledge economy (Cooke, 2002), the new economic geography (Krugman, 1990; Fujita et al., 2000), the theory of the innovative milieu (Aydalot, 1986; Maillat, 1995), or economic sociology (Granovetter, 1985).

Thus, a single unique interpretation as to how production is organized within the territory does not exist. Several approaches try to explain the factors that make the industrial clusters appear the mechanisms through which they develop, as well as the reasons for its change and transformation. Furthermore, the arguments and analyses are often ambiguous and informal, possibly ideological or overly optimistic of a changing reality and so under criticism, but not always well argued (Amin, 1989; Harrison, 1994; Martin and Sunley, 2003). Gordon and McCann (2000) conclude that the diversity of the analytical approaches has led to some degree of confusion in the analyses and interpretations.

The paper proposes discuss the question of spatial organization of production, from the perspective of economic development. It maintains that the spatial organization of production emerges spontaneously as the markets and relations between cities and regions develop, the transportation and communication system consolidates itself, firms improve their form of organization, innovation and knowledge is introduced in the firms, as well as in the transportation and communications system, and the integration of the economic system is speeded up as a result of globalization. In fact, given that development takes on different forms in each historical period, spatial organization of production also changes and transforms itself. Both the territorial strategies of the firms and the economic strategies of cities and regions condition these changes, and thus they are also responsible for the surge and transformation of clusters and milieus.

The paper is organized as follows: Once economic development is presented as an evolutionary process that is territorial in nature, the outstanding features of the different forms of organization of production are pointed out in light of the different stages of the industrial development process and of market integration. Given that innovations are a key element in the economic dynamic the discussion focuses on the outreach and significance that knowledge networks have today. Next, the question of diversity and the dynamic of industrial clusters is dealt with and the factors and forces that favour its change and transformation are put forth. It ends with some comments on the role of the local firm and actors strategies on the spatial organization of production.