

Geographical agglomerations within clusters and the subsidiary development of local networks

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- Ú **Clusters and their networks may be seen as phenomena that combine the three elements of knowledge, proximity and institutional character.**
- Ú **Starting with existing interpretations of models and forms of geographical agglomeration**
 - The model of pure agglomeration – in the tradition of Marshall
 - ò local pool of specialized labour,
 - ò increased local provision of non-traded input
 - ò technological spill-overs
 - Explanations based on the minimization of spatial transaction costs.
 - ò quasi-monopoly for the internalization of the benefits of innovation being created - “closed club”
 - social-network model
 - ò trust and social embeddedness as the dominant link between the cluster firms
 - ò norms, set of common assumptions, habits formed by culture, history and spatial proximity

Geographical agglomerations - development of the local networks

Ú **Inspired by the empirical observation of the cases of co-existing clusters and firm networks in the medium tech machinery sector the paper will argue**

- that knowledge transfer is by no means automatic,
- that proximity per se is not sufficient to generate knowledge between firms,
- that the forms of organized learning differs remarkably between clusters,
- that the diffusion of knowledge within clusters is highly selective and strongly dependent of the position of firms within networks and their absorptive capacity

Ú **Given geographical agglomerations allow different types of networks and different patterns of behaviour in consequence also different forms of learning, of knowledge sharing and knowledge creation.**

Ú Results of the case study/ies will be interpreted and the following questions:

- which types of networks exist within given geographical agglomeration (beyond sectorial specificities)
- what are the main forms of behaviour that differentiate networks on given geographical /spatial scale
- which dimensions of this behaviour have local / regional, which have transregional / national extensions as a consequence
- to what extent do different forms of learning, of knowledge sharing and knowledge creation take place

Ú Empirical Reference:

- Styria
- Comparative Analysis (2 but max. 3 IKINET-regions)

Ú Discussion of the changing forms and functions of governance structures – i.e. „policy“ in a wide sense

- how can the different forms of cooperations be supported
- how did the role of policy change in the last decades
- to what extent is the development of the local networks „market-driven“ or „policy-guided“
- what is the adequate level of policy making in support of knowledge networks.

Prerequisites for a Comparative Analysis of Regions in WP II

Ú A comparative analysis based on the case studies seems to be obligatory for IKINET

- But can't be provided by the „geographic agglomeration“ issue exclusively
- All Partners should base their papers in WP II on inter-regional/intersectoral comparison of results (each max. 3 regions)
- If standards are too incompatible, best possible couples should find together (eg. Italy, Wales and Spain etc.)

Ú Base: Summaries of the Casestudies

- common standard of the case-studies
- list of questions which should be answered by the comparative interpretation
=> feedback from all partners (possible or not)
- supplementary questions to the Partners and bilateral discussions => if summaries of the case studies are incomplete

Ú General comparison of the structure and evolution of the network

- Comparison of „structure“ of regional clusters, including sector specific differences (helicopterprod. vs. aeroplanes vs. automobile vs. Biotech) => be aware of sector specificities!
- **Structure of the observed network:** one dominating cluster vs. several overlapping
- **Definition of the network:** multi-centric vs. hierachical network etc.
- **Regional embeddedness and interregional Integration :**
 - concentrated on region or strong transregional relations
 - consequential transregional linkages (leading firms as gatekeepers) vs. independent
- **Based more on:**
material linkages (delivery) or
knowledge flows
(value chain of knowledge generation and diffusion)

Ú Knowledge generation, diffusion and transfer

- Different kinds of knowledge generating and diffusing institutions
- role of services and institutions
- Main mechanisms of transfer of knowledge
- Knowledge flows: unilateral or bilateral

Ú Changing character of cluster/historical development in terms of

- Leading firm
- Intensity of cooperation
- Source of innovation
- Role of policy