# EMERGENCE AND TRANSFORMATION OF CLUSTERS AND MILIEUS

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# THE PAPER'S PURPOSE

The paper discusses the question of spatial organization of production from the perspective of economic development. It argues that, given that development takes on different forms in each historical period, spatial organizatiion of production also changes and these changes are affected by territorial strategies of firms and the economic strategies of cities and regions, and this makes them responsible for the emergence and reconstruction of clusters and milieus.

# **QUESTIONS AND ANALYTICAL ISSUES**

- Confusion and chaos of analytical approaches?
- Is there a knowledge economy?
- Clusters' decline or clusters' transformation?

# CLUSTER'S ANALYTICAL APPROACHES

- Diversity of experiences and views
- Dynamics of spatial organization of production
- The clusters development factors

### DYNAMICS OF SPATIAL ORGANIZATION OF PRODUCTION

	INDUSTRIAL REVOLUTION	ELECTRICAL REVOLUTION	INFORMATIONAL REVOLUTION
KEY INNOVATIONS	Power loom	Electrical light Automobile	Transistor Computer
INDUSTRIAL ORGANIZATION AND LOCATION	Small firms Small towns	Large factories Large cities	Network of firms Network of cities
TRANSPORT AND MARKET ORGANIZATION	Canals, early railway, telegraph National markets	Steamship, cars, telephone International markets	Aerospace, internet Global markets
SPATIAL ORG. OF PRODUCTION	Industrial districts	Industrial complexes	Clusters, milieus
INTERPRETATIONS	A. Marshall	Weber Hoover	Porter Maillat

# KNOWLEDGE ECONOMY

- The quest for development and innovation
- Innovation, firms and development
- Obsession for the learning regions

# THE QUEST FOR DEVELOPMENT AND INNOVATION

- Fundamentalism of capital
- Endogenous growth
- Knowledge, a multi-use merchandise

#### **KNOWLEDGE CLUSTER**

The cluster exists because of the advantages that the knowledge generated by the firms that work in an innovative atmosphere, gives. Once the cluster is established, it produces a strong attraction on the newcomers, who in turn strenghten the cluster even more and expand its knowledge base (Maskell, (2001).

#### **INNOVATION AND THE MARKET**

Innovation has always been at the core of economic development. Innovation consists in the application of knowledge to the production of goods and services that are commercially relevant. In other words, innovation enfolds the application of new tecnologies in goods and services that are sold in national and international markets.

#### **INNOVATIVE MILIEU**

The local milieu functions as an incubator of innovation. Innovation and technological change emerge within the territory, and are associated with local know-how, the skill of human resources, and the institutions of knowledge that undertake research and development. The creation and diffusion of innovations is a phenomenon based on the relations and interactions of the firms within the milieu.

# **OBSESSION FOR THE LEARNING REGIONS**

Learning regions are not a new idea
The question of regional divergence

• The low and high activity dilemma?

# CLUSTER' S TRANSFORMATION

- Dynamics of clusters
- The efficiency principle
- The role of development forces

# DYNAMICS OF CLUSTERS



