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Conference Paper

Cluster governance in the framework of cluster social responsibility


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The concept of cluster governance in the scientific literature is generally defined as intended, collective actions of institutional actors (of the university, business, government and NGOs) to facilitate and improve processes of innovation, as well as develop and maintain a sustainable competitive advantage of a cluster (e.g. Enright M., 2000; Brown R., 2000; Guilsing V., 2000; Humphrey J., Schmitz H., 2000; De Langen P.W., 2002; Bahlmann M.D., Huysman M.H., 2008; Ebbekink M., 2010; Caroline M., 2010). Different researchers advocate a number of various fields of application of the cluster governance, while arguing for the need of development of this concept: some are concerned with the trajectories of the glo-cal value chain (e.g. Gilsing V., 2000), others emphasize the issue of who and how governs the network of actors in the cluster (e.g. Sugden R. et al., 2005), as well as the quality of governance in the sense of cluster management (e.g. Visser E.J., 2004), etc. The interesting issue with regards to the cluster governance concept is that only a few of the authors mention previous publications written on this topic. However, it is commonly accepted that the research on cluster governance should be multidisciplinary, based on such academic disciplines as: social sciences, public administration, economics and spatial planning.

The growing numbers of scientific publications on the topic of cluster governance is caused by the empirical research results reflecting the phenomenon of organized or so called planned clusters – the clusters that did not naturally evolve during the evolution process of agglomeration of the regional economy, but were mechanically organized by the intended actions of the institutional actors (usually by the combined actions of the actors of the Etzkowitz – Leydesdorff’s Triple helix model) involved in the cluster initiative. Some of the cluster initiatives of the 90s that were based on pan-European and
national cross-border cooperation programmes (e.g. Interreg) have developed into successful cross-border and transnational clusters (e.g. Medicon Valley, Bothnian Arc of Knowledge, BioValley). As the result of this best practice, the European countries are adjusting their cluster policies as to promote cluster internationalization. The analysis of the pan-European cross-border cooperation programmes show that on average, more than 23% of the total number of projects are aimed at establishment of international clusters, some of which involve Russia [13]).

This inevitably creates a new gap in the cluster concept – the cross-border or transnational clusters (e.g. Birkinshaw J. et al.; Karlsson, Ch.; Royer S.; Asheim B.T. et al.; Dávila N. G.; Walerud C. et al.; Zámborský P.), that exhibit: an increased scope of involved institutions (doubling of the helices within the triple helix concept; [12]), decline in the influence of geographical proximity with regards to the absorptive capacity of knowledge transmitted through explicit and latent communication channels (that is replaced by virtual proximity of the organizational, cognitive and institutional nature; [13]), declining impact of historical institutionalism in the process of formation of an international cluster and other differences. Moreover, the new implications for the cluster governance are created: difficulties in creating a win-win cluster policy and the international cluster strategy on a national level; complex tools for generation and diffusion of innovation in a common cross-border region are required; the issue of regional specialization and unique competitive advantage are arising, etc.

Taking into account all aspects of the cluster governance, the author would like to point out the issue of cluster social responsibility.

Drawing a parallel between the activities of transnational corporations and international clusters, which incorporate a variety of actors, including large multinationals, and encompass the tendency to further consolidation and enlargement (the emergence of new forms of international cluster interactions – i.e. international cluster network), we can justify that, to date, the establishment of international clusters provide an even higher development prospects, but at the same time, the greater threat to the national economies.
The critical need for the development of the cluster social responsibility concept within the cluster governance is displayed by the following facts: 1) between 30% and 40% of all European employment is in regionally concentrated industries or clusters (Europe Innova, 2007) 2) production of nearly 40% of total OECD GDP is generated by only 10% of regions (OECD Regions at a Glance 2007), and 3) the extinction (or decline) of the cluster may lead to bankruptcy of the national (for example, the crisis in the financial services cluster in Cyprus (European Cluster Observatory, Country report: Cyprus, 2011)) or regional (automotive cluster in Detroit) economy. Therefore, the cluster governance in the framework of cluster social responsibility concept has to be addressed on various levels – mega (supranational; i.e. EU), makro (national/regional) and mikro (cluster organization) levels combined.

It is worth mentioning that cluster social responsibility concept was largely neglected in scientific research until recently. In the academic paper of Peter Lund-Thomsen and Renginee G. Pillay (2012) a comprehensive literature review of the corporate social responsibility concept in industrial clusters is given, with more than 40 articles cited. The authors have followed the evolution of the cluster concept from the 90s and highlighted the period of “poverty reduction debate” in the 2000-05, and the period of “corporate social responsibility debate” in 2005-11 [11, pp.571-572]. The basic conclusion of the paper that can be made is that most of the research on the topic of cluster social responsibility follows a similar pattern: 1) acknowledgment of the significant impact of clusters on the socio-economic, cultural, environmental and political aspects of the state; 2) research on compliance of a cluster with the general corporate social responsibility principles, and the code of conduct of a respective country; 3) analysis of influence of the global market in the face of North American and European community on the social responsibility strategy of clusters from developing countries. For example, in the article of P. Lund-Thomsen and K. Nadvi (2010) the effects of clustering with regards to child labour are studied (i.e. comparing the influence of western community within the value chain) [10].

The author of the current paper argues that the cluster governance concept, involving the cluster social responsibility issues is
a much broader concept, than it is presented in the analyzed articles. Taking into consideration the immense impact that transnational as well as other forms of clusters impose on the welfare of the global community, the cluster governance has to satisfy the requirements of global socio-economic and environmental security, as well as political sovereignty and cultural identity of all stakeholders in its broadest sense.

As much as the bankruptcy of Enron has affected a large number of stakeholders overseas, the collapse of the financial services cluster in Cyprus (note that the Cyprus banking system account to total assets of 896% of GDP in 2010; according to World Bank: “The Banking System in Cyprus: Time to Rethink the Business Model?”) will inevitably influence the global market. The case of Enron has partly been a reason for boosting the research on the topic of corporate governance and corporate social responsibility. The question is: will the cluster governance in the framework of cluster social responsibility – in the broader sense, presented by the author – become the impetus to the drastic action?

As a concluding remark, we would like to give a small reminder to the work of Grabher G. dated back to 1993, that was one of the first to provide the evidence of the impact of cluster decline on the regional welfare. His research has created a new direction of research – the stage of decline within the cluster/industry life cycle (see also e.g. Glasmeier A.K., Poudar R., St John C. Staber U.) in Europe, and, indeed, around the globe. Surely, the cases of Detroit automotive cluster, the Danish IT cluster, or the nowadays Cyprus financial cluster are different in terms of external and internal factors that triggered their decline, but there are certain similarities – the inevitable global impact on the welfare of the wide array of stakeholders.

References


