

Foreword

There are numerous books on clusters but this is the first one on cluster policies. Accordingly it is to be enthusiastically welcomed, not least by policy scientists and particularly policy makers. In Europe the latter have been buying into cluster policy since the early experiments in pioneering European regions like the Basque Country and Scotland, then for national sectors (Germany's BioRegio contest) and more recently by whole national economies (France's poles de compétitivité) and the EU as a whole with DG Enterprise's new attachment to building clusters. Outside Europe, cluster policies probably began earlier than most places in the USA, well before Michael Porter began advising on them to the aforementioned Basques and Scots. Partly due to the study visits to Europe of consultants like Richard Hatch and Stu Rosenfeld, the Michigan Manufacturing Initiative and Pennsylvania's Ben Franklin Partnership began building alternative economic strategies in the face of deindustrialisation and Reaganomics that were influenced by Italian industrial districts and networks. Even earlier, the work of Piore and Sabel in 1984 on the same theme of a modernised artisan and craft mode of production had swiftly attracted many adherents in policy and academe.

This made me think of the first occasion I was confronted with the basic 'cluster' notion because, during numerous visits made to the US in the 1980s, the idea if not the terminology was 'in the air'. In 1980, I made my first conference visit to New York, hosted by Rob Burlage, one of the founders of the radical Students for a Democratic Society. At the conference I met planning theoretician John Forester and, with two of his rural sociology colleagues, we drove upstate to Ithaca and Cornell University where they worked. I gave a seminar to pay for food and lodgings and one of the commentators was Stan Czamanski, a regional scientist. My talk was on the disintegration of heavy industry regions like Pennsylvania, Ohio and parts of the UK like South Wales. Stan advised that a way to help such devastated economies was to identify new complementarities among surviving industries and renew the 'clusters' these economies had once represented. It transpired that he had published methodology texts on clusters as far back as 1974. He was not alone except that even he differentiated between a cluster as an abstract input-output schedule and a 'complex' as what we would now call a 'cluster'. This difference bedevilled the discourse between the aspatial economics and the economic geography communities until recently, as

represented in the work of Michael Porter in 1990 compared with 1998 by which time he had completely taken the spatial connotations of the concept on board.

Hence, this book is invaluable in anatomising such debates and keeping in the forefront the sometimes-occluded tradition of cluster studies being highly intertwined with direct policy concerns. As this valuable book points out new issues have arisen in both the analysis and policy reflection about clusters.

The policy context is one that, despite the near-universality in adoption of the cluster toolkit and its necessary instruments not only in developed but developing countries, clusters have been discovered to be extremely difficult to construct, especially upon a blank economic landscape. By now even Porter and colleagues admit that cluster evolution is highly context dependent, meaning strongly susceptible to business cycles. Thus when stock markets were booming, particularly in high-tech valuations in the 1990s, start-ups and spinouts, many valued extremely highly and more recklessly overvalued, grew like fields of mushrooms. But once the party was over, by 2001 – the period since when many European economic policy makers became wedded to the idea – it has with a few exceptions been hard to identify many rapidly growing clusters. Even ‘green clusters’, a topic along with green innovation that now occupies many of my working hours, are not growing very fast, such as the globally successful Danish wind turbine cluster in North Jutland, which has taken nearly forty years to come to its dominant global position.

The key questions put by reflective policy makers today are how can I know a cluster is emergent, consolidated, repositioning or declining, and how can I give policy support to foster learning processes of its firms? I believe this book makes great progress in assisting understanding of both dimensions of this major issue in contemporary regional evolution. On the first question, most academic writing is silent, not least because academic (and consultant) careers are made by spotting a success *ex post* then publishing, publicising and/or hawking the magic ingredients around the world. But the true breakthrough of spotting analytically cluster emergence, consolidation, repositioning or even decline characteristics measured against a set of clear and indisputable model criteria remains some way off. Nevertheless, policy makers often have demands suggesting that what is already known about successful cases reduces their uncertainty in advocating clustering. Moreover, there is a herd instinct that drives them on. I was recently asked by a leading policy maker, in a workshop, how to predict a good cluster bet using a partial equilibrium modelling approach. Apart from giving a tremendous insight into some of the idiocies of the drive for ‘evidence-based’ policy making, it made me think how such a question could even be formulated in terms of my account of the thirty-years subsidy regime that had supported the aforementioned Danish wind turbine industry cluster. Note we were being asked, hypothetically, how to partial equilibrium model thirty years of global

energy volatility *ex ante*! Of course politics resolves such impasses and my estimate is that the industry in question has *ex post* returned in tax to the Danish exchequer three times its subsidy and rising. A pretty good return!

This book is thus to be commended for taking that poor policy maker's misguided concept of how to 'failsafe the future' seriously and offer informed, analytic guidance on how such crucial issues might be more sensibly approached. In so doing, this book shows how the real world of policy making takes place in multi-level and complex frameworks, and that these frameworks are crucial for understanding different forms of cluster policy design and performance. I commend the authors for their insight and effort to assist in this difficult but necessary evolving process of understanding cluster policy and governance in their dynamic and ever-changing context.

Phil Cooke, Cardiff, March 2008

