BOOK REVIEW

Susana Borrás, Dimitrios Tsagdis (Eds.), *Cluster Policies in Europe. Firms, Institutions and Governance*, Edward Elgar, Cheltenham, UK, Northampton, USA, 2008

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This book focuses on a systematic comparative analysis between cluster policies in Europe. The research aims at explaining cluster-related policy approaches starting from pre-existing clusters which are object of public policy.

The book introduces the notion of multi-level governance (MLG) in order to investigate the learning and governance processes. Clusters seem to be governed by national and regional organizations and also both in a top-down and bottom-up way. The main objective of the research is to find answers for two key questions: 1) The MLG exhibits any learning dynamics? (In other words, does the MLG change by learning over time?) 2) Does MLG support cluster learning dynamics? (The MLG result in more learning in clusters?). Actually the research is related to these two dimensions of learning.

The starting point of the analysis is the notion of “cluster”, which has different interpretations and connotations depending on the author and on the field of study. The authors of the book decide for the concept of cluster constituted by both firms, as productive engines, and institutions as their surrounding and/or constraining organizations.

The methodological part is extended and very helpful for the understanding of the difficulties of this interdisciplinary research and of the large variety of clusters in Europe. The authors needed clear criteria for the selection of clusters, definition of framework policy and criteria for answering the key questions of the research. The study uses methods that combine quantitative and qualitative data about 12 clusters in six countries (Germany, United Kingdom, Italy, Slovenia, Czech Republic and Romania). The preference for certain countries and clusters is however not clearly explained. The implicit assumption is that the authors wanted a diversity of cases, in countries with different
development levels and recent history. These cases are not representative from the statistical point of view, but are relevant for the general trends.

The largest part of the book consists of the presentation of case studies. For all case studies the same framework aspects are used: exploring history and evolution of clusters, firm configurations and interactions, knowledge sources, labor, internalization process, institutional and policy frameworks. For each cluster are policy recommendations. The consistent analysis is based on detailed data which allow comparability for every aspect. This very rich information helps to understand the local nature of clusters and the role of cluster policy. But we must have in mind that the main problem is the comparative analysis of governance in and of the clusters.

The clusters that were object of research are of different types, varying from low-technology and labor intensive industries (footwear and clothing) to medium-technology industries (furniture and film) and to high technology industries (automotive and ICT). Since the macroeconomic context, as well as the history, the entrepreneurial culture and the capacity of cooperation are so different between the case studies, there is little chance for relevant generalization connected to the nature of the economic activity.

The task of gathering the information about clusters and their development context was certainly very hard. The set of aspects and questions addressed to cluster firms allow the authors to find the characteristics of clusters according to the same criteria and the position of cluster firms about the support they get from the institutions and policy makers.

The question about how clusters emerge was actually not posed. The authors discuss the entry points of the cluster problem in the interest area of policy makers, but this was rather in the sense of identification of clusters and not of the development of specific policy actions.

The characteristics of clusters described in every case study (chapters 3-8) refer to:

- **Configuration and firm interaction**: this aspect refers to the number and size of the cluster firms, types of involved stakeholders, owners of the firms, informal linkages between actors etc; these aspects reveal differences determined by historical background, entrepreneurial tradition and recent trends within the enlarged EU leading to the development of clusters in Eastern Europe.

- **Sources of knowledge**: from a large range of sources of knowledge, firms pointed to the internal source as being the most important. This common characteristic is rather surprising
in a world of globalization and within cluster which are expected to bring the advantages of spillovers.

- **Labor**: this aspect provides variation between clusters according to the technological level and specific of the economic activity.

- **Internalization**: the EU integration and globalization create the pressure on traditional clusters using low technology (i.e. Italy) by the relocation of activities (i.e. to Romania). Globalization provides new opportunities for consolidated clusters (i.e. Germany) even if they have the problem of high labor costs.

The research question is whether this analysis gives us the opportunity to learn more about governance of clusters. The book focuses on the governance of clusters from an institutional perspective. Every case study includes the role of institutions, policies and their implications. The policies at different levels depend very much on the decision powers at regional level. The authors argue that the MLG aspects could be analyzed without taking into consideration the specialization of clusters, the agglomeration and economies of scale, as well as the magnitude of technological spillovers.

The comparative findings about the key question regarding MLG learning (chapter 9) show that the firms tend to undervalue the relevance of institutions involved and their policy measures. However the firms may gain from local and national initiatives which help them to use their comparative advantages, but also improve physical infrastructure or facilitate information diffusion through networks. On the other side, the MLG learning dynamics should result in the increase of their problem solving capacity.

The richness of information and relevant research finding about cluster governance provided by this book are outstanding. The systematic analysis of cluster experience in Europe, based on selected cases, as well as policy implications in the last two decades are useful for policy makers, but also for cluster stakeholders themselves if they want a better repositioning of the cluster in a global world. The book also serves as a knowledge source for scholars and students interested in this subject.

Congratulations to the authors for their remarkable book.