

WHAT'S NEXT IN RESEARCHING CLUSTER POLICY: CLUSTER GOVERNANCE FOR EFFECTIVE CLUSTER POLICY

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1. Introduction

Although the term cluster¹ policy^{2 3} is omnipresent in both governmental and academic documents, successful application proves a hard nut to crack. As Wolfe and Gertler put it: “Public sector decisions can affect cluster trajectories in a variety of ways, though the impacts are often unpredictable and often unintended” (2004, p. 1075). Martin and Sunley also conclude that that application of cluster policy aimed at cluster reinforcement is not all roses by stating that: “... even cluster enthusiasts find it enormously difficult to point to any examples of deliberate cluster promotion programs that have been unambiguously successful” (2003, p. 28). Clearly, the effectiveness of cluster policy remains questionable, its full potential not always reached. One underlying deficiency is that the intelligence base of cluster policy is largely based on generic ideas and routines, and fails to take into account the more detailed insights (i.e. the strategic intelligence) of

¹ I deliberately refrain from providing a definition of a cluster. Following its introduction, many authors have published articles or have written books that try to provide a clear understanding of the (what, how and why of the) cluster and its advantages for firms. This lively debate has not come to a unanimous or crystal clear conclusion about the workings and *raison d'être* of the cluster. As these critics say; “But the mere popularity of a construct is by no means a guarantee of its profundity. Our argument here is that seductive though the concept is, there is much about it that is problematic, in that the rush to employ ‘cluster ideas’ has run ahead of many fundamental conceptual, theoretical and empirical questions” (Martin and Sunley 2003, p. 7). Additionally, it’s hard to make a distinction between the cluster concept and other territorialized innovation theories, such as the Marshallian district, the Italian industrial district, the new industrial space, the innovative milieu, the regional innovation system, the learning region and the creative field. A precise definition of the cluster concept, therefore, is left out.

² The fuzziness of the cluster concept, as elaborated in the preceding note, has led to a puzzling variety of initiatives (which could be) labeled as cluster policy. The boundaries of cluster policy are therefore quite hazy. Raines describes how some see the: “cluster as a fad – the belief that the cluster approach adds little to the existing policy framework and can be discounted as a short-term bandwagon effect” (2002, p. 3), i.e. cluster policy as ‘old wine in new bottles’. However, Porter voices the significance of cluster policy in the following crystal clear precept: “The process of cluster [reinforcement] involves recognition that a cluster is present and then removing obstacles, relaxing constraints, and eliminating inefficiencies that impede productivity and innovation in the cluster” (2000, p. 26). In other words, investments should focus on improving the business environment in clusters (Porter 2000, p. 27).

³ This paper focuses on cluster policy aimed at cluster reinforcement (synonyms are cluster development and cluster promotion). Cluster formation is disregarded as a research subject. This is, firstly, because design or facilitation of cluster emergence by the local government is a risky venture owing to massive information asymmetries; “It is only through the trial and error process of the market that the best industrial structure emerges at one given point in time and space” (Hospers, Desrochers et al. 2008, p. 10). In addition, cluster formation and policy are ill-fitted because the former seems to be a serendipitous process, disabling identification of the critical or initial founding event. Accordingly it is not surprising that; “The cases where governments have established a cluster by fiat..., do not always generate mature, innovative, and profitable clusters. In many cases, the attempt to artificially establish a cluster where none existed previously has resulted in failure or has spawned a completely different type of cluster from what was initially envisioned” (Feldman and Francis 2004, p. 129). Therefore, I will focus on the stage afterwards – the way in which *arisen* clusters can be reinforced through policy.

cluster actors⁴. Strategic intelligence remains clouded and its attainment and usage suboptimal, due to a lack of (pre-)consultation and co-producing engagement of cluster actors in cluster policy development. To put it crudely: cluster policy development occurs in a vacuum. This lack of communication can be traced to the absence of an organic, direct communication circuit. Its interaction segments have been institutionalized and bureaucratized in impenetrable structures. Knowledge exchanges therefore have become strained, as a citation from a business owner's blog illustrates: "Just when we want to discuss how the government can contribute to the success of start-ups, a guy with a stopwatch in his hands announces that the conversation has to come to an end - right when things are getting interesting" (Holtkamp, 2009). In accordance with the narrative of this cluster actor, Feldman writes that: "one common complaint among small-firm entrepreneurs is that state economic development officials do not talk with them" (2004, p. 134). In sum, cluster policy is unfounded as many policy officials exhibit a groundless faith in 'replica prescription-policies' (Feldman and Francis 2004, p. 132) and standardized solutions (Schouw 2009, p. 52); or cluster policy develops by chance as policy officials act on a 'Fingerspitzengefühl' or in the form of 'muddling through' involving trial-and-error, succession of incremental changes and poor understanding (Parsons 1995, pp. 286-287). Not surprisingly, actions don't match up to written words. As worrying as all of this is, the theoretical and policy debate on cluster reinforcement has, so far, largely focused on the economic-geographical dimension, underplaying the complex administrative context in which policymaking is undertaken. This paper seeks to fill this void by bringing to light the significance of policy leverage – the formation and effectiveness of cluster policy.

The aim of this paper, then, is twofold. One aim is to contend that a stronger coupling between cluster policy development and strategic intelligence is desired and that strategic action needs to be collectively undertaken. It proposes that a demand-initiated⁵, bottom-up cluster policy is to be preferred with a key role played by local civic entrepreneurs; a policy practice that entails a substantial involvement of cluster actors in both cluster policy design and delivery through consultation and collective strategy building. The second aim of this paper is to present a model that can do just that. Cluster governance allows for an informal, flexible, continuous strategic dialogue on cluster actors' needs (i.e. attainment of strategic intelligence) and, subsequently, a collective determination of interventions. Accordingly, the local government shows its commitment to locally concerted action aimed at cluster reinforcement and ensures that cluster actors and their needs are structurally embedded in cluster policy development.

The structure of the paper is as follows. Section 2 lists three reasons for wide cluster actor involvement. Section 3 presents the model of cluster governance. Several 'pieces of theory' pass in review. The next section (4) describes how the method of action research

⁴ Cluster actors are classified into three categories - firms, education/research institutes (e.g. universities, labs, knowledge institutes) and supporting organizations (e.g. Chamber of Commerce, employment institutes, trade associations, cluster organizations, intermediaries).

⁵ A demand-led cluster policy is not to be preferred; the local government needs to ensure that matters of public concern are not ignored. In other words, a local government shouldn't act as the infamous Genie of the Lamp who grants all of the clusters' wishes.

is employed in four consortium-cities to test the model's applicability. This paper ends with a resume (section 5).

2. The importance of involving cluster actors in policy development

The model of cluster governance that will be presented in section 3 facilitates wide cluster actor involvement in policy development. Wide cluster actor involvement is needed to improve effectiveness: “[There is] a growing recognition that [cluster] policies work most effectively when the direct beneficiaries of those policies and programs play a direct role in both their design and implementation” (Wolfe and Creutzberg 2005, p. 25). Three reasons can be brought forward to substantiate this link.

Firstly, it is the cluster actors who are superior in identifying the obstacles, constraints and inefficiencies in their innovation paths (Porter 2000, p. 31). Consulting them ensures that: “the strategy can be [effectively] informed by a large body of expert opinion on the industry's... needs; as cluster policy demands a highly-detailed knowledge of the industries, access to this opinion is essential” (Raines 2002, p. 165, 171). Ignoring cluster actors results in massive information asymmetries and, thereupon, in mismatched interventions. País Vasco, a region in Spain, has understood the foregoing: “It would be simpler for the Basque Government to take decisions on [cluster reinforcement] without consulting or building in the cluster actors, but they [the Basque Government] believe their interventions are more relevant and thus more effective because these structures bring them real business [i.e. strategic] intelligence and approval” (Taylor 2002, p. 105). Secondly, cluster actors can endogenously fuel cluster development: “Cluster [development] is a complex and self-organizing process that occurs in developmental stages. Agglomeration economies emerge over time from the activities of individual entrepreneurs and the institutions that co-evolve to support them” (Feldman and Francis 2004, p. 128). Schumpeter accordingly labels them agents of change within local systems (Smith 2003, p. 1355). In light of this centrality of entrepreneurship in cluster reinforcement, it would be wise for policy officials to find out what these instigators need and engage them in policy development.

Thirdly, if cluster actors are to be galvanized into taking responsibility for reinforcement of the cluster, consultation is a necessary step. Through helping to form cluster policy, cluster actors attain a greater sense of ownership and shareholder status, making them willing to pursue the cluster's success (Raines 2002, p. 171).

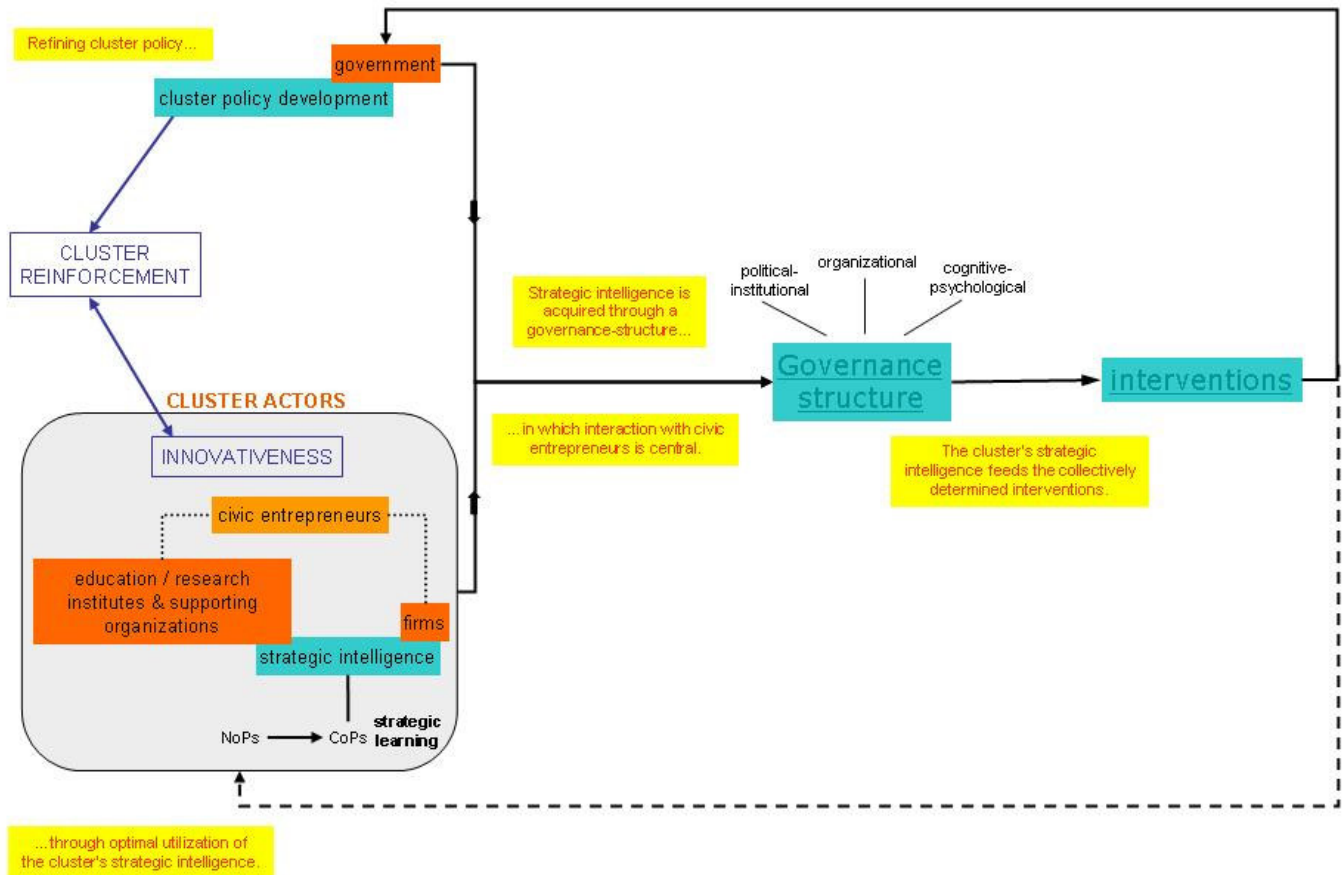
To summarize, the public sector would be well-advised to embrace cluster governance. In the next section the model of cluster governance will be elaborated.

3. Involving cluster actors in policy development through cluster governance

Figure 1 depicts the cluster governance model, which will be walked through next.⁶ Point of departure is the world of cluster actors (the bottom-left corner of the model). Attention will be paid to the concepts of strategic intelligence, strategic learning and civic entrepreneurs.

⁶ The central pillars of the model of cluster governance are underpinned by ‘pieces of theory’ from multiple academic disciplines (social sciences, public administration, economics and spatial planning).

Figure 1 The cluster governance model



The strategic intelligence of cluster actors

As mentioned in the introduction, the fundamental deficiency of current cluster policy is its intelligence base. Policy officials are unfamiliar with strategic intelligence. Strategic intelligence⁷ is a knowledge-based ‘club good’ (Gupta and Subramanian 2008) of the cluster actors – the firms, education/research institutes and supporting organizations. It encompasses the cluster actor’s ideas on how their functioning can be improved when certain obstacles, constraints and inefficiencies, existing in the cluster environment, are targeted by cluster policy.⁸ This sedimentation (i.e. articulation through dialogue) of needs⁹, subsequently allows for strategic visioning on solutions.¹⁰

Achieving strategic intelligence: strategic learning by cluster actors

Strategic intelligence sequentially develops from other knowledge, i.e. proto-knowledge.¹¹ Proto-knowledge can be gathered by cluster actors in Networks of Practice.

⁷ Intelligence refers to the act of understanding or comprehension.

⁸ Strategic intelligence can be on subjects or matters that lie outside the sphere of influence or reach of the involved localities and their local cluster policy.

⁹ Needs in the sense of true necessities (not demands, i.e. requests or desires).

¹⁰ Strategic intelligence thus fundamentally differs from knowledge-based club goods (i.e. intrinsic trade knowledge) used to achieve product- and (business) process innovations.

¹¹ This ‘proto-knowledge’ (e.g. narratives on the settling of a new company in a competing cluster) can come in many forms and from many sources – both locally and globally, as is propagated in the ‘global

A NoP is a relationally loose epistemic group with a low intensity of social interaction, that is quite broad and heterogeneous in membership (in some cases even policy officials) making it slightly anonymous (Brown and Duguid 2001, pp. 205-206).

Acts of generating, transferring, absorbing and combining proto-knowledge to develop strategic intelligence can collectively be labeled strategic learning. This process indicates self-reflexivity, or learning-by-learning: “the systematic process which combines learning and intelligence such that, in a number of feedback loops, the system receives guidance” (Gertler and Wolfe 2002, pp. 7-8). Strategic learning by cluster actors takes place in Communities of Practice.¹² CoPs are: “groups of people who share a concern, a set of problems, or a passion about a topic, and who deepen their knowledge and expertise in this area by interacting on an ongoing basis” (Gausdal 2008, p. 217). CoPs are formed naturally through self-organization, have an organic, spontaneous and informal nature, and are resistant to supervision (Gausdal 2008, p. 217). Figure 2 lists additional key characteristics of CoPs.

Figure 2 Key characteristics of a CoP (Amin and Cohendet 2004, p. 354)

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- Sustained mutual relationships—harmonious or conflictual
 - Shared ways of engaging in doing things together
 - The rapid flow of information and propagation of innovation
 - Absence of introductory preambles, as if conversations and interactions were merely the continuation of an ongoing process
 - Very quick setup of a problem to be discussed
 - Substantial overlap in participants’ descriptions of who belongs
 - Knowing what others know, what they can do, and how they can contribute to an enterprise
 - Mutually defining identities
 - The ability to assess the appropriateness of actions and products
 - Specific tools, representations, and other artefacts
 - Local lore, shared stories, inside jokes, knowing laughter
 - Jargon and shortcuts to communication as well as the ease of producing new ones
 - Certain styles recognised as displaying membership
 - A shared discourse reflecting a certain perspective on the world
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Benner states that at the core of the CoP-concept is; “the argument that the fundamental process by which people learn is through their engagement in social practice (2003, p. 1813). Strategic learning then can be seen as both social learning and interactive learning.

pipelines-theory’ - which is most commonly applied to criticize regional determinism or spatial fetishism in territorialized innovation theories (Bathelt, Malmberg et al. 2004; Lorentzen 2008).

¹² Learning processes in CoPs are often referred to as *situated* learning processes. It is important to note here that the term ‘situated’ should not be reduced to geographical proximity (Wolfe and Gertler 2004, p. 1076; Amin and Roberts 2008). Amin et. al. contends that the nature and dynamic of space in situated learning needs to be rethought due to the fact that; “proximity... comes in many forms, enabling ‘being there’ to draw on institutional, cultural, social, technological, cognitive, organizational, and geographical proximity” (2008, p. 365). Relational proximity is therefore crucial and; “a knowledge network should be conceptualized as a continuous but contoured space in which location, proximity, and distance are relationally, rather than geographically, determined” (p. 365). Accordingly, he concludes that knowledge sites are always hybrid in composition and come with multiple connections (pp. 366, 367).

Social learning advocates that: “Knowledge is acquired, developed, and applied through the interpretation of experience in a social context, based on mental frameworks and experiences that shape human processes of sense making and identity formation. Knowledge is context specific, and ultimately constructed through complex processes of social negotiation and interpretation shaped by the access to resources, reputation, and social networks of those involved in developing the knowledge” (Benner 2003, p. 1813). Interactive learning refers to: “processes where actors possessing different types of knowledge and competencies come together and exchange information with the aim to solve some problems” (Bathelt, Malmberg et al. 2004, p. 32). Mutual trust and social capital¹³ (of both a relational, i.e. common identification, norms and mutual agreements; and cognitive character, i.e. common language, stories and meanings (Aula and Harmaakorpi 2008, p. 534)) stimulate participants to engage in learning processes (Wolfe and Creutzberg 2005, pp. 8-9; Lorentzen 2008, p. 540). Other preconditions for successful learning processes to occur are honesty, reciprocity and a clear and mutual consensus over and acceptance of established tacit codes of conduct between participants (i.e. the rules and procedures). Additionally, strategic learning processes are facilitated by: “three dimensions of ‘community’, [namely] mutual engagement, a sense of joint enterprise, and a shared repertoire of communal resources” (Amin and Roberts 2008, p. 354).

It is important to note that participation of the local government in CoPs to achieve strategic intelligence is undesirable. This is because CoPs, although they accommodate strategic learning processes, essentially function as innovation environments. As innovativeness is the core competence of cluster actors (as illustrated in figure 1 by the placement of the term ‘innovativeness’ in the cluster actors-box), CoPs are specifically suited to them. The local government should focus her attention on tackling obstacles in the cluster environment that hinder the cluster actors’ innovativeness.¹⁴ It should establish the conditions under which key actors in the innovation systems can engage in a self-organized process of social and interactive learning. The local government should not, as an equal partner to cluster actors, contribute to innovation and knowledge valorization. An “every-man-to-his-trade” approach is favored. In figure 1, the position of ‘cluster policy development’ underneath the government-box and the position of ‘innovativeness’ above the cluster actor-box reflect this stance.

The prominent role of civic entrepreneurs regarding strategic intelligence and learning
Certain individuals are crucial when it comes to strategic learning and attainment of strategic intelligence.¹⁵ These star individuals are called civic entrepreneurs. Civic

¹³ Social capital inheres in the structure of relationships and is created through constant cooperation. It cannot be traded nor copied or transferred, but it can be destroyed, quite easily even (Aula and Harmaakorpi 2008, p. 525).

¹⁴ I deem the notion of Triple Helix, as put forward in the regional innovation system literature, unsuitable. This approach rejoices in a perceived universal equality between all parties. I maintain that a strict separation in responsibilities between cluster actors and the local government is more sensible. As the Triple Helix approach doesn’t reflect this stance, it is discarded.

¹⁵ This is in accordance with the emphasis placed on the individual (i.e. the agent) in current research on clusters, learning processes and knowledge management. Examples of this stance are the recognition of highly-skilled people as ‘carriers’ of knowledge (whereby these people are aptly named as knowledge

entrepreneurs are employed by different cluster actors¹⁶ and have an impressive personality: they are visionaries who couple their ambition with charisma, courage and creativity; they are motivators who are knowledgeable and reputable; and they are in possession of an inherent intuition, directness and timing ability. Civic entrepreneurs are consciously engaged in knowledge activities, thereby powering strategic learning. As gatekeepers they distill, disseminate and channel global proto-knowledge and ensure that proto-knowledge is translated, anchored and joined-up to the local context. In performing this functionality civic entrepreneurs act as linchpins; they ensure that they are strategically positioned and embedded in diverse local and global networks and feel at ease in technological, commercial and institutional worlds.

Aside from their use to learning- and intelligence-related aspects, civic entrepreneurs support the cluster by acting as entrepreneurs, who initiate and develop consortia and projects both locally and globally; mediators, who build good relationships between parties; and marketers, who improve the reputation of the cluster. Wolfe and Gertler point at the plural importance of civic entrepreneurs too, saying that they: “help to animate local processes of strategic visioning, galvanize socially organized activities to upgrade the innovative capabilities of local firms and represent the common, collective interest of firms in the industry when required” (2004, p. 1088). Because of all this, civic entrepreneurs are perfectly equipped to play a prominent role in cluster governance as well.

The next part of this section discusses the practical manifestation of cluster governance, i.e. the governance structure.

Filling the vacuum by developing a governance-structure

Refinement of the intelligence base of cluster policy requires that the worlds of local government and cluster actors, and thereby cluster policy development and strategic intelligence, are coupled. This is illustrated in figure 1 by use of an arrow that connects the upper-left corner and bottom-left corner. It is proposed that a governance-structure¹⁷ can do just that. The governance structure allows for an informal and flexible, but continuous strategic dialogue, and could be nicknamed a dignitary get-together for both the local government and cluster actors. Put differently, it invites conveyance, harvesting and discovery of strategic intelligence. As the local government leaves its “city hall island” and listens to and engages cluster actors, insights are gained into the policy needs of cluster actors (Raines 2002, p. 161).

spillover agents) and the marking of the creative class as a driving force behind regional dynamism, development, growth (and innovation) (Trippel and Maier 2007, pp. 1-2, 5, 19).

¹⁶ Civic entrepreneurs are not employed by the local government. Their function profile inevitably places them in the actual cluster practice, where innovation and cluster reinforcement happen. If they were public servants, cluster policy would be practically informed, well-targeted and effective. Policy officials would know exactly what was needed by the cluster. This is not the case; cluster policy needs to be refined and informed by the strategic intelligence possessed by cluster actors. A proposition is that civic entrepreneurs have an instrumental role to play herein.

¹⁷ Governance, as a way of acting, implies a more flexible multilateral process of negotiated economic development involving many parties (Wolfe and Creutzberg 2005, p. 9). Also, to prevent misunderstandings: the proposed framework for interaction in this research, i.e. the governance-structure, is not about learning together to trigger innovation, as is frequently advocated in the literature, but about listening to develop better cluster policy.

This ensemble of networked individuals and organizations (or group of collaborating experts), institutionalized in a governance-structure, bears resemblance to an elite: “An elite comprises those who occupy a position of superiority within a society or group by virtue of excellence or distinction” (Smith 2003, p. 1356). The power of an elite is related to their ability to stimulate discourses around particular common interests, for example cluster reinforcement. Accordingly, the attained strategic intelligence in the governance-structure is used to collectively determine specific interventions.¹⁸

This collective determination of interventions signifies the presence of network power. Network power is a shared ability, a jointly held resource, which enables networked agencies to accomplish things they could not otherwise. It emerges as diverse participants focus on a common task and collaboratively develop shared meanings and common heuristics that guide their action. Network power grows as these participants identify and build on their interdependencies to create new potential. In this process, novel responses to environmental stresses can emerge which make adaptive change and constructive joint action possible (Booher and Innes 2002, p. 225). Network power is fuelled by participant diversity, participant interdependence and authentic dialogue (i.e. accuracy and truthfulness of communication) (Booher and Innes 2002, p. 226).

Through a collective determination of interventions, policy learning is enabled. Policy learning can be defined as the policy officials’ capacity to systematically gather and utilize relevant strategic intelligence, which then: “refocuses the policy agenda with street level insights and experiences as well as new goals” (Wolfe and Creutzberg 2005, p. 12).

The primary responsibility for the development of the governance-structure lies with the local government, who in essence becomes an orchestrator or: “facilitator and coordinator of bottom-up processes in a kind of 'developmental' role” (Lagendijk 1999, p. 777). Adoption of the governance-structure may prove to be a bottleneck. Its feasibility,

¹⁸ Here a couple of things should be borne in mind. A first principle is that interventions should be context-specific. This is because the uniqueness of every region is all-decisive. As Wolfe and Gertler conclude; “These findings provide a strong note of caution for policy officials seeking a generic or ‘cookie cutter’ approach to clusters as the prescription for the economic development challenges they face” (2004, p. 1073). Accordingly, it is best not to blindly copy best practices from elsewhere. The possibilities for policy transfer are limited; following standard recipes will lead to failure. When aspirations are idealized or unrealistic, interventions will result in ‘cathedrals in the desert’, showcases and subsidy addiction (Hospers, Desrochers et al. 2008). A second principle is that path-dependency – the inherit legacy of the past –cannot nor should be ignored. Its externalities could be put to good value: “Each location has a unique industrial heritage that provides some expertise and resources that might constitute the basis for innovation, technological advance, and sustainable competitive advantage” (Feldman and Francis 2004, p. 133). A third principle is that interventions need to be sensitive to the cluster phase in which the cluster finds itself (Feldman and Francis 2004, pp. 129-130; Suzigan, Furtado et al. 2005; Aziz and Norhashim 2008; Gupta and Subramanian 2008, p. 382). When a cluster lacks critical mass or has unfavorable conditions for organic development, the danger of policy officials targeting a ‘wishful thinking’ cluster lies just around the corner (Ache 2002, p. 12). A final principle is to use the concept of borrowed-size in determining interventions. Borrowed-size refers to a situation: “...whereby a small city or metropolitan area exhibits some of the characteristics of a larger one if it is near other population centers”. It specifically refers to: “the tendency for people and businesses to retain the advantages of being based in smaller settlements (e.g. less congestion, lower rents) whilst also being able to reap the advantages on offer in larger settlements (e.g. access to sizeable markets, business services and expertise, larger and more diverse labor markets and cultural amenities)” (Phelps, Fallon et al. 2001). By searching for complementarities in the wider city-context, a medium-sized city can profit from external scale and specialization benefits.

controllability and probability is not a given. The success of the governance-structure in facilitating a strategic dialogue and a collective determination of interventions depends upon three categories of factors. The first category consists of political-institutional factors. Issues relating to positions, roles, mandates, responsibilities and collaboration demands of and power relations between involved parties are relevant here, as well as difficulties in assessing and transcending diverging preferences, interests and possibilities. The second category, organizational factors, points at the subjects of membership and agenda setting. The third category is a cognitive-psychological one. Attention is drawn to ‘soft’ aspects: the rules-of-the-game, social norms, conventions and routines.

Arranging the implementation of collectively determined interventions

A final component of cluster governance is arranging the implementation of collectively determined interventions. The local government and the cluster actors develop a policy response to the identified cluster actors’ needs, consisting of an articulation of policy goals and a selection of (existing, slightly altered or newly devised) policy tools (Raines 2002, p. 162, 165). The local government and cluster actors need to realize herein that implementation will be a trial-and-error, incremental process with many pitfalls. As a cluster policy coalition, the local government and cluster actors must ensure that interventions are ‘SMART’ (specific, measurable, acceptable, realistic and timed), activities are prioritized, operational responsibilities are allocated and executors appointed. Implementation of interventions will primarily be the responsibility of the local government. However, cluster actors – and specifically civic entrepreneurs – can take up commitment when interventions fit their tasks and responsibilities and cluster-stability is ensured (Taylor 2002, p. 96). This is illustrated in figure 1 by the dotted line connecting the interventions-box and cluster actors-box. An important task of the local government is to ensure that the collectively determined interventions are embedded in the current policy practice. Important issues for consideration are the interventions’ compliance with superior policies in the external institutional matrix (Wolfe and Gertler 2004, pp. 1074, 1080) and internal policy agenda’s of different municipal departments.

The relation of the cluster governance model to the concepts of associative governance and the reflexive state

The model of cluster governance that has been described in this section can be thought of as an expression of the theoretical construct of associative governance.¹⁹

Associative governance involves a more decentralized, subsidiary, open and consultative form of governing (Wolfe and Creutzberg 2005, pp. 9-10). It coincides with a greater degree of self-regulation and endogenous institutional capacity (Lagendijk 1999, p. 777); a devolution of authority, autonomy and responsibility with respect to cluster policy onto a wide range of associative partners (private, intermediary and public actors).

Accordingly, it: “abandons the presumption of the public sector agency as the monopoly source of knowledge and expertise and the sole supplier of critical inputs to the economic development process. It encourages the participation of other sources of knowledge and

¹⁹ Lagendijk already hinted in his 1999 paper that: “A major inspiration for new insights into regional development has been the way concepts of associational economics and interactive governance have been bridged with concepts of regional specialization, clustering and unique relational assets” (p. 777).

suppliers of key inputs” (Wolfe and Creutzberg 2005, p. 17). Associative governance furthermore signifies a shift towards heterarchical forms of organization in which network relations between associative partners are based on trust, reciprocity, reputation, openness to learning and an inclusive and empowering disposition.

Additionally, the model of cluster governance is a perfect fit with the reflexive state concept. This concept is founded on four key principles (Gertler and Wolfe 2002, p. 11). The first principle is decision-making pluralism, which refers to the delegation of decision-making authority to the levels and bodies at which policy effectiveness can best be achieved. The second principle is the provision of strategic leadership by and coordinating capacity of the state, whereby both authority and a capacity for consensus-building are important. The third principle is adoption of a process of dialogic rationality, i.e. lasting consensus results from interactive reasoning. The final principle is a commitment to transparent and open government in the process of democratic practices.

Now that the model of cluster governance has been presented, attention can shift to the research project through which the model’s applicability will be tested.

4. The research project; testing the model of cluster governance

The applicability of the cluster governance model will be tested in a research project. This research project is a joint initiative of the Radboud University Nijmegen, the University of Twente, the NICIS institute and the municipalities of Leeuwarden, Nijmegen, Hengelo and Enschede, who altogether form the research consortium. The municipalities, admitted into the research project as multiple case studies, have expressed interest in academic insights that can improve their cluster policy development practice. This research project will see to that.

It will start off by prompting policy officials to reflect on their current cluster policy development practices. The cluster actors, and identified civic entrepreneurs, will also be approached; they will be asked to provide insights on the extent to which they feel their strategic intelligence is used by policy officials. Next, policy officials and cluster actors are encouraged to experiment with the model of cluster governance that enables a strategic dialogue and collective determination of interventions. In semi-laboratory focus group sessions, policy officials and cluster actors can first-hand experience and learn this alternative practice. This will result in: “an improved capacity for developing ideas, pursuing them into action and generally creating a rich landscape of different institutions, organizations and activities that can enter into fruitful and complementary relationships to each other” (Gausdal 2008, p. 212). In this phase, the research project reflects action research.

The purpose of action research is ‘research in action’. As such it is concerned with the resolution of issues together with those who experience these issues directly. This research project does just that: it facilitates the resolution of ‘limited effectiveness of cluster policy’ by those who directly experience its negative consequences, namely the policy officials and cluster actors. Another characteristic of action research is its focus on action, in particular promoting change. This research project fosters a change in cluster policy development practice. The third characteristic of action research is relevant too. Action research entails the establishment of a collaborative, democratic partnership between practitioners and the researcher. In this research project, policy officials are

expected to actively contribute to the research project, for instance through testing the cluster governance model in focus group sessions. The researcher contributes by committing to extensive fieldwork; the researcher will be successively stationed in the various cities for several days a week, to in person and directly experience the policy practice, the cluster and the workings of its main agents and structures. The findings of action research, then: “result from involvement with members of an organization” (Saunders, Lewis et al. 2007, p. 141). Ultimately, action research provides insights into the applicability of the model of cluster governance.

5. *Résumé*

This paper has presented the model of cluster governance and has briefly introduced the research project where the model’s applicability will be tested through action research. The model of cluster governance is an aspirational process image capable of improving the effectiveness of cluster policy. It encourages wide cluster actor involvement, thereby improving the intelligence base and implementation of cluster policy. Critics have nicknamed cluster policy a governmental trend, pointing at its limited effectiveness. This paper upholds that cluster policy based on cluster governance can satisfactorily foster cluster reinforcement.

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