

Clusters as Bridges between Economic and Social Challenges

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What does the future hold for clusters?



Global trends shaping clusters



Two groups of global trends stand out

1. Emergence, evolution & impacts of new technologies

- Disruptive influence on production patterns, global value chains & cross-sector connections
- E.g. ‘game-changing’ combination of digitalisation, artificial intelligence & additive manufacturing
- Potential to radically alter ***geography of production*** & forms of work/jobs (‘gig’ economy)

2. Interplay between global and local dynamics

- Globalisation simultaneously facilitates internationalisation of production & relies on locally-embedded knowledge dynamics
- Delicate balance between strengthening local dynamics & building international connectivity
- Social challenges are felt locally & need ***local-global solutions***

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Global Trends Shaping Clusters

1. Emergence, evolution & impacts of new technologies
2. Interplay between global and local dynamics

Clusters

- Changes in the boundaries of clusters (activity)
- Changes in the boundaries of clusters (geography)

Cluster Policies

- More sophisticated, context-specific policies
- Cluster policies supporting new territorial strategies
- Cluster policies supporting social challenges

Cluster Initiatives

- Greater diversity of stakeholders
- Key agents in territorial strategy processes
- Professionalization and changing skillsets

Cluster policy as an inclusive tool 'beyond competitiveness'?

- Building sustainable territorial competitiveness requires looking beyond productivity and income
- 'Grand social challenges': solutions require collaboration within & between territories
- Difficult to separate economic processes from social processes (& their consequences) in practice

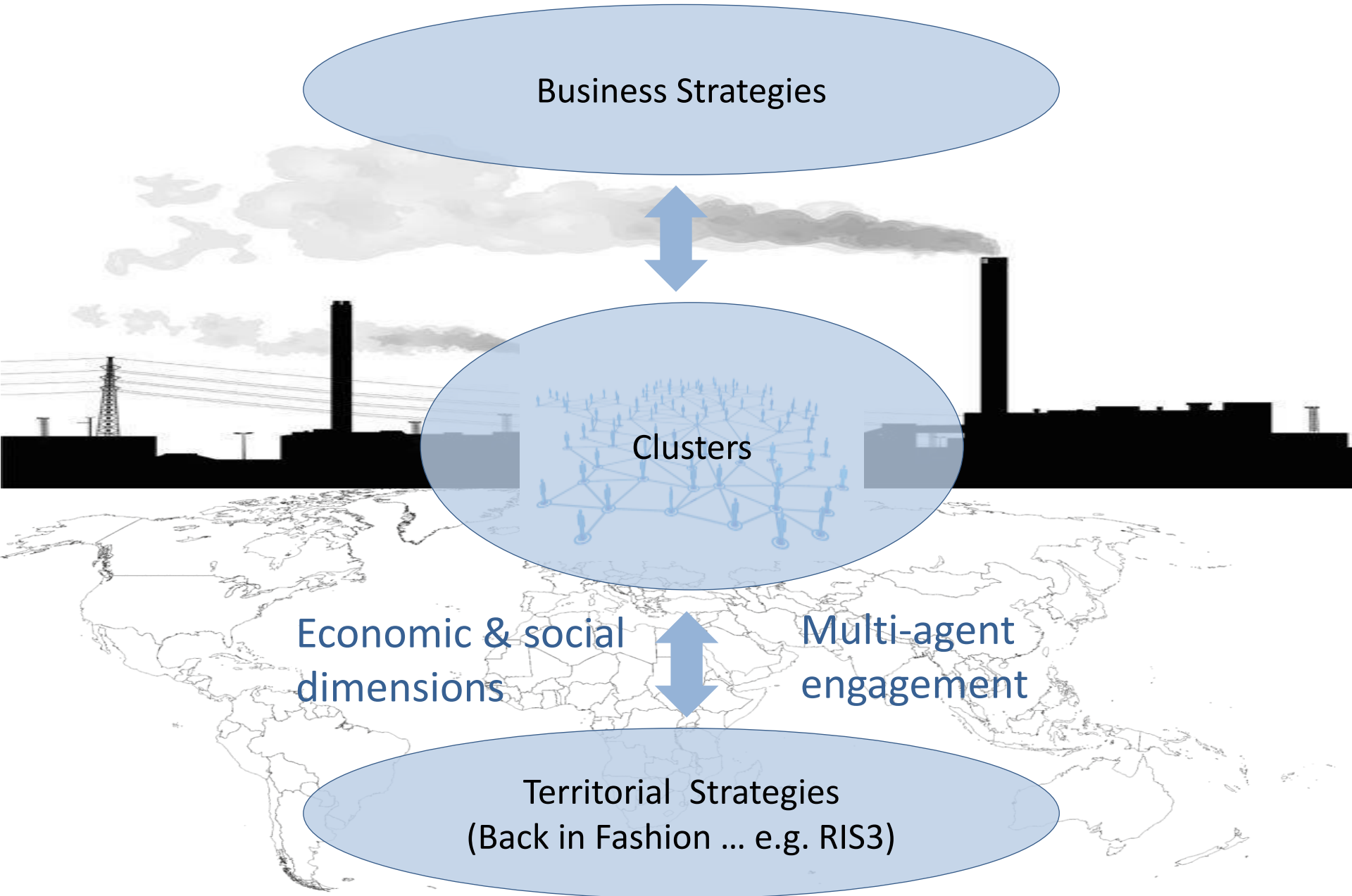
**Socioeconomic
Competitiveness**

- Meets intertwined social & economic needs of the territory
- Requires processes to uncover and align aims and capacities of people and institutions

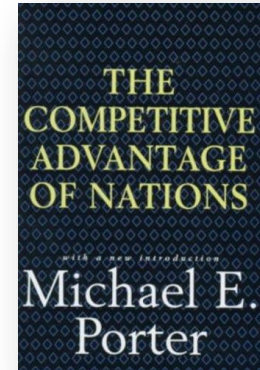
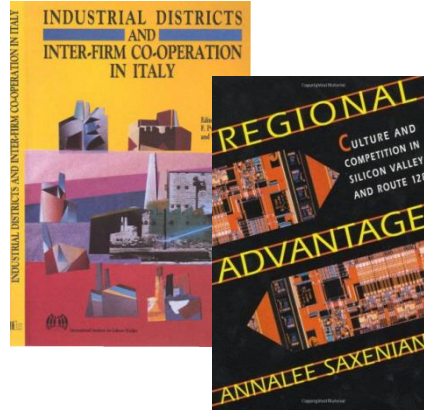
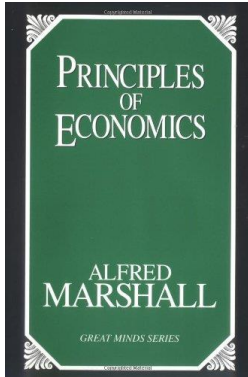


The characteristics of clusters make them uniquely useful in bridging these socio-economic processes

Clusters: Linking business & territorial competitiveness

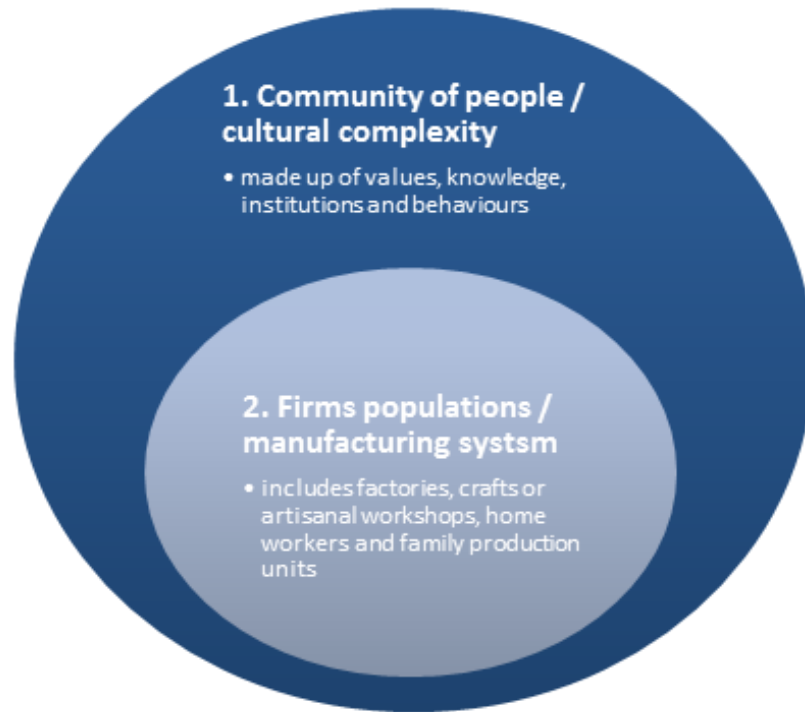


Social Roots of cluster concept



- Conceptual roots of clusters have a strong social element
 - Tends to be under-exploited by most cluster policies today
- Clusters have the capacity to align business and territorial objectives not only in the economic, but also in the social (or more accurately in the socio-economic)
 - Relevance of concepts like 'shared value' (Porter & Kramer, 2011)

The social roots of industrial districts



Including integrated aspects such as:

- Human resources
- Markets
- Competition and cooperation
- An adaptive system
- Technological change
- A local credit system
- Sources of synergies
- Conciousness, class and locality

Source: Konstantynova & Wilson (2017), based on Becattini (1990; 2002), Bellandi (1997)

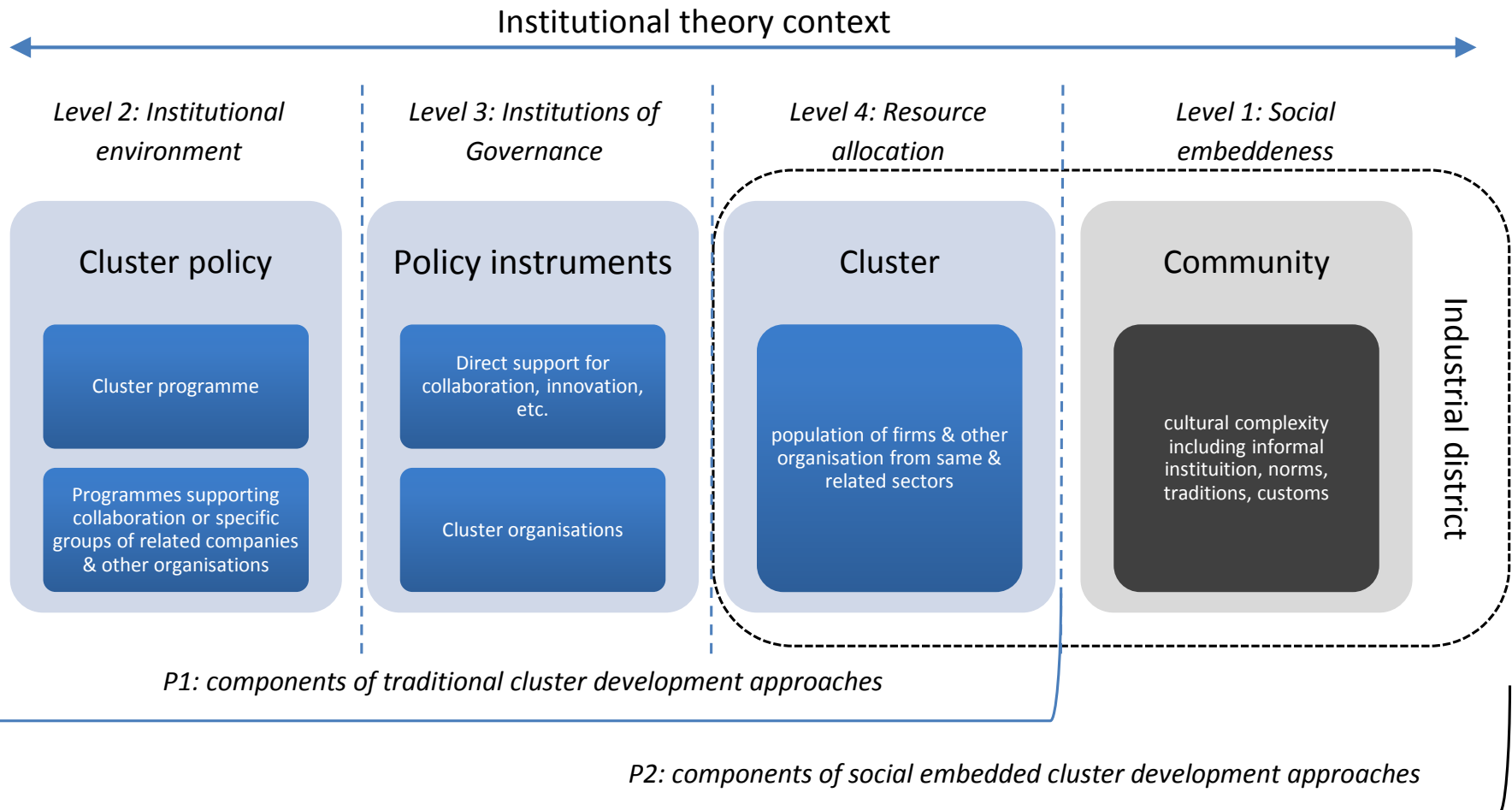


“A socio-economic entity which is characterised by the active presence of both a community of people and a population of firms in one naturally and historically bounded area”

Giacomo Beccattini (1990)

Opportunity to work on the social element of clusters

Cluster development tends to place the firm and other triple-helix actors at the centre of policy objectives, but the **focus could be widened to other actors/objectives ...**



What does the future hold for clusters?

- The cluster concept as a guide for policy has been extremely resilient over last 25 years
- Place-specific dynamics, connections across related activities & need to organise collaboration around common agendas unlikely to change over next 25 years

BUT CHANGES IN ...

Clusters

Gradual evolution of the cluster concept

Cluster Policies

From 'policies for clusters' to 'policies through clusters'

Cluster Initiatives

Partners in territorial socioeconomic development processes



Opportunity to proactively explore the roles that cluster policies can play in bridging social and economic processes

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