Cluster Policies in Germany: A Case of Multi-Level Governance

- **European Union**
  - Cluster mapping and analysis
  - Networking clusters, policymakers & practitioners
  - Structural funds

- **Federal Government**

- **16 Federal States (Länder) = 16 cluster policies**

- **Regional & Local Level**
  - In 2008, 63% of cities > 50,000 inhabitants claimed to have a coherent strategy for the development of clusters, networks, technologies or „fields of competence“ (cf. Hollbach-Grömig/Floeting 2008).
Case Study Research Design

- 3 Federal States
  - NRW ~ mature industries, structural change
  - Bayern ~ late industrialisation, high-tech
  - Niedersachsen ~ „normal region“

- 7 Regional & local cases

- 110 semi-standardised interviews with 134 practitioners, consultants and independent observers (cf. Kiese 2012)
Stylized Facts on Regional Cluster Policies (1/2)

1) Technocratic understanding of clusters in policy and practice
2) Equating clusters with networks
3) Clusters & policy = spatial mismatch
4) Temporal mismatch: policy cycles vs. cluster life cycles
5) Herd behaviour (ICT, biotech, nanotech...)

3a) Overbounding

3a) Underbounding
Stylized Facts on Regional Cluster Policies (2/2)

6) Top-down diffusion
7) Lack of theoretical content
8) Insufficient identification of cluster potential
9) Inflation
10) Declining cluster orientation during implementation
### Challenges for Regional Cluster Policies

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<th><strong>Problem</strong></th>
<th><strong>Solution</strong></th>
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<tr>
<td>Understanding of clusters</td>
<td>• moderating and facilitating role of policy</td>
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<td>• appreciate organic forces of cluster evolution</td>
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<td>Matching problems (space &amp; time)</td>
<td>• overcome parochial thinking to form regional alliances that match the spatial extent of clusters</td>
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<td>• leadership and long-term strategy</td>
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<td>Inflation</td>
<td>• identify and promote original regional assets rather than just follow fads; marry trends and tradition</td>
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<td>• use participatory methods (e.g., foresight) to discover regional trajectories</td>
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<td>Conceptual dilution, declining cluster orientation</td>
<td>• careful and objective analysis of cluster potential</td>
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<td>• exploit toolbox for cluster identification more fully, including open cluster contests as discovery device</td>
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<td>• continuous monitoring, independent evaluation</td>
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<td>• continuous review and adaptation of concept/strategy</td>
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