

Cluster Internationalization

Subjects: Business

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An industrial cluster is the internationalization of a regional industry cluster as a whole, rather than a single enterprise, in a multi-dimensional and structured manner that is extensive and in-depth to penetrate its business activities into the international market, and providing the cluster with a wealth of explicit and implicit knowledge, innovative ideas, professional skills, as well as the existing knowledge, making cluster members strengthen the process of cooperation network and social capital. It is not only a process that can reflect the enhancement of the main body's competitiveness, but also shows a result.

Keywords: cluster internationalization ; theoretical direction ; emerging markets themes

1. Introduction

Since the 1990s, many studies have shown that competitiveness can be enhanced in industrial clusters or regions that are geographically concentrated and sector-specific ^{[1][2][3][4]}. With the development of economic globalization and industrial internationalization, various resources and production factors have flowed, allocated, and reorganized globally, accelerating the globalization process in the fields of production, trade, investment, and finance, and further promoting regional economic development. As the main carrier of regional economic development, industrial clusters follow this historical trend, actively integrate into the international economy, and participate in the global competition, reflecting the competitiveness and development status of the economies of different countries ^[5]. As a result, international business scholars and economic geographers have begun to cross boundaries and establish a new conceptual framework in order to gain a better understanding of the emerging pattern of international competition, the process of forming new capabilities, and the development prospects of countries that are striving to improve their positions in various global industries ^[6].

Besides, it is worth noting that, although emerging economies have played a role on the international stage for 30 years ^[7] ^[8], since the beginning of the 21st century, the economies of the emerging economies represented by the BRICS, the five BRICS, and the next 11 countries have been growing rapidly. As an important carrier of regional economic development ^[1], industrial clusters' ability to participate in international industrial transfer and adapt to global value chain niche markets will determine the effectiveness of regional development strategies to a certain extent. As an overall analysis unit, industrial clusters have different strategies, capabilities, scales, resources, and even internationalization processes and methods for each member company in their region. However, they are interconnected through the common goals, vision, and technology of the cluster, so that the whole shows a common development trajectory. Therefore, the industrial cluster internationalization capability cannot be equal to the cluster enterprise internationalization capability. Based on the new division of labor in the international market, while the industrial cluster internationalization is reorganizing and opening up more opportunities for the regional innovation process, it will also continue to strengthen global competition and cooperation between industrial clusters, thereby requiring the industrial cluster internationalization to have a sustainable competitive advantage. This highlights the importance of the industrial cluster's internationalization ability to a certain extent. However, with the rapid development of clustering of emerging economies, their internationalization strategy has gradually become an important research topic.

As a result of the internationalization of clusters in emerging economies, on the one hand, there are general laws of cluster internationalization in traditional developed economies, and they are worthy of our overall review; on the other hand, there are also specific particularities that need to be focused on.

2. Industrial Cluster and Cluster Internationalization

Industrial clusters are a worldwide economic phenomenon. It is generally believed that the first economist in the history of economics to explain the theory of industrial clusters was Marshall ^[9]. Industrial location economist Weber ^[10] first proposed the concept of an agglomeration economy. Subsequently, Young ^[11], Hoover ^[12], and Krugman ^[13] studied

industrial clusters from their respective perspectives. The overall rapid development of the cluster concept occurred in the 1990s, due to the significant contributions of Porter [14]. Porter believed “an Industrial Cluster is a group of geographically close and interconnected companies and related institutions, which are linked together in a specific Industrial field due to their commonality and complementarity” [15]. This has also become a relatively widely accepted definition of clusters today.

However, in the era of economic globalization, it is undeniable that internationalization has had many effects on the internal structure of the inter-cluster enterprise network and the entire cluster system [16]. Some scholars even believe that the expansion of the global market and the development of international actor networks are important manifestations of the transformation or rebirth of a regional cluster [17]. Islankina [18] believed that the purpose of internationalization of industrial clusters is to establish stable links among industrial clusters through the cooperation of institutions based on trade, finance, industry, research and development, education and cooperation around the world, so as to realize the growth of competitiveness, economic benefits, innovation, and social potential of each member and region within the cluster. Götz and Jankowska [19] believed that the internationalization of industrial clusters refers to the continuous penetration of the international market as a whole and is reflected by the depth and width of the internationalization of cluster enterprises, as well as the changing process in which at least one or more branches of cluster enterprises adopt different internationalization methods and gradually deploy their resources to the international market. Hou [20] thought that the internationalization of industrial clusters means that industrial clusters cross national borders in some form to carry out the allocation of production factors, product marketing, and exchanges with international organizations, as a process of achieving development and upgrading in the economic connection. Based on this, we believe that an industrial cluster is the internationalization of a regional industry cluster as a whole, rather than a single enterprise, in a multi-dimensional and structured manner that is extensive and in-depth to penetrate its business activities into the international market, and providing the cluster with a wealth of explicit and implicit knowledge, innovative ideas, professional skills, as well as the existing knowledge, making cluster members strengthen the process of cooperation network and social capital. It is not only a process that can reflect the enhancement of the main body's competitiveness, but also shows a result. This result has both a quantitative expansion and a qualitative improvement, which will inevitably have an impact on regional economic development [21].

It is worth noting that through the analysis of the existing literature, the research objects of cluster internationalization can be roughly divided into three categories. The first is the micro level—cluster enterprises. For companies, embedding in local clusters tends to attract foreign investment [22], establish international connections [23], obtain international information and expertise [24], and enhance international innovation capabilities [25], etc., which is enough to show that the cluster provides valuable resources for its start-up or accelerated internationalization. The second is the meso level—the cluster itself and the organization. As a concrete manifestation of cooperation among cluster members, Kowalski and Marcinkowski [26] believed that the actions of a cluster organization are a way to establish international cooperation. Research has shown that cluster organizations can act as an intermediary between cluster enterprises and international business, R&D, or public management entities. They can not only focus on performing a series of specific tasks of cluster internationalization and international cooperation between cluster organizations [27], but also reduce information asymmetry and limit the opportunistic behavior [28]. Related cases include the Dutch flower cluster [29], Chile Wine Cluster [30], and so on. In addition, cluster organizations such as the European Cluster Collaboration Platform (ECCP) provide multiple possibilities for clusters, where mapping and analysis of cluster organizations is a priority. As a result of this, member clusters are visible globally and are, therefore, more likely to be discovered by potential partners [31]. In addition, the Global Cluster Observatory and the European Cluster Observatory also provide a wealth of information about the cluster, providing a guarantee for the cluster's international strategy. The third category is the macro positive—the cluster initiative, such as the NICER project [32], the MVA ambassador program [33], and the European Cluster Observatory [32]. As a powerful policy tool, the cluster initiative can enhance the international competitiveness of a region by strengthening the cooperation among cluster enterprises, governments, and research institutions [34].

3. Conclusions

Despite the growing interest in cluster internationalization, especially in the context of emerging economies, we recognize the need to shed more light on process-related and dynamic-related insights and more fine-grained theoretical development. Finally, we offered some major directions for future research, covering several significant topics ranging from endogenousness and the correlation of influencing factors and motivation, the multi-network collaboration mechanism, knowledge spillover differences between and within clusters, cluster heterogeneity, and performance asymmetries. At the same time, we also put forward some suggestions regarding the future research directions for the cluster internationalization of emerging economies, including the impact of cluster catch-up aspirations and catch-up

capabilities, the “correct distance” between internationalization and localization, the identification of international competitive advantages and the compensation of competitive disadvantages, differences in internationalization paths, the combination and coordination of policy tools, local competition, and the organizational legitimacy and ecosystem performance of overseas clusters. In sum, the future of cluster internationalization research is significant and full of opportunities for academics, but requires a tremendous collective effort to realize these goals.

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