Clusters as Theory and Politics

The Discursive Practices of Regional Growth Policy

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Abstract

The starting point for this study is the successive changes in regional policy that have taken place in Sweden. These changes can be understood within the context of a new regional discourse emphasising the role of ‘strong regions’. Regional actors are expected to ‘pull together’, mobilising regional resources in a more globalised world. In Sweden, the introduction of the cluster concept in the politics of regional growth can be seen in the light of this new discourse. Inspired by the works of Michael Porter, and clusters such as Silicon Valley, public actors all over the world are taking various measures in attempts to support ‘existing’ or ‘potential’ clusters. The regionalisation of decision-making power has also been motivated by increased democratisation of the politics of regional growth. At the same time, it has been argued that regional policy is strongly marked by consensus and that politics and ideology have been left aside in these processes.

This thesis analyses the conditions for the political in this new regional discourse. Building on qualitative data and with regional cluster policy as an empirical case this is done through analysing clusters as politics. From the ontological assumption that the articulation of politics shapes how politics is done, the research question that underlies the study is: how is the regional politics for cluster development articulated and formed?

Two of the main conclusions are that the cluster discourse has changed over time and that regional politics for cluster development can be seen as depoliticised. ‘Clusters’ are introduced in Swedish regional policy as an ‘interesting theory’ about how firms create and sustain competitiveness. Today, cluster development is understood as organised cooperation between ‘clusters of firms’, universities and public actors. New forms of political organisation are taking place within the regions. At the same time, the regional politics for cluster development can be described as depoliticised. It is strongly marked by consensus and there is a lack of public discussion concerning who gains and who loses in this form of organisation. The findings suggest that the depoliticisation can be understood in the light of the theoretical articulation of cluster policy, in the light of the relation between theory and politics, knowledge and power.
Preface

My path from newly admitted doctoral student tasked with studying regional cluster policy to finished licentiate thesis has not been a straight line from point A to point B – but it has been educational and enriching. Several people have had considerable impact on the research process. My thanks first to Susan Marton, who was my supervisor when the project began. Susan was the person who first introduced me to the field of research I would delve into as a doctoral student. I also conducted two of the interviews used as material in my paper together with Susan. She was an inspiring person and scholar who left us far too soon. I would also like to thank Stefan Szücs, Örjan Sölvell and Lee Miles, who were my supervisors throughout my time as a doctoral student and who in various ways contributed their knowledge to the research process. Sincere gratitude to Malin Rönnblom, who stepped in as supervisor in the final phase of my time as a licentiate student and helped me look at my material with fresh eyes when I needed it most.

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Introduction

A great deal has been written about the new role of the state in what is described as a more globalised, more competitive world. Arguments have been advanced that the state has lost power upwards to supranational actors and organisations like the EU, the World Bank and the OECD, and downwards to increasingly active regions, and that public policy is more often being formed in complex interaction between public and private actors (Keating, 1998; Newman, 2006; Montin & Hedlund 2009a; Gossas, 2008; Pierre, 2007, 2009).

The Swedish central government’s revamping of regional policy is frequently described as a transition from ‘distribution policy to growth policy’, from a welfare doctrine to a growth doctrine. The welfare doctrine targeted the demand side of the economy by ensuring that all households could afford to consume. Under the growth doctrine, the central government and other public actors assume the role of organising the supply side of the economy by arranging interaction between industry, academia and government to promote the development of competitive regions (Westholm, 2008a; Visser & Atzema, 2008; Martin & Sunley, 2011). Terms used to describe this kind of arrangements include ‘clusters’, ‘innovation systems’ and the ‘Triple Helix’. The regional level of government is frequently described as a central arena for this type of policy formation.

Taking regional cluster policy as my empirical point of departure, I analyse in this study the prerequisites of the political in what may be regarded as a new regional discourse. By discourse, I mean the language, concepts and categories that frame an issue (See Bacchi, 1999). The beliefs reflected in this discourse are presumed to reflect more than external, material condition and are ascribed a more productive role, in that my

1 Here and henceforth in the study, I use ‘region’ to refer to subnational regions (see for example Lindh, et al, 2008:45f, for a discussion of the region concept).

2 In the literature on clusters, innovation systems and the Triple Helix, innovation is thought to be the driver of growth and development (Lavén, 2008). One analytical dividing line, however, is that the Triple Helix emphasises the role of the university in innovation processes, while innovation systems (and clusters) can be said to regard firms as the drivers of the innovation process (see for example Etzkowitz & Leydesdorff, 2000). This distinction is doubtful in policy contexts, however, as academics use the terms are used in parallel and in different ways. Innovation systems are defined by Freeman, an influential scholar in the field, as ‘the network of institutions in the public and private sector whose activities and interactions initiate, import, and diffuse new technologies [...]’ (cited in Lavén, 2008:85). The Triple Helix concept has to do with how interactions between the university, industry and government create the conditions for innovations (Etzkowitz, 2005).

Regional development has more to do with social engineering than politics’ (Swedish Government Official Report SOU 2007:13, p. 175).
fundamental premise is that how people talk about a policy area also gives shape to the policy area (see Bacchi, 1999; Bergström & Boréus, 2005). It is this process of ‘doing politics’ I am referring to when I talk about the discursive practices of regional growth policy.

Before I define the aim and overall research question upon which this thesis is based, I would like to more specifically elucidate a few central aspects of the problem formulation that frames the study. It is based upon a new regional discourse, the regional public organisation in Sweden, the advance of cluster terminology in regional policy and regional growth policy as politics.

A new regional(ism) discourse
The revised regional policy in Sweden may be seen in light of a process usually called ‘Europe of the Regions’. This process is outlined in terms of greater regionalisation of politics, economics and culture (Malmström, 1998; Johansson, 1999). The successive transformation from what the Swedish government called regional policy and industrial policy in the 1960s to what is now called regional growth policy has entailed a shift in the nature of political governance (Johansson & Rydstedt, 2010). Swedish regional and industrial policy were highly centralised in the 1970s and 1980s. The central government accumulated vast budget deficits and large industries were impacted by structural transformations. Aimed at fighting unemployment, the state took major economic initiatives to support these industries. Local government was also given a greater role in industrial policy in the 1980s. The government believed it needed partners on the local level to manage the proliferating economic problems of industry. Large companies and the affected municipalities were given greater latitude in those years, a time that has been described as a period of local democratic corporatism. This corporatism involved a limited number of dominant actors cooperating on the local level (Bache & Olsson, 2001; Marton, 2007).

Since the 1990s, regional policy has developed into a policy in which a myriad of actors on the local and regional levels are expected to play a greater role than before. Johansson and Rydstedt (2010) argue that the ideas of what is usually called ‘new regionalism’ are the basis for this new direction in governance. New regionalism developed in the regional studies of the 1980s and gained currency in Sweden in the 1990s. The ideas of new regionalism have been described as a ‘storytelling’ that was assigned tremendous scope in regional policy and had
virtually formative significance’ to the development of the politics of regional development (Johansson & Rydstedt, 2010:18). This storytelling may also be regarded in relation to what I describe above as a new regional discourse (see also Hudson, 2001; 2005).

The transformation from industrial society to information and service society accompanied by greater economic, political and social globalisation constitute an important platform for the ideas of new regionalism. Focus was put on a favourable innovation climate in regions and eliminating barriers and friction in the new interaction networks developed in economics and politics. More autonomous regions were also advocated in order to create the conditions for active, ‘strong’ regions. Involving various types of groups in this type of network is thought able to contribute to the region’s ‘non-material assets’, such as knowledge, information and institutional density – in short, the region’s social capital. It has thus become a central tenet of politics for regional growth to create new kinds of arrangements, mobilise local and regional actors and interests in horizontal network constellations and utilise information and knowledge assets by means of partnerships (Johansson & Rydstedt, 2010; Westholm et al, 2008; Lovering, 1999; Hudson, 2005).

The origins of the partnership principle are found in French regional policy of the 1980s and the principle was introduced to European regional policy in 1988. From the outset, the partnership ideal was primarily connected to EU Structural Funds, but was later included as part of the new regional policy. There is no established definition of partnership in either political practice or research. Key words in regional partnership have been described as cooperation, interaction and consensus-building among parties from both the private and public sectors within a defined territory (Rönnblom, 2008:38f; Didi, 2010:30). It has also been argued that the partnership principle is based on involving a wide range of actors, unlike the local democratic corporatism of the 1980s that was based on cooperation among a few dominant actors (Bache & Olsson, 2001).

It has been argued that partnerships implies an opportunity for various citizen groups to gain influence over the policy formation, but the risks of partnerships from a democratic perspective are frequently brought to the fore: that partnership creates closed decision processes characterised by negotiations and prevents citizens from demanding political accountability. A Swedish government report, ‘Regional Development and Regional Public Organisation’, discusses both the advantages and drawbacks of partnerships based on this
formulation of the problem. Partnerships are thought to have given political institutions an opportunity to establish support for decisions and mobilise resources. The report also describes, however, how partnerships tend to fossilise power structures and attitudes towards the issues they handle (Swedish Government Official Report SOU 2007:13).

In this manner, partnerships have been regarded both as expanding democracy through wider participation in policy formation and threatening democracy by creating closed, exclusionary decision processes (see Swyngedouw, 2005). Hudson (2001) describes how this dual view on partnership can be understood on the basis of partnership discourses constructed in relation to the view on democracy and economic growth in a variety of local contexts.

In his paper ‘Theory Led by Policy: The Inadequacies of the ‘New Regionalism’, Lovering (1999:387) challenges proponents of the ideas of New Regionalism and problematises how policies arising from those ideas have become a discursive resource for already powerful interests and thus tend to subsidise élite networking:

[The New Regionalism] has the big battalions on its side. National, transnational, regional and local authorities, academics, consultants and journalists are devoting enormous efforts to convincing their audience of the New Regionalist picture of the world (Lovering, 1999:380).

A similar argument is advanced by Erik Swyngedouw (2005), who posits that these systems of governance-beyond-the-state are customarily led by coalitions of economic, socio-cultural, or political élites. In this way, this form of political reorganisation entails a risk that existing power geometries and approaches will be formalised (see also Rönnblom, 2008).

Regional growth policy and the region as a political unit

It has been argued that Sweden has very little of what are designated elsewhere in Europe as regions (Lindström, 2005; Stegmann McCallion, 2008). The report from the Public Accountability Committee, ‘Regional Development and Regional Public Organisation’ (SOU 2007:13), however, describes how politics for growth and development have driven efforts towards greater regional self-government in Sweden.³ Regional government is considered a vital political

³ The Public Accountability Committee was tasked with making recommendations for how the responsibility for tasks connected to regional development should be divided between the central
level for formulating successful economic development strategies based on ‘the unique conditions and priorities of each region’ (ibid, p. 10).

The Swedish model is often illustrated as an hourglass, where the central government level and municipalities have possessed extensive power while the regional level has been relatively weak (Stegmann McAllion, 2008). The regional level of government includes the county councils, county administrative boards (which represent the central government in the county), the association of local authorities, regional co-operation councils and other municipal associations. There are also about 40 different national agencies at the regional level, which divide the regions in various ways (Stegmann McAllion, 2008). Sweden’s regional map is thus anything but clear, which has given rise to the epithet ‘the regional mess’ (see Statskontoret 2007; Stegmann McAllion, 2008; Lindström, 2005). At present, the politics for regional growth are based on three different (regional) institutional political arrangements: one involving directly elected bodies for self-governments in each of the regions, one with regional co-operation councils (with indirectly elected politicians), and one arrangement in which the country administrative board is still responsible for Regional Growth Programmes (Johansson & Rydstedt, 2010).

Clusters and regional growth policies

The cluster terminology was introduced into Swedish regional policy through the government bill ‘Regional Growth – For Employment and Welfare’ (proposition 1997/98:62). Since then, the concept has experienced a major breakthrough in regional development and growth policy. In ‘A Policy for Growth and Vitality throughout Sweden’ (proposition 2001/02:4), the government introduces a policy intended to build on system thinking, clusters and innovation systems. Sweden is, however, not alone: the cluster terminology has been introduced in all EU Member States and diffused worldwide (Sölvell, 2009; Henning, et al, 2010; Hospers, et al, 2008).

The European Commission published a framework for a European cluster policy that emphasises the significance of clusters to innovation and growth (European Commission, 2008). The Commission argued that clusters are...
predominantly a market-driven phenomenon, but that Member States have been instrumental through strategic and forward-looking initiatives in the emergence of strong clusters and helped unleash the economic and scientific potential of particular regions. By means of active cluster policies, regions are expected to be able to foster structural change and revitalise certain industrial sectors, while cluster policies are thought to provide a framework for other policy areas, such as research, innovation and regional policy (ibid). The Commission describes clusters and cluster policy as follows:

A cluster can be broadly defined as a group of firms, related economic actors, and institutions that are located near each other and have reached a sufficient scale to develop specialised expertise, services, resources, suppliers and skills. Cluster policies are designed and implemented at local, regional and national level, depending on their scope and ambition (European Commission, 2008:2).

Inspired by famous clusters in the Silicon Valley (USA), Emilia-Romagna (Italy) and Baden-Württemberg (Germany), public actors all over the world are taking various measures in attempts to support ‘existing’ or ‘potential’ clusters (Malmberg, 2002; Hospers, et al, 2008). These initiatives are often channelled through ‘cluster organisations’ that bring together firms in the same or related sectors. The European Cluster Observatory estimates that there are 1205 cluster organisations in 216 regions in Europe, including 102 in Sweden. These organisations are often supported with public funds, which entail a form of ‘targeting’, that is, government selects certain sectors, which are allocated support. Earlier research, however, shows that this type of policy tends to evolve into partnership policy (Hospers et al, 2008).

A review of growth and innovation policy research makes utterly apparent how interwoven policy and research are in this field. ‘Clusters’, like the Triple Helix and innovation systems, constitute both a theoretical concept for explaining the source of innovation and competitive advantage and a political instrument within regional development policy. In their paper ‘Policy Learning and Innovation Theory’, Mytelka and Smith (2002) illustrate the tight linkages between ‘innovation theory’ and ‘innovation policy learning’ and that international actors like the OECD and the European Commission have played a substantial part in legitimising these types of policies. Fredrik Lavén advances

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5 The European Cluster Observatory defines a cluster organisation as a public-private organisation created to improve the growth and competitiveness of a cluster in a region (15 May 2010).
6 ‘Growth and innovation policy research’ refers here especially to research on regional economic growth, whose point of departure is often the cluster, innovation systems and Triple Helix concepts.
the same argument in his thesis, ‘Organising Innovation’ (2008). He also points
to the role of academics in formulating this type of policy and how the central
government uses funding to steer implementation of this type of policy at the
local level. Nauwelaers and Wintjes (2008) also write that innovation
researchers probably played a key role in legitimising this new policy area as
innovation policy made inroads in the early 1990s. In his thesis ‘Adoption of
the Innovation System Concept in Sweden’ Eklund (2007) examines the
common belief that Sweden was an uncritical adopter of the innovation
systems concept touted by bodies like the OECD. Eklund shows that, on the
contrary, Swedish actors were exceedingly aware and strategic when the
concept was implemented in Swedish innovation and research policy, but that
actors like the OECD gave legitimacy to the politics. In his thesis, he describes
how the freedom and autonomy of universities was juxtaposed with the
significance of research to economic growth in the mid 1990s. The concept of
innovation systems became an important tool for public actors intent on
maintaining their influence over research. Eklund is one of the few scholars
who thus takes a power perspective on innovation policy and shows the
political aspects of the innovation systems concept.

Regional growth policy as politics
The previously cited Swedish Government Official Report ‘Regional
Development and Regional Public Organisation’ (2007:13) describes regional
development policy as ‘social engineering’. This articulation of regional
development policy can be contrasted to the idea that greater regional self-
government should lead to stronger democratic support, greater participation
and more effective development policy (proposition 1996/97:36; proposition

7 There is other research on how the OECD is used to justify the policies pursued in OECD member
states. Alasuutari and Rasimus (2009) use the case of Finland to illustrate how policies are justified
in relation to the OECD in four different ways: (i) comparison with other OECD countries regarding
parameters such as economic growth; (ii) the OECD as a neutral expert institution that serves to
legitimise policy; (iii) policy recommendations and models, ‘best practice’; (iv) adaptation to global
development trends and the need to adjust policy in line with other member states. They describe
how, based on this, the OECD should not be understood as an actor that has power over its member
states, but argue that the OECD is an influential body: ‘[…] governance works by trying to manage
people’s mentalities and conduct. Instead of acting as a body that can give orders, the OECD
influences in the same way as many branches of the neoliberal state now work: as a consulting body
for enterprising state officials and national leaders’ (ibid page 103). Porter and Webb (2007) likewise
analyse the OECD’s peer review function. They argue that the OECD’s role ‘[…] has been to
reinforce trends that were already present in global markets and to use its authority to frame a
potentially politicised and conflictual problem as a best practice’ (ibid, page 12). In this way, they
argue that the OECD’s ideas are highly political, but are thus transformed into ‘social facts’ (ibid).
The ideas, concepts and ‘models’ introduced in regional growth policy have also become significant to how politics are ‘done’. Arguments have been advanced in earlier research on regional growth and development policy that the politics for regional growth in Sweden has become depoliticised (Hudson & Rönnblom, 2007; Rönnblom, 2008; Johansson & Rydstedt, 2010) and that it is pursued under virtually total political consensus (Montin & Hedlund, 2009a; Johansson & Rydstedt, 2010; Westholm, 2008b).8 In connection with implementing clusters, innovation systems and triple helixes, cooperation and consensus have been set above competition and conflict (see for example Baldersheim & Øgård, 2009; Sölvell, 2009). The product of Jan Olsson’s (1998:214) analysis of partnerships and regional development policy is also an argument that these processes are not understood as politics:

Regional policy in mature industrial countries has undergone a process of ‘marketisation’ in which ‘public development actors adopted strategies and methods which better conformed with traditional market-based entrepreneurial behaviour’. In the context of marketisation, ‘ideology and politics’ were left behind. The increased interaction of public actors with non-state actors allowed partnership units to operate ‘at arm’s length’ from politicians. However, although this development ‘rescued regional policy from politics’, Olsson asks whether ‘rescuing policy from politics also means rescuing it from democracy?’ (Bache & Olsson, 2001: 221).

The problem statement on which this paper is based can thus be described in four points. First, a new regional discourse that emphasises the role of regions in regional growth programmes. Second, how new models and concepts like partnership and clusters imply new ways of organising growth policy at the regional level. Third, the challenges this poses for public organisation usually called ‘the regional mess’ with asymmetrical regional political arrangements in different parts of the country. Fourth, the consequences this has for the prerequisites of the political in this new discourse.

The overall aim of this study is to analyse regional cluster policy as politics. It may seem odd from the political science perspective to study policy as politics and to point out that it has anything to do with politics at all. That cluster policy often involves public support for certain sectors and so-called ‘cluster

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8 Consensus has historically informed Swedish politics. Montin and Hedlund (2009), however, argue that consensus in current politics seems to include more than it used to.
organisations’ is nothing new to those well-acquainted with cluster policy. Cluster policy research also sheds light on how cooperation is often emphasised in this type of policies and that it seems often to be organised in horizontal networks of public, quasi-public and private actors in accordance with that usually described as partnership or governance.

In earlier studies of cluster policy, however, political and power perspectives have often been dismissed in favour of a relatively predominant economic perspective. Cluster policy is thus presented in the research as a management issue. By ‘management,’ I mean a functional attitude towards the politics pursued, where the main thrust is efficiency and economic outcomes. There is a need, however, to analyse relations that constitute ‘cluster collaborations’ between governments, business (with firms often gathered in ‘cluster organisations’) and universities as politics. The management perspective can be contrasted with the values most often associated with public bodies, with standards of democratic support, transparency, accountability and the rule of law (see Politt & Bouckaert, 2004). When these processes are understood as management, questions of power, transparency and political accountability are not considered and analysed. This type of cooperation may raise issues of legitimacy and present barriers to demanding political accountability (see e.g. Marton, 2008; Esmark, 2007; Swyngedouw, 2005).

Malin Lindberg has shown that almost 80 per cent of the innovation systems and clusters granted funding in national and regional policy programmes in Sweden primarily involve male-dominated sectors and businesses (Lindberg, 2010). What does this entail, for example, if we begin with the fact that cluster policy has increasingly evolved into political co-operative arrangements for cluster development? These issues need to be problematised as politics. This line of argument, that cluster policy is politics, should not be construed to mean that the politics of cluster policy is inherently bad, but that it must be understood and problematised as politics.

The term ‘cluster’ is often used in politics as if it were a uniform concept or synonymous with cooperation. Several scholars have, however, problematised the elasticity of the cluster concept (see for example Martin & Sunley, 2003; Politt & Bouckaert, 2004:9) description: ‘Generic management studies tend to be fairly functional/instrumental in orientation: management is about getting things done as quickly, cheaply, and effectively as possible [...]’. Tesfahuney and Dahlstedt (2008:16) describe how politics as management has become the new formula for how society should best be organised in what they call the post-political era.

That cluster policy might be problematic specifically because policy is politics is something scholars including Hospers and colleagues (2008) suggest in certain discussions.
Malmberg, 2002; Benneworth & Henry, 2002; Burfitt & MacNeill, 2008). This suggests that it is more relevant to talk about several different concepts, one term with multiple meanings that are put under the ‘cluster’ label.

Through analysing regional cluster policy, the study aims to answer the overall research question: how is the regional cluster policy articulated and formed? I believe the articulation of the politics is central to understanding how the discursive practices of regional growth policy are constructed. Inspired by Carol Bacchi’s (1999) ‘What’s the Problem?’ approach, I analyse how clusters are represented and the effects of this representation.11 Three questions have guided the analysis, to answer the overall aim and research question of the study: (i) How are clusters represented in regional growth policy? (ii) What are the impacts of this representation? and (iii) What is left unproblematic in this representation? The first question has to do with how cluster terminology is filled with content, is communicated and depicted (articulation): With what content is cluster terminology filled? What is a cluster? What problems are clusters meant to solve? The second question deals with the consequences of this representation with respect to issues such as which groups should be included, how clusters are organised, etc (formation)12. The third question deals with what is left unproblematic in the representation of clusters (articulation).

In order to answer the research questions and fulfil the aim of the study, I analyse regional cluster policy in one Swedish region, Värmland.13 To put regional cluster policy in a wider context, I describe and analyse representations of clusters over time at the national political level. Thus, two different political ‘levels’ are analysed, one national and one regional.14 Bacchi (1999) shows that in these types of studies, it is also important to analyse how academics, think tanks and other professionals think about policy problems, since they often structure arguments in ways that affect how public problems are framed in the wider community. This has proven particularly relevant and analytically valuable in the study of regional cluster policy. From this perspective, I also analyse how clusters are represented in research. I will return to the limitations thus set in Chapter Two: Methodology, methods, materials and research ethics.

11 More on this approach in Chapter Two.
12 I develop the discussion of the effects that interest me in Chapter Two, in the section ‘What’s the problem?’ as analytical tool.
13 I describe Värmland as an empirical case more exhaustively in Chapter Two.
14 In line with Hudson and Rönnbloms (2007:50) discussion ‘the relations between national and regional levels are not seen as a division between rhetoric and practice, but as different levels of discourse’.
Politics

In light of the aim of the paper, the understanding of politics is crucial. The view on ‘where politics is found’, and thus also the meaning of the word ‘politics’ has changed through history. In the epoch of the early state philosophers, as in Aristotle’s city-state philosophy, the only political unit was the polis, and politics was synonymous with the activities in which the citizens of the city-state engaged to its benefit (Aristotle, 1981). In the nascence of modern political thought and as the concept of the state was taking shape in for instance the social contract theory of Locke and Hobbes, the state was regarded as the organism that was the bearer of politics (Locke, 1690/1975; Hobbes, 1651/1991). Until the end of the 19th century, the study of politics revolved around legal and constitutional questions. At that time, scholars became preoccupied with ‘political practice’, how actors other than formal political bodies exerted influence over decision processes. In the first stage, interest was directed at committees and political parties and was later extended to special interest groups and lobbying organisations that exerted informal influence. Behaviourism advanced in the 1950s, when political analysis was directed at individuals and the political behaviour of individuals. Behaviourism was based on the notion that it was possible to study similarities in the political behaviour of individuals that could be confirmed through empirical tests (Easton, 1996).

In what Easton (1996) called the post-behaviourist period and Valinder (1989) described as the complex period, the study of politics is considered so diversified that it is difficult to describe in a uniform way (see also Enroth, 2004:265).

The term governance is sometimes used (normatively) to describe an ideal for how politics should best be organised, an ideal we are likely to find in regional growth and development policy (see for example Swedish Agency for Public Management, 2007). The need for new ways to organise politics is often described in terms of greater globalisation and increased complexity. So-called ‘wicked issues’, complex, difficult to resolve policy problems, are thought to require political arrangements in which a variety of actors participate in political processes. The participation of myriad groups in political processes is thus believed to facilitate more efficient policy processes (see for example Sørensen & Torfing, 2008a). The term is also used descriptively, to describe how politics is shaped in interaction among a range of actors, where the state is only one of many. As Nikolas Rose puts it:
Politics is seen as increasingly involving exchanges and relations amongst a range of public, private and voluntary organizations, without clear sovereign authority (Rose, 1999:17).

The more frequent use of the term governance since the 1980s denotes that where politics is practiced is thought to be an empirical question. The state is thus not regarded as the only entity which in the Eastonian sense contributes with an authoritative allocation of values for a society (see for example Montin & Hedlund, 2009a; Gjelstrup & Sørensen, 2007; Szücs & Strömberg, 2009). The dichotomy ‘from government to governance’ is a common description of this wider perspective on governance, where government in this context refers to traditional central management and governance to more complex political processes in which a range of different social actors participate (see for example Montin & Hedlund, 2009a; von Sydow, 2004; Gjelstrup & Sørensen, 2007).

Governance is a broad concept. One general understanding might be that politics and management are done in complex processes in which multiple actors participate in everything from the definition of problems and goals to policy implementation and evaluation (see Montin & Hedlund, 2009a; Stoker, 1998). Rose describes a general understanding of governance as follows:

any strategy, tactic, process, procedure or programme for controlling, regulating, shaping, mastering or exercising authority over others in a nation, organization or locality […] It agrees that new concepts are required to investigate the exercise of ‘political power beyond the state’ (Rose, 2010:15,17, italics added).

Governance as a concept in the study of politics thus illustrates that politics is also thought to be found beyond the traditionally regarded political arrangements at the local, regional, national, or international level (von Sydow, 2004). There is however disagreement about certain aspects of the conceptual content and academics ascribe different meanings to the term. In his chapter ‘Tre myter om governance’ (Three myths about governance), Jon Pierre (2009) discusses three beliefs about governance that he considers erroneous and which may be relevant to observe.

15 Von Sydow (2004:25) points out that the dichotomisation ‘from government to governance’ entails risk of oversimplifying the present and the past. Montin & Hedlund (2009a) also describe that the term governance is not new, but that it was formerly used synonymously with. Etymologically, both terms can be traced to the Greek verb kubernâin, which Plato used to describe how one shapes just government. Montin & Hedlund further describe how the Swedish ‘att styra’ (to govern, direct, or rule) eventually coincided with ‘styrelsen’ (the governing body) to mean the government in the modern nation-state. The term ‘government’ began to be used in a new way in the 1980s-1990s to indicate that the state is not the only institution that governs society.
The first myth Pierre points out is that governance is something new. He argues that this may be the case in Anglo-Saxon countries informed by a political culture in which a distinct differentiation between the state and society has predominated. In the Scandinavian and European countries, however, various forms of corporatist arrangements for representing special interests have been common elements (see also von Sydow, 2004). This type of institutionalised partnership has however become more common through the EU Structural Fund schemes (see for example Olsson, 2003; Bache & Olsson, 2001; Rönnblom, 2008). It is thus not the phenomenon itself that is new, but rather the nature of the thing.\footnote{Which also shows that it can be fruitful to use governance as an analytical concept rather than looking at it as a new empirical phenomenon. The dichotomy 'from government to governance' can therefore be regarded primarily as an analytical, rather than empirical, shift in relation to politics and governance.}

The second myth is that governance entails a tangible weakening of the state. As Pierre points out, the decentralisation of responsibility to regions and local governments (municipalities) constrained the state’s avenues of control. Likewise, political power has been shifted upwards to actors like the EU. Pierre argues however that this is a change of state control, rather than a weakening of the same (see also Hudson, 2005, who advances a similar argument in relation to regional development policy in Sweden). Pierre further illustrates that the state itself has chosen to organise this ‘policy style’ and writes, ‘Abdicated power is not […] necessarily tantamount to lost power, since the entity which abdicates power usually retains the option to recall it’ (Pierre, 2009:47, authors translation). Swyngedouw (2005) advances a similar argument when he asserts that the state has played a decisive role in this process of shifting political power to new actors.

The third myth touches on the common belief that all forms of governance must occur through networks: ‘Governance is more than networks; the concept refers to how a society is managed and coordinated and it is no more correct to say that this always occurs through networks than it is to say that it always occurs through [formal] political structures’ (Pierre, 2009:49, authors translation). Governance may thus be organised in networks, but that does not always have to be the case.
Politics, the political and politicisation

‘Politics’ is anything but a clear-cut concept. Precisely as Stephen D. Tansey (2004) describes, it can be tricky to try and define ‘politics’ more formally and precisely. Hay (2002:66) also believes that academics in political science tend to avoid the question of what is political and the essence of politics. What the term politics refers to is thus often implied. In his thesis ‘Political Science and the Concept of Politics’ Henrik Enroth (2004) analyses the genealogy of the concept of politics in the 20th century. He argues that there is considerable uncertainty in political science about the meaning of ‘politics’. One of his main theses is that the concept of politics can only be understood on the basis of something other than itself:

politics is only possible and conceivable on the basis of something prior to itself, and […] politics can therefore only be conceptualized of some prior description of a people, a nation, a society, or some even more spectacular entity yet to take real shape in a globalized world (Enroth, 2004:4).

Politics is thus always understood in relation to something else, such as groups of people, nations, states, or societies. Enroth describes how this assumption has created and is still creating challenges to the understanding of politics and the disciplinary identity of political science because the understanding of the entities of politics has changed over time. In what is described as a more globalised, individualised and multicultural world, conceptualisations of society, state and nation are facing new challenges. Enroth (2004) asserts that the problems of modern political thought in dealing with the concept of politics arise from the assumption that politics must be understood in relation to something else, which becomes problematic when these ‘priors’ change.

Contributions to the understanding of politics are many and views on its deeper meaning vary. Although closer analysis of ‘politics’ as a concept is outside the aim of this study, it may be useful to shed light on two aspects that are the subject of discussion: a narrow definition of politics in relation to a wider one, and how power should or should not be related to the conceptualisation of politics. According to Statsvetenskapligt lexikon [The political science lexicon] a broad understanding of politics versus a narrow one may be illustrated as follows:

A wide definition is based on the premise that politics is all social conditions that have to do with power, governance and authority. A narrower definition says that politics is the public decision activity and the frameworks that lead
the actions of individuals and groups forward to public decisions (Goldmann, et al., 1997:206).

The narrower definition confines politics to the activities practiced through formal political institutions like elections, legislation and lobbying activities (ibid). Based on a narrower understanding of politics, not all the processes identified in the governance literature are recognised as politics. According to the wider understanding presented here, politics could be regarded as a general term for conditions that encompass power, governance and authority. Based on this understanding, politics also occurs in private organisations, families and religious congregations. A New Handbook of Political Science describes politics in the following way:

‘Politics’ might best be characterized as the constrained use of social power. [...] When defining politics in terms of power, we follow many before us. ‘Power’ is, by now, well known to be a fraught conceptual field (Goodin & Klingemann, 1998:7).

Goodin and Klingemann thus emphasise the compulsory or constraining aspect as central to the definition of politics. They also stress that the use of social power covers intentional acts as well as unintended consequences and passive as well as active workings of power. Power is understood here as defined by Dahl: ‘A has power over B to the extent he can get B to do something that B would not otherwise do’. In Goodin and Klingemann’s definition, they also depart from Lasswell’s classic formulation of politics as ‘who gets what, when and how’ (Goodin & Klingemann, 1998:8). They argue that it is perhaps true that political acts have this type of distributional consequences, but that this does not encompass all political interactions (ibid).

David Easton’s definition of politics had tremendous impact on the understanding of politics in political science. In his search for a general abstract theory of politics and political systems, Easton (1953) looked at the then two predominant schools of thought: those preoccupied with the state, and those preoccupied with power. He argued however that the state does not suffice as a definition of politics, in part because there have been periods in history when states did not exist. In his search for a historically viable understanding of politics he therefore sees that politics as a concept should not be tied to a specific institution. Power, on the other hand, was according to Easton a more appealing definition because power has to do with action that can thus take place within various institutions. His conclusion is, however, that power alone is a too broad definition of politics because political scientists should not be
preoccupied with the study of all forms of power. He calls the exertion of power in families and religious organisations ‘parapolitical’ for instance. David Easton’s (1965) ‘commonsensical’ definition of politics as authoritative allocations of values within a society, is one that attempts to identify politics as action that may occur within various types of institutions, where politics is not bound to a specific institution, such as the state. Easton’s abstract and general theory of political systems showed that political systems have existed throughout history; they simply had not been perceived and described as such. The ‘actions and interactions’, to use Easton’s own terms, thus become central to the understanding of politics. To be regarded as political, these actions must also be perceived as binding on other social actors. Easton’s contribution thus illustrates how the conceptualisation of politics has come to be understood as actions/interactions, rather than something tied to a particular organisation.


Politics is a way of ruling divided societies without undue violence. This is both to assert, historically, that there are some societies at least which contain a variety of different interests and differing moral viewpoints; and to assert, ethically, that conciliation is at least to be preferred to coercion among normal people (2005:114).

Crick further emphasises that politics is a process of discussion. For this discussion to be regarded as genuine and fruitful, critical dialectic and opposition are necessary. He also discussed consensus in relation to the understanding of politics:

Those who say we desperately lack a consensus of values, and have such a thing to offer […] are in fact simply trying to sell us a particular brand of politics while pretending that they are not. (Crick, 2005:146).

A central tenet of Crick’s argument is that consensus is a product of politics, rather than a prerequisite for the same. In this way, his approach can be compared to that of Chantal Mouffe (2005), who also has a pluralist approach to politics. Mouffe makes a distinction between politics and the political. In this view, politics is the empirical field with which we political scientists are preoccupied, and which institutional form the politics takes is thus an empirical question. ‘The political’, on the other hand, represents a theoretical perspective on the essence of politics, which Mouffe envisages as ‘a space of power, conflict and antagonism’ (2005:9). Power, conflict and antagonism are thus the basis of the political. Mouffe may be one of the foremost critics of what she
calls the post-political vision, a Zeitgeist in which consensus-based politics is advocated:

There is much talk today of ‘dialogue’ and ‘deliberation’ but what is the meaning of such words in the political field, if no real choice is at hand and if the participants in the discussion are not able to decide between clearly differentiated alternatives? (Mouffe, 2005:3).

Mouffe argues that a pluralistic society incorporates conflicting interests. Politics in a democratic society therefore demands the articulation of issues surrounding clearly differentiated positions. Consensus is necessary in politics, but must be accompanied by dissent (Mouffe, 2005).

Marie Demker and Ulf Bjereld engage in a discussion in their book ‘Den nödvändiga politiken’ (2011) [The necessary politics] inspired by Chantal Mouffe’s conceptual couplet of politics and the political, although they depart from Mouffe on certain points. They hold that political scientists often see politics as a matter of the political institutions (government, parliament, local executive boards, etc.) or party politics. They argue that politics should be understood as a continuously recreative process in a society that is never finished, while the political is a prerequisite for politics.

One of the main arguments advanced by Demker and Bjereld is that politics, the set of practices and institutions through which order is created and coexistence organised, has been detached from the political: the feelings, actions, behaviours and attitudes that constitute the community in which the allocation of values is carried out. They believe the public sphere is the link between the political and politics. The expression of the communications revolution in the form of individualisation and destabilisation, they argue, has at least two consequences for citizens’ opportunities to be a ‘link between the social community (the political) and the institutional solutions (the politics)’ (Ibid, page 35).

The first consequence is that the grip of the political on politics is not as strong as it used to be. The explanation behind the weaker grip of the political on politics is, to use Demker and Bjereld’s own terminology: transnational agreements, international dependencies, volatility in the capital markets and regional integration. This, they posit, implies that the public sphere in Sweden

17 The primary points of departure for Demker and Bjereld’s discussion are the communications revolution, individualisation and destabilisation, although their central argument concerns the need for a rebirth of politics. In my reading The conflict dimension is not as prominent in Demker and Bjereld’s use of the concept of ‘the political’ as in Mouffe (2005).
can no longer make the same claims to authoritative issuance of moral judgements about the politics. Nor is the politics as dependent as before upon the public sphere for its legitimacy. The second consequence of this development, according to Demker and Bjereld, is that the public sphere is undermined as an expression of the political (Bjereld & Demker, 2011).

Malin Rönnblom advances a similar discussion about politics wherein the agonistic dimension is central to the understanding of the concept of politicisation. Based on the terms politics, established politics and politicisation, she argues as follows:

I regard politics as collective action aimed at changing or preserving the society. This activity may take place in various places and in a variety of settings, and nor is there, as I see it, any fixed (but conversely mutable) boundaries between political and non-political spheres. Not everything is politics, but everything can be politicised. I also regard politics as a system, in the sense that there are dominating beliefs about what politics should be and, especially, how decision-making and implementation should be institutionalised. I call this established politics. More than collective action is required for an issue to be politicised and thus gain a place on the agenda of established politics (Rönnblom, 2008:33).

According to this argument, an issue must become part of established politics to be politicised. Two further requirements however are imposed in order for an issue to be regarded as politicised: it must be articulated in collective (and not individual) terms and it must be articulated in terms of conflicting interests (Rönnblom, 2008:34, see also Wendt Höjer, 2002:191f). Based on this reasoning, an issue may thus be articulated on a political agenda, but be ‘depoliticised’ in such a way that it is not articulated in terms of conflicting interests (ibid).

A scholar in the field of business administration and organisational studies, Nils Brunsson (2002) also uses the term politicisation, albeit in a slightly different way. He uses the term to describe what happens when private organisations, such as firms and associations, acquire characteristics of ‘the political organisation’. Basically, however, there are strong similarities to Wendt Höjer (2002) and Rönnblom’s (2008) use of the term. According to Brunsson, conflict is an important aspect of ‘the political organisation’, since it must deal with the myriad and often conflicting opinions and interests of the public. In this way, the political organisation is structured so that it is based on conflict, on different and conflicting demands. In the firm, on the other hand, consensus and specialisation are key principles. In public organisation, what the
organisation achieves is not the only concern, but also how the organisation does it (Brunsson, 2002).

Clusters as politics – how politics is understood in this study

The point of departure of my analysis of cluster policy as politics in this study is that clusters have appeared on public policy agendas all over the world, including Sweden. In order to analyse how cluster policy is articulated and formed within the confines of regional growth and development policy, I use Crick and Mouffe's discussions of the concept of politics. I use Mouffe's conceptual couplet of 'politics' and 'the political' to distinguish between the practical arrangements of politics and a theoretical perspective on politics. The strength of this distinction is that the political sheds light on the essence of politics without it having to be understood in relation to anything other than itself (even if it can be linked to discussions of society and democracy, as Mouffe herself does). As Enroth (2004) notes, one of the problems of political science is that politics is constantly related to something other than itself. When the political is understood on the basis of an agonistic dimension, the concept becomes a useful tool for analysing political processes. In my study, I use the term politics to describe how public policy is organised, how cluster policy is formed. I use the political as a dimension of describing and understanding how cluster policy is articulated.

In order to operationalise the political, I use Maria Wendt Höjer's distinction between politicisation and depoliticisation with regard to a single political issue. In this study, politicisation implies that clusters and cluster policy are articulated on the public policy arena. In this way, the issue becomes a possible subject to negotiations and differences of opinion. This is not, however, solely a matter of whether and where the issue is articulated, but also how it is formulated. As Wendt Höjer writes:

My thought is that an issue may be put on the political agenda and still be depoliticised in the sense that it is not formulated in terms of conflicts or divided interests (Wendt Höjer, 2002:192).

From this perspective, politicisation requires the issue to be articulated in collective terms. If the issue is articulated in collective terms, solutions in collective terms are also made possible and legitimised. By conflicts is meant that the issue, cluster policy in this case, is formulated in terms of conflicts and divided interests (see Wendt Höjer, 2010:191ff). That an issue should be
articulated in terms of conflict and different interest in order to be considered politicised, can be related to Mouffe’s discussion on the political: ‘the fundamental question for democratic theory is to envisage how the antagonistic dimension – which is constitutive of the political – can be given a form of expression that will not destroy the political association’ (Mouffe, 2005:52). This is by Mouffe handled by a distinction between the terms ‘antagonism’ (relations between enemies) and ‘agonism’ (relations between adversaries) which envisages a sort of ‘conflictual consensus’ (2005). It is, however, important to note that depoliticisation does not mean that politics is not the issue, but only that the issue is not articulated as politics.

**Structure of the thesis**

In this first chapter, I have introduced the problem area investigated in this study: regional cluster policy. The aim and research question of the paper have been presented. In order to clarify the research question, I have also discussed politics, the political and politicisation and how I use the terms analytically. In Chapter Two, I describe my methodological approach, methods used to generate data and how the data were analysed. I also describe my approach to ethical questions in the research process and ethics and research more generally. Chapter Three describes and analyses earlier research on clusters and cluster policy, which I argue is densely intertwined with cluster policy. I also describe and analyse how the cluster terminology was introduced and has been represented over time at the national political level in Sweden. Based on this contextualisation of regional cluster policy, I describe and analyse cluster policy in a Swedish region in Chapter Four. The chapter ends with a summary analysis in which I discuss my stated analysis questions in relation to the material. In Chapter Five, I present a summary discussion of the implications of looking at the articulation and formation of regional cluster policy in terms of politics, the political and politicisation. The results are also discussed in relation to earlier research and interesting questions for further research.
Chapter Two
Methodology, methods, material and research ethics

I use various types of qualitative data to analyse regional cluster policy as politics, how cluster policy is articulated and formed. I have chosen to work with qualitative data primarily for two reasons. First, there is sparse research that analyses and describes cluster policy as politics. Second, this provides scope to study a phenomenon in its context. Discourses, which are of analytical interest in this paper, are always context-dependent (Hudson & Rönnblom, 2007). The implications of this include that the study of a policy area requires reflection on the interconnections between other policy areas (Bacchi, 1999). Cluster policy, in my view, cannot be understood as an isolated policy area: it must, at least in a Swedish context, be understood in relation to other things, including regional policy. In this chapter, I describe my approach, the research process, how the material was analysed and ethical questions in the research.

Approach
My approach is inspired by Carol Lee Bacchi’s (1999) ‘What’s the Problem?’ approach, which is a shorthand for ‘What’s the problem represented to be?’.

The approach takes its starting point in how we perceive and think about issues, since this affects which interventions are thought necessary. From this perspective, the interesting thing is the problematisation itself, rather than the actual ‘problem’. All representations of an issue or problem are interpretations, which involve judgement and choices. This focus does not mean that the analysis refers only to ideas or ways of talking. The problematisation affects how problems and solutions are represented. Discourses have material consequences. A central point of departure for this study is that the cluster discourse has various types of material consequences for different groups, which we will revisit below. Inspired by Foucault, Bacchi discusses the concepts of problematisation and representation as follows:

18 This approach has been used before by researchers in cluster and growth policy studies to analyse gender equality and gender in innovation and growth politics (see Hudson & Rönnblom, 2007; Rönnblom, 2008; Lindberg, 2010).
The focus on interpretations or representations means a focus on discourse, defined here as language, concepts and categories employed to frame an issue. [...] the approach ‘frames policy not as a response to existing conditions and problems, but more as a discourse in which both problems and solutions are created’ (Bacchi, 1999:2).

When I analyse regional cluster policy, cluster terminology and how it is articulated becomes central to understanding how cluster policy is formed. The analytical approach is comparable to what has been called genealogy, analytically investigating when and how a particular issue began to be problematised and how the problematisation is represented. Bacchi argues that the representation is often clearest in the initial problem formulation, because this is when the policy is described and argued for. She recommends genealogy as a technique for uncovering shifts in thinking and acting around particular issues. In this way, that which is taken as given can be problematised by uncovering historical shifts in thinking. Genealogy has thus been described as a methodological problematisation of the given (Bacchi, 1999:40f). The approach is particularly suited to analysing what has not been problematised and what is absent from the public policy arena, such as power relations. It provides space and opportunity to analyse and problematise cluster policy on a deeper level. Analysis confined to the current representation of clusters is in danger of obscuring how attitudes towards clusters have changed over time (see Eklund, 2007:27), or, as Mitchell Dean argues concerning the advantages of a genealogical approach:

Genealogy is characterized as a diagnostic of the present by ‘problematising’ taken-for-granted assumptions and an anti-anachronistic refusal to read the past in terms of this present. [...] It engages in the restive interrogation of what is taken as given, natural, necessary and neutral [...] (Dean, 2010:3f).

The approach thus takes its point of departure in the problem formulation itself, which Bacchi believes has been neglected in earlier policy research. As mentioned in the introduction, Bacchi also argues that how academics and other professionals (think tanks and other organisations) reflect upon policy problems therefore becomes a matter of analytical interest:

The raw material for the analysis will consist of policy statements, debates, and theoretical analyses. The last category, theoretical analyses, is crucial. ‘What’s the Problem?’ as an approach suggests that it is as important to ask how academics and other professionals reflect upon policy ‘problems’ as to enquire into the views of ‘policy makers’ in the strict sense. This is because academics and other professionals often structure arguments and issues in
ways which affect the framing of ‘problems’ in the wider community (Bacchi, 1999:1).  

The material upon which the analysis is based comprises qualitative data from three different, but still linked, contexts. First, I analyse representations of clusters in earlier research on clusters and cluster policy. As I argued in the introduction, there is considerable cross-fertilisation between cluster studies and cluster policy, which makes it particularly interesting as input for analysis. Second, I analyse key national policy documents pertaining to clusters in regional policy that may be considered germane to how the problem representation is framed at the regional level. In order to deepen the analysis of my empirical case study, I have also analysed cluster policy at the regional level. Precisely as Bacchi argues, I believe the approach increases our understanding of how cluster terminology is represented: ‘Context is useful not only to identify the distinctive characteristics assigned social problems but also to uncover commonalities in social problem diagnosis’ (Bacchi, 1999:206).

The context of regional cluster policy

In my analysis of earlier research, I have used both ‘cluster studies’ and ‘cluster policy studies’. It should be mentioned that the difference between the two is highly analytical. In my analysis, ‘cluster studies’ are represented mainly by Porter’s work, although there is vast research in the field. I chose Porter because his work can be presumed to have had powerful influence on policy formation. I also believe any differences between Porter’s understanding of clusters and that of other academics in the field are irrelevant to how clusters are analysed in this paper. The ‘Cluster policy research’ used in this analysis consists mainly of articles in scholarly journals, supplemented by academic working papers accessible via the internet.19

I used key policy documents issued by the Swedish Government when analysing clusters in regional policy. This refers to the two Government Bills that have been the most critical to the formation of Swedish regional policy and

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19 There is a vast body of research on clusters. I do not pretend to provide comprehensive analysis of this research. The aim of the analysis is to illustrate the main features of the research to create an understanding of the context and framing of regional cluster policy. I performed searches using the search terms ‘clusters’ and ‘cluster policy’ in Academic Search Elite, the Pais Wiley Online Library, EBSCO HOST and Google Scholar. The searches returned about 30 articles that were used as a basis for the analysis. I also used various anthologies on the theme of clusters and cluster policy that gather the latest research in the field.
industrial policy since 1998, which have since been expanded to regional growth policy, which we will look more closely at in Chapter Three. The material also includes a Swedish Government Report issued in 2000, because it had strong influence on the texts on clusters in the next Government Bill in this area. The material also includes the Swedish Government’s ‘National strategy for regional competitiveness, entrepreneurship and employment 2007-2013’ and a written follow-up communication from the Government.

State agencies like Vinnova (The Swedish Governmental Agency for Innovation Systems), whose mandate is to strengthen the innovation system in Sweden, and Tillväxtverket (The Swedish Agency for Economic and Regional Growth), whose role is to strengthen regional development and facilitate enterprise and entrepreneurship throughout Sweden, work in different ways to promote the development of clusters and innovation systems.20 Tillväxtanalys (Growth Analysis/The Swedish Agency for Growth Policy Analysis) is another important actor in the context. This review has however been confined to how the Government introduced cluster terminology in key policy documents and how the terminology has since been represented over time. The material used is far from exhaustive, but since the policy documents cover the period of 1998 to 2010, interesting analyses and observations were possible. The policy documents have not been analysed in their entirety; I have used the parts in which cluster terminology was used.

Case study research
Frequent arguments are made that case studies based on qualitative data are useful when we want to systematically study a specific phenomenon, when the phenomenon is not severable from its context and when we want to create a holistic picture in order to understand complex social phenomena (Merriam, 1994; Yin, 1993, 2009). From this perspective, the method can be regarded as suitable for studying meaning, processes and contextual factors in regional cluster policy (see Marsh & Stoker, 2002). In this way, a case study can generate greater understanding of how cluster policy is articulated and formed.

20 Vinnova writes its name in all capital letters, but I have chosen to write it with an initial capital followed by lower case letters.
What then is a case in case study research? First and foremost, we can say that it varies. Opinions also vary as to whether it is important – or even desirable – to establish in the initial stages of the research what the target of study is a case of. It has been argued that premature categorisation of what is being studied may inhibit conceptual development. Researchers should therefore continually ask themselves this question during the research process (Ragin, 2008; Walton, 2008). Ragin and colleagues (2008:9) make a distinction between cases as empirical units and theoretical constructions. I initially identified an empirical case of regional cluster policy, whose nature as a theoretical construction evolved during the research process. As a theoretical construction, the study is a case of politics, albeit a specific form of politics: regional cluster politics.

A case study may incorporate or be dominated by either qualitative or quantitative material or both (Yin, 2009). This study is based on analysis of qualitative data generated through interviews, notes recorded in participant observations and documents. Early in the research process, using qualitative material seemed a logical choice because I am interested in how regional cluster policy is formed and how we can understand these processes as politics. Throughout the research process, I have also been interested in how people talk about clusters. In addition, as I have already noted, research on cluster politics is not particularly abundant, which may make a case study based on qualitative material particularly worthwhile (see for example Esaiasson, et al 2007; Eriksson, 2005; Johansson & Rydstedt, 2010).

As to generalisation of case studies based on qualitative data, many academics contend that the findings are not generalisable. Others hold that scholars should instead use other terms that more perfectly reflect the conditions upon which the research based on qualitative data relies. One such term might be ‘external validity’, which has to do with whether the findings can be considered applicable or valid in situations other than the one studied. The findings can then be related to previous research and theory within defined areas (Yin, 1993). Still others argue that research based on qualitative data should provide a perspective, rather than generation and verification of universal theories (Merriam, 1994). My findings will contribute a perspective on cluster policy that is largely absent in previous research.
**Empirical case – Värmland**

In order to study clusters as politics, how regional cluster policy is articulated and formed, cluster policy at the regional level must also be studied. The Swedish county of Värmland has previously been described as a ‘textbook example’ of regional development work since the 1990s (Forsberg, 2010). Värmland has also received attention in various contexts for its ‘clusters’ and its work with cluster development. One of the region’s ‘clusters’ has been named one of the most competitive in the EU by the European Cluster Observatory. The ‘OECD Territorial Reviews: Sweden’ makes particular note of Värmland:

> Some other regions that do not have the same level of decision-making powers and resources [as Västra Götaland], such as Värmland, have also achieved significant results in terms of innovation capacity and developed dynamic regional clusters based on regional partnerships (OECD, 2010:97).

In the OECD analysis, Värmland is compared to Västra Götaland, a region whose regional council is composed of directly elected representatives. Värmland is one of the regions where the mandate to govern regional development lies with the regional co-operation council. The members of the regional co-operation council of Värmland are indirectly elected politicians drawn from the executive councils of member municipalities and the County Council Assembly. In June 2011, Värmland was also recognised with a 2011 RegioStars Award from the European Commission for its work with cluster development in the SLIM project, an EU Structural Fund project for cluster development in cooperation among the regions of Värmland, Gävleborg and Dalarna (Region Värmland, 2011-06-26). Värmland is thus often described as a model example of regional cluster and innovation policy and is therefore a suitable empirical case for closer study.

**Material generation**

The material used as a basis for analysing cluster policy in Värmland comprises interviews, documents and participant observations. Before I describe how the respondents were selected and how the interviews were conducted, I will briefly

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21 The project won an award for ‘anticipating economic change’ under the category ‘economic competitiveness’.

22 I use the term participant observation here in the way that Mason (2002:84) describes the method: ‘methods of generating data which entail the researcher immersing herself or himself in a research ‘setting’ so that they can experience and observe at first hand a range of dimensions in and of that setting’. Mason also emphasises that participant observation is a method that can be used in its own right without being connected to any particular overall approach, such as ethnography.
describe how the supplementary material pertaining to cluster policy in Värmland was generated.

Participant observations were carried out primarily to create a clearer framework of understanding for the studied phenomenon. By participating at conferences, I was able to form a general understanding of the cluster discourse and gain insight into who participates in assemblies of this nature, how the conferences proceed, how people talk about clusters and so on. Observations were primarily carried out on three specific occasions: Two National Cluster Conferences (in 2010 and 2011) arranged by Region Värmland, Region Dalarna and Region Gävleborg, whose participants were mainly regional public actors, national public actors, cluster organisations, academics and consultants. The third occasion was a conference on the theme of Regional Innovation and Growth arranged by Region Värmland in Brussels in December 2009.

Policy documents and other written materials were used to supplement the interview study. Policy documents were used primarily for the purpose of analysing the evolution of the representation of clusters in the region over time. One limitation of interviews as a data collection method is that they capture what is happening here and now. Analysing key policy documents related to regional growth policy provides greater understanding of how attitudes towards clusters have changed over time. The documents cover the period of time analysed at the national level and comprise the Regional Growth Agreement, the Regional Growth Programme and the Regional Development Programme for Värmland. Documents supplied by the respondents during the interviews were also used as input for the analysis. My material on cluster policy in Värmland also includes opinion articles concerning clusters in two local/regional newspapers, Värmlands Folkblad (VF) and Nya Wermlandstidningen (NWT).

The interviews
Early in the research process, semi-structured interviews stood out as a viable method for generating data about how cluster terminology is filled with content in the regional policy and how cluster policy is organised at the regional level. There are, however, myriad ways to approach interviews as a research method. Esaiasson et al (2007) for instance distinguish between informant studies and respondent studies. In informant studies, the interview subjects are used as ‘witnesses’ or ‘truth owners’ who are meant to contribute information about the
nature of reality. In respondent studies, the researcher is interested in the subjects’ thoughts and perceptions (ibid). I regard my subjects as respondents in a process where I, in my capacity as interviewer, generate knowledge in interaction with them (Mason, 1996:63f; Kvale, 1997:39). I have endeavoured through the interviews to discover the respondents’ perceptions and stories about how cluster terminology is used in regional policy. Whether or not what the respondents say is ‘true’ is thus not of primary interest; I am instead interested in their perceptions and ‘stories’.

The type of interviews conducted can moreover be described as a form of elite interviewing. Elite interviews are defined in terms of the studied target group being an ‘elite’ in some way and the research technique is often semi-structured interviews. Elite interviewing is a particularly effective way to gain information about how decision-making processes are organised (Burnham, et al, 2004:205). Since I regard my subjects as respondents, I see the interviews as an opportunity to gain insight into how the people involved in decision-making process reflect upon policy problems and their solutions. The respondents interviewed within the framework of the study, with one exception, a politician, cannot be formally regarded as political decision-makers. However, the majority of them, as we will see later, have access to and, according to them, substantial opportunity to influence decision-making processes within the framework of the regional growth policy.

In order to identify the persons involved in ‘cluster cooperation’, I began by interviewing people who work at one of the cluster organisations in the region and then applied snowball selection. Thus, actors who are participants in the ‘cluster cooperation’ were interviewed. I was also mainly interested in interviewing the actors with whom the cluster organisations believe they have continuous contact within the confines of their activities. An alternative approach (to a certain extent implemented by academics including Lindberg, 2010 and Forsberg & Lindgren, 2010) would be to interview the regional actors who are ‘outside’ the cluster cooperation in order to get their perspective on cluster policy. The limitation thus made may be described as an ‘inside-out perspective’ and the findings should be considered on this basis.

Kvale (1997:11f) makes a similar ontological and epistemological distinction between the interviewer as prospector and traveller. The interviewer as prospector looks for objective facts and the knowledge is lying and waiting to be discovered. The alternative metaphor, the traveller, reflects how knowledge is created in the interaction between interviewer and subject.
Respondents from cluster organisations, government, academia, chambers of commerce and firms were interviewed. 24 As a result of the selection technique, respondents from the government sector were primarily civil servants; only one out of seven respondents is a politician. 25 A total of 22 interviews were conducted with 20 people. One respondent was interviewed three times (see Appendix 1). Nineteen men and one woman were interviewed. 26 Two of the interviews were carried out jointly by a colleague and me in 2009, in a related research project on clusters in Värmland. The respondents were usually contacted by e-mail with an information letter attached. I then contacted the respondents by phone to set a time for the interview. One person declined to participate in the study. The interviews were usually held at the respondents’ places of work, except for three interviews that were held at my place of work upon request by the respondents.

The interviews can be described as semi-structured, in that they were based on the same theme, but the respondents were not necessarily asked identically phrased questions. The interview process can be described as cumulative in that if a respondent brought up an additional question, that question was later brought up in subsequent interviews (Trost, 2005). The interviews were divided into three sections. First, the respondents were asked to tell me about themselves and their organisation, how long they had worked in their current position and what they did previously. Their views on the concepts of ‘cooperation’, ‘regional growth’ and ‘innovation’ often came up early in the interview. The respondents were then given a large sheet of white paper and asked to write notes and stick them on the paper to illustrate which actors with whom they have relationships and cooperate. 27 The respondents from cluster organisations, for example, were asked to describe those with whom they have relationships within the framework of their activities and regional growth work. In a like manner, respondents from the government sector were asked to talk

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24 The respondents from firms were interviewed because they are members of one of the cluster organisations in the region [the Pulp and Paper cluster], but it emerged during the interviews that several of the firms are members of more than one cluster organisation.

25 It has been noted in earlier research that regional development policy is often largely managed by civil servants (see for example Rönnblom, 2008; Johansson & Rydstedt, 2010).

26 Exactly as Johansson & Rydstedt (2010:14) describe, the policy area is male-dominated. From a democracy perspective, they chose therefore to interview women in executive positions. In this study, I have chosen to apply snowball selection because I am interested in the picture painted by the people who are involved in ‘cluster partnerships’. However, I chose on my own initiative to interview the business owners and executives from one of the cluster organisation’s member firms because I also wanted to bring in that perspective. In my judgement, it was imperative to capture the business owners’ perspective because they are constantly ascribed a central position in ‘cluster cooperation’ and regional growth. The respondents from the firms were suggested by staff at the cluster organisation; I met with them at members’ meetings arranged by the cluster organisation.

27 The approach was inspired by that described by Trost and Levin (2004).
about the people with whom they have relationships within the framework of cluster development and regional growth work. This provided a map of the actors who are involved in various ways in cluster policy arrangements and participate in regional cluster policy formation, although this was not the main purpose, which was to get respondents to think aloud and talk freely about every relationship, what it is like, the roles of the cluster organisations, etc., in order to explore the respondents’ views on the various relationships and their activities. The majority of the interview time was devoted to this step. This was followed by questions about the aims and goals of the organisation, opportunities to exert influence, shared visions, the difficulties involved in this type of relationships, leadership, cluster organisations as industrial policy instruments and democracy in regional growth work. Finally, the respondents were asked whether there was anything I had not asked about that they thought was important to discuss in order to provide additional space for other reflections and angles. The interviews generally lasted for one to two hours.

The interviews were recorded on Dictaphone with the respondents’ consent and transcribed verbatim except for one interview, which was not recorded due to technical difficulties. The Dictaphone was used partly to prevent selective listening during the interview and partly so that I, as the interviewer, could give my full attention to what the respondents said so that I could ask follow-up questions. The verbatim transcriptions also provided an opportunity for detailed analysis based on the respondents’ own words (see Bryman, 2004). In the following section, I will describe how this analysis was performed.

‘What’s the Problem?’ as analytical tool
The approach of this study is strongly influenced by Bacchi’s (1999) ‘What’s the Problem?’ approach, which I also use to analyse the generated material. It should however be noted that while I was inspired by Bacchi (1999), I have not fully applied the approach. She characterises the approach in five points; in formulating my analysis questions, I was inspired by the first four, but have left the fifth for later studies:

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28 All respondents from firms (which are members of the cluster organisation) represent organisations identified in the Regional Development Programme as representatives of ‘regional leadership’.
(i) What is the problem represented to be either in a specific policy debate or in a specific policy proposal?

(ii) What presuppositions or assumptions underlie this representation?

(iii) What effects are produced by this representation? How are subjects constituted within it? What is likely to change? What is likely to stay the same? Who is likely to benefit from this representation?

(iv) What is left unproblematic in this representation?

(v) How would 'responses' differ if the 'problem' were thought about or represented differently? (Bacchi, 1999:12f).

My analysis questions thus owe a great debt to Bacchi. The first question is: How are clusters represented in regional growth policy? What I am interested in here is how cluster terminology is filled with meaning and represented. What is a cluster? How do people talk about clusters? The matter of what assumptions underlie the representation is also included in this question.

My second analysis question is: What effects are produced by this representation? This question can be answered based on the three categories of effects that Bacchi (1999:45f) discusses. The first of these has to do with the ways in which subjects and subjectivities are constituted in discourse, the way in which groups are assigned positions and value within policy discourses (as ‘needy’ or ‘disadvantaged’ for example). This leaves it up to those shaping and designing the solution to the problematisation to define who is needy or disadvantaged, or, in this study, which ‘clusters’ should be supported. The second category of effects are those which follow from the limits imposed on what can be said, by whom and on what authority (see also Hudson & Rönnblom, 2007; Bergström & Boréus, 2005). As an example of what can be said, Bacchi mentions the designation of some areas of our lives as appropriate to public supervision and some as ‘private’. An example in relation to cluster policy might be what are designated appropriate targets of political intervention and what should be left up to ‘the market’. The third category Bacchi (1999:45) describes is what she calls the ‘lived effects’ […] of discourse. There are real people living the effects of discourses, discourses have material consequences. This generates the central question of who gains and who loses by the representation.

My third analysis question is: What is left unproblematic? Based on Bacchi’s fourth question, this has to do with what is not articulated in the public policy arena. This draws attention to what is not problematised and articulated on the
existing political agenda, not simply to items which fail to get onto agendas (Bacchi, 1999:60).

**The analysis**

I view the interview transcriptions as text that is based on the respondents’ perceptions and statements. Mason (2002) describes three ways of approaching material: literal, interpretive and reflexive reading. My analysis contains elements of all three. While the analysis is fundamentally based on what is literally expressed in the texts, I believe ‘facts’ are charged with theory and that what we see cannot be separated from our perspectives (see for example Alvesson & Sköldberg, 2008:63ff). The interpretations found in the analysis are based on my analytical perspective, which is a political one. At the same time, my interpretations arise from the respondents’ or text authors’ interpretations of reality and the surrounding discourse. I have maintained a reflexive approach to the material throughout the research process, by which I mean that I observe my own role and my own perspective in the process of generating and interpreting the material. Exactly as Kvale (1997) describes, the research process may lead to a process of reflection that gives the interviewer new insights and values that were previously taken for granted. In the interview process, my initial impression was that clusters in regional policy are synonymous with ‘cooperation’. In response to this impression, the interviews were largely focused on how the actors build relationships with each other within the framework of cluster policy. This was a presupposition that was tricky to deal with analytically. In the later interviews, primarily with some of the business owners, another, more problematised picture emerged. Aimed at problematising the presuppositions in a larger context, I began looking at cluster research in a new way. At the same time, I lifted my gaze to the national arena and how cluster terminology has historically been filled with content in regional policy in Sweden.29

After transcribing the interviews (totalling about 500 pages of text), I read through them several times in order to gain an overall impression of the material. I then began classifying the material into themes in NVivo, a computer program for processing qualitative data. The material was classified into two themes: ‘representations of clusters’ (for which the thematic classification includes the assumptions that underlie the representation) and

29 As I have described earlier, Bacchi (1999) herself regards her approach as a methodological problematisation of presuppositions.
‘effects produced by the representation’ (where that which is left unproblematised is also included). The main purpose of classifying the material into themes was to organise a large quantity of source material rather than reduce the material to static variables (see Mason, 2002). Because several text excerpts address multiple aspects of cluster policy, certain excerpts are found under two themes.

The policy documents and research material used as supplementary input were not classified into themes in NVivo. My analysis of representations of clusters in regional and national policy documents was based on the parts where cluster terminology is used.

The various types of materials were used in different ways in relation to my general research question. In the analysis of how clusters are articulated in cluster studies and in regional policy, my ambition was to contextualise regional cluster policy. Through my analysis of regional growth policy in Värmland, I answer my general research question of how regional cluster policy is articulated and formed. The analytical question that guided the analysis of all materials is thus: How are clusters represented? The following quotation illustrates how I analysed representations of clusters in research, policy documents and interview transcriptions:

Representations of clusters

This is actually the bedrock of what we have been working with for all these years and I've always thought it was an exciting impetus, this discovery of opportunities to cooperate, to do something together that no one could do alone. That's what makes up the entire foundation, as I see it anyway, when we are talking about cluster development.

Cooperation is pretty much the key word now, and people have to trust each other to cooperate, and building trust is extremely important.

We have to accomplish development, growth in production in Värmland, of course, but it's also about marketing all of Värmland as a concept.

How are clusters represented? What assumptions underlie this representation? The data was read both literally and interpretively in the analysis. That the respondents regards ‘cluster development’ as largely synonymous with cooperation is both explicit and implicit in the material. I interpret the problematisation in relation to other quotations categorised under the theme ‘representation of clusters’ as that there is too little inter-firm cooperation and too little business-university-government cooperation. Likewise, my
interpretation of the quotations is that the idea that cooperation leads to growth is tacitly understood. The third quotation also illustrates how ‘cluster cooperation’ is regarded as a way of marketing the region, of creating a story about the region, internally and externally.

In the analysis of the effects produced by the representation of clusters in the region, I have, based on a literal reading, interpreted what the effects of the representation become with respect for example to who benefits from the discourse (who is included in the ‘cooperation’). The analysis also builds on my interpretation of the material. For instance, few respondents problematise the type of effects pertinent to this study, such as which groups gain and which lose. Light is also shed on what is left unproblematic in relation to the respondents who do actually problematise the cluster policy conducted:

Effects produced by the representation

[…] there has to be a democracy of ideas […] it’s a problem if there is no democracy, if my opinion is worth a thousand votes and yours is worth one, and I believe it’s dangerous if you structure everything and a few people make all the decisions and are front and centre all the time. You won’t get a creative environment and the whole thing short-circuits if the people doing the thinking get it wrong, which is devastating. That is why you must have a democratic perspective, you have to work with the ideas people believe in. […] so, if you have too many of these clusters and you’re supposed to structure everything, you know, it gets, well, I don’t think that’s a good thing.

The quotation highlights many aspects of the regional cluster policy. What political arrangements does the representation of clusters engender (how is the cluster policy formed)? Who benefits from the dominant representation (how is the cluster policy formed)? What is left unproblematic in the public debate (how is the cluster policy articulated)? First and foremost, the respondent gives expression to that the cluster policy is engendering governance structures in which certain actors are given a say and others are not. Secondly, the quotation stands out in the material by problematising the political arrangements that have been formed as an aspect of the cluster policy. I use quotations liberally in my analysis section (Chapters Three and Four), for two reasons. First, I want to reproduce central aspects of the material through the words used in the analysed texts in order to uncover the discourse that surrounds and is produced within the regional cluster policy. Secondly, I want to shed light on the arguments on which I base my interpretations in order to advance a transparent analysis.
Research ethics and research policy

Standards of research ethics for informed consent, confidentiality and possible consequences for the respondents of participating in the interview study were taken into consideration during the research process. Ethical questions are actualised in qualitative case studies at mainly two points in time, upon generation of data and upon publication (Merriam, 1994:189).

Informed consent means that the respondents consent to participating in the study upon the condition that they are aware of the general aims of the study as well as the possible risks and advantages of taking part in the study (Kvale, 1997:107). Informed consent thus entails the absence of compulsion by superiors, for example. Knowledge of who is funding the study, how the results will be used and the option to withdraw were important parameters in this study for informed consent to be considered as having been given before participating in the study.

Informed consent could not be obtained in connection with the participant observations because the meetings at which they were carried out were far too large. In my judgement however these meetings may be regarded as public events, since journalists, for example, attended and reported on the proceedings (see Esaiasson et al, 2007). At the same time, the cluster discourse becomes especially apparent at these types of meetings, which makes them valuable input for analysis. In light of the fact that informed consent could not be obtained, I made every attempt to handle this material with particular care.

Kvale (1997:109) describes how confidentiality in research ‘means that private data which identifies the subjects will not be reported’. This is the standard which called for the most discussion with colleagues and reflection during the research process in order to achieve balance between the standards of confidentiality and transparency upon publication of research findings. Because the form of funding makes it obvious which region is the subject of the study, there is greater risk that actors in the region will be able to identify each other in the material. In addition, certain respondents emphasised during the interviews that it was important that certain things they talked about could not be traced back to them upon publication. Out of consideration for these respondents while enabling interesting analysis in a transparent way, I have thus chosen to categorise the respondents in three groups: ‘private actors’, ‘public actors’ and ‘academic actors’ to prevent the identification of individual respondents in the material. None of the categories contains fewer than three
respondents, which protects the rights of individual respondents to confidentiality. I have also made this judgement based on the premise that it is the respondents’ positions, not their persons, which are pertinent to the analysis.

The task of the social sciences and perhaps especially political science is to problematise and analyse how society is organised. At the same time, in this study, it is not the actions of specific persons that are of academic interest or are problematised. What is analysed is how cluster policy is articulated and shaped on a general level, which is also illustrated through the analysis of earlier research and national cluster policy.

When greater weight is put on the role of universities in what is usually referred to as the knowledge society and economy (European Commission, 2003), it becomes increasingly important to examine ethical reflections on the role research should play, the conditions under which it is pursued and how it is carried out (see Burnham, 2008; Bryman, 2004). With regard to research in general, Robert Merton’s CUDOS norms of 1942 may be regarded as general ideals for the goals and methods of good science (Codex, 2011). The CUDOS norms have had powerful impact in the debate on research ethics in terms of both contents and history, but the discourse surrounding researchers has changed since the norms were formulated (Vetenskapsrådet, 2005). In her collection of essays ‘Vem vill leva i kunskapssamhället?’ [Who wants to live in the knowledge society?], Ylva Hasselberg (2009) argues that the Mertonian norms have been challenged by new norms as the idea of the knowledge society has advanced in politics. She argues that academia is at risk of deprofessionalisation:

The professions have historically been distinguished by great independence in relation to economic and political elites and by absolute control over their own work. If we yield the right to make our own judgements on scientific grounds, this is a tremendous loss of autonomy. If we also stop exercising our judgement so that we cannot distinguish between intra-scientific and extra-scientific judgements, this loss of autonomy will become permanent (Hasselberg, 2009:87).

The CUDOS norms are: Communalism: the common ownership of scientific discoveries, according to which scientists give up intellectual property in exchange for recognition and esteem; Universalism – according to which claims to truth are evaluated in terms of universal or impersonal criteria and not on the basis of race, class, gender, religion, or nationality; Disinterestedness – according to which scientists are rewarded for acting in ways that outwardly appear to be selfless; and Organised Scepticism – all ideas must be tested and are subject to rigorous, structured community scrutiny (Vetenskapsrådet, 2005).

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At the seminars where this study has been presented, one recurring question has been how I as a researcher approached my research, considering that it was externally funded, and perhaps especially because it was funded by the organisation that is also, to a certain extent, being examined in the empirical study. In a way, I can thus be regarded as part of what I am studying. Apropos research funding and ethics, Burnham and colleagues (2008:282) write, 'It is not surprising that the ways in which research is funded can pose difficult moral choices [...]'. This is thus an aspect that raises pertinent questions and which should therefore be disclosed and clarified. The project I am part of is aimed at studying public attempts at ‘cluster building’, cluster policy. As an externally funded post-graduate student, I have had the opportunity to formulate research problems and questions independently within the framework of the project I am attached to. The idea behind the research group is to study clusters from various perspectives, organisation in so-called cluster initiatives and cluster policy in three Swedish regions.

35 The research project was funded by SLIM II (System Management for Innovative Platforms and Cluster Organisations in Northern Central Sweden), a Structural Fund project for which the regional cooperation body Region Värmland was the project owner.
Chapter Three
Clusters in research and Swedish regional policy

The sciences ‘arrange’ the world. Those who arrange the world in thought determine the boundaries of division and categories, which will later leave the world of the thought when knowledge and sciences are institutionalised and become apparatuses of power (Sunesson, 1987:vii).

My primary ambition for this chapter is to analyse how clusters are represented in research and Swedish regional policy. The preceding quotation illustrates my analytical aim for the chapter. My point of departure is the relation between power and knowledge, as captured in the Foucaultian Power/Knowledge concept, a process that produces and upholds dominant beliefs and discourses (see Foucault, 1980; Wahl, et al, 2008). Power, knowledge and discourses are in thus regarded as inseparable.

The chapter begins with an analysis of cluster research, after which I describe how previous research to some extent has discussed clusters in political terms and put my own research in relation to this. The analysis of representations of clusters in previous research is used to put the advent of clusters in regional policy into context. Finally, I present a summarising discussion of the main elements of the chapter and what will be important as we proceed towards understanding the articulation and formation of cluster policy within a Swedish region.

Representations of clusters in cluster research
Industrial policy, regional policy and regional growth policy are problem areas many political scientists have addressed in their research (see for example Johansson, 1991; Pierre, 1992; Olsson, 1998; Bache & Olsson, 2001; Hudson, 2005; Hudson & Rönnblom, 2007; Rönnblom, 2008; Johansson & Rydstedt, 2010). Regional cluster policy may be regarded as a sub-field within these neighbouring policy areas, but not much has been written about it by political scientists. One of the exceptions is Malin Lindberg (2010) in her thesis ‘Samverkansnätverk för innovation: en interaktiv och genusvetenskaplig
Several researchers have previously problematised the assignment of so many different meanings to the term ‘cluster’ that it has become a chaotic concept (see for example Martin & Sunley, 2003; Malmberg, 2002; Benneworth & Henry, 2002; Burfitt & MacNeill, 2008). In their frequently cited article ‘Deconstructing clusters: chaotic concept or policy panacea?’ Martin and Sunley (2003) deliver perhaps the most scathing of all critiques of the cluster concept:

[...]

Malmberg (2002:15) argues that the greatest confusion in cluster research is at the most basic level: What actually is a cluster? Instead of talking about one chaotic concept, I aim to argue that the term cluster encompasses a variety of different concepts. Without claiming to give a comprehensive description of how the term cluster has been used in previous research, it may be a fruitful approach to divide representations of the term cluster into two categories: Use of the concept to refer to (i) economic and social interactions and transactions between firms, often within a defined geographical area, and (ii) economic, social and political interactions between business, government, the university and other institutions within a defined geographical area. Malmberg (2002) makes a similar distinction when he semantically differentiates between ‘industrial clusters’ and what he calls ‘discursive clusters’. The first category focuses primarily on firms, while the second is used as a general term for various types of cluster policies, often manifested in a variety of relationships between government, business and the university. I will henceforth use the terms ‘industrial cluster’ and ‘organisational cluster’ because the pairing of the terms ‘industrial cluster’ and ‘discursive cluster’ tend to lead one to think that discursive clusters should be regarded as linguistic/political constructions, while industrial clusters are ‘real’ clusters. I regard ‘industrial clusters’ and

32 It should perhaps be noted that I make relatively heavy use of Malmberg’s (2002) report Klusterdynamik och regional näringslivsutveckling [Cluster dynamics and regional industrial development]. His paper is an overview of the cluster concept and cluster research which I both analyse and use to support my analysis.

33 Several researchers have previously categorised various types of ‘clusters’ in various ways. For a more detailed description of various types of ‘industrial clusters’, see for example Newlands, 2003; Gordon & McCann, 2000; McCann, 2008.
organisational clusters' as parallel representations within a single, dominant, cluster discourse.

**Industrial clusters**

A cluster is a geographically proximate group of interconnected companies and associated institutions in a particular field, linked by commonalities and complementarities. The scope of a cluster can range from a single city or state to a country or even a group of neighbouring countries (Porter, 2000:254, cited in Malmberg, 2002:16)

Michael E. Porter’s (1990; 1998; 2008) definition of clusters is one of the most frequently cited in the literature and it is reasonable to presume that he is also the scholar who has had the greatest influence on the implementation of cluster policies worldwide.34 Porter’s use of the term has, however, changed in his various works.35 Malmberg (2002) points out that one of the most important questions is whether clusters should be understood as functionally or geographically composed as he asks, ‘Is a cluster an industrial system of companies interconnected by various types of relationships, or is it a geographical assembly of similar and related businesses?’ (ibid, 2002:15).

According to Malmberg (2000), Porter himself has exacerbated the confusion by defining clusters in different ways in different writings. In ‘The Competitive Advantage of Nations’ (1990), Porter describes clusters as functionally related firms and industries within a nation:

The competitive industries in a nation will not be evenly distributed across the economy. [...] A nation’s successful industries are usually linked through

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34 Ahedo’s (2004) description of cluster policy in the Basque country is one example (1991-2002). Porter’s consultancy firm Monitor performed an analysis of business and industry in the Basque country in 1990, ‘La Ventaja Competitiva Euskadi’ (‘The Competitive Advantage of the Basque Country’), which recommended that a number of sectors be ‘clusterised’ through the establishment of cluster organisations. Monitor has performed similar cluster analyses in Scotland and País Vasco (Raines, 2001). There are, however, many other examples of Porter’s influence over global cluster policy (Martin & Sunley, 2011).

vertical (buyer/supplier) or horizontal (common customers, technology, channels, etc.) relationships. […] The reasons for clustering grow directly out of the determinants of national advantage and are a manifestation of their systematic character. One competitive industry helps to create another in a mutually reinforcing process (Porter, 1990:148f).

In the same work, Porter also discusses the role of geographic concentration:

Geographic concentration of firms in internationally successful industries often occurs because the influence of the individual determinants in the ‘Diamond’ and their mutual reinforcement are heightened by close geographic proximity within a nation (Porter, 1990:156f).

Porter thus understands clusters as functionally related industries while emphasising that such industries are often geographically concentrated, which reinforces cluster dynamics, innovativeness and competitiveness. In the 1990s, Porter increasingly adopted a view in which geographical concentration became central to the definition of clusters (Malmberg, 2002). In his 1998 article ‘Clusters and the New Economics of Competition’, Porter integrates geographical concentration into his definition of clusters.36

In 1983, President Ronald Reagan appointed Porter to head The President’s Commission on Industrial Competitiveness (Executive Order 12428; Porter & Millar, 1985). The aim was to review means of increasing the long-term competitiveness of United States industries (ibid). After the appointment had ended, Porter wrote ‘The Competitive Advantage of Nations’ (Harvard). But early on, in an interview published in 1982, Porter said he was working on a book on cluster strategy that would shed light on the ideas that could be regarded as the prelude to his later works:37

36 This perspective on clusters, as geographical concentrations of firms, is also closely related to ‘agglomeration research’. Agglomeration, or the spatial grouping of firms, discussed by scholars including Marshall (1920), is thought to produce local spillovers in the form of knowledge and a local specialised labour pool (McCann, 2008; Henning et al 2010). The underlying argument is that agglomerations of firms in a defined geographic territory are presumed to (i) generate frequent informal face-to-face contact between individuals that can result in the sharing of tacit knowledge between firms, (ii) provide for the possibility that certain specialist inputs can be provided to the local group in a more efficient manner than would be the case if all of the firms were geographically dispersed, and (iii) reduces labour hiring and search costs. The relations between firms are described as fluid in the agglomeration model; there is no loyalty or longevity in inter-firm transactions and relations (McCann, 2008:26f).

37 For a detailed analysis of cluster theory and the works of Porter in particular, see Jagtfelt, T. (2012).
What I’m trying to do is distinguish the case where you’ve got a series of divisions of business units that are distinct, but yet related (Pennington & Cohen, 1982, italics added).

Porter’s original idea could be related to the value system, which came to be a central tenet of his later works. According to Porter and Millar (1985), the value chain for a company is embedded in a larger stream of activities they term the ‘value system’:

The value system includes the value chains of suppliers, who provide inputs (such as raw materials, components and purchased services) to the company’s value chain. The company’s product often passes through its channels’ value chains on its way to the ultimate buyer. Finally, the product becomes a purchased input to the value chains of its buyers, who use it to perform one or more buyer activities (Porter & Millar, 1985:150).

From having mainly focused on business competitiveness from the perspective of individual firms, Porter transitions in his 1990 work to a macroeconomic perspective. Porter opens ‘The Competitive Advantage of Nations’ with the question: ‘Why do some nations succeed and others fail in international competition?’ (Porter, 1990:1). What he is trying to explain with the cluster concept is thus the source or sources of a nation’s international competitive advantage. The value chain and the value system remain a central element of Porter’s description and definition of clusters (see Porter, 1990:40f). If we start with Porter’s oft-cited definition of clusters presented initially, we see that the value chain is embedded in the very definition of clusters. The terms ‘interconnected’ and ‘linkages’ are central to the understanding of the value chain, as Porter expresses it:

A firm’s value chain is an interdependent system or network of activities, connected by linkages. Linkages occur when the way in which one activity is performed affects the cost or effectiveness of other activities. […] A company’s value chain for competing in a particular industry is embedded in a larger stream of activities that I term the value system (Porter, 1990:41f).

The ‘Diamond’ also became a central component of Porter’s cluster concept, which he connects to the value chain and the value system. The theory

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38 See also De Man, 1994, who analyses his change of perspective from the 1985 work to The Competitive Advantage of Nations, 1990.

39 My understanding is that Porter uses the term ‘value chain’ in two different ways. In his (and Millar’s) article from 1985, the value chain seems to refer to firms’ (firms in the plural) ‘integrated value chain’ (but only one chain). In Porter’s 1990 work, the value chain seems to refer to one firm’s (singular) internal processes (marketing, logistics, product design, components, etc). In Porter’s The Competitive Advantage of Nations (1990), the value system thus consists of parallel, integrated value chains constituted by entire industries (several parallel chains).
describes determinants that affect the environment of a nation and which can promote or impede industrial competitiveness. According to Porter, the Diamond is the conceptual and theoretical representation of clusters, and clusters are in this way the physical representation of the Diamond (Porter, 1998; Jagtfelt, 2012). The theory may be read as a set of hypotheses and consists of four attributes. As described by Porter (1990, chapters 3 & 4), the attributes should be understood rather broadly, but as described by Malmberg (2002), the main contents of the theoretical model are:

(i) Factor input (production) conditions, such as human resources, physical resources, knowledge resources, capital resources and infrastructure. Current determining factor input conditions are based on specialised knowledge and skills, technological know-how and infrastructure tailor made for specific businesses. However, from this perspective, the environment most richly endowed in factors need not be the most favourable. Deficiencies in availability of factor inputs, such as high labour costs or high energy costs, may push a firm towards innovations. ‘Selective factor disadvantages tend to drive innovations and strengthen competitive advantage as long as other factors are favourable’ (Malmberg, 2002).

(ii) Demand conditions at home; the quality of home demand is particularly important because sophisticated and demanding buyers pressure local firms to continuously improve their products (Malmberg, 2002).

(iii) Related and supporting industries; close buyer and supplier relationships can create the conditions for a faster flow of information and coordinated R&D (Malmberg, 2002).

(iv) Firm strategy, structure and rivalry. Local rivalry tends to be more prestigious, which leads to more vigorous efforts to improve and advance (Malmberg, 2002; Porter, 1990; 1998).

Porter maintains that the Diamond is not only explanatory, prescriptive and normative, it is also predictive (Porter, 1990). It can thus be used as a predictor of future industry evolution (a statement problematised by Jagtfelt, 2012). In the epilogue, Porter defends his conviction that innovation and, especially,
competition are the sources of economic progress. New technology provides scope for productivity improvements, which Porter argues is critical to improving competitive advantage (Porter, 1990; Martin & Sunley, 2011). At the same time, he cautions against protectionist policies that attempt to preserve the past rather than promote new technology. He argues that business-government partnerships and alliances are more likely to inhibit the ‘competitive process’ (Porter, 1990:737). What Porter advocates is policy that focuses on clusters instead of industries: value chains and value systems. This policy should also promote all clusters and the government should not favour certain clusters over others. He criticises past industrial policy because it supported specific industries:

In industrial policy, governments target ‘desirable’ industries and intervene – through subsidies or restrictions on investments by foreign companies, for example – to favour local companies. In contrast, the aim of cluster policy is to reinforce the development of all clusters (Porter, 1990:89).

In later writings, Porter expands the definition of clusters by including public actors and universities: ‘governmental agencies […] and other institutions providing specialized training, education, information, research and technical support (such as universities) […]’ (Porter, 2008:215). He argues that governmental agencies that significantly influence a cluster can be considered part of it. In an interview, Porter also describes how earlier theories of economic development were difficult to penetrate and how the Diamond was a way of ‘packaging’ economic development theory to make it attractive to ‘the buyers’, that is, policy-makers (Huggings & Izushi, 2011):

It [policy] is an infinitely complex problem. There are hundreds of policy areas that lie underneath the Diamond. There is this gigantic mountain of detailed policies. The Diamond provides a template for understanding how all these policies fit together. It helps understand the heart of the problem, which is what is driving the productivity of any region or location (interview with Porter in Huggins & Izushi, 2011:247).

Through a combination of academic research on clusters and consulting assignments, Porter has put his stamp on the political agenda all over the world (ibid.). This takes us to the cluster research that focuses on political arrangements for cluster development. It is important here to keep in mind the conceptual broadening of clusters expressed by Porter in his later works.
Organisational clusters

Cluster initiatives [...] are organised efforts to increase the growth and competitiveness of clusters within a region, involving cluster firms, government and/or the research community (Sölvell, et al, 2003:15).

Perhaps we should expand the cluster concept to include ‘cluster initiatives’ that aim at network and actor-linking innovations rather than the narrow product-centred innovation models that classic cluster concepts prioritise (Mattsson, 2009:1641).

Even though cluster policy has been researched and written about in a wide array of papers, there is no uniform understanding or definition of what it entails (Ketels, 2009; Ketels, 2011; Martin & Sunley, 2003, 2011). The conceptual confusion surrounding the term cluster also seems to have been exacerbated by its increased usage in politics (Malmberg, 2002).

The terminology often differs in the cluster literature. Academics talk (write) about things like clusters, cluster initiatives and cluster organisations, but the terms are often used interchangeably and labelled clusters or cluster policy. This blending may be regarded as an expression of how government, the university and other actors in certain contexts have been incorporated into the understanding of clusters. Mattson (2009), for example, appears to argue that so-called cluster initiatives should also be included under the cluster label.

Ketels (2009) problematises the lack of consensus about what cluster policy actually is. In his report Clusters, Cluster Policy and Swedish Competitiveness in the Global Economy (2009:19f) however he describes cluster policy as ‘all efforts by governments, alone or in a collaborative effort with companies, universities, and others, that are directed at clusters to develop their competitiveness’. From this perspective, cluster policy is closely linked with ‘cluster initiatives’, a term that refers to organised cooperation among business, government and/or academia. These broad definitions may be regarded as general descriptions of cluster policy, but they do not describe what the actors do in these activities, beyond ‘develop competitive advantage’.41 A distinction is

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40 The cluster concept is often combined in the policy with the Triple Helix and innovation systems concepts. It has been argued that upon implementation they result in similar actions, which in practice makes them almost indistinguishable (Peck & Lloyd, 2008:397; Lavén, 2008:17).

41 Lavén (2008) also notes that research on clusters, the Triple Helix and innovation systems does not describe what the actors ‘should do’ in these types of arrangements. He describes how the actors are at risk of becoming ‘placeholders’ when form is prized above content. In their research, however, Sölvell and colleagues (2003) and Sölvell (2009) describe six different objectives of so-
sometimes made between cluster initiatives and cluster policy. The term cluster initiative refers to certain kind of arrangements, while cluster policy refers either to policies that influence ‘clusters’ on a more general level (such as competition law, trade policy and regional policy) or policies directed at a specific ‘cluster’ (Sölvell, 2009). ‘The Cluster Policies Whitebook’ makes a distinction between cluster initiatives and cluster policies. The researchers argue that cluster policies are designed and implemented by public actors in order to increase social benefit through the creation or development of clusters. Cluster initiatives, on the other hand, can also be run by private actors, they argue (Andersson, et al 2004). This argument is problematised by Borrás and Tsagdis:

\[\ldots\] policy is not confined to the activities of public authorities, but includes those activities designed and carried out by semi-public and/or private actors as well. In this sense, public action is not the result of public authorities alone. It is the result of a set of individual and/or collective actions for the cluster. One of the questions for empirical analysis is precisely which are those public and semi-public/private actors and institutions carrying on cluster initiatives (Borrás & Tsagdis, 2008:20, italics added).

Borrás and Tsagdis (2008) note that which actors formulate and implement cluster policy is an empirical question. An advantage of cluster policy often highlighted in the research is that it provides space for dialogue between government and the private sector. In this way, cluster policy is described as a form of partnership policy. Ahedo (2004) as well as Lundequist and Power (2002) posit that cluster policy can facilitate dialogue and negotiations between public actors and industries. A management-theory influenced attitude towards cluster policy is predominant in cluster policy research. As an example, Arthurs and colleagues conclude their paper ‘Indicators to support innovation cluster policy’ with the following policy recommendations:

\textit{Interaction between theory and practice can continually improve cluster theory (\ldots) and policy and management practices. (\ldots) cluster policymakers and managers must understand innovations pathways and cluster dynamics in order to design and execute effective policy interventions and management strategies} (Arthurs, et al, 2009:276, italics added).

Cluster policy is thus described as a question of knowledge and management. Policy-makers should learn from researchers and cluster researchers from policy-makers. What’s the problem an active cluster policy is supposed to fix?

called cluster initiatives as a form of organisation: upgrading human resources, expansion of the cluster in terms of number of firms, business development, commercial cooperation, innovation and technology and improving the overall business environment.
The policy literature gives primarily one answer to this question. Cluster policies, and cluster initiatives, are meant to respond to international competitiveness in the wake of globalisation. This problem statement is the expressed or implied point of departure of most scholarly papers in the field. It is frequently argued that cluster policy should promote and sustain regional competitiveness and development (see e.g. Andersson, et al 2004; Aranguren, et al 2010; Schmiedberg, 2010; Ab. Aziz & Norhashim, 2008; Visser & Atzema, 2008; Raines, 2001; Mattsson, 2009; Burfitt & MacNeill, 2008). The introductory words of McDonald and colleagues (2006) in ‘The development of industrial clusters and public policy’ are a brilliant example. This implied definition of the problem is representative of the cluster policy literature:

*Developing and maintaining competitiveness* by fostering geographical concentrations of firms and supporting agencies has been encouraged by success of well known industrial clusters such as Silicon Valley and Route 128 […] and the work of Porter on competitive strategies (McDonald, et al 2006:525, italics added).

In the wake of widespread implementation of cluster policy, Mattsson (2009) suggests that the type of policies aimed at generating business-government cooperation should also be classified under the cluster label. He argues that ‘constructed clusters’ are often considered ‘pathetic clusters’ by academics and other relevant actors in the policy sphere who compare them disfavourably to ‘Porterian clusters’, that is, the kind of ‘industrial clusters’ described above. The value of these clusters, he posits, is that they may be social or organisational innovations in and of themselves, since they create new networks or interactions among the actors. Drawing on this, another albeit often implicit definition of the problem could be that there is too little cooperation between business, government and the university, based on the assumption that cooperation leads to economic growth. My interpretation is supported by Martin and Sunley’s (2011:234) analysis, when they describe how Porter seems in his later works to regard ‘clusters’ primarily as a means of encouraging partnership and dialogue between business and government (see also Ketels,

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42 Others have argued, however, that arguments concerning what problems an active cluster development policy is supposed to fix are often absent from the literature. According to Duranton (2009:3), ‘[…] at a conceptual level, the problem with the cluster literature is one of lack of well-articulated theory: what is the ‘problem’ that cluster initiatives are trying to fix? […] a lack of competitiveness is a symptom, not the root of a problem’.

43 Engström & Sätre Åhander (2008) suggest in their article, ‘Collaboration for Local Economic Development’, that is presumed in the policy discourse that collaboration leads to economic development and that there is risk that collaboration in itself will become an objective.
Mattsson’s analysis of cluster policy in one region in Sweden illustrates the productive role of the cluster discourse:

The cluster concept had a big influence. […] it has worked as a banner in the sense that actors from industry, policy and services have gathered in its name, all with an agenda to compete for resources, but without having to talk about it openly. The cluster concept in this sense creates win-win situations, which are initially artificial but might develop into true win-win constellations (Mattsson, 2009:1639).

‘Clusters’ has thus come to function as a label under which actors from the business sector (often organised in a cluster organisation), government and academia can be gathered and jointly shape policy in quasi-partnership arrangements. Previous research has shown that these types of arrangements are often not problematised, but rather regarded as wholly positive if it creates win-win situations for those involved (Westberg, 2005).

Research on clusters as politics

As I noted previously, there is a need for research that analyses cluster policy as politics. This should be contrasted to cluster policy studies. Cluster policy studies concern politics and political processes, but the politics is usually regarded as management issues. However, this type of policies has previously been discussed partly in political terms from two primary directions: researchers who have performed gender analyses of cluster policy (see for example Lindberg, 2010; Forsberg, 2010; Saarinen, 2006; Pettersson & Saarinen, 2005) and those who have problematised the potential economic consequences of cluster policy (see for example Visser & Atzema, 2008; Nauwelaers & Wintjes, 2008; Burfitt & MacNeill, 2008).

Lindberg (2010) argues that certain actors and areas are marginalised in innovation policy. She argues that women and female-dominated sectors are excluded when gender is ‘done’ in innovation research and innovation policy. Innovation policy instruments and academic attention have to a great extent been directed at areas of historical economic importance. This, according to Lindberg, creates an innovation policy paradox:

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44 This does not only characterise cluster policy studies. Koppenjan (2007) describes how power is largely absent in governance studies, especially in research conducted from the management perspective.
The policy indicates that it is intended to change current economic structures by promoting groundbreaking innovation. At the same time, it preserves the current structures by directing initiatives at a few traditional actors and sectors (Lindberg, 2010:289).

Lindberg’s primary and perhaps most central contribution has to do with how gender is ‘done’ in innovation policy. From a ‘bottom-up’ perspective, she shows the actors and areas that have ended up on the outside of innovation policy initiatives. My understanding is that Lindberg wants to further an expansion and new operationalisation of the cluster and innovation system concepts and further develop Triple Helix studies. The focus of the analysis is thus not on the cluster concept itself (nor that of innovation systems, the Triple Helix, or innovation); clusters are instead a point of reference for the study. In her licentiate thesis, Maskulinitetsnormer – Klusterpolitik och ekonomisk-geografiska diskurser i blickfånget, [Norms of masculinity: Cluster policy and economic-geographical discourses in focus] Ylva Saarinen (2006) analyses how gender, race and sexuality have been brought to the fore in earlier cluster research in what she calls an economic-geographic discourse. She also analyses policy texts, including from national authorities like Nutek and Vinnova and shows in a similar way to Lindberg (2010) how gender is constructed in the cluster discourse.

Hospers and colleagues (2008) are among the few researchers who explicitly point out that cluster policy is politics, and take a dig at earlier research in their reference to Joseph Schumpeter: ‘Nobody has attained political maturity who does not understand that policy is politics. Economists are particularly apt to overlook these truths’ (2008:436). They seem, however, to be preoccupied mainly with the potential negative economic consequences that cluster policy may create. A few of the pitfalls of regional cluster policy they discuss are that regional balances of power are at risk of influencing decision-making, that politicians lack the knowledge required to decide which sectors should be invested in, that the government ‘picks winners’ or ‘backs losers’, and that it often risks embracing conflicting goals, such as greater corporate innovation and efficiency and higher employment (Hospers, et al 2008; see also Peck & Lloyd, 2008).

Many researchers also describe the risk that cluster policy will create lock-in effects (see for example Visser & Arzema, 2008; Nauwelaers & Wintjes, 2008; Burfitt & MacNeill, 2008). Gernot Grabher (2004:534f) for example has studied how economic development in the Ruhr area was supported by close
cooperation between actors including industry and government, which created a culture of consensus. The close relationships between industry and the political-administrative system impeded a necessary economic structural transformation in the Ruhr area as well as political revitalisation (Grabher, 2004).

In his dissertation ‘Organising Innovation’, Fredrik Lavén (2008) problematises what happens when ‘cluster theory’ is translated into ‘cluster policy’. The research, he argues, often lacks descriptions of what the actors ‘should do’ in this type of arrangement: ‘One problem with the innovation theories is that they often portray actors as occupying a given place in a network or system, rather than showing what they do’ (Lavén, 2008:248). He suggests that for this reason, actors are at risk of becoming ‘placeholders’ when form (cooperation among industry, government and academia) is prioritised over content (innovation work). In his study, Lavén focuses on the actual innovation work – or its absence – but he points indirectly to a problem that deserves further attention: what these ‘placeholders’ do. The cluster discourse leads to new kinds of political arrangements in which some are included and others excluded, based on the prevailing representation of clusters. In contrast to the picture Lavén paints, that actors in this type of arrangement are at risk of becoming ‘placeholders’, it is important to shed light on the positions they actually acquire in a new kind of political arrangements.

The position that certain actors are allotted in this kind of arrangement has been noted in earlier research, in that attention has been paid to the fact that cluster policy has increasingly evolved into ‘partnerships’ between business, government and the university. Martin and Sunley (2011) believe that one of the problems with cluster policy is identifying clusters and the firms that constitute them. The identification of clusters in policy settings is described as arbitrary and highly variable. They are critical of policy recommendations in research that advocate a pragmatic approach to cluster policy in which the ‘clusters’ that actively attempt to create relationships with government are included (Martin & Sunley, 2011:233f). This is problematised when the authors note the high risk that those which are most organised, have the greatest resources and manage to lobby the most are those which gain access to these partnerships, and it can be problematic to know who is really controlling the

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45 That cluster policies have come to entail the development of public-private partnerships is also shown, for example, in Ahedo’s (2004) case study of cluster policy in the Basque country, which is interesting reading for those who want to gain insight into how this type of politics has evolved over time in one region.
political agenda in this kind of political arrangements (see also Martin & Sunley, 2003; Hospers, et al 2008; Peck & Lloyd, 2008; Engstrand & Åhlander, 2008; MacNeill & Steiner, 2010). Hallencreutz and Lundequist (2003) illuminates the political in cluster policy as follows:

There is furthermore an urgent need for policymakers to discuss power structures, particularly when it is suggested that cluster-based economic development is the main route to regional prosperity today. Which cluster or clusters should be given priority? Who will make these decisions? There is a tendency amongst policymakers and practitioners to claim that such problems can be avoided by undertaking rigorous cluster analyses. However, it should be noted that cluster analysis cannot prescribe the ways in which cluster policies are actually formed, as policy formation is politics, and politics is not something that can be shaped merely by scientific guidance (Hallecreutz & Lundequist, 2003:545, italics added).

I intend to deepen this problematisation that has been fleetingly touched upon in earlier research, primarily by Hallecreutz and Lundequist (2003) in the way shown above. In relation to previous cluster research, I analyse what the cluster concept does with the political and what effects are produced by the cluster discourse. Sørensen and Torfing (2007) have noted the urgency of studying the ‘discursive structures’ and narratives that construct hegemonic understandings of policy problems. My aim is to improve knowledge of how problem representations in cluster research and cluster policy at the national and regional levels may be understood as a dominant cluster discourse in order to generate greater understanding of clusters as politics.
The genealogy of cluster terminology in regional policy

In the following section, I describe and analyse how cluster terminology was introduced and represented in regional policy in Sweden since its inclusion in a regional policy bill in 1998. In so doing, my ambition is to put regional cluster policy in its context, a context often described as greater autonomy for regional actors to develop their own regional growth policies, but where I argue that the central government still plays a substantial role in the representation of the problem at the regional policy arena. The national cluster policy is described in three phases, which are analytically distinguished based on the various ways cluster terminology has come to be represented in key national policy documents.

Industrial clusters as theory: inter-firm relations in a value chain

The cluster concept was introduced at the national political level in Sweden in the Government Bill Regional growth for employment and welfare (proposition 1997/98:62). With this bill, regional policy took a new direction. The Government regarded the policy area as consisting of regional policy and a new regional industrial policy. The aim of the new policy was described as regionalising industrial policy for better utilisation of the conditions existing in each region. The need for greater regionalisation of industrial policy was motivated on the grounds of continuous changes in the world, technical progress and the internationalisation of business, a problem statement that has remained relatively constant over the last decade. The Government emphasised that vigorous growth to which all regions contribute is a prerequisite for maintaining a strong welfare society, even while the regional policy must continue supporting development in vulnerable regions. The proposed Regional Growth Agreements were a key component of the new regional industrial policy, which were followed by Regional Growth Programmes and Regional Development Programmes. The Regional Growth Agreements, which the county administrative boards and, in pilot counties, self-government bodies, were tasked with coordinating, were aimed at creating cooperation and consensus at the regional level surrounding regional development strategies. The Government stressed that the needs of business must be a central concern.

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It should be noted that the texts analysed in this section were done so in Swedish, all quotes are hence translated to English afterwards.

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In the next chapter, I show that the Invest in Sweden Agency was using cluster terminology in its publications as far back as 1997, but cluster terminology was introduced in 1998 in a Government Bill.
in the work, which was to be carried out in partnership. Somewhat tentatively, the Government introduces the term ‘industrial clusters’ in the new regional industrial policy. The points of departure for the problem definition underlying a discussion of what role the cluster concept might play in regional industrial policy were greater international competition and that competitive advantage is currently associated with human capital and networks rather than low costs (Proposition 1997/98:62). The government introduces the term ‘industrial clusters’ this way:

The term ‘industrial clusters’ is used to understand industrial expansion and structural change and offers an opportunity to identify the sources of national competitive advantage at the firm level. This theory is based on the assumption that competitive advantage is not explained only by the industries to which firms belong, but rather by dependencies among firms that may be included in various industries. According to the theory, a firm’s opportunities to enhance its competitive advantage are highly dependent upon its location (Proposition 1997/98:62 page 24, italics added).

Cluster terminology was introduced in this Bill as an ‘interesting theory’ on how firms create and sustain international competitive advantage. Clearly, the Government’s attitude towards clusters at this stage is primarily conceptual and theoretical. The Bill emphasises that the competitiveness of individual firms is dependent on its relations with other firms, backwards and forwards along the value chain. A combination of rivalry and cooperation is presumed to strengthen firms’ innovativeness and competitiveness. The Government describes how knowledge, technology and skills are transferred in the rivalry between competitors and in collaboration with sophisticated suppliers and demanding customers. Cooperation and competition between competitors, buyers and suppliers strengthen the competitive advantage of the entire cluster when innovations proliferate and are more easily diffused. Clusters are described as local to a city, region or nation. The Government exemplifies this with Swedish clusters like the automotive industry, the pharmaceutical industry, medical technology, mine exploration, telecommunications, information technology and the pulp and paper industry. The government’s description of the automotive industry cluster is the best illustration of how clusters are represented at this stage: ‘This includes both the end manufacturing companies (Volvo and SAAB/Scania’s production of cars, heavy goods vehicles and buses) and related companies both backwards and forwards along the value chain. Backwards, we find companies that manufacture materials, components and machines mainly for the automotive industry. Forwards, we see companies in
distribution, transport and retail commerce'. Also categorised in this cluster are related businesses, in this case including the aircraft industry and the production of tractors and forklift trucks (Proposition 1997/98:62 page 24f).

The Government argues that the multinational firms that have grown from their Swedish base into global corporations are proof of the leading position of these clusters. At the same time, they argue that it can be difficult to draw clear boundaries, since many clusters are intertwined with each other. The Government further argues that economic development in Sweden over the coming decades will depend upon the capacity of these (the nation’s historical industrial clusters) to develop and lead development internationally. It is thought that Swedish clusters can be strengthened through national and international investments and knowledge flows. At the same time, it is emphasised that Sweden should not in the future be entirely dominated by the industries and sectors that are currently crucial to the development of prosperity today. The focus of industrial policy should therefore be on reinforcing current strengths while exploiting the potential of new and emerging products and markets. The Government writes further in its assessment that it is important that all types of firms can be offered the full panoply of resources necessary to improve their competitive advantage and capacity to develop (proposition 1997/98:62). When it comes to how clusters can function as a policy instrument for competitive advantage and economic growth, the Government is at this stage somewhat tentative and vague. In the assessment, the Government goes no further than to state that greater understanding of how the interplay between firms in industrial clusters and various public institutions works can provide insight of value to industrial and regional policy (proposition 1997/98:62, page 22). Cluster terminology later continues to set its stamp on regional development policy, even as the term comes to represent so much more than inter-firm relations in a value chain.

**Clusters in the borderland between theory and policy: how can clusters be used in policy?**

Virtually unequivocal studies show that the innovation and learning capacity of firms is developed to a great degree in interaction among different actors. In other words, the networks and interaction patterns of firms are among the most fundamental prerequisites for their competitiveness (SOU 2000:36 page 64)
Two years later, a Swedish Government Official Report (SOU 2000:36) ‘Utgångspunkter för 2000-talets regionalpolitik’ [Starting points for 21st century regional policy], also known as the Regional Policy Report, would characterise writings about clusters in the next regional growth policy bill (proposition 2001/02:4). The report describes the cluster concept, including with reference to Porter’s work, and the possible role of policy from this angle. Here again, the problem representation underlying the new perspective on competitive advantage and geographical location is the internationalisation of the economy and the notion that production input factors are more internationally mobile. The view on what generates competitive and dynamic firms is summarised in four points: (i) innovativeness, skills and flexibility are more important than cost-effectiveness, (ii) innovations and learning arise in interaction within industrial systems, (iii) geographical proximity is important in this interaction, (iv) local knowledge is more important than raw materials (SOU 2000:36 page 63). The Committee of Inquiry behind the report argues that industrial transformation and competitive advantage can best be understood from a perspective in which the individual firm is regarded as part of a system composed of all the actors with which the firm interacts. Examples of industrial agglomerations (industrial clusters) mentioned by the Committee include Hollywood (feature films), Silicon Valley (computers, internet) and Detroit (automobile manufacturing). The report mentions three advantages that are ‘traditionally’ associated with establishing firms near similar firms, which they say Porter (1990) augmented with a fourth: (i) cheaper production because costs can be shared by firms and things like infrastructure and educational systems can be adjusted to the needs of local business, (ii), transport and transaction costs can be lowered, (iii) a local labour market with a pool of specialised skills arises and finally, (iv) a better basis for exchange of information and learning between firms, primarily so that ‘tacit knowledge’ can be transferred among actors.

As far as which factors can explain why certain places ‘seem to have particularly strong capacity to generate and attract competitive economic activities’, the report states that there is unfortunately no obvious answer (SOU 2000:36, page 66). The Committee writes that there are three different types of explanations: (i) those that assign the greatest weight to firm structure (small or large firms, domestic or foreign-owned firms, similar operations or diversified), (ii) those that emphasise the importance of the surrounding knowledge infrastructure (education and research institutions), (iii) and those that emphasise more non-
material assets such as social, cultural and institutional factors (in this report called the town or region’s ‘social capital’).

The report also describes Porter’s (1990) contribution to cluster research, more specifically the four attributes in a local environment that can explain the innovativeness of firms (the Diamond). The first is (production) factor advantages, which are not considered primarily based on access to raw materials, labour and capital, but rather specialised knowledge and skills, technological know-how and infrastructure adapted to certain industries. Factor advantages are presumed to produce competitive advantage because they are difficult to duplicate in other places. The Committee describes how the most resource-rich environments do not necessarily produce the most competitive firms. On the contrary, adverse circumstances in the environment, such as high energy costs, may help pressure firms towards innovation. Shortcomings or adversity tend to drive innovations if other local conditions are favourable. The second attribute is local demand conditions. Sophisticated buyers formulate high standards for products, which pressures firms to continuously improve their products. The third attribute is the presence of sophisticated related or supporting firms in the local environment that can contribute to innovations through close buyer/supplier relationships. The fourth attribute is strategy, structure and rivalry. Competitors in the same cluster tend to spur each other on towards development. Local competition is considered especially prestigious while tacit knowledge and information tend to be spread in a cluster even though the firms are competitors (SOU 2000:36, page 68f).

The report also describes a model that explains how creative processes evolve. Three factors that combine to promote creativity are presented: (i) diversity (rich and varied skills), (ii) internal and external channels of communication, (iii) structural instability. The Committee discusses an inherent conflict:

While efficient use of resources is promoted by specialisation, diversity and variation are necessary for the creative environment. [...] It also appears that some form of structural instability is needed to ignite the creative process. Stable periods and carefully planned and regulated environments are seldom creative (SOU 2000:36, page 69, italics added).

In the conclusions subsequently drawn from the analysis of agglomeration research, cluster research and the literature addressing creative environments, the Committee asks what role policy might play in these processes.
One problem in the context is that the analyses of cases where a dynamic industrial environment has emerged seldom assign political measures or decisions any decisive impact. […] Does this mean the industrial policy does not have a role? That need not be the case, even if the task is a difficult one (SOU 2000:36, page 74).

The report presents arguments around the role of policy in this context on three points. The first applies to innovation, cooperation and competition. The role of policy should primarily lie in the area of competition law and monitoring. Competition must be upheld even in the domestic market, but without impeding the emergence of collaborative relationships. The second point is that the local environment must be both favourable and demanding. The Committee argues that while industrial policy should not, of course, make business conditions more difficult, nor is it certain that economic relief is the most beneficial long-term solution. The third and final point discussed is the matter of stability and flexibility. According to this report, the policy conclusion is not self-evident here either: ‘One can hardly argue that a policy that creates a turbulent situation for business is favourable, but the opposite is not a foregone conclusion either’ (SOU 2000:36, page 75). The Committee’s overall conclusion is that regional growth or development policy should be on the general level.

Regional policy took a new rhetorical turn in 2002 when the earlier terms regional policy and regional industrial policy were amalgamated and replaced by regional development policy. The Government Bill ‘A Policy for Growth and Vitality Throughout Sweden’ (proposition 2001/02:4) introduced a process perspective for building social networks at the regional level. Regional Growth Agreements were replaced by Regional Growth Programmes, which were also aimed at generating development based on local and regional conditions. Cooperation among municipalities, firms and other organisations was strongly emphasised in the regional development policy: ‘[p]artnership is one of the arenas for developing consensus and cooperation around issues of common concern’ (proposition 2001/02:4, page 110). The Government puts special emphasis on business involvement in the policy for regional growth. The partnership principle, transplanted from EU Structural Fund schemes to the work with the Regional Growth Agreements, is described as a success factor, including towards gaining insight into the importance of cluster formations:

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48 The Regional Growth Programmes were supplemented in 2003 by Regional Development Programmes (Förordning 2003:595). Regional Development Programmes were meant to function as an umbrella under which regional Structural Fund programmes, regional economic growth programmes and other territorial programmes and initiatives would be covered (Förordning 2007:713).
The partnership between business and government has for both parties entailed heightened awareness of the importance of the local and regional business environment to firms’ competitiveness and the significance of networks and cluster formations (proposition 2001/02:4, page 23).

In many ways, the discussion and arguments surrounding clusters resemble the arguments advanced in the Regional Policy Report, to which the Government explicitly refers on this point. Clusters should now, in part, replace the old terms of ‘sector’ and ‘industry’ (proposition 2001/02:4 page 69). ‘Sector’ is thought too broad and ‘industry’ too narrow; a cluster is described as cross-industry by definition. Under the heading ‘Competitive firms are developed in dynamic cluster environments’ the Government writes:

Innovations are developed in interaction among different actors. Industrial transformation and competitive advantage may therefore be best understood from a perspective in which individual firms are regarded as part of a system, a cluster. Clusters are a perspective on competitive advantage that focuses on various relations. In part, this is a matter of related firms and their buyers, but also relations between firms and research institutes, industry organisations, public actors, etc. Clusters are also a perspective whose foundation is that the local production environment, or home base, is critical to a firm’s competitiveness, not least because innovations are often created by specific local expertise’ (Government Bill 2001/02:4, page 69, italics added).

The Government does not however take an explicit stance on the problems associated with cluster policy as identified in the Regional Policy Report (SOU 2000:36). The Bill establishes that knowledge about innovation systems and clusters should increase and that public actors should contribute to developing and working in ‘growing cluster formations’ (proposition 2001/02:4, page 164). The Government also proposes a national programme for developing innovation systems and clusters with a budget allocation of 70 million kronor for the period of 2002-2004. The Government introduces a regional development policy that will be based on a systems approach, innovation systems and clusters (ibid).

**Clusters as collaboration: public-private collaboration for cluster development**

The Swedish Government adopted ‘A national strategy for regional competitiveness, entrepreneurship and employment 2007-2013’ in December 2006, in which it set four priorities: innovation and renewal, skills supply and improved labour supply, accessibility and strategic cross-border cooperation.
Cluster policy is categorised under innovation and renewal, which are stressed as particularly important initiative areas. Innovative environments are assumed to create the right conditions for attracting foreign investment and international skills and thought fundamental to strengthening the renewal and competitiveness of firms. The linkage between clusters and innovation is virtually unquestioned and is not discussed in the same way as in earlier Government Bills in the area, which may be interpreted to mean that the cluster discourse has become self-evident. Clusters also seem to have become almost an inherent goal in itself:

A region’s ability to develop innovations depends not only on how well the constituent institutions and players act, but especially on how well they interact with one another. Such interaction is of the utmost importance in developing regional innovative environments for developing innovation systems and clusters (page 12, italics added).

Another key argument, which may have been implied in the earlier bill, and which directly contradicts the arguments laid out in the Regional Policy Report, is that a greater degree of specialisation is needed to develop this capacity for innovation and thus the competitiveness of firms and regions: ‘Such a focus involves being able to build upon the regions’ comparative advantage’ (Regeringskansliet, 2007, page 12).

The Government highlights an opportunity to organise innovative environments in the form of clusters so that they can be made visible and promoted to national and international interested parties (ibid. page 13). The Government states that implementation of the strategy will require strong political leadership at the national, regional and local level in order to create commitment and to win support from the parties affected (ibid. page 28).

The National Strategy was supplemented in 2010 with a report, ‘Strategic growth efforts for regional competitiveness, entrepreneurship and employment’. In this report, the Government describes how two important decisions were made during the term in office that involved major changes in steering regional growth efforts. The Government refers here to the National Strategy adopted in 2006 and the new regional growth policy with stronger focus on growth. The policy area of ‘regional development policy’ was replaced in 2008 by ‘regional growth policy’ to ‘better reflect the programmes that will

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49 Henceforth, I use the term ‘the National Strategy’. The National Strategy was presented by a new central-right coalition government made up of the Moderate Party, the Liberal Party, the Centre Party and the Christian Democrats. The earlier Government Bills analysed were put forward by a Social Democratic government.
be pursued within the policy area’ (proposition 2007/08:1, expenditure area 19, page 13).

The Government explains the impetuses underlying the report, including the evaluation and follow-up of the National Strategy and the OECD Territorial Review of Sweden (2010). The Government’s aim with the report is described as clarification of the direction of regional growth policy. The National Strategy’s priorities still apply, but the Government now finds that certain aspects within each priority area need to be expanded (Regeringskansliet, 2010). For example, the perspective on innovation should be broadened and developed and regional growth efforts should be put into a geographically wider context. The Government also finds that regional growth efforts demand clear regional leadership able to set priorities and make decisions on strategic choices of direction, and that the horizontal areas of demographic challenges, internationalisation and the sustainability perspective (environment, climate and energy, gender equality, integration and diversity) should be integrated with the work. The political leadership emphasised in the National Strategy has thus shifted its rhetorical shape to regional leadership, which in turn bears a strong resemblance to descriptions of the partnership principle:

Clear regional leadership imposes demands for efficient collaboration and coordination in the county. Key prerequisites for collaboration and effectiveness are close dialogue, confidence and trust among the actors involved, such as business, higher education, the social economy, special interest organisations, parties to the labour market and other public actors. It is also important that the actors involved have a joint strategy for the work based on set objectives and visions (Regeringskansliet, 2010:33f).

The assumption that cooperation and clusters engender innovations is also clear here, albeit often implicitly. The Government writes for instance that it is ‘important to facilitate collaboration among small and medium sized firms in ways including developing innovation systems and clusters’ (Regeringskansliet, 2010:15, italics added). The Government also refers to the OECD Territorial Review of Sweden. The OECD review found that national initiatives for stimulating innovative regional environments should be considered ‘good role models’ for other countries. The key success factors the Government chooses to emphasise are longevity, process support mechanisms, collaboration between business, academia and government and existing niches of excellence as platforms for initiatives (ibid).
Summarising analysis: Clusters in research and national policy

As we can see from the preceding analysis, since its introduction at the national political level in the late 1990s the cluster concept has had an impact on Swedish development and growth policy. To briefly summarise how clusters are represented in the national cluster policy, by 2010, the term had taken on a wider meaning than when it was introduced in 1998. Shifts in attitudes towards cluster terminology have thus occurred.

In the first phase, which I have chosen to call ‘industrial clusters as theory’, the term was introduced as an intriguing theory on how firms create and sustain competitive advantage. In this phase, industrial clusters represent linkages between firms in a value chain. It is believed that existing Swedish clusters can be strengthened through national and international investments and knowledge flows, but no direct policy measures are proposed in the area. The Government however is seeking greater understanding for how cooperation works between firms in clusters and governmental organisations, which is believed able to provide insights that would benefit industrial and regional policy. The representation of clusters in regional policy here strongly resembles ‘industrial clusters’ in the cluster literature. The value chain and system principle (refer to Porter’s ‘value system’) are prominent. Porter’s Diamond is also brought into the discussion, where both competition and collaboration among firms is emphasised.

In the second phase, ‘clusters in the borderland between theory and policy’, the discussion remains on cluster theory and closely related models and the potential contribution to regional policy and regional industrial policy (later regional development policy). The Regional Policy Report analyses the concept based on the potential role of policy in this context, concluding that regional development policy should be on a general level. The backdrop to this conclusion is the ambiguities in the policy recommendations that can be derived from the research, including the potential conflict between specialisation and diversity. In the Government Bill ‘A Policy for Growth and Vitality Throughout Sweden’ (2001/02:4), the Government does not however take an explicit stance on this conclusion. Clusters are now meant to partially replace the terms ‘sector’ and ‘industry’. Clusters are understood as a system, but now represent not only firms, but also research institutes, industry organisations and public actors. Knowledge about clusters and innovation
systems should increase while public actors should contribute to cluster formations. The Government announces a regional development policy based on innovation systems and clusters.

In the third phase, ‘clusters as collaboration’, the term ‘cluster’ seems to have become self-evident. The import or definition of clusters is not discussed in the National Strategy, the Budget Bill or written communications from the Government. Clusters and innovation systems seem to have become an inherent goal in itself. A reasonable interpretation might be that this is because innovations are uncritically presumed to arise in ‘clusters’. At the same time, innovations are thought to automatically generate growth. The term ‘clusters’ thus seems to have become a catch-all for organised collaboration among business, government and academia. The discussion is also informed by the notion that these initiatives should emanate from existing niches of excellence and specialisation/focus is considered ideal. This may also be related to ‘organisational clusters’ in the cluster policy literature, which to a great extent has to do with political organisation. At this stage, the problem definition is seemingly that there are too few/too weak relations between business, government and academia. Clusters were initially defined by their linkages, but the new political aim is to create these linkages so that clusters will develop.

Taken together, four results of the preceding analysis are especially noteworthy in relation to the articulation and formation of cluster policy at the regional level. First and perhaps foremost, there is the dual meaning of cluster terminology, its ‘theoretical’ representation and its ‘political’ representation. From having been understood in terms of firms’ value chains and geographical proximity (‘industrial clusters’) to an expanded understanding wherein clusters are represented as collaboration between business, academia, government and other actors (‘organisational clusters’). The second tendency is that clusters, once a matter of rivalry/competition and cooperation in the political discussion, have come to be represented as cooperation. A third tendency is that Porter’s initial criticism of industrial policy, that it tended to select certain industries that were targeted for support, seems to be going astray within the politics of cluster policy. The outcome of Porter’s analytical approach was a

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50 The definition of cluster applied by the Swedish Agency for Economic and Regional Growth confirms this interpretation: Regional clusters collaborate to achieve competitive advantage. Clusters consist of firms, public actors and academic institutions in the same geographical territory (Agency for Economic and Regional Growth, 18 August 2010). A distinction is often made however between clusters and so-called cluster initiatives: ‘A cluster initiative is a joint project in which business and government cooperate to strengthen growth and competitiveness in a territory’ (ibid).
policy recommendation that all clusters should be supported. In its report (2010), the Government stresses the importance of building upon existing niches of excellence. The fourth tendency in the literature, but also in the politics, is that cluster policy is presented as an apolitical programme. There are, for example, no recommendations in key policy documents as to how regional actors should select clusters or in which ‘emerging cluster formations’ they should intervene.
Chapter Four  
Clusters as politics in a Swedish region

In this chapter, I describe and analyse cluster policy in the Swedish county of Värmland. In relation to the preceding chapter on representations of clusters in research and national regional policy, the ambition here is to deepen the analysis by also shedding light on the effects produced by the representation of clusters and what is left unproblematised in this representation.

The chapter is structured based on my specific analysis questions and divided into two parts. I begin by describing how clusters have been historically represented in the region. In the first part of the chapter, I analyse how cluster terminology has been shaped in key regional policy documents since 1999. I also use project descriptions and project applications from the late 1990s to illustrate how clusters were represented when the first ‘cluster organisation’ in Värmland was formed.

The next section is based primarily on interviews with actors involved in regional cluster policy. The analysis is also based on opinion pieces and participant observations. This part begins with an analysis of how clusters are currently represented in regional growth work. This is followed by analysis of the effects produced by this representation: how cluster policy is formed. Thereafter, I shed light on what is left unproblematic in the formation and articulation of regional cluster policy. To forge a link to the analysis performed in the preceding chapter, I illustrate how people talk about clusters in the confluence of regions, central government actors and academics. The chapter ends with a summarising analysis of cluster policy in Värmland.51

51 The written material underlying the analysis as well as the interviews have been generated and analysed in Swedish. All quotes in this chapter have consequently been translated afterwards.
Representations of clusters in Värmland 1998-2008

In order to gain perspective on how clusters are currently represented, a retrospective on how attitudes towards clusters have historically evolved in Värmland may be germane. The regional cluster policy in Värmland is based on a theoretical understanding of what a cluster is, or to put it another way, clusters are linked to a specific form of economic theory. An explicit understanding of clusters as ‘industrial clusters’ is found primarily in earlier documents and is not as prominent as ‘organisational clusters’ in current policy discourse. As I discuss in the chapter on methodology, how an issue is represented is often most clear in conjunction with the initial problem statement, since that is when the policy is outlined and defended.

Clusters as a new strategy for regional growth

Värmland’s cluster policy has evolved since the end of the 1990s. The first cluster organisation in the region was formed in 1999 as a project in collaboration between the municipal business development company Etableringsregion Karlstad (ERK), firms in the forest industry, the Värmland County Administrative Board, the Värmland County Council and the County Labour Board. In 1997, the ‘Swedish Cluster Map’ showing Swedish clusters of ‘international significance’ was published jointly by the Invest in Sweden Agency (ISA), the Swedish Association of Local Authorities and ALMI Företagspartner. The forest industry in Värmland was not included on this map. Representatives of ERK then began to trace the Värmland forestry cluster’s ‘value chain’, which was the prelude to the formation of the project [the Pulp and Paper cluster] which was converted to an economic association as of the end of 2002. At this point, ERK described ‘the cluster’ as follows:

[A] unique in the world concentration of firms with connections to the pulp, paper and cartonboard industry [sic]. It is moreover a long-term cooperation between industry and the region, whose strength is the unique expertise that covers every link in the chain from raw material to finished product (ERK, 1998).

One of the stated reasons for forming the project was to ‘[g]ive industry a non-political forum for joint action’ (ERK, 1998, italics added). The aim of the project

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52 ERK was formed in 1993 by the municipalities of Karlstad, Hammarö, Forshaga, Kil and Grums. Its mandate was to coordinate business establishment issues for the municipalities: inducing more firms to establish in the region and new firms to remain. ERK was dismantled in 2002/2003.

53 See Appendix 2.
was described thusly: ‘to make the region known throughout Europe and [by] extension the entire world as a forest industry cluster and for the project to lead to new business establishments and expansion of existing firms, leading in turn to higher employment’ (ERK, slutrapport, 1999).

In 1998, the Government tasked the Värmland County Administrative Board with initiating and coordinating the Regional Growth Agreement for Värmland, ‘Business-oriented Efforts Towards Growth Potential in Värmland’ [Näringslivsinriktat arbete för värmländsk växtkraft] (2000). The drafting process for the Growth Agreement was, as instructed by the Government, carried out in partnership. Ongoing support for the programme was established in the Värmland Council, which was the ‘informal cooperation body’ composed of the County Administrative Board, the County Council, the Association of Local Authorities and the local Chamber of Commerce. Channelled through the Värmland Council’s working group, progress was discussed with the County Labour Board, Karlstad University, ALMI Företagspartner and the parties to the labour market. Municipal representatives, gathered in four municipal groups, were also included in designing the programme. In its report, the County Administrative Board explained how the Government’s Regional Growth Agreement initiative was interpreted.

The first point was that Sweden needs higher growth and a situation in which Swedish firms are equipped to compete in an increasingly global market. This demands an internationally competitive regional business climate. Business conditions were perceived as central to the design of the programme. Collaboration between business and government was therefore also considered important in both programme design and implementation (Länsstyrelsen, 2000). The final report on the project [the Pulp and Paper cluster] (ERK, slutrapport, 1999) describes how ‘[a] very intensive effort has been made regarding the Growth Agreement with a view to achieving joint strategies for the future and the forest industry in the county’.

Secondly, it was emphasised that the parties had interpreted the aim of the programme as being to demonstrate how the county is contributing to total production in Sweden and national economic growth, based on its unique conditions. The profile areas presented in the Growth Agreement for the county were such that were ‘deemed highly significant to growth in Värmland’ (Länsstyrelsen, 2000). All profile areas took ‘their points of departure in a cluster approach’.
Accordingly, describing business in structures of sectors and industries is no longer adequate. In order to strategically facilitate development, take advantage of coordination gains and achieve synergy effects, business must also be described on the basis of how firms are linked in supplier and (competitor) chains, as well as the existence of networks and how their dependencies or linkages to educational and R&D resources are [sic] (Länsstyrelsen, 2000:25f).

At this stage, the premise is clearly the type of cluster theory associated with Porter, described earlier in Chapter Three, where the value chain and linkages between firms are a central aspect of the ‘cluster approach’. However, the Board stresses, like the Government in the bill (1997/98:62) that introduced cluster terminology and Regional Growth Agreements, that the ambition was not only to focus on the already large and successful industries. The profile industries identified were the forest industry, the IT landscape, the steel and engineering industry, forest and land use, tourism, the culture industry and the media sector, and the risk, emergency preparedness and security field. The report describes how the forest and paper cluster in Värmland was previously discussed in ISA [Invest in Sweden Agency] reports (but not when or by whom). The cluster is described as unique in the world:

Värmland [...] is home to a concentration of firms with international operations related to the forest industry, especially within packaging materials, that is unique in the world. The unique aspect compared to similar concentrations in other parts of the world is that every link in the chain, from the forest to the final product in the hands of the end customer is found here (Länsstyrelsen, 2000:26f, italics added).

During this period, this forest industrial cluster employed about 10,000 people in the county. Greater international competition is the point of departure for the problematisation here. The structural change that had impacted the forest industrial cluster is described in terms of heightened international competition in relation to labour, products and research and development. The County Administrative Board further describes how the IT landscape in Värmland enjoys a prominent national position in terms of the number of IT-related jobs. The Regional Growth Agreement also describes how firms in both the forestry and IT industries had joined together to form their own organisations to market their respective clusters. The third ‘cluster’, the steel and engineering industry, is described as a key component of business in the county with regard to employment and export. The priority area of ‘forest and land use’ is identified as an area of potential development. The sector had for several years been under pressure due to weak profitability, resulting in declining
employment. One reason for this, the Board wrote, is that rural firms in Värmland work mainly with raw material production. As a result, new goods and services need to be developed and refined in this area. Tourism is described as an important industry for Värmland, defined for example in terms of industry turnover (2.3 billion kronor annually) and the number of accommodation facilities, overnight stays and tourist attractions in the county. The culture industry and media sector are also assessed as having growth potential and the report notes, among else, that ‘new names’, attractions and cultural productions should be encouraged. The risk, emergency management and security sector arose from the relocation and decentralisation of central governmental agencies in the 1970s. The text describes how about 700 people work in this ‘security cluster’. Cluster terminology was thus interpreted relatively broadly in the Regional Growth Agreement with respect to things like the number of firms and employees in the various industries, but the understanding is consistent with what I called ‘industrial clusters’ in the preceding chapter. The implication is that political focus is on strengthening inter-firm collaboration in value chains on the one hand and cooperation between these firms, education and R&D on the other hand.

The Regional Growth Agreement was replaced on 1 January 2003 by a Regional Growth Programme. The process of drafting Värmland’s Regional Growth Programme, ‘Sustainable Growth Potential in Värmland’ (2004-2007) [Hållbar värmländsk växtkraft] was formally directed by the County Administrative Board, but the municipal association Region Värmland had joint responsibility for the project. The effort to design the Regional Growth Programme is described as broad-based, with 115 people from 70 organisations involved. The process was managed by the working group at the Värmland Council, the informal cooperation body. The Swedish Federation of Business Owners, the Chamber of Commerce, the County Administrative Board, the County Council, the Municipality of Karlstad, Karlstad University and Region Värmland were included in this steering committee. The Swedish Trade Union Confederation (LO) and the Swedish Union of Clerical and Technical Employees (SIF) were attached to the committee as adjunct members. The programme formulated five prioritised initiative areas: leadership, skills, living environment, mobility and business. Under the ‘business’ area, the programme identified the importance of strengthening entrepreneurship, cluster development, the culture and experience industry and the natural environment and ecology to ensure an internationally competitive environment. In respect to cluster development, the understanding of clusters seems to have become more specific. My
interpretation here is based on the committee's judgement that three of the 'base industries' in Värmland can be regarded as 'cluster-like agglomerations of firms' with development potential. Only three of the seven 'clusters' identified in the Growth Agreement are thus assessed as 'cluster-like agglomerations of firms': the Pulp and Paper cluster, the ICT cluster and the Steel and Engineering cluster. The new element in the definition of clusters, in relation to the Growth Agreement, seems to be that clusters promote competitive advantage:

geographically delimited agglomerations of firms that are dependent upon each other and which promote stronger competitive advantage (Länsstyrelsen & Region Värmland, 2004:13, italics added).

The Growth Programme problematises the fact that several of the region’s clusters are dominated by ‘male’ industries, but hastens to add that 'new cluster ideas can provide avenues to other gender perspectives' (ibid). At the same time, the programme argues that not everything is a cluster and that innovativeness is most likely created in the confluence of clusters and other business networks. The environmental technology, food and culture and experience industries are described as regional ‘assets’. But when it comes to ‘food’, for example, the Committee argues as follows:

Food is not a cluster in the proper sense, but there are quite a few firms in the industry (Länsstyrelsen & Region Värmland, 2004:19, italics added).

Why ‘food’ is not a cluster in the proper sense is not explained here in any further detail. Two possible interpretations based on the definition presented could be that the firms are not interdependent or that they do not contribute to strengthening competitive advantage. However, the argument suggests that it is left up to those who shape and design cluster policy to judge what is or is not a ‘cluster’. Under the initiative area of leadership, a picture is painted of the great complexity of regional development work, which is thought to impose heavy demands for leadership and collaboration. One example of a new idea for responding to this complexity is ‘vigorous collaboration among business, academia and government towards innovation and change’ (ibid, p. 6).

About a year after the process of drafting the Regional Growth Programme was concluded, the Government presented another Bill, Our Future Defence (proposition 2004/05:5), which proposed a defence reorganisation that would impact several municipalities in Värmland. In connection with this defence reorganisation, the Government asked the County Governor of Värmland to
suggest appropriate actions for increased competitive advantage, sustainable growth and employment. The County Administrative Board took this to mean that the Government wanted suggestions as to how a number of unique competencies in Värmland might ‘over the long term make a greater contribution to national GDP’ (Länsstyrelsen, 2005a:2, italics added). These initiatives were primarily aimed at the directly affected municipalities of Kristinehamn, Karlstad and Hammarö (Länsstyrelsen, 2005a). The proposed actions were aligned with the initiative areas identified in the Regional Growth Programme for Värmland (Länsstyrelsen, 2005b).

The report and application for funding compiled by the County Administrative Board describes ‘the linkages between centres of excellence [cluster organisations] and economic growth’ according to ‘modern economic growth theory’. Based on growth theory, the Board argued that productivity is the most important driver of economic growth. The problem they defined was that higher productivity and higher growth simultaneously are unusual in the industries located in the region. The large mills in the region, assessed as highly competitive, are thought to have contributed to providing the people of the county with a secure job market for generations. This is believed to be one possible explanation for low levels of entrepreneurship in large parts of Värmland. It is also thought that innovation capacity has been confined to these mills. Once the market in these industries has matured, firms must squeeze prices in order to compete, which stimulates process and organisational innovations rather than product innovations. Machines then replace labour, which leads to rapid increases in productivity accompanied by a decline in jobs. At the same time however the Board emphasises that ‘growth theory’ suggests that productivity gains are beneficial to economic growth. The biggest problem identified on this basis is that growing industries ‘have difficulty putting down roots in the county’. Innovation capacity and entrepreneurship in the region are deemed crucial to long-term economic growth and competitiveness in the region (Länsstyrelsen, 2005b).

The factors the County Administrative Board, based on ‘growth theory’, believe affect productivity are the employment rate (percentage of the labour force in work), capital intensity (in the form of machinery, buildings and infrastructure)

54 ‘Centres of excellence’ is here used as equivalent to the Swedish term ‘Kompetenscentra’.
55 This is a problem with cluster policy highlighted by Hospers et al (2008). They argue that cluster policy is often mixed with innovation policy and employment policy objectives, which leads to conflicting objectives because higher productivity often leads to lower employment in mature industries.
and technical progress and innovations. The last factor is described as the one with greatest impact on long-term growth. This is believed to lead to new and more productive technology. Education and R&D are considered significant to innovativeness. However, they emphasise, the interactive learning that arises in clusters and networks is crucial to competitive advantage. The County Administrative Board justified the allocation of resources to regional centres of excellence by saying that they would help strengthen innovation capacity and entrepreneurship in the region over the long term. The key activities these organisations were supposed to work with were entrepreneurship, business development, R&D and training and skills enhancement. The theoretical model for how these centres of excellence would generate growth and higher employment was illustrated this way in the application:

![Diagram](image)

**Figure 4.1.** Linkages between centres of excellence and economic growth (Länsstyrelsen, 2005b:22).

The model is interesting in its illustration of the articulated thought diagram upon which the application was based, a thought diagram that was in turn based on ‘economic growth theory’. Via centres of excellence (which gather firms in ‘industrial clusters’), there would be greater collaboration among the firms in the identified clusters. Greater cooperation and initiatives towards entrepreneurship, business development, R&D, training and skills enhancement
would produce innovations. The presumption is that these innovations will then lead to market growth and employment growth.

In its application for funding, the Board’s point of departure is thus research: research that ‘unequivocally’ identifies two factors that create long-term conditions for economic growth: (i) capacity to create specialised knowledge assets and (ii) capacity to convert knowledge assets into new products and services that can be sold in growing international markets (Länsstyrelsen, 2005b). The strategic initiatives for which the County Administrative Board is seeking transition funds thus came to be inspired by both cluster and innovation systems theory. ‘Centres of excellence’ is the term used in the application for what are now called cluster organisations. The Board writes:

In the process undertaken to accomplish this task, it was determined that the innovation system in Värmland is fragmented. Embryonic clusters exist; there are actors that can support innovation processes and there are actors engaged in R&D. But the linkages between the actors are weak. Centres of excellence will work to forge strong linkages between the actors in the innovation system […]. The core business of centres of excellence will be aimed at developing a number of spearhead technologies. In order to develop these spearhead technologies, a shift must occur from a traditional project perspective to a new, process-oriented system perspective (Länsstyrelsen, 2005b:23, italics added).

The problematisation that can be discerned here is that the linkages between the firms in the clusters are too ‘weak’. An interesting aspect of this problem statement is thus that clusters require strong linkages, an understanding that was not discussed in the preceding texts about clusters. The centres of excellence that were granted funding for this effort were the Packaging cluster, the Steel and Engineering cluster and the IT cluster. The Pulp and Paper cluster was thus not assigned priority in this application, even though it was identified as a world-class cluster by the same body (the County Administrative Board) in the Regional Growth Agreement. One possible explanation for why the Pulp and Paper cluster was left out of the programme might be the understanding of ‘growth theory’ presented. Since the industry is described as very productive and since increased competition in the industry is leading to process and organisational innovations rather than product innovations, the industry seems not to be a suitable target for labour policy initiatives. This is however a strictly implicit formulation based on my interpretation of the material.

56 I would like to refer back here to the text in the Swedish Government Report SOU 2000:36 (p.74) quoted in the preceding chapter, in which the conflict between specialisation and diversity is discussed.
In its report and application to the Government, the County Administrative Board does not specify what theories they mean by ‘modern growth theory’, however cluster and innovation systems terminology recur in the documents. The cluster concept, understood as ‘industrial clusters’, also appears to be a central component of this growth theory. The Board does not explicitly describe how they understand the cluster concept, although Figure 4.1 illustrates their thinking about cluster development and growth. We find the emphasis on new technology and innovations as producers of scope for productivity gains in Porter’s thinking on clusters. The arguments also reflect one of Porter’s most central tenets, that a cluster is defined by the linkages that connect firms, linkages the Board wants to strengthen through these ‘centres of excellence’. A total of 66.5 million Swedish kronor were invested in the framework programme ‘Innovative Värmland’, in which three centres of excellence were identified as crucial to the programme (Ramböll, 2008).

The process of drafting Värmland’s Regional Development Programme (2009-2013) was headed by Region Värmland. Again, no explicit explanation of what clusters are or how they should be understood is given in the Regional Development Programme, titled ‘Värmland is growing – and knows no bounds’ [Värmland växer – och känner inga gränser]. However, a cluster perspective connected to economic theory implicitly emerges here as well. Particularly noteworthy is how the programme shows that the Paper and Pulp cluster and the Packaging cluster in the region encompass the entire value chain, a central idea in Porterian cluster theory. Once again, the Pulp and Paper cluster is described as unique in the world:

[The Pulp and Paper cluster] is a forest industrial cluster in pulp and paper technology that is unique in the world. Skills and resources for packaging development have been gathered in [the Packaging cluster]. The entire value chain is covered thanks to cooperation among the pulp and paper industry, the graphics industry, food industry, design agencies and service research at the university (Region Värmland, 2008:23, italics added).

Even though clusters were defined differently in the various documents, as were which regional ‘clusters’ were considered important targets of political initiatives, they illustrate how clusters were represented in what I call ‘industrial clusters’ in Chapter Three. The understanding of clusters is obviously inspired by a specific form of economic theory and is articulated as theory. In the

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The breakdown was 50 million Swedish kronor from the central government and 16.5 million kronor from the Värmland County Administrative Board.
following, we will see how a parallel understanding of clusters and cluster development emerges in the region.

**Clusters as collaboration**

From the beginning in the action plan attached to the Regional Growth Programme, the drafters explain that there are many ways to understand and define ‘cluster work’, and that Värmland:

> [c]hooses […] to focus on value-creating collaboration between business, the university and society. The basic premise for the processes is that there should be one or more responsible cluster engines that want and are trusted to drive the long-term cluster process and have the knowledge required (Länsstyrelsen & Region Värmland, handlingsprogram, page 28, italics added).

Based on this description of ‘cluster work’, the text goes on to describe how the most important ‘cluster processes’ are the Packaging cluster, the Steel and Engineering cluster, interactive products for the arenas of the future, the Food and Meals cluster, 20 Degrees and the Risk and Security belt. Thus, the drafters mention here only one of the ‘quasi-cluster agglomerations of firms’ identified in the Regional Growth Programme, the steel and engineering industry. The Packaging cluster, however, is considered part of the ‘industrial cluster’ found in the pulp and paper industry. The common goals that apply to ‘all value-creating cluster processes’ are: stronger competitiveness in existing firms; spin-offs in incubator settings; marketisation of new products and services; and higher investments in (corporate) sponsored research (Länsstyrelsen & Region Värmland, handlingsplan, page 28).

The prioritised initiative areas in Värmland’s Regional Development Programme are leadership, innovative environments, skills supply, accessibility and quality of life. Innovation terminology was found earlier in the Regional Growth Programme, but is more prominent in the Development Programme. The focus on innovation informs the programme as a whole and is described as a guiding principle in the regional growth policy. Not found, however, is the emphasis on productivity so prevalent in the County Administrative Board’s 2005 application for cluster development funding. The programme describes how the term ‘innovation’ is defined based on Joseph Schumpeter’s understanding of the concept.

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58 No year is available for the action programme [handlingsprogram], but it is described as a clarification and specification of the Growth Programme for Värmland.
Development is accelerating all around us and the future competitiveness of our region will be determined by our capacity for renewal and innovation. [...] We define innovation as new products, new processes, new organisational forms and new markets (Region Värmland, 2008:8).

The programme describes how collaboration between business, the university and government are giving rise to a ‘new institutional order’ (ibid. p. 21). Region Värmland also argues that ‘few but vigorous initiatives towards innovation’ are necessary to ensure a competitive business sector (ibid. s. 22). As mentioned above, the Regional Development Programme does not explicitly define what is meant by ‘clusters’. As in the National Strategy from 2006, the cluster discourse in the region seems to have become self-evident. Clusters and the role of cluster organisations in regional growth policy are discussed mainly under two of the five initiative areas: leadership and innovative environments. The goals for innovative environments are: internationally competitive clusters in Värmland (innovative clusters); higher numbers of expanding, knowledge-driven regional export firms (innovative entrepreneurs); and a higher innovation rate (innovation for sustainable growth). Internationally competitive clusters are meant to be achieved by means including building stable and long-term cluster organisations, where the Pulp and Paper cluster, the Packaging cluster, the Steel and Engineering cluster, the ICT cluster and energy technology firms in the region are specifically pointed out as assets to build on.59 Even though no explicit definition of clusters is presented, it should be noted that a certain distinction is made here among the five. The Pulp and Paper cluster and the ICT cluster are described as two clusters. The Packaging cluster is described in terms of existing expertise and how the entire value chain is covered in the region through cooperation with the Pulp and Paper cluster. Steel and Engineering is not described in cluster terms, but the drafters emphasise that the large number of firms in the industry ‘make the region one of the leaders of its kind in Europe’ (ibid, p. 23). The energy technology firms in the region are described as outstanding, but there are no references to clusters or size. The text further describes how these clusters and sectors have ‘coordinated resources in the form of cluster organisations and centres of excellence as well as research and development resources’ (ibid, p. 24). Other ‘assets to build on’ presented in the programme under the initiative area of innovative environments are: the tourism and experience industries, which are described as relatively strong; the forests; Karlstad University; and other knowledge-intensive settings like health care.

59 Information and Communication Technology (ICT firms in the region).
The ‘clusters’ are also identified as assets to build on under the initiative area of leadership. The drafters talk in terms of regional leadership, in which various leading actors in the region are included and where a gathering of regional strengths will be mobilised by means of joint action. The cluster organisations are included in this leadership as the ‘mouthpiece’ of the industrial clusters. This participation has been broadened over the years, because the cluster organisations are regarded as key actors based on the adopted ‘system perspective’:

Regional leadership is composed of the politically governed organisations, business and the university. The Triple Helix is a commonly used designation for this kind of collaboration. Segments of the voluntary sector and interest organisations are increasingly included in the regional leadership. The Chamber of Commerce, cluster organisations, the university and Region Värmland have made strong progress in recent years. Together, Region Värmland, the County Administrative Board, the County Council and the more important interest organisations have strengthened mutual trust (Region Värmland, 2008:16, italics added).

The cluster organisations are thus identified in the Regional Development Programme as part of the regional leadership alongside the Chamber of Commerce, Karlstad University, Region Värmland, the County Administrative Board and the County Council. The text describes how the challenges to be managed through regional leadership are the difficulties of finding a place in a national arena and in the EU. Establishing consensus among the municipalities is also considered a central task. At the same time, that the regional development mandate is still split between two ‘county actors’ (the regional cooperation body Region Värmland and the County Administrative Board) is recognised as problematic. The task of regional leadership is also formulated in terms of being active towards corporate executive management, since a large percentage of firms in the region are foreign-owned. As a whole, these actions are considered the responsibility of leading actors:

Innovation capacity in the region and renewal and development of business and government are matters that should be dealt with by the leading actors (Region Värmland, 2008:17, italics added).

A central aspect of regional development work highlighted in the Regional Development Programme under the initiative area of leadership is to ‘build Värmland’s image’. This should be done to attract visitors, new residents, firms, investments and experts. The region will be marketed internally and externally by defining the ‘images’ of Värmland the region wants to show off and
spreading good ‘stories’ about Värmland. Another task for the regional leadership is to ‘enhance the benefit of diversity’. This should be done by means including ‘expanding networks and structures by taking advantage of the skills of both men and women’ and by ‘increasing the diversity of innovative environments’ (Region Värmland, 2008:20).

The picture that emerges here is that the cluster discourse has become self-evident in conjunction with the institutionalisation in regional growth policy of the cluster organisations formed in the region. Cluster development has come to involve organised collaboration among cluster organisations, government and the university. In the next section, I will analyse how cluster policy is articulated and shaped within the confines of regional growth policy today (that is, when the study was performed, 2009-2011).

The cluster discourse 2009-2011

In the following section, I will analyse how clusters are articulated and shaped in regional growth policy today: how are clusters represented in regional cluster policy today? What effects are produced by this representation? And, what is left unproblematic? I will also shed light on how people talk about clusters as part of Sweden’s new innovation strategy in the confluence between regions, central governmental agencies and academics. The analysis is based on interviews, participant observations and opinion pieces printed in regional daily newspapers. The chapter ends with a summarising discussion of what emerged in the analysis of regional cluster policy in Värmland.

The Swedish Minister of Finance visited [the town of] Torsby in Värmland during the 2002 election campaign. At the press conference, the Minister was asked what the Government was going to do about the substandard roads in Värmland: ‘that’s the wrong question to ask. We are not going to do anything about the roads in Värmland until you can show us that you are contributing to Sweden Ltd’. WOW. You could have heard a pin drop (respondent public sector, partially rewritten by me).

And of course we are far too dependent on foreign ownership. […] All it would take is a stroke of the pen to shut down Värmland. They couldn’t care less about that; it’s so far away from home (respondent, business sector).

We’ve set a goal that we will be among the best at collaboration in Europe by 2015. Why is that important? Well, it results in better education, better research, becoming a more attractive recipient of grants from the various
research funding institutions and other sources, and I really believe that if we are not good at this, we are going to starve to death (respondent, academia).

The respondents describe a strikingly consistent picture of how changes in the business environment, greater globalisation and competition, a revised regional policy and research policy are creating new challenges for Värmland. This is a problem scenario familiar from the Regional Development Programme: challenges that must be handled jointly. The respondents express concern about regional dependence on foreign-owned corporations that could shut down or move factories and firms out of the county at any time. From a regional policy perspective, the switch from a wealth distribution policy to an economic growth policy is described as a challenge in which the region must display its strengths in order to obtain funding from the Swedish central government and the EU. From a research policy perspective, respondents from cluster organisations, government and the university describe how the revised research policy disadvantages the university and the region as a whole. Several of my respondents express a view that the region presents a stronger front if these regional actors coordinate their strategies and resources. The new regional discourse that I described in the introductory chapter thus comes to expression in how my respondents express the challenges the region is facing. The actual talk about the region thus becomes pivotal:

So, we’re not supposed to talk about how we need money because things are going badly somewhere, now we’re supposed to talk about what we are best at and we’re supposed to compete with others [other regions] (respondent public sector, italics added).

Much of the regional growth efforts are thus about creating a story about Värmland, as also reflected in the Regional Development Programme, a story that is meant to be communicated internally in the region as well as externally towards the state, the EU and business. The cluster organisations play a central part in this ‘story’ as ‘brokers’ between business, the university and government. One of the respondents describes how they thought about which ‘clusters’ to invest in:

What we have done politically is, as the saying goes, bloom where you’re planted, started with what we are good at here in the county because it’s simply too costly to build something new, we don’t have the resources. There is political consensus on that, which makes it easier to move forward on that basis (respondent, public sector, italics added).
The identification of strong 'clusters' in the regional cluster policy is a logical product of the dominant discourse. It is now widely accepted in both research and established policy that government cannot and should not build ‘new’ clusters. One of the respondents, for example, tells about the process with Vinnova’s Vinnväxt programme, in which local and regional politicians all over the country tried to start new ‘high-tech clusters’ such as biotech clusters. There is now widespread belief at the national and regional levels that cluster development and cluster policy should be based on already strong industries, ‘industrial clusters’ of ‘substance’. The importance of ‘having the guts to choose’ and ‘the courage to set priorities’ in regional growth work was emphasised at the National Cluster Conference in 2010. As a result, ‘size’ and ‘strength’ have become central to the representation of clusters.

Clusters as theory

Many of the respondents participate in various types of national and international conferences on clusters and cluster development. One of them talks about experiences at these conferences, summing things up by saying there is no cookbook, that is, no right or wrong way to work with cluster development. However, the respondent describes how cooperation between business and government seems to have become the key word in these contexts and how the very idea of cluster development is based on developing cooperation. Trust is another central term in this discourse, since actors cannot cooperate unless they trust each other. In this way, famous clusters like Silicon Valley and Boston become models for the arrangement of growth policy wherein close relationships between industry and government are described as a success factor:

Well, Porter says you can't control these processes, but his California example [Silicon Valley], if you look at it, they've been building tight cooperation and relations between industry and academia there since the 1950s (respondent, public sector).

We see that when we look at Silicon Valley, we see that when we look at the Boston case […] It was all about the public and the private working very closely together and with large budgets, and the two have been integrated in some way over there (respondent, public sector).

As was discussed in the preceding section on ‘clusters as collaboration’, Värmland has chosen to work with cluster development through organised cooperation between ‘industrial clusters’, the university and government. In this
way, cluster policy has evolved into a ‘collaboration policy’. The overall goal of cooperation is described in terms of higher regional competitiveness and growth. How then is this cooperation meant to generate growth? A picture emerges that this type of cooperation is inherently good, based on a dominant belief that growth is created through interactions between business, the university and government by means of relationship building.

You can’t let yourself be dazzled by these clusters; the point is the collaborative climate. So if you use clusters as a tool in some way to do that, it isn’t the name cluster that makes it unique or so good. The point is that you’ve found avenues for fruitful cooperation (respondent, business sector, italics added).

The strong emphasis on collaboration and cooperation for cluster development is familiar from national policy documents. In the same Bill in which the Government introduces the Regional Growth Programmes, clusters were described, as by now familiar, thusly: ‘clusters are a perspective on competitive advantage that focuses on various relationships [which in part have to do with] related firms and their buyers, but also relationships between firms and research institutes, industry organisations, public actors, etc.’ (proposition 2001/02:4, s. 69, italics added). According to the Government, it is in environments characterised by this type of relationships that competitive firms develop (ibid). But what is often missing in both national policy programmes and cluster policy research is any specification of what the actors are supposed to do in these structures. A view of clusters in line with what I call ‘industrial clusters’ where related firms cooperate and compete, does not necessarily become the most central aspect in regional political programmes for promoting competitive advantage and growth. Clusters thus represent a way of looking at business from the outside in. But with a view on clusters where clusters are constituted by relationships between these ‘industrial clusters’, industry organisations, the university and public actors, it becomes increasingly important to examine the politics. It is however important to note that ‘organisational clusters’ do not represent public-private cooperation with just any firms. Underlying this representation is still an understanding of ‘industrial clusters’ as described in the preceding chapter:

The cluster organisations are not the clusters, of course. Clusters are an organic environment, so to speak (respondent, public sector).

Cluster cooperation is actually cooperation among the firms included in the clusters (respondent, public sector).

The organisation of regional cluster policy, with focus on the ‘industrial clusters’ identified in the region, is often described as a success story, in both
regional media and at various types of conferences. The explanations behind this success are said to be cohesive regional leadership; cluster organisations as ‘brokers’ between business, academia and government; a collaborative-oriented university; innovative environments and test labs within ‘prioritised areas’; and regular impact measurements to determine how member firms in the cluster organisations believe membership is impacting their growth. People emphasise that cooperation is channelled through ‘cluster formations in regionally strong industries like pulp and paper, packaging, IT and steel and engineering – significant operations with more than 30,000 employees that contribute more than 25 billion kronor to Sweden’s net exports’ (NWT, 2008-12-04, italics added). These four ‘industrial clusters’ are also those included in the regional cluster policy and among those that have developed strong ‘cluster organisations’.

There is also an underlying assumption that this cooperation between business, government and academia can be an inherent competitive advantage. This assumption is also explicit, because cooperation is thought to increase the rate of innovation and because it is expected to attract new business establishments.

Based on my material, joint marketing of the region in various contexts seems to be a central aspect of organising cooperation, both when it comes to spreading the ‘Värmland brand’ and building the regional image nationally and internationally. All respondents from cluster organisations and firms describe how marketing of the region and the skills found within the respective ‘clusters’ is a central aspect of the arrangements that benefits everyone involved. As I discussed at the beginning of this chapter, this was also a central argument for why the organisation in the pulp and paper cluster was necessary. The cluster organisations want to attract new firms, investments and employees in their industries. Government wants more business establishments and investments that can create scope for higher employment. The university expresses a need for close relationships with business to gain opportunities for external research grants. Region Värmland and Karlstad University have also drafted a letter of intent concerning research that is primarily aimed at funding research in areas that may promote development in the cluster organisations’ member firms.

Receiving foreign delegations is an aspect of this marketing that many respondents discuss. These are delegations from regions that come to Värmland to be inspired by how the county is working with cluster development and firms that visit the county because they are thinking about establishing operations in the region, but also researchers who come to the region to study how Värmland is working with cluster development. The
success story is reproduced through these external actors: academics, consultants and other foreign delegations. Many of the respondents refer to how external actors confirm the picture painted of Värmland:

When you have delegations that come here – we had a delegation from South Korea here about six months ago, for example. […] When they looked at how we worked, the university, business, cluster and public actors, they were extremely impressed and that was exactly what they said, that there must be a great deal of trust here. […] and we’ve been told by many different people that this is our major asset (respondent, academia).

A lot depends on social capital. There are short decision paths, like we have here. We know each other. There is a Polish professor who has written about this, why people are successful at cluster formation in places like Värmland. It’s all down to social capital (respondent, public sector).

The regional growth policy is articulated on the basis of a ‘theoretical logic’. Värmland participated in an OECD project in 2005 that had to do with regional growth and innovation work. The OECD project clearly confirmed the cluster policy pursued and further reinforced the same. Many of the respondents refer to the expert committee’s conclusions in the project:

*It turned out we were right to exclude tourism, health and food and whatever else it was. After all, this report was done by the OECD, and they said it was good that we had focused, that we hadn’t spread ourselves too thin, and I think we suddenly got a little credit there. […] There are too many of them, they are too small […] we’ve looked a little at the food cluster down in Skåne [a region in Sweden], which has also been controlled by the big firms (respondent, public sector, italics added).*

When the OECD committee was here, the evaluation committee that came here as part of the project in 2005-2007, we were given clear recommendations to also focus more on the clusters and on the university and to work with regional leadership so that it became more effective. And not only in the politics, but more from the Triple Helix perspective with the university and business too (respondent, public sector, italics added).

The theoretical understanding of cluster policy is also illustrated in how the region is even thought to be ‘one step ahead’ of the research:

The academic Phil Cooke who works with, what would you call it, the development of this cluster theory thinking from the perspective of knowledge dynamics, he was here a few weeks ago and toured Sweden with the Agency for Economic and Regional Growth to look at a few initiatives. He was here in Värmland and looked mainly at [the Packaging cluster], but also the whole. He mentions Värmland as a good example, along with other
strong regions elsewhere in Europe, and he says some of the things we are working with haven’t made it into the textbooks yet. So, these are also positive indications (respondent, public sector, italics added).

In the regional cluster policy, clusters have evolved into a collaboration policy based on a discourse in which ‘size’, ‘strength’ and ‘cooperation’ have become central aspects in the representation of clusters. The representation of clusters most prominent in the early 2000s (‘industrial clusters’) has evolved and clusters are now represented as organised cooperation (‘organisational clusters’). At the same time, the cluster policy is articulated on the basis of an economic theoretical logic. Spreading the story about Värmland has become a central component of regional growth work. The material suggests that this story is produced by and (re)produces the regional discourse that I described in the opening chapter. In the following section, I will describe the effects produced by this representation.

The inclusive and exclusive practices of the cluster discourse
Perhaps the most pertinent question regarding what effects are produced by the representation of clusters has to do with how groups are assigned value and positions in the policy discourse. The outcome of the representation of clusters, in which attributes like ‘size’ and ‘strength’ are key, is that large and strong industries are considered especially valuable to the region’s growth. The system perspective that is a part of this representation also leads to the cluster organisations being regarded as ‘important cogs’ in a regional system:

In recent years, it has become very much the accepted wisdom that clusters are the answer to everything, so no matter what we do, we get to hear ‘you have to take greater responsibility, you have to work with these issues, you have to take care of this, you are important cogs in this system’ and it keeps getting bigger and increasingly extensive and you can also see that it is expected that you are an actor in many more forums than perhaps we might have the resources for and, actually, the acceptance too, to do. [...] you’re sucked into various processes and then you have to ask whether this is actually a process for us, or is it a strategic decision? (respondent, business sector, italics added).

Since the cluster organisation exists and it is such a big part of local business and industry […], we can get things done and we can have joint discussions with Region Värmland about certain things we want to do, if we want support for certain initiatives (respondent, business sector, italics added).
In this way, the organisation of regional cluster policy has produced a new structure of actors at the regional level who jointly form regional cluster and growth policy. The parallel representation of clusters as collaboration has produced a new form of political arrangements. Some respondents describe how a new kind of growth policy has evolved, a policy based on ‘the needs of business’. One respondent from a cluster organisation also expresses how they have become part of the ‘establishment’. Another respondent expresses similar ideas and describes how important it is to always maintain the relationships they and the cluster organisation have built up, for example with public actors:

> You have to stay involved with these structures, because if nobody sees you, you are not included, you don’t exist. And that is what we have been fighting for over the last ten years and we have made it to this position or however you want to put it, that we are part of this structure, which is a very good thing, because it has impact on our member firms (respondent, business sector, italics added).

Many respondents relate that the ‘clusters’ and governmental actors have ‘talked their way’ to a good understanding, that they have created a common agenda. As a result of this common agenda, the processes are characterised by flexibility and decisiveness because the parties have ‘talked their way to consensus’. One respondent puts it this way:

> I feel we have talked our way to very good agreement between the clusters, the politicians and us [at Region Värmland] on a platform, and based on that we can act pretty quickly. When Sätterstrand got started here out on Hammarö [an municipality], I mean we managed to find five million in a month, there is no company that does that, right?, just because we agreed on the fundamentals, that this was a good investment, so I feel we are really on the same page about these kinds of things right now (respondent, public sector).60

The same respondent also describes the relations to politicians in these processes: ‘well, the thing about the politicians is, as long as they are included and allowed to voice their opinions in these initial stages, they can relax afterwards and let us get on with things’. Relationships between government and business are organised primarily via civil servants and the cluster organisations as the representatives of business and industry. The assumption that cooperation generates growth becomes especially clear when strong ‘clusters’ in the form of cluster organisations are assigned an important role in regional growth policy because they are engaged in organised cooperation.

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60 Sätterstrand is a test lab for ICT firms in the region.
Cooperation is considered valuable and organised cooperation thus becomes a resource for exerting influence:

So, good examples, storytelling, show that the network is always aiming to get better and better, and as a result we play an important role in regional development [...] It is always about storytelling, telling about successful examples, telling what we do, exaggerating all forms of cooperation, well not exaggerate, but talk about all forms of cooperation and don’t hold back, go on about it forever, you know. [...] That’s what gets results (respondent, business sector, italics added).

An outcome of the parallel representations of clusters is that the ‘industrial clusters’ identified in the region are those included in the organisation of growth policy in connection with cluster policy formation, ‘organisational clusters’. The initial emphasis in regional policy that the sole focus should not be already strong industries and sectors seems to have been eliminated from current cluster discourse. Focusing and prioritising have become key tenets in current policy. The wider understanding of clusters within the cluster discourse also gives these ‘industrial clusters’, in the form of cluster organisations, access to political processes.

Another type of effects has to do with the limits imposed on what can be said, by whom and on what authority. Clusters are articulated in the regional growth policy as the implementation of economic theory. Clusters were presented in the Regional Growth Agreement for Värmland as a way of describing business and industry in value chains. Today, clusters are regarded as components of a larger, regional system, a system based on cooperation and one in which cluster organisations, Karlstad University and Region Värmland are assigned key positions. Creating inter-firm collaboration and cooperation between business, government and the university has become a political issue. At the same time, when clusters are represented as theory, academics and other professionals are given the authority to judge what is ‘good policy’, and hence good politics. Many of the respondents also refer to cluster theorists and research and as one of them puts it, the academics create legitimacy for the policies pursued.

In connection with the defence reorganisation and the OECD project carried out in 2005, an informal executive committee that called itself ‘Innovative Värmland’ was created. The members of the committee included representatives of the County Administrative Board, Region Värmland, Karlstad University and the cluster organisations that had received funding, but this steering committee was dissolved when these funds were exhausted. A new
steering committee was organised in conjunction with the letter of intent between Karlstad University and Region Värmland, which includes actors from those two organisations. Since the letter of intent is aimed at strengthening research in areas important to the member firms in the cluster organisations, it describes how these organisations will ‘report’ to the steering committee. This kind of informal steering committee has been found in various constellations since the late 1990s. I previously described the ‘Värmland Council’, which was described in the Regional Growth Agreement as an informal cooperation body. It was composed of the County Administrative Board, the County Council, the Association of Local Authorities and the Chamber of Commerce. Thus, there are new actors included in this type of steering committee, in which the municipalities and the County Council are the only ones still involved, through Region Värmland. In this way, the cluster organisations are included in governing the regional growth. As representatives of ‘business’, these organisations are included in policy processes, in defining and formulating the problems the region is facing and in the solutions to these problems:

[the role of the cluster organisations is to drive the agenda related to industrial development, but where the clusters also have a capacity to be involved in a wider context. This may have to do with infrastructure and transport communications, it may have to do with education, but it may also be connected to social planning and attractiveness, how the county is marketed and builds its image. Perhaps even cultural issues now and then. So, we can see that the clusters have a fairly broad role (respondent, public sector, italics added).]

The cluster organisations are in this way included in a variety of different activities within the politics for regional growth. All respondents except two business owners also feel that they have significant opportunities to exert influence within the framework of the cooperation. From an economic perspective, it may be reasonable to talk about cluster organisations as ‘neutral actors’, which often occurs in the regional discussion, but this picture should be problematised from a political perspective. The actors included in this ‘cooperation’ are afforded substantial opportunity to influence policy in line with the needs of their member firms, even if the member firms may not necessarily be aware of this. Several of the respondents from the government sector describe how the cluster organisations work as an important link to regional business. One of them relates:

On one occasion, the [Pulp and Paper cluster’s] board came to us and we sat an entire morning and discussed the business environment, trends, the...
reasons they were in the region and what they needed and so on. So, that probably could not have happened a couple of years ago, that the boards of directors and CEOs of these big firms came to us because they thought it was so important [...] and we've had similar meetings with the other clusters and they say it's important [...] the way Region Värmland works is good for us, for our firms. So, for us this was a very clear indication that what we were doing was useful and good (respondent, public sector, italics added).

The cluster organisations are expected to facilitate and channel government relationships with business. One respondent from a cluster organisation expresses that a new regional industrial policy has taken shape since the cluster organisations were formed: a policy controlled by business and the needs of business, and not government:

> When we started with clusters ten years ago, we had an industrial policy that was one way, when the clusters came into the picture; it actually became a new regional policy, seen from the industrial policy perspective. And I believe in that more all the time. Once again, we understand that united we stand and divided we fall (respondent, business sector).

A third category of effects has to do with who gains and who loses by this representation. In this way, the representation of ‘clusters as collaboration’ is producing a new way of organising politics in Värmland, an organised representation of interests in the politics for regional growth, through cluster organisations:

> So you have to pick and choose where to intervene and what is right, we are [...] not political. So, we should not intervene in the wrong areas; we are supposed to be an involved party that thinks what might benefit business? What might benefit the region? The firms in the region (respondent, business sector).

> The most improbable is that the firms haven’t really understood the avenues of influence they actually have through these clusters, opportunities to influence government so that things are managed with their needs in mind [...]. Things are always open to discussion. [...] and that’s why I think firms should understand the importance of being part of a network, a cluster, because then we get the entire business community involved. [...] Now there are certain firms that are not involved and that have a very hard time finding a sector, they end up on the sidelines and that’s a pity. I believe it should be possible to bring them in (respondent, business sector, italics added).

One of the respondents from the business sector describes how many business owners that do not belong to a cluster organisation are outraged that the firms
in the cluster organisations get more help and support than those who are not part of a cluster:

There’s no law that you have to belong to a cluster, after all. A lot of people in the business community are angry about it, asking ‘do I have to be in a cluster to get help and support?’ (respondent, business sector).

Cooperation is a form of politics in which there is risk that conflicts of interest and power relations will be obscured. Economic resources and information are exchanged in these relationships. Regional strategies are formed. The cluster discourse advantages the groups that are assigned value and positions in the representation of clusters. In Värmland, the result is that the organisations identified as clusters (that are pointed out as 'large' and 'strong' industries) are given both public financial resources and influence over regional growth policy.

Open communication, but behind closed doors? – on clusters as public policy

Based on the aim of this study, to analyse cluster policy as politics, power relations, conflicting interests and opportunities to demand political accountability are central issues. As I discussed in the introductory chapter, previous research has described regional policy as characterised by consensus. My material also reveals a lack of conflict articulation in the regional cluster policy, but this should not be understood to mean that there are no conflicts. Conflicts exist, but they are managed through negotiations 'behind closed doors' and are not articulated in the public arena.

Several of the respondents from the government sector discuss how the Government’s requirements for the actual organisation in regional co-operation councils pose certain challenges. In order to gain the status of cooperation council in the first place, and then maintain it, all municipalities in the county must agree. If one municipality no longer wants to be part of the cooperation council, it must be dissolved within two years. Consensus thus characterises the political arrangements:

For Region Värmland’s part, the ambition is somewhat that we should not be partisan, we are supposed to try and cooperate. This is what makes my role now a little different; in the past you had a very clear opposition or majority and you looked for things to fight about where you could seriously disagree and so on. Here, we have to find consensus so that Värmland can be developed and so everyone is pulling together. So that together we present a stronger front to other
outside actors, other regions like I said before, the state. So that the role of the regional politician in this organisation is a bit more diplomacy than party politics; it’s more about finding what unites us than the opposite (respondent, public sector, italics added).

The consensus norm is thus described as embedded in the organisation of regional growth policy. The quotation also illustrates how the respondents describe that they must stand united; they must present a stronger front – stronger against other regions, stronger against the state. In this situation, they must be in agreement. The respondents describe how there is also constant discussions of the cluster policy and publicly financed cluster organisations on two points: which municipalities are advantaged by the interventions, since the member firms of the cluster organisations are not evenly distributed across the county, and whether and for how long government should finance the organisations. The economic aspects of the cluster policy are thus discussed and conflicts do exist. The Steel and Engineering cluster in particular has been a topic of discussion because it is regarded as a cluster ‘constructed’ by government. The organisation was formed in connection with the defence reorganisation and there was an already established network in the region that wanted the resources in order to develop its activities. Since the funds then provided by the central government were targeted at the municipalities impacted by the reorganisation, Karlstad, Hammarö and Kristinehamn, the County Administrative Board found itself compelled to put the money in Kristinehamn. For this reason, this organisation has for quite some time been financed entirely by public funds, although it has now started to charge membership dues. This has generated considerable discussion – but not in a public arena.

Meanwhile, two respondents from the government sector give expression to the lack of political discussion of the growth and cluster policies. They problematise the lack of political discussion about the overall targets of regional growth policy and how the cluster approach is meant to generate growth. They also emphasise that it is the politicians, not the civil servants, who should be talking about and discussing these kinds of issues. One of them maintains that democratically elected representatives must stand behind these targets and visions. The other respondent believes there is also a lack of political discussion about why funds are being allocated to the cluster organisations, a discussion he believes should be conducted by the board of the regional cooperation council, Region Värmland. He believes discussions about the financing of cluster
organisations must be preceded by discussion of the underlying aims of cluster policy:

Why are we doing this? That is the question I think politicians should be asking themselves. Why is this important? Why are we doing this now? (respondent, public sector).

One of the respondents from a cluster organisation also describes tendencies towards meritocracy in the system, that those who possess the greatest expertise also control the growth policy. Only one of the respondents problematises the way regional cluster policy has been organised from a democratic perspective. He is worried about democracy and how decisions are made when growth policy is organised this way:

If you structure everything and a few people make all the decisions and are front and centre all the time, you won't get a creative environment. What if the people in charge are wrong, that would be devastating. That is why you must have a democratic view, you have to work with the ideas people believe in. [...] If you have too many of these clusters and you're supposed to structure everything, well, I don't think that's a good thing (respondent, business sector).

The respondent states that there must be a democracy in terms of ideas and there must be scope to criticise the ideas that are advanced. The same respondent expresses understanding for the fact that politicians allocate resources to certain areas, since the resources are limited, but does not believe this facilitates creativity. What is important to social development, he believes, is that tax revenues are used to create a democratic and diverse society. He approves of the cluster organisations’ efforts to market business in the region, but is critical towards the relationships built up between the cluster organisations and what he calls the ‘friends of business’. By ‘friends of business’, he means the public actors, academics and consultants who constantly tout the splendidness of the cluster organisations. The respondent has been influenced by opinion pieces published in one of the regional daily newspapers. In one article printed in NWT in late 2009, the debaters present the organisation of cluster policy as a problem, arguing that the cluster organisations have been ‘taken over by the politicians’ even as they have become entirely dependent upon public funding. These are the debaters who coined the expression ‘friends of business’ that one of the respondents uses. They criticize the relationships produced by the organisation:
The industrial clusters have now been allocated another 17 million kronor in tax revenues from Värmland. From the outset, the industrial clusters were initiated by the firms themselves, but they have increasingly been taken over by the politicians, even as they have become entirely dependent upon public funding. The whole thing seems to be an exercise in political correctness. The local political establishment earns political points at the national level. The people employed in the clusters gain power and status and make a living from the organisations. [...] The democratic divide between the politicians and the organisations who do their bidding on the one hand and the target group/the public on the other hand, ensures that the bubble can keep on growing without bursting. As a result, the politicians and cluster representatives have no interest in closing the gap, that is, increasing democracy and transparency, because that might threaten their very existence [...] Through massive media coverage in which a phenomenon is constantly claimed to be good and successful, an image is built up in the minds of the public that such is the reality (NWT, 2009-11-25).

This was unusually strong criticism of the cluster policy, but there was no continued public debate on this issue in the morning papers. No responses came. A respondent from one of the cluster organisations relates how the critique made a lot of people nervous:

> It scares the politicians and makes them sweat, which is healthy, so I think he is actually doing the right thing, getting a debate started. This is what we need so that we don’t sort of create a Russian model; instead the subject is brought into the open and discussed. Whether I think he is right is another matter (respondent, business sector).

Several respondents, however, express how the institutionalisation of the cluster organisations in the organisation of the regional growth policy also creates challenges and that people on the public sectors side seem to uncritically accept the cluster organisations and their involvement in political processes. When the first cluster organisation was formed, it was argued that firms in the forest industry needed a ‘non-political’ form. One respondent from a member firm considers it problematic that the cluster organisation has become so involved in the regional politics:

> Line: How do you feel about the fact that this has become a matter of regional policy?

> Respondent: It is very unfortunate. I think it will be a dangerous thing when the politicisation of this gets rolling. Because it is a wheel that is turned by something other than our cooperation. I am a bit concerned about that. I don’t think it is a good thing.
A process that several respondents describe (and which was ongoing during the period in which I conducted most of the interviews) was that of drafting a joint declaration for a ‘climate-neutral’ Värmland. The cluster organisations were regarded as obvious partners in this process and government actors invited a group in to direct the effort. Several respondents problematise this process, partly in terms of legitimacy and partly in terms of democracy. One respondent doubts whether the cluster organisations have the legitimacy and mandate to participate in these types of processes, primarily in relation to their member firms. As well, the aim of the process was not clear from the beginning:

What we were doing was that it was supposed to be a roadmap for the Värmland model in relation to energy issues and fossil fuels. And none of us realised that that was what it was about […]. It was not put in particularly concrete terms that the goal was an action plan and roadmap that we would later consider binding (respondent, business sector).

There was also criticism that no minutes were kept, which meant the participants could not enter objections to decisions into the record and it was difficult to go back later and review the process. The frameworks of these processes also became clear when I as a researcher was not allowed to be present at a meeting where the issue was to be discussed. The people involved wanted to keep the meeting ‘small’ and make it possible for people to ‘speak freely’. It seems that cooperation demands the absence of conflict, or at least negotiations behind closed doors.

The theoretical representation of cluster policy might be able to explain the lack of public discussion of the cluster policy. Cluster policy is articulated as the implementation of ‘economic theory’. The material also shows a palpable absence of political discussion about the ‘organisational’ representation of clusters. By this, I mean the relational aspect of the cluster policy, that these organisations also gain palpable influence over political process. Only one respondent problematises this from a democratic perspective. The issue was raised in public debate through opinion pieces in the newspapers – but there was no response. The regional cluster policy is articulated in the public arena but still does not become negotiable. The issue is also articulated in collective terms, but not in terms of conflict and divided interests. An economic and theoretical picture of this arrangement seems to dominate in which ‘cooperation’ is not problematised as politics.

The ‘Värmland Model’ is the term used when the regional actors describe/market their regional growth policy. The term refers to the cooperation built up between cluster organisations, the university and government.

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In making a connection to the analysis in the preceding chapter of cluster research and clusters in national regional policy, it may be relevant to discuss how academics, regional and national actors view and discuss clusters as part of regional policy. The National Cluster Conference was held in 2011 in Karlstad, Värmland. It was arranged by the regional cooperation councils in Värmland, Dalarna and Gävleborg and is a manifestation of these regions’ strong focus on cluster development within the framework of their regional growth policies. The three regions’ collaboration for cluster development, SLIM, encompasses 15 cluster organisations. During the period of 2007 to 2013, vast sums will be invested (a total of a billion Swedish kronor via EU Structural Funds and Swedish co-funding) ‘to develop strong, innovative environments linked to the base industries found in Värmland, Dalarna and Gävleborg’ (Region Dalarna, Region Gävleborg, Region Värmland, 2011).

The expressed purpose of the conference was to ‘learn from each other’ and change Swedish innovation policy. The theme of the two days was ‘internationalisation of small and medium-sized enterprises in clusters’ but discussions of Sweden’s new innovation strategy were also on the agenda. There were a total of about 250 participants from some 30 cluster organisations, ten academic institutions, national agencies including Vinnova (the Swedish Innovation Agency), Tillväxtverket (the Agency for Economic and Regional Growth), the Ministry of Enterprise, Energy and Communications and the Ministry of Education and Research, seven regional associations, consultancy firms and international experts from Germany, New Zealand, the Czech Republic, Scotland and Australia. A very small percentage of the participants were politicians and business owners.

The first of the two days featured speakers from regional co-operation councils, consultancy firms, Vinnova, Tillväxtverket and the Ministry of Enterprise, Energy and Communications. Parallel seminars were held in the afternoon on a variety of themes: Internationalisation and branding of cluster organisations; How can cluster research and ongoing evaluation be transformed into learning and knowledge products?; The Baltic Strategy for increased market development of SMEs; Clusters and innovative environments as platforms for investment and export; Gender check: Does it matter?; and The role of academic institutions in regional and national growth. Day two included a
summation of proceedings in the seminar groups, which would serve as a contribution to the new innovation strategy for Sweden.62

The conference opened with a welcoming address by a regional politician who described the successes of ‘the Värmland model’, organised cooperation between the university, business and public actors channelled via a number of strong and successful cluster organisations. The politician emphasised the importance of cooperation to economic growth and related how the region had measured the results of the organisation over a number of years: ‘this is why we know the model contributes to new products, services, higher sales and more jobs’.

‘Clusters’, ‘cooperation’ and ‘innovation’ are central concepts that recur throughout the conference. One might imagine that a conference on clusters that gathers a large and varied group of actors in order to learn from each other and discuss the innovation policy of the future would include a discussion of what people mean by ‘cluster’. This was however highly implicit and it was clear from the discussion that everyone at the conference knew what a cluster is and what can be gained through cooperation. However, the use of cluster terminology was very elastic and a great deal was left unsaid. Could it even be that the vagueness of the concept in practical politics is its greatest strength? One speaker at the conference, from a national governmental agency, described the agency’s perspective on the drivers of growth: ‘First a few words about our view on what drives growth, which is of course nothing new to you who are sitting here, since you think along the same lines’. Knowledge about innovations is considered crucial to cluster and growth efforts. One of the key opportunities inherent in ‘cluster cooperation’, the participants are told, is to give small businesses the chance, as suppliers to large firms, to benefit from innovation and development. One speaker asked a rhetorical question: ‘Well, what is a cluster, exactly?’ but then went on to say ‘I won’t be discussing that here, since in this company the answer is pretty obvious’. The speaker did, however, describe why the agency works with clusters: ‘In our cluster cooperation, we can see that this is a way of cooperating with the region, of

62 The cluster conference held in Tällberg, Dalarna in 2010 also resulted in a compilation of the ideas discussed during the conference. This compilation consisted of a ten point bullet list and was intended as a contribution to a future innovation strategy for Sweden: Use cluster organisations; a national programme for regional test labs and innovation environments; balance basic and applied research; measure impacts. Out in the firms: create incentive for greater international presence; use diversity as a resource; strengthen firm engagement; influence procurement procedures so that they take place in an innovative way; longevity; review the financing of cluster organisations; and clarify the function of academic institutions in the regional innovation system (Region Dalarna, Region Gävleborg & Region Värmland).
zeroing in on strengthening cooperation’. The importance of the regional prioritisations and image building being done in every region was stressed, especially in relation to the Structural Fund programmes. Clusters are thus thought to serve as a cohesive force internally in the region and in relation to actors outside the region, such as governmental agencies, the EU and large multinational corporations and firms located in the region.

A representative of the Ministry of Enterprise, Energy and Communications talked about the background and ongoing process of drafting a new innovation strategy for Sweden and how clusters can be used as a tool to promote internationalisation. Particular emphasis was put on the need to set regional priorities, but also that it was not only a matter of selecting, but also deselecting. Deselecting was further described as perhaps the most difficult element, but there was no discussion of the premises upon which the regions should select and deselect. On the second day, suggestions for the contents of the new innovation strategy were compiled and discussed in the six different seminars. The suggestions reflected an understanding of clusters as industrial clusters (in suggestions like ‘identify and close the gaps in the value chain’) and organisational clusters (in suggestions like ‘the most important things are regional leadership and consensus’).

**Summarising analysis: clusters as politics in a Swedish region**

As we can see from the preceding analysis, cluster terminology has also broken through in efforts towards regional growth in Värmland. The representation of clusters in Värmland has changed over time. Clusters were initially discussed as a way of describing business. The understanding is linked primarily to the value chain as described by Michael Porter and by the Swedish Government in the Bill ‘Regional Growth – for employment and welfare’ (proposition 1997/98:62). This understanding has been present in the understanding of clusters throughout the studied period, although the industries described as ‘clusters’ or ‘quasi-clusters’ have historically varied in policy programmes. Both

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63 The list of ideas compiled after the 2011 cluster conference included ten points for greater internationalisation of small and medium-sized firms: use cluster organisations; expand the mandate of Tillväxtanalys, the Swedish Agency for Growth Policy Analysis; reinforce the Swedish Trade Council; make more extensive use of the Invest in Sweden Agency; coordinate regulations and time perspectives; strengthen the role of cluster organisations as project owners; a regional application centre; reward cooperation between academia and business; more inclusive growth; measure the impacts out in the firms.
‘small’ and ‘large’ ‘industrial clusters’ have been identified over time (in the sense of number of firms, size of firms and number of employees). This shows how it is left up to those who design the programmes to define what a ‘cluster’ is. A parallel representation of clusters has however successively evolved in which cluster development involves more than inter-firm cooperation. This representation is familiar from the Government Bill ‘A Policy for Growth and Vitality throughout Sweden’ (proposition 2001/02:4). It is currently thought that clusters can be strengthened through cooperation between business, the university and government. An underlying assumption in this representation is that cooperation among these actors creates the conditions for innovation, competitive advantage and economic growth.

The current representation of clusters is analysed based on three categories of effects. The first has to do with how groups are assigned value and positions in the cluster discourse. One conclusion is that the prevailing representation identifies ‘large’ and ‘strong’ industries as ‘industrial clusters’ and thus important to the future development of the region. Through the expanded understanding of clusters and cluster development, these ‘industrial clusters’ are included in regional political arrangements through the cluster organisations. At the 2011 National Cluster Conference, speakers described how the Swedish Government views clusters as a way of strengthening central government cooperation with the regions. The second category of effects has to do with who is allowed to say what and with what authority. Since the cluster organisations are regarded as the channel to regional business, they are assigned the position of defining the needs and problems of business (something one respondent from the business sector is personally doubtful towards). Because clusters are linked with a specific form of economic theory, academics and other professionals are the ones assigned the position of determining what is ‘good policy’. This is also obvious in my interview material. The respondents refer frequently to the assessments and understandings of cluster policy of external academics and professionals. Another aspect of the cluster discourse is that strengthening cooperation between firms in ‘industrial clusters’ becomes a political issue. The third category of effects is what Bacchi (1999) calls ‘the lived effects of discourse’, referring to the material effects of the discourse on human beings. The discourse advantages some and disadvantages others. The current discourse benefits firms that are included in this form of organised ‘industrial clusters’. This is also an issue brought forward in the interview material.
What then is left unproblematic on the public arena? ‘Clusters as collaboration’ is a form of politics which entails risk that conflicts of interest and power relations will be obscured. When the representation of ‘clusters as collaboration’ is clothed in the language of economic theory, the power relations that are always found in this kind of political arrangements are concealed. One respondent brings up this issue, that the organisation in ‘clusters’ leads to certain actors ‘making the decisions and being front and centre all the time’. The issue is also discussed in an opinion piece published in NWT in late 2009. Who should be included and who excluded in this ‘cooperation’ and what power relations are produced in these forms of arrangements is left unproblematised in the material otherwise. One respondent describes how they have fought for many years to obtain the position they now have, a position of influence over regional growth policy. When one of the first cluster organisations was formed, the municipal business development company ERK argued that firms in the industry needed a non-political forum. This picture can now be problematised. The cluster organisations are formally controlled by their member firms, but have become part of established regional politics. This is problematised by some of my respondents from the business sector, who describe a specific ‘cooperation process’ they perceive as undemocratic. The discussion sheds light on how the representation of ‘clusters as collaboration’ must be understood as politics and not only as ‘management’. In the next, concluding chapter, I discuss my findings and the implications of looking at clusters in terms of politics, the political and politicisation.
Chapter Five
The implications of ‘clusters as politics’

In the introductory chapter, I describe a new regional discourse that identifies subnational regions as important areas for active efforts towards economic growth. I also describe how models like partnerships and clusters entail new ways of organising growth policy at the regional level. The challenges this creates for public organisation, usually called ‘the regional mess’, and the consequences for political governance, democracy and accountability are also identified as central issues.

In relation to this set of problems, I discuss in the following chapter the results of my analysis in Chapters Three and Four. The overall research question is discussed in relation to the analytical concepts of politics, the political and politicisation. My results are also related to previous research on this kind of politics. I conclude with a few thoughts about my approach, choice of method and questions for further research. But first, a brief summary of what emerged in my analysis chapters.

In Chapter Three, I discuss two representations of clusters in the research that are important to take a stance on if we want to understand ‘the politics of cluster policy’: ‘industrial clusters’ and ‘organisational clusters’. I also illustrate the shifts in attitudes towards clusters over time in national policy documents. Three different phases are identified based on the Government’s approach to cluster terminology between 1998 and 2010. Clusters are initially introduced as an ‘interesting theory’ on how firms create and sustain competitive advantage. The representation of ‘clusters’ can be understood here in relation to what I call ‘industrial clusters’ in my analysis of cluster research. In the second phase, the understanding of clusters is expanded to include research institutes, industry organisations and public actors. In the third phase, cluster terminology has become self-evident, in that cluster terminology is not discussed. In contrast to preceding phases, clusters seem virtually to have become inherent end points. As I see it, clusters were initially understood as a way to understand ‘industrial expansion’ that later evolved into a way of organising politics. ‘Interaction’
among regional actors is, in national policy documents, presumed to facilitate the development of clusters, in conformity with the representation of clusters as ‘organisational clusters’ within the research. My analysis of cluster politics in Värmland in Chapter Four shows how national policy is reflected at the regional level. As on the national level, the attitude towards clusters has changed over time in the region and two parallel representations of clusters have evolved. An understanding of clusters as ‘industrial clusters’ underlies the cluster policy. Meanwhile, the parallel understanding of clusters as collaboration has come to entail organised cooperation between these ‘industrial clusters’, government and the university in the region.

The point of departure for my analysis of the discursive practices of regional growth policy is that the relationship between knowledge and power is a process that produces and sustains dominant beliefs and discourses (see Wahl, et al, 2008; Foucault, 1980). Clusters are articulated in the national and regional political arena in theoretical terms. In the analysis of representations of clusters at the national level, I discuss how clusters are introduced as an ‘interesting theory’ about how firms create and sustain competitive advantage. At the regional level, this articulation is manifested in assigning academics and other professionals the position of determining what is ‘good policy’. Cluster policy is articulated in theoretical terms, where there seem to be certain defined criteria for what constitutes a cluster. However, my analysis of regional policy documents shows that various ‘clusters’ have been identified in the region over time, which I see as a telling example of how it is left up to those who formulate the policy to define what is – or is not – a cluster. Martin and Sunley (2003) describe the weakness of cluster terminology in the following way:

The key weakness [with the cluster concept] is that there is nothing inherent in the concept itself to indicate its spatial range or limits (Martin & Sunley, 2003:12).

At the same time, they point out that ‘clusters’, according to Porter himself, can vary in size, breadth and degree of development. They may consist of small and medium-sized, or small and large firms. They also ask the rhetorical question of whether it is wise in the name of cluster policy to exclude certain firms from institutional dialogues (Martin & Sunley, 2003). My study shows that this is a reasonable question. In Värmland, ‘cluster development’ has come to entail a form of organised cooperation that includes ‘industrial clusters’ (through cluster organisations), government and the university. The policy discourse suggests that there are certain defined criteria for what constitutes a cluster, even as a
'cluster' (in theory and politics alike) is something mutable; I see this as an expression of the relation between knowledge and power and how the relation between the two operates in the cluster discourse. Power should not be understood here as something 'evil', that someone has over another person. Power is regarded in the Foucaultian sense as something productive and relational, which produces knowledge and discourses (Foucault, 1980).

**Depoliticised cluster policy**

How can we understand the articulation and formation of regional cluster policy in relation to the concepts of politics, the political and politicisation? I have shown through my study that clusters are linked with and articulated as a specific form of economic theory, ‘cluster theory’. Cluster research thus becomes the model when the cluster policy is formed and produces a new way of organising politics on the regional arena. Cooperation, between ‘industrial clusters’ (through cluster organisations), government and the university, is central to policy formation. The politics of cluster policy is articulated in the public arena, primarily in the form of opinion pieces written by actors who are involved in the cluster policy. It is also articulated in collective terms, in that it is described as important to the innovativeness, competitiveness and economic growth of all of Värmland. The politics is characterised by consensus and agreement, however, and is not articulated in terms of conflict or divided interests. Taken as a whole, cluster policy in Värmland is described as a new policy area that has produced a new way of organising politics (formation). The cluster policy can at the same time be described as depoliticised (articulation). It is articulated on a public arena. It is articulated in collective terms. But it is not articulated in terms of agonism and divided interests.

How then can we understand this absence of conflict in the articulation of the regional cluster policy? In relation to the empirical case studied, I believe there are three main aspects that should be considered in order to understand the depoliticisation of cluster policy. The first two have been previously been advanced in studies that problematise consensus-drenched growth policy. The third has not, to my knowledge, been discussed to the same extent.

The first aspect concerns the regional discourse that has emerged within which the importance of cooperation and consensus within the regions is emphasised. Regional mobilisation is presumed to make the region stronger vis-à-vis external forces (see Hudson, 2005; Johansson & Rydstedt, 2011; Westholm,
My findings show that consensus is considered important so that actors in Värmland can present a strong front against external actors – primarily the Swedish central government and the EU, but also multinational corporations. Spreading ‘the story of the region’ thus becomes a central aspect of regional economic growth efforts. This implies that the regional actors jointly shape this story, a story of a beneficial climate of cooperation and strong cluster organisations.

In their study of the Stockholm-Mälar Valley region, Westholm and colleagues (2008) problematise this type of ‘brand thinking’ in regional policy. They emphasise that modern region formations are largely constructivist projects. These projects are based on a strong idea that the region must be described and shown off to create a truly functional region. The region’s identity is formulated as an answer to what the dominant discourse suggests the competition demands. A drastically simplified message is required to market the region. The brand becomes strong if it is communicated in one voice, which requires consensus among regional policymakers about the story they want to tell. This perspective on competition thus requires, according to Westholm (2008b) partisan politics to be toned down:

- Brand thinking seems to stand in opposition to the region as a democratic arena where divided ideas and interests can be put in contrast to each other.
- There is risk that the brand will colonise the future by locking it into a few sloganised concepts that all actors are expected to stick to. It is in danger of becoming a strongly conservative approach (Westholm, 2008b:128).

Spreading the story of Värmland is a central component of the regional cluster policy and something many of my respondents express that ‘everyone’ gains by, the cluster organisations and their member firms, Karlstad University and the public actors. One consequence of brand thinking is that the region is made into more of a political actor than a political and democratic arena.

The second aspect concerns Swedish regional public organisation. In the type of political arrangements found in Värmland, in the form of a regional cooperation council composed of indirectly elected politicians, consensus is described as an embedded norm. The Swedish Government has demanded that all municipalities in the region must agree. If one municipality chooses to leave the cooperation body, it must be dissolved. The respondents in Värmland describe how they try to avoid partisanship in their work to promote regional development.
At the same time that the municipalities are expected to be in agreement, business and other actors are expected to be involved in regional growth efforts, which must occur in partnership. Partnerships have proven poorly suited to managing conflicts due to their consensus procedures (Rönnblom, 2008) and have therefore been described as ineffective. They have seldom progressed beyond discussion and strategy formation and have thus not worked operationally (Lindström, 2005). Regional cluster policy in its present guise could be regarded as a way of getting business and industry on board the regional growth policy, as the complexity declines when these relationships are channelled via cluster organisations. Partnership was the term previously used to describe the cooperation the central government wanted to see between regional actors and between different political levels (see for example Lindström, 2005). My findings indicate that clusters have been developed into a strategy that could be interpreted as a way of managing this complexity. When relations with business are channelled through a few cluster organisations, fewer actors are involved, which makes this form of organisation more efficient and capable of action. The fewer actors, the fewer interests and the easier it is to come to agreement on lines of action.

The third aspect concerns the articulation of the cluster policy. One explanation for the absence of public debate characterised by agonism could be that the policy is articulated as the implementation of economic theory at both the national and regional policy levels. This articulation assigns to academics and other professionals the role of deciding what ‘good policy’ is. The policy pursued is also confirmed and legitimised by actors like the OECD, the EU, academics and other cluster professionals (regarding the legitimising role of the OECD, see for example Eklund, 2007; Boye, 2011; Alasuutari & Rasimus, 2009; regarding the legitimising role of academics, see Nauwelaers & Wintjes, 2008). In his article ‘Theory Led by Policy: The Inadequacies of the ‘New Regionalism’, John Lovering (1999) advances a critical argument that these types of theories are driven forward by political motives:

> It is impossible to resist the conclusion that the policy tail is wagging the analytical dog and wagging it so hard indeed that much of the theory is shaken out (Lovering, 1999:390).

Based on my results, however, the cross-pollination between theory and policy is a relevant area of consideration. When the regional growth policy pursued is articulated as implementation of theory and legitimised by academics and other
researchers, the question is: can it be scrutinised and negotiated in the public arena?

**Governing regional growth**

How does this depoliticisation affect the governance of regional growth? In the introduction, I discussed the concept of politics. I referred among else to Bernard Crick (2005), who emphasises that consensus is more a product of politics than a prerequisite for the same (see also Lewin, 2002). Chantal Mouffe (2005) advances a similar argument when she argues that a democratic society demands debate from clearly differentiated positions, before consensus is reached. Within regional growth policy, however, consensus seems to have become a norm that characterises the entire political process on the public arena. Brunsson (2002) describes how ‘the political organisation’, as an ideal type, is structured so that it builds on conflict, on opposing demands, because the political organisation is meant to reflect the myriad interests and demands of the citizenry. In the organisation in regional co-operation councils, consensus has become a far-reaching organisational norm (see Johansson & Rydstedt, 2010). My respondents describe how this is a matter of finding what unites the actors rather than divides them in relation to regional growth. Pulling together to present a stronger front to external actors is considered important.

As Mouffe points out, consensus is an important aspect of politics. Political processes must result in consensus in order for various types of measures to be implemented. Too much conflict can lead to actors mobilising their resources to battle and eliminate their opponents (Koppenjan, 2007). This is not, of course, a beneficial form of conflict. Consensus on lines of action should be the goal of politics. But consensus should be regarded as a product of political processes, wherein all the conflicting interests and beliefs of citizens are articulated. When issues are not articulated in terms of conflicts and divided interests, alternative problem statements and lines of action are obscured. When cluster policy is not articulated in terms of power relations and conflicts of interest, who gains and who loses by the prevailing representation of clusters is concealed.

In the introduction, I cited Jan Olsson, who previously has problematised the removal of ‘ideology and politics’ from regional development policy. Partnerships, he argues, provides scope for actors to pursue policy at arm’s length from the politicians. He expressed it as that policy is thus ‘rescued’ from
politics. Olsson also asked the rhetorical question of whether this meant that policy is also ‘rescued’ from democracy? My findings show that the question is also relevant to how regional cluster policy is articulated and formed.

In his collection of essays 'Bråka inte! om vår tids demokratisyn', [Don’t argue! On contemporary views on democracy] Leif Lewin (2002) discusses and problematises cooperative democracy. In agreement with Montin & Hedlund (2009b), Lewin suggests that rather than being a new phenomenon, the consensus norm in Swedish politics has been reinforced. In the history of ideas, cooperative democracy can be traced to Plato’s idea of elite governance wherein the management of politics is put in the hands of the knowledgeable and the competent. In her thesis 'Så Gott som Demokrat' [Pretty much the same as democracy] (1997), Kerstin Jacobsson analyses how democracy was discussed in the public debate on EU membership. She argues that a discursive shift took place in relation to the understanding of democracy. The approach to decision-making and democratic control was not regarded as decisive in the debate, which instead revolved around policy outcomes. This discursive change, she contends, gives professionals a more prominent role in politics (Jacobsson, 1997). These lines of thought are found extensively in the cluster and growth discourse, which is articulated in terms of economic theory. There also seems to be a tendency to ignore the existence of conflicts of interest in the articulation of regional cluster policy (see Montin & Hedlund, 2009b). That scientific methods cannot be used to resolve questions of values is thus left unproblematised in the prevailing discourse (see Lewin, 2002).

The politicians seem relatively absent in these processes. That regional growth policy is formulated largely by civil servants and characterised by consensus has been discussed in earlier research (see for example Johansson & Rydstedt, 2010; Bache & Olsson, 2001; Rönnblom, 2008). The role of professionals and academics in the formation of regional growth policy has not, to my knowledge, been discussed to the same extent, even though these actors seem to play a substantial part in the depoliticisation of growth policy. The findings highlight the importance of understanding this depoliticisation in light of the relation between theory and politics, knowledge and power.

Political processes characterised by cooperation and consensus are predicated on negotiations or common interests (Hall & Löfgren, 2006). In the section

64 Regions with directly elected politicians in the regional council seem however to be an exception in this respect (Rönnblom, 2008; Lindström, 2005).
‘Open communication, but behind closed doors? – On clusters as public policy’

I describe how the regional cluster policy is characterised by negotiations behind closed doors. Even as divided interests must be balanced against each other in this kind of processes, it is considered important not to air these conflicts in a public arena. Lewin problematises cooperative democracy on the basis that negotiations tend to take place behind closed doors:

[T]he closed room is not a democratic arena. If the closed room, as many clearly believe, is the prerequisite of agreement, the price is far too high. Resolutions by consensus are usually made at someone’s expense. For this reason, everyone must be allowed to participate and defend their interests. Or, to paraphrase the father of modern political science, Niccolo Machiavelli: peace is a state of oppression (Lewin, 2002:136).

In my analysis of cluster policy in Värmland, I describe how cooperation between government, cluster organisations and the university was criticised based on similar reasoning on the opinion pages of one of the regional daily newspapers, but engendered no response. What are the consequences of this silence? Trust is one of the shining principles of the growth policy. If the policies pursued are not discussed publicly, there is risk the policy will lose legitimacy and be met with distrust among business owners who feel excluded, as well as the wider community (see Mouffe, 2005; Lewin, 2002). This is also an aspect that makes itself felt in my material.

Johansson and Rydstedt problematise how the strong emphasis on consensus and lack of conflict articulation are creating problems of governance in regional development:

[T]his imbalance between conflict and consensus is a fundamental problem of governance in regional development. The imbalance may at least partially explain the difficulties thus far in developing democratic support, the difficulties of bringing about the effective integration of gender equality and the difficulties of establishing systematic learning in regional development (Johansson & Rydstedt, 2010:148).

Accountability also becomes problematic when policy is organised as in Värmland, partly because the regional co-operation council is composed of indirectly elected politicians. However, other actors are also involved in the formation of regional cluster policy, primarily civil servants from public institutions, but also actors from cluster organisations and elsewhere. Cluster organisations are identified in the regional development programme as part of regional leadership and thus enjoy an explicit position in the governance of
regional growth. But how can citizens gain insight and demand accountability in these processes?

Previous research has shown that ‘partnerships’ entails a risk that power structures will be reproduced and that cluster policy tends to advantage already strong and organised interests (Hospers, et al 2008). In its communication from 2010, the Swedish Government highlights the horizontal objectives of gender equality, integration and diversity that should permeate regional growth efforts. The Regional Growth Programme for Värmland problematised the fact that the region’s ‘clusters’ are male-dominated. Two of the goals of the subsequent Regional Development Programme are to open networks and structures by taking advantage of the skills of both women and men and increasing diversity in innovative environments. Research on how elites are created and reproduced shows that political influence is a prerequisite for gender equality. Networks with limited transparency and weak political presence threaten to entrench male dominance within the politics for regional growth (see Lindgren, 2010; Pierre, 2009). Montin and Hedlund (2009) describe Swedish industrial policy in the following way:

Within the industrial policy, parts of the Swedish political culture (cooperation state-business-the powerful, male-dominated interest organisations) seem to have survived but in new forms wherein the EU is a central actor (Montin & Hedlund, 2009b:201f).

The question is whether cluster policy is one of the areas where these kinds of power structures are reproduced (see Lindberg, 2010). This should be problematised in relation to cluster policy, where size, strength and the importance of taking departure in existing niches of excellence are emphasised. These types of networks and relationships have been shown in earlier research to inhibit political and economic revitalisation.65 In his thesis, Eklund (2007) describes how the innovation system concept was introduced by actors with the intent on preserving their influence over research. My ambition has not been to take a position on whether the cluster concept was introduced in Sweden for

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65 Research has previously shown several negative aspects of consensus-based politics. Janis (1982) shows how the quality of political decision-making suffers from politics overly characterised by consensus, which may engender groupthink. Problem formulations and solutions tend to be accepted at an early stage and then become immune to scrutiny. Important goals, interests, effects and alternative interpretations are left unexplored. Dissension is suppressed. Koppenjan (2007) describes in a similar fashion the negative effects of exaggerated consensus. Exaggerated consensus entails risk of creating closed decision-making processes, optimising the participants’ interests at the expense of the public interest, actors who do not share the participants’ interests and points of view may be excluded and innovative policies may be impeded. See also the section Research on clusters as politics in Chapter Three, where I describe how earlier research has problematised this form of politics.
similar purposes, but the findings show that cluster policy, based on the currently dominant representation of clusters, tends to advantage already strong interests. It seems likely that the risk that regional power structures will be reproduced is present in this kind of political arrangements and when political conversations take place in negotiations behind closed doors.

I hope that my study has shown the importance of also understanding clusters as politics, and not only in terms of economics. Martin and Sunley (2003) conclude their analysis of the cluster concept by arguing that fashionable ideas tend to share one thing in common, that they all eventually become unfashionable. As far as the propagation of cluster terminology in regional policy goes however, clusters do not seem to be on the way out, but rather the opposite. The EU has indicated that clusters are going to be afforded an ever-increasing role in European policy. As of this writing, an effort to draft an innovation strategy for Sweden is also in progress. It remains to be seen what role clusters will be assigned in this strategy and with what content the concept will be filled. How the process of drafting this innovation strategy will be designed also remains to be seen.

Methodological considerations and questions for further research
The aim of this study was to analyse regional cluster policy as politics. My analysis was inspired by Carol Bacchi’s (1999) approach, wherein I have focused on the concept of representation to study how cluster terminology is filled with content in cluster research, in regional policy and in regional growth policy. In a regional context, I have also analysed the effects produced by this representation and what is left unproblematic. The approach eliminates the analytical problems and conceptual confusion that often creep in when the terms used in research are the same as those used in policy contexts, which is often the case in cluster research. The genealogically inspired approach has created an understanding of how the cluster discourse is constructed. I believe this has been a useful methodological approach to uncover the assumptions and shifts in attitudes towards clusters over time. Bacchi (1999) argues that how the academic community structures arguments affects how policymakers frame policy problems. The approach has been useful to reveal how the cluster

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66 And if ‘clusters’ should become ‘unfashionable’, new terminology will probably be just around the corner, such as ‘The Matrix – Post cluster innovation policy’ (Eriksson, et al, 2010).
discourse is produced in research, introduced in politics and reproduced in cluster research and cluster policy. It has contributed to an understanding of how clusters are ‘done’ in theory and politics and how clusters in theory and politics can be understood as one dominant discourse. The terms politics, the political and politicisation have been useful in describing how clusters have become a new policy area (albeit not formally) even as the issue is not articulated ‘as politics’ in the policy discourse, but rather as the implementation of ‘cluster theory’.

Even though clusters were studied as politics, only one politician was interviewed, a form of selection to which the reader concerned with methodology might object. If we are studying politics, surely politicians should be heard to a greater extent? My ambition, however, was to study the actual organisation for cluster development, the actors included in organised cooperation towards cluster development at the regional level. The approach has generated knowledge about and understanding of how regional cluster policy is shaped and organised. The absence of politicians among the respondents should therefore be considered in relation to that these political processes mainly include other actors. The politicians are, of course, not entirely absent. Several respondents make reference to the fact that decisions are made by the politicians, but they do not seem as present in the ‘implementation’ of policy, which is where the contents of the policies are largely shaped (see for example Hall & Löfgren, 2006; Olsson, 1998). Based on the findings that emerged in the study, interviewing politicians about their views on cluster policy, growth policy and the prerequisites of the political in a new regional discourse is a task for future research. One of the arguments and one of the ideas behind the regionalisation of growth policy in Sweden has, as previously mentioned, been to strengthen democratic participation and support for regional growth policy. A question I would like to study further is how we should understand democracy in this context. Is democracy in politics for regional growth more an issue about what is produced than how it is produced?

The question can be related to the role of academics, consultants and other professionals in the formation of regional growth policy. Earlier in this chapter, I asked the rhetorical question of whether cluster policy is open to scrutiny when it is articulated as the implementation of economic theory and is legitimised and confirmed by academics and other professionals. This is a subject that requires further elucidation through continued studies in the field. One question that should not primarily be answered through research is
whether the notion that regional growth policy is more a matter of social engineering than politics is desirable.
References


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Tillväxtverket (2010-08-18). Regionalt klusterprogram. www.tillvaxtverket.se


**Appendix 1. Respondents**

'Business sector'

<table>
<thead>
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<th>Cluster organisation</th>
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<tr>
<td>Cluster organisation</td>
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'Public sector'

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<td>Karlstad University</td>
<td>2009-02-04</td>
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Appendix 2. ‘The Swedish Cluster Map’ 1997*

*The map shows Swedish clusters of ‘international significance’. In Värmland three clusters are identified: Call center (Karlskoga), Provisions (Filipstad) and Rehabilitations (Sunne).
Clusters as Theory and Politics

The point of departure for the study is a new regional discourse that identifies regions as central political arenas for effective growth policies. New kinds of governance have been developed to manage the impacts of what is described as a more globalised world, socially, economically and politically.

Regional actors have been assigned the role of organising the supply side of the economy by arranging interactions between business, academia and government to promote the development of competitive regions. One of the terms used to describe this kind of economic and political arrangements is ‘clusters’. Cluster policy is inspired by research, especially the works of management scholar Michael E. Porter. Porterian cluster theory has influenced the policy discourse all over the world, including Sweden.

Greater regionalisation of growth policy has also been justified on the basis that democratic values are significant to policy implementation. Self-government and stronger democratic support are supposed to lead to more effective growth policies. Regional growth policy is however informed by consensus, and it has been argued that politics has been ‘sidelined’ in regional efforts towards economic growth. Using cluster policy as the empirical point of departure, this study analyses the relation between theory and politics, knowledge and power, and the conditions of the political in a new regional discourse.