The Upsurgence of Clusters in the Light of Globalization
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ABSTRACT – Clusters, as system of companies anchored in a region, contribute and ensure the long-term world competitiveness of national production. The object of this paper is to demonstrate that globalization opens restrictions on growth potential, which can be exploited by the clusters in order to position themselves on the world markets by maximizing on the benefits of global competition. Thus, clusters use the advantages of globalization (including a myriad of networks), channeling the negative effects the latter may cause (taking as an example industrial espionage which has become increasingly prevalent). Clusters can therefore be a means for firms to be competitive at a time of globalization and, at the same time, be integrated in the process. Portraying a policy of growth, most European countries – such as France - have adopted this new industrial policy, which is being introduced in its turn in some Mediterranean countries (like Morocco for instance).

KEY WORDS: cluster, globalization, competitiveness, knowledge sharing, networks

Introduction

Globalization has released potential for growth; this process is conducive to the accumulation of skills, knowledge sharing, the intensification of the networks (via Information and Communication Technology ICT), the synergy companies... Yet it puts the companies in a new competitive “playground”. In the light of this, businesses adapt themselves, and new industrial policies are put in place to maximize on the process of globalization without being caught out by the competition it may generate.

The clusters development policy comes into the framework of. The challenge of these clusters is to geographically group together firms, public and private research, laboratories and training organizations engaged in a partnership approach to create synergies in order to build innovative cooperative projects recognized nationally &/or globally.

The potential benefit of grouping together companies is not a new invention. Marshall\(^1\) described this process as “industrial district” and used the term “industrial atmosphere” to describe the dynamism generated by cooperation and exchange of know-how within the district. Since then, Local Productive Systems (SPL) have been organized following the concept of the industrial district in Prato, near Florence in Tuscany, which constitutes the first empirical study\(^2\) on this type of industrial concentration by G. Becattini\(^3\) at the end

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2 In Italy this type of territorial industrial concentration was highlighted by G. Becattini, USA by A.Scott and France by C. Courlet.
1970s. Bories-Azeau and Loubès\(^4\) highlight that there is a difference between the concept of Local Productive Systems SPL and clusters. SPLs were identified in 1997 by the CIADT (Interministerial committee for regional development) as “a group of companies and institutions geographically close who work together in the same field.” The aforementioned authors write: “Unlike the centered networks, dominated by one or more large enterprise and clusters\(^5\), which are subject to a new industrial government strategy, the SPLs are closely linked local networks, where power is shared amongst their members and consist primarily of Small and medium size enterprises SMEs”. They also distinguish by their branch. An SPL is more oriented toward more traditional industries (textile...), unlike a cluster which specializes in industries with high added value requiring heavy investment (micro-nano technologies...).

**Figure 1. Definition of a cluster\(^6\)**

![Diagram of a cluster]

The purpose of this paper is to underline the paradox that the cluster is an industrial policy to maintain national competitiveness arising from the adverse effects of globalization (relocation, the race for innovation, increased competitiveness, industrial espionage...), whilst wishing to position itself to face competition in the global market. Therefore the clusters adapt their development to globalization: first they take globalization to the advantage of their development, to then be integrated into the globalization to meet international competition. For these reasons, the “cluster industrial policy” is bolstered. It has been


established in Europe and is developing in Mediterranean countries because it is an alternative to international competition companies face daily.

Globalization, the strength of clusters

According to Michalet C-A, “globalization is a multidimensional phenomenon, which encompasses three main elements: the development of trade and the relocating of production and financial movements. These three elements are interdependent.”

Globalization releases growth potential, yet is causing positive and negative effects. Increased competitiveness is particularly favorable to consumers but it can also cause the collapse of a company which fails to stand up to the adversity of competition. Globalization allows to increase the panel of knowledge fostering innovation, but it can facilitate industrial espionage, fires the race for innovation and diverts traditional consumer goods in exchange for increasingly more high tech goods. Globalization has no borders; it is a-territorial which may cause an issue as to identification of territory. The list of positive and negative impacts of globalization is exhaustive. In our article we will put forward the core elements of globalization in clusters.

The a-territoriality of globalization and the anchor-hold of clusters

Paradoxically national &/or global clusters attach importance to the territory in which they are implanted; it reconciles the global and the local. This new industrial policy, which has been created to further global competitiveness, thinks “global” but acts “local”. Thus, the cluster will use the benefits of globalization advantageously to the extent of the networks, by applying “trade flows”8 beyond borders, to develop itself.

The agglomeration of enterprises

Businesses in the field of information technology stand to gain by being able to access technological networks. The advantages constituted by network outsourcing increase by the number of users. Marshall defined this as non-pecuniary outsourcing which increases profit. This network outsourcing may explain a paradox: in general, Information and Communication Technology ICT allows to decentralize the relationship between producers and buyers, which should allow them to use the means of television as a more comprehensive tool of communication for instance video conferencing through webcams. Yet, ironically the tendency is for clusters to concentrate in agglomeration; taking as example operators, they will tend to seek zones where the demand is strongest and these are invariably high-density areas. The implantation of clusters takes into account these “centripetal forces”9 to facilitate their integration into the territory in which they are to be located and for quicker development. In this sense, the network does not exclude the notion

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8 Term used to define an aspect of globalization by Michalet, C-A.
9 Reference to the “centripetal force” on the location of economic activity, analysis developed by Krugman, P.
of proximity. Colletis\textsuperscript{10}, the specialist in geographical economics, highlights the fact that the connection of networks is not automatic between the different actors if they do not know each other, as they need to be built on trust between them. There is in fact no need, indeed, to be close to innovate: the development of communities of shared practices around the free software is an illustration, but it facilitates cooperation.

The identity of a cluster

Whereas globalization comes along with a decline of the idea of Nation state, the cluster integrates into a dynamics of co-construction between the territory which it is implanted and itself. However, it is not sufficient for the cooperation of the organization of the cluster, it must be perceived as a process in the construction of an identity so that each member feels totally integrated in the project. This identity is primarily based on the construction of social links through reciprocal exchange of rules and values. This sharing of rules and values in an entrepreneurial environment is particularly reflected in the third part of the following sections of the economic intelligence which encompasses:

- Industrial espionage with the aim to gain pertinent strategic information,
- The protection of storage of information heritage,
- And the manner of expression which influences the propagation of information or rules of conduct. The latter can be referred to as “formal capital” as defined by Y. Bertacchini and L. Oueslati, which they describe as a set of rules and common procedures (published in “Entre information et processus de communication: l’intelligence territoriale”, 2003. // http://www.isdm.org).

This third point highlights the role of the formal structure, actually the efficient functioning of a cluster requires:

- Common opportunities: the ability to work on a common project being the underlining condition to be integrated as a member of the community,
- The ability of the members to cooperate determined by the capacity of the members to organize themselves,
- And common rules.

The adoption of common rules will allow a high level of reliability favorable to collective research, which will consequently lead to the competitiveness of the cluster.

The communal territory plays its role within the pole, in the following quotation Thoenig J-C. and Waldman C.\textsuperscript{11} bring to light the importance of the common values passed on by the specific geographical area: “the success and the survival of a company lie in its capacity to conquer, to define and to develop a territorial and economic community. A territory is established by multiple stakeholders (customers, suppliers, employees, civic associations, circles of experts, etc.) whom the company federates around its project, by means of common values and interests, shared identities, and lasting partnerships. The reference to its territory constitutes its code of conduct”. Everyone identifies with their own roots; the expression of


\textsuperscript{11} Thoenig, J-C. and Waldman, C. (2005), De l’entreprise marchande à l’entreprise marquante, Editions d’Organisation.
Blaise Pascal, “the Truth lies on this side of the Pyrenees, the wrongs beyond”, or another common expression, “to each their own truth”, both reflect this territorial culture and illustrate the relativism which is a doctrine according to which no one opinion is absolutely true, each bearing meaning solely with regards to an active point of reference. This point of reference which can be an individual, a company, a culture, an industrial branch (chemistry, textile, toys & games...), a place. These traditional forms of territorial anchoring seal the future in such way that the crisis of a company becomes the crisis of the territory, and the decline of an organization rhymes with social drama (Perrat, and Zimmermann, 2003) such as the decline of the textile SPL in Roanne.

As has been noted through the notion of identity, rules, and skills specific to the cluster, its identity shapes itself by "the identification with the internal environment and the differentiation with the external environment" (Bouchet Y., Bertacchini Y., Noël L.). Thus, the adherence to the cluster can be explained by the shape of the social networks it is made up of.

**Between a-territoriality and territoriality**

The cluster can be assimilated to a specific territory, a place. The place becomes a pole, a center connected with other centers. Jean-Louis Guigou, a delegate to land settlement and to regional function DATAR (from 1997 till 2002), highlighted the role of the territory faced with globalization by quoting: “if globalization imposes itself on us, territorialisation depends on us”. This quotation, which I often used, is somewhat simplistic.” But it underlines this powerful dialectic between the global and the local that some American academics illustrated through the concept of “glocalization”. If our societies have indeed considerably increased their interdependence and their flow of exchange, and if companies have become more and more international and sometimes have given the impression of nomadism, territories are nevertheless becoming more and more strategic supports of the contemporary economic development, if they know how to organize themselves.”

In this way, the cluster integrates this notion of territory. Its location is carefully chosen and is proportional to its renown. It is also assimilated to the city in which it is to be implanted. So the cluster will gradually be made reference to by the city of the pole and vice-versa. The success of the pole will also be assimilated to the success of the city in which it is implanted as the latter benefits from positive externalities.

Thus, the cluster channels globalization by offering it a specific space. This territorial anchorage allows it to build up a physical and moral reason in order to eventually project itself on the global markets.

**The accumulation of skills in globalization and the sharing of knowledge within the cluster**

According to the latest work of Michalet the traffic of goods, capital and technology is more and more intra industrial and intra enterprise. That is to say outer market. The cluster integrates this idea and favors the collaborative research.

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Cluster: factor for uniting agents

This bringing together of actors, companies, researchers... is made all the easier as globalization allows a stake in their network, their research (with the example of the portals of information) and even if they come from different countries. It is the materialization of “brainstorming”, making to unite a diversity of agents coming from different backgrounds with the objective to create common motor driving innovative projects through the clusters. Actually, one of the first factors of success of a cluster is the joint presence on a common geographical location with public or private research centers and companies specialized in high technologies as well as local economic actors. The aim being to facilitate the exchange of information between these actors in order to set up a process of communication by appropriate networks with the intention to transferring of skills and diffusing innovation. The pole functions with a logic of collective intelligence\textsuperscript{14}, catalyst of collective wealth, sharing of knowledge: essential elements to facilitate and to activate research upon which this entrepreneurial culture is founded. This collaborative research generates innovation aiming for competitiveness on a national or international level. However, it is to be emphasized that the collective intelligence is a perpetual process\textsuperscript{15} and the information passed on in this way is the conveyor of competitiveness because it represents the strategic information, which belongs to the pole in question and to none other. The challenge is to constantly try to acquire new information in the advent of scientific breakthroughs.

The sharing of the knowledge in the lap of the cluster

Globalization and in particular ICT globalization gives everyone access to the required data bases, but these latter ones will only become information once they have been treated and they will only constitute knowledge once they have been assimilated and retranscribed by way of strategic decisions for the future of the pole. Amongst the advantages of a cluster is the sharing of information. Zimmermann puts forward the following characteristic within firms: the greater the degree of sharing (intervention of a large number of groups in the same scheme), the better is the "alchemy" of the functioning of the pole. The creation of the network is not immediate; trust is indispensable between the members all the more as not the whole of the information can be passed on by ICT. As a matter of fact, explicit knowledge can be transmitted by distance, whereas the implicit knowledge can only be conveyed face to face...
face. Whilst ICT, IE tools, should logically amplify the functioning of a virtual economic system, the reality is quite the contrary: interpersonal communication or “face to face” remains essential as is apparent in the structure of a pole. It begs the question as to how to allow the exchange of strategic information in this competitive environment? ICT networks are easily seen through, “pirated”, by the same token “face to face” remains an IE tool in the same way as ICT. In that way the interest in a neutral public space contributes to the process of the IE: restaurants, cafeteria... often in these places, described by I.N. Fisher as “social spaces” for informal meetings with implicit exchanges. The paradox of the “IE is to be immaterial and remote and yet close to all”\textsuperscript{16}. The most expressive example remains that of “The City” (London’s financial center) where bankers and traders daily exchange strategic information (economic surveillance...). This process, as long as it continues, ensures the life of London’s financial market. Neutral public areas are indispensable just like trust, which has to reign between the agents. Information, knowledge and inventions have to be brought together and protected; therefore trust is fundamental within the cluster (Bertacchini Y., Bouchet Y., and Noël L.) \textsuperscript{17}. According to Bertacchini Y. and Herbaux P.: “A territorial intelligence is an organizational culture based on sharing and treatment of the signals from the economic actors who are destined to supply decisive information to the leaders, at the appropriate time”\textsuperscript{16}. Mohellebi D. and Dou H. (2007) highlight that the passing on of information springs from a corporate culture, that is to say to sensitize and motivate the members. The clusters shape strategic places of exchanges of information, thanks to the neutral spaces where trust reigns and gradually establish a business atmosphere and a corporate culture resting on exchange and cooperation. These phenomena mobilize the exchange of decisive information in the clusters which constitute a “competitive advantage” (Porter, 1990).

**The storage of information heritage of the cluster and globalization**

The clusters are connected to other places via ICT. In fact, with globalization, not to be marginalized, the adoption of ICTs is fundamental. The ICT, the main tools of Economic Intelligence IE, are defined as all the techniques applied in the treatment and the transmission of information, mainly computing, Internet and telecommunications. Just as the pole benefits from a national and international renown by appropriation of the ICT. The clusters need broadband telecommunication networks and all other contributions of the ICTs in order to function and develop themselves. ICTs also allow potential market expansion (electronic commerce). The globalization of ICTs has nevertheless its limits as far as safety and ethical terms are concerned. In the event IE intervenes to protect storage of information heritage. Thus, the ICTs are limited as regards to the exchange of information in competitive environment. Indeed, Bouchet Y., Bertacchini Y., and Noël L., note that trust is a process built without experience and consequently is contingent upon the safeguard of information. Furthermore, authors like Ivan Samson, observe that SMEs implanted in a

\textsuperscript{16} Author’s quote

territory which is holder of positive externalities continue to develop strategies for competition and cooperation\textsuperscript{18} amongst themselves.

These lines of thought demonstrate the interest of clusters which wisely use globalization to maximize on its own development. The cluster channels the negative effects globalization may cause (absence of identity status due to the a - territoriality; the skepticism of the exchange of strategic information via ICT, hence the interest of face to face; the fear of espionage hence the need for the pole to restore confidence and security of information) and uses the benefits globalization provides (a myriad of networks, globalization of ICT and its absence of virtual borders). Gradually the new industrial policy of clusters has proven its strength in the light of globalization and plays the role of a policy for growth to gain the required competitiveness to integrate itself in the stream of globalization.

The industrial policy of a cluster

The objective of this policy is twofold; internal development of the territory in which it is located and external development namely:

- Disseminate innovation (F. Perroux) in the territory in which the cluster is located, develop territorial economic activity
- Promote competitiveness national and worldwide renown.

Thus, in order to achieve the objectives of the pole what matters, according to J. Savatier\textsuperscript{19}, is the will for putting in place networking actors, yet this will is evolutionary, just like social networks which make up the pole. Thus, according to Edward S. et al (2004) “networks experience endogenous development related to the transformation of links, objectives and members [...] but also changes in the external environment.” To adapt to these changes and promote cooperation EI is fundamental as it maintains the renewal of information on a daily basis in order to have data updated through the process of spying being conducive to research. EI also maintains the notion of trust through the protection of storage of information heritage. As an extension to the first part, the emphasis will be on the cluster as a component of integration into the globalization process.

The objectives of an industrial policy of clusters as illustrated in France

Thus, in order to assimilate these economic changes associated with globalization an industrial policy focused on the territory was established by the CIACT (Interministerial Committee for Planning and Competitiveness in Territories). From 2005 to 2007, 71 clusters were officially recognized as such in France, amongst which 7 were distinguished as world clusters and 10 as potential world ones.


History of the establishment of clusters; new industrial strategy of government.

Figure 2. History of the establishment of clusters

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>Establishment of an “industrial” working group</td>
</tr>
<tr>
<td>2004</td>
<td>Datar Report – “France, an industrial power” - February</td>
</tr>
<tr>
<td></td>
<td>Blanc Report - “For an ecosystem of growth” - March</td>
</tr>
<tr>
<td></td>
<td>Financial bill for 2005 presented by Nicolas Sarkozy (Art. 24)</td>
</tr>
<tr>
<td></td>
<td>CIADT of 14 September 2004</td>
</tr>
<tr>
<td></td>
<td>Call for presentation of projects of “clusters” - November</td>
</tr>
<tr>
<td></td>
<td>CIADT of 14 October 2005 – Validation of draft contracts and field of R &amp; D.</td>
</tr>
<tr>
<td></td>
<td>CIADT of 12 July 2005 – Official recognition of the 67 cluster projects</td>
</tr>
<tr>
<td></td>
<td>Proposal of the Interministerial Working Group to Government - end June</td>
</tr>
<tr>
<td></td>
<td>CIADT of 14 October 2005 – “Interministerial Committee for Planning and development of territories” CIADT is renamed “Interministerial Committee for Planning and Competitiveness in Territories” CIACT.</td>
</tr>
<tr>
<td>2005</td>
<td>Closure of the call for presentation of projects - 28 February 2005</td>
</tr>
<tr>
<td></td>
<td>Completion of inquiry by technical experts of projects - May 9</td>
</tr>
<tr>
<td></td>
<td>Establishment of the Group of qualified actors - May 16</td>
</tr>
<tr>
<td></td>
<td>Call for presentation of projects of “clusters” - November</td>
</tr>
<tr>
<td></td>
<td>CIADT of 14 October 2005 – Validation of draft contracts and field of R &amp; D.</td>
</tr>
<tr>
<td></td>
<td>CIADT of 14 October 2005 – “Interministerial Committee for Planning and development of territories” CIADT is renamed “Interministerial Committee for Planning and Competitiveness in Territories” CIACT.</td>
</tr>
<tr>
<td></td>
<td>2007 5 July 2007, 71 clusters are officially recognized</td>
</tr>
</tbody>
</table>


Criteria of quality selected for agreement of cluster

F. Leroy\(^\text{20}\), head of Mission, member of the working group "clusters", Management of entreprises, MINEFI, outlines the main objectives of clusters namely:

- Strengthen competitiveness of the national territory,
- Boosting economic development,
- Create or maintain jobs in industry,
- And attracting investment and expertise at European level and globally.

In view of this, in order to be recognized as a cluster, a draft project of pole must meet the specified criteria defined in November 2004 by the government. The following four criteria are decisive:

- A development strategy consistent with the economic development of the territory of the pole,
- A development strategy consistent with the local dynamism and performance of the economic fabric in the light of international competition,
- Sufficient international recognition, both industrially &/or technologically.

The projects submitted must eventually pave the way to a leading position worldwide in their specific fields. The second criterion refers to a distinction between the poles with the

main focus on technological research activities and the strength of interactions between research centers and companies working on the development in a field of technology by comparison to the dominant industrial poles which cluster companies with more concretely applied R & D and consequently is closer to the immediate market.

- A partnership between actors and a structured, operational management.
- In actual fact, the quality and efficiency of R & D partnerships between agents (industrials, researchers, lecturers...) are the main criteria for official recognition of a cluster.
- The ability to create synergies in research and development and bring new wealth with high added values.

The ultimate goal is to improve the competitiveness of the French offer on international markets.

In Europe, the lack of competitiveness persists and is worsening specifically in view of a stronger euro. The new policy allows to draw benefits from this situation with companies benefitting from the disinflationary effect of the strong euro on the cost of raw materials in particular. Europe places high value on quality, this being the only way it can face competition dominated by cost. The purpose of the clusters is to accentuate Europe's competitiveness with the desire to achieve the goals set in 2000 by the Lisbon summit

The initiative of clusters in the Mediterranean countries via the Euro-Mediterranean partnership with the example of Morocco

Mediterranean countries having specialized in low cost production for a long time, are feeling the brunt from competition, especially in traditional sectors (e.g. textiles), from India, from Asia or eastern countries. They are also faced with the dumping of international monetary exchange.

The cluster policy is at its initial stages. It is in their interest to integrate this new perspective to update and show off the advantages of their know-how through globalization. The challenge is to assert themselves in gathering their expertise to give a quantitative and qualitative added value to production, a competitive advantage in order to revitalize the Mediterranean economy on the international market. Hence the establishment of support plans with the financial aid of the European Union.

Since the autumn of 1995, the Barcelona process, provides a framework for relations between the EU and the countries of the southern shores of the Mediterranean and with the objective to work towards building a Euro-Mediterranean shared prosperity and progressive introduction of free trade. It is a turning point in the relations between EU and its

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21 This strategy of clusters puts forward the regional appeal. It was highlighted at the Lisbon summit in 2000, at which the heads of States set the objective to make Europe the leading world region for its competitiveness by 2010, « The most dynamic economic knowledge and the most competitive in the world able to sustain a lasting economic growth » by investing 3% of the gross domestic product GDP. Seven years on, it has severely fallen behind as none of the countries have stuck to the set objectives except Finland (in particular with the development of Nokia, the renowned telecommunication cluster) and Sweden. The only two countries having honored their engagement to dedicate 3% of their GDP to R&D activities.
Mediterranean neighbors. Through this process, the European Commission supports specific projects to sustain development through an expansionary fiscal policy. Thus, the launch of a European Neighborhood Policy to support the Euro-Mediterranean Partnership, has been initiated for numerous projects amongst which the MEDA projects (acronym for measure adjustment). Similarities of local policies with Europe appear as the emergence of the policy initiative of clusters combining endogenous growth, territorial economic intelligence leading to world renown. The trend of “glocalization” is gradually becoming a widespread policy of regional development for global competitiveness. The Barcelona II conference, held in November 2005, led in particular to a stronger political partnership. Thus Morocco manages to do the bulk of its trade with the European Union, which, on 13 October 2008, awarded it the “advanced status”, setting it halfway between partnership and membership. Morocco is the first of the Mediterranean partner countries to have been awarded this status which strengthens the partnership: the opportunities for cooperation with the European Union are providing a broader and more liberal trade, an enhanced political dialogue, exchanges relating to foreign and internal security policy issues and allowing access to certain programs and community agencies with budgetary support as of 2013.

**Initiation by Mediterranean countries to engage partnerships**

Since 2004, the Mediterranean partners and Libya - except Turkey who began negotiations with the European Union on 3 October 2005 - are also included in a new set up: the European Neighborhood Policy started in March 2003 for the countries not belonging to the Union. The following tables highlight the positioning of the Mediterranean countries compared to the EU.

### Table 1. Economic indicators of the Mediterranean countries and the EU

<table>
<thead>
<tr>
<th>Economic indicators</th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>European Union</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (2007)</td>
<td>33 333 216</td>
<td>33 757 175</td>
<td>10 227 157</td>
<td>490 426 060</td>
</tr>
<tr>
<td>Rate of growth (2006)</td>
<td>3 %</td>
<td>7.3 %</td>
<td>5.2 %</td>
<td></td>
</tr>
<tr>
<td>Rate of growth of the 27 (2007) countries</td>
<td></td>
<td></td>
<td></td>
<td>2.9 %</td>
</tr>
<tr>
<td>Unemployment rate (2006)</td>
<td>9.7 % (^1)</td>
<td>13.9 %</td>
<td>8.5 %</td>
<td></td>
</tr>
</tbody>
</table>


### Table 2. Progression of growth rate of the Mediterranean countries

<table>
<thead>
<tr>
<th>Growth rate progression</th>
<th>2002 (^2)</th>
<th>2005 (^3)</th>
<th>2006</th>
<th>2007</th>
<th>2008 (^3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>4.1 %</td>
<td>5.3 %</td>
<td>3 %</td>
<td>6.5 %</td>
<td>5.4 %</td>
</tr>
<tr>
<td>Morocco</td>
<td>3.2 %</td>
<td>1.8 %</td>
<td>7.3 %</td>
<td>3.2 %</td>
<td>4.9 %</td>
</tr>
<tr>
<td>Tunisia</td>
<td>1.7 %</td>
<td>4.2 %</td>
<td>5.2 %</td>
<td></td>
<td>5.8 %</td>
</tr>
<tr>
<td>North African countries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5.2 %</td>
</tr>
</tbody>
</table>


3 According to the FMI report, “Les perspectives de l’économie mondiale”. 
Table 3. Mediterranean countries and their trade volume

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance of payment (% of GDP)</td>
<td>7.7 %</td>
<td>2.9 %</td>
<td>-3.5 %</td>
</tr>
<tr>
<td>Trade volume with the EU (Mio €)</td>
<td>22 377</td>
<td>13 992</td>
<td>13 629</td>
</tr>
<tr>
<td>EU balance of trade (Mio €)</td>
<td>-6 201</td>
<td>1 402</td>
<td>1 539</td>
</tr>
<tr>
<td>Direct foreign investment (Mio USD)</td>
<td>1 100</td>
<td>428</td>
<td>794.8</td>
</tr>
</tbody>
</table>

Source: Statistics of the World Bank

The levels of development of the partner countries are very unequal, particularly in terms of population and GDP. With the extension of the EU on 1 May 2004, the EU has integrated two out of the twelve Mediterranean partners, namely Cyprus and Malta. The Mediterranean countries with the highest population have been statistically identified (Algeria, Morocco, Tunisia) in order to establish a comparison with the European Union. In 2002 these countries had already recorded trade with the EU with growth rates of 4.1% for Algeria, 3.2% for Morocco and 1.7% for Tunisia respectively. Now set in a growing phase, the Mediterranean countries continue to increase their growth rates with 3% for Algeria, 7.3% for Morocco and 5.2% for Tunisia in 2006; the drops being mainly due to drought and rising oil prices. Thus the North African countries have an estimated growth rate of 5.2% for 2008 while the 27 European Union countries stagnated with a growth rate of 2.9%. The Euro-Mediterranean partnership is of equal importance to each. It allows the EU to expand its markets and formally establish constructive partnerships, as in the field of textile following the dismantling of Multi-Fiber Agreement MFA in 2005. As for the Mediterranean countries the Barcelona process allows to uphold past relations with the EU, to position themselves as partners with the EU in the face of competition from new entrants from Eastern countries into the EU, which increasingly monopolize the EU budget, and can to acquire new markets by teaming up with the EU as united front facing up to competition from emerging countries. This partnership now englobes thirty-seven countries of which twenty-seven being EU member countries and ten being Mediterranean partner countries.

**The cluster policy: the emergence of a new strategy in Mediterranean countries through the MEDA program...**

In order to further optimize the Euro-Mediterranean partnership, the agreement provides tools for financial cooperation to support the economic move within the Mediterranean partner countries. It revolves around various support plans such as the MEDA projects, projects from the FEMIP (Facility for Euro-Mediterranean Investment and Partnership)... The interest in this research focuses on the MEDA projects in Morocco. The MEDA program, agreed by the European Council of Cannes in June 1995, is one of financial instruments for the implementation of the Euro-Mediterranean Partnership. Through this program, the

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22 The twelve Mediterranean partners are Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, and Turkey.
European Union provides financial and technical assistance to Mediterranean partners to enable them to achieve the objectives set out in the Barcelona Declaration bearing three components: political, economic and social. The main focus being on the economic element which has as its objective to progressively establish a free trade. The economic component has facilitated financial cooperation through various support projects such as the MEDA program and loans from the European Investment Bank. Thus, a global budget is granted by project not by country. It is the European Commission which, in collaboration with each individual Mediterranean partner, is developing programs to aid the economic transition, funded under MEDA. These programs can take different forms including “private sector development support, economic transition support, sustainable socio-economic development support and structural adjustment programs support”\(^2^3\). The beneficiaries of funding by the MEDA program are the States, the regions, the local authorities, government agencies and non-governmental organizations within EU countries and Mediterranean partner countries.

**The role of MEDA program in Morocco**

The MEDA program aims to adapt to the new dynamics of competitiveness through sustainable development, job creation and wealth. It allowed the establishment of Support Project Units (UAP), MEDA project management entities. In Morocco, they focus in particular on human resources development\(^2^4\) (education, training), of which three specifically selected fields of activity drive its economy: tourism, textiles, the New Information Technologies and Communication (NTIC). These projects emphasize (vocational training, skills-based approach) and develop these fields in order to meet the needs of social and economic development in view of international expansion. What is the relation with the cluster policy? The importance of the role of training. This method involves the process of economic intelligence in companies in a given geographical territory. The capital of human training &/or else the presence of appropriate infrastructures are the first phase of emergence to initiate a cluster policy.

The governance aspect may also intervene in such instances as uneven geographical location of Information and Communication Technologies (ICTs) in a territory and a country (importance of the role of clusters regarding the distribution of innovation and transmission of knowledge). In this context Y. Bertacchini stresses the utter importance of ICT territorial integration with an initiative of information and communication “at risk of being marginalized nationally and internationally”\(^2^5\). As a result governance can cover all or part of the draft economic development, hence the importance of integrating the functioning of a cluster in Mediterranean countries.

**Expected results for 2010**

Results forecast for 2010 would be:

\(^2^3\) “Union européenne et Méditerranée”, la Documentation française. // http://www.ladocumentationfrancaise.fr/dossiers/europe-mediterranee/index.shtml

\(^2^4\) Some projects have also focused on the development of infrastructures, trunk roads, and other fields of activity.

• “In tourism, training of 72,000 young people, including 18,000 through apprenticeships and upgrading of human resources;
• In textile, training of 75,000 young people, including 30,000 through apprenticeships, the achievement of a basic literacy skills program for the benefit of 50,000 workers and upgrading of human resources;
• In ICT, training of 63,000 young people and upgrading of human resources”

The interest to define these objectives is to emphasize the achievement of training in these three driving fields.

These support plans, including the MEDA program, constitute the beginnings of an industrial policy of clusters for the Mediterranean countries. According to Michalet CA., Globalization is not yet a global phenomenon. Only some countries are concerned: in addition to the countries of the Triad - EU, North America and Japan - there are fifteen emerging economies: China, India, the newly industrialized countries (the Dragons) and the Asian Tigers in Asia, Mexico, Chile and Brazil in Latin America, Poland, Hungary, Slovenia and the Czech Republic in central Europe. Thus, countries on the sidelines of globalization seek to attract foreign investment (one of the four objectives of the cluster policy) because they fear marginalization. In this way the Mediterranean countries wishing to become more industrialized, to increase their export in order to better position themselves vis-à-vis competition and therefore to be able to be integrated in the flow of globalization.

Conclusion

The cluster is defined as “a system of enterprises rooted in a region where interactivity helps to secure long-term global competitiveness of national production” 27; this quotation reflects the fact that the pole is a territorial representation of globalization. So, it was demonstrated in the first part that the cluster, in order to develop, incorporates in its functioning that which globalization brings with it. Furthermore, this policy was created to be consistent with market expectations, which are ever more demanding, and its ever-increasing race for innovation. Consequently this policy is reflected in relation to these new conditions, which are becoming relentlessly more difficult to fulfil (importance of innovation, importance of investment in research and training, particularly in higher education, complexity of innovative processes...). This policy proposes development prospects. With this logic, competitiveness clusters gradually become a model of industrial performance. In effect, changing technology and accelerating markets have brought about the change. What is now required is to combine expertise in the diverse fields of technology with a speedy and well-timed reactivity on the market of innovations. These two major issues make the process of “collaborative innovation” unavoidable. Accordingly the clusters have permitted to put in place those conditions imposed by globalization and, paradoxically, in order to remain or to be integrated in the globalization process, to allow the country in which they are implanted optimum competitiveness. The cluster is primarily a policy of growth hence the interest to continue to support this policy in European countries and to introduce it in Mediterranean countries so that everyone can take a stand in the light of

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26 Meda Website of Morocco. // http://www.meda2-fp.ma/
competition and confirms their position in global markets. The dominant overall configuration of the financial profitability is fragile, the industrial policy of clusters might therefore become the basis for a “new governance”, to correct, to channel the excesses of globalization. As the term “governance” highlights, it is also important to clarify the role of institutions for the implementation of poles. The author Colletis mentions the need for institutional agents for the creation and sustainability of the pole, whether it be in infrastructure, equipment, funding research programs, partnerships with the region, department, local organization or chambers of trade and industry. European funds for the establishment of clusters in France or government aid through projects such as MEDA programs in Mediterranean countries show how imperative involvement of institutional bodies is for the credibility of a project, for its launch and for its sustainability over time.

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