

Agglomeration and Proximity Effects



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Clusters are spatial agglomerations of firms in related industries. Although industry clusters have existed for centuries, the cluster concept has only recently been formulated in economic terms and has begun to attract considerable interest from scholars and policymakers over the last 20 years. A vast literature has examined all kinds of clusters and how clustering relates to innovation, growth, and other forms of economic performance of firms and regions. The cluster concept has provided a framework for thousands of national, regional, and local initiatives around the world. Yet, both research and policy efforts have yielded varying and sometimes contradictory results.

This dissertation revisits some of the most basic questions about clusters. Using an approach that treats agglomeration and proximity effects as separate but related phenomena, it examines three fundamental aspects of clusters. First, it proposes a way to measure agglomeration more accurately and presents more detailed data on clusters in Europe than have previously been available. Second, it analyses the benefits of clusters for new firms and for regions. Third, it examines how clusters are “organised” through cluster initiatives.

The results presented here carry implications for the study of clusters in economic geography, strategic management, and cluster policy research. They also contribute to our knowledge of cluster organisations and are of interest to both policymakers and cluster practitioners.



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