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Claudia R. Williamson "
" Development Research Institute, New York University, New York, NY, USA

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This book offers an account of the ‘large patterns’ in the development of the world’s business systems, an integral and comparative perspective on rival explanations for these patterns (originating in different disciplines), and a range of analytical tools that can be used increasingly to study integrated international economic and social worlds. The author states the purpose of the book in its very first sentence: to help understand the economic, political and technological contexts in which international business operates. To achieve this, the materials (both theoretical and practical accounts) are examined through three different angles – ‘global’, ‘historical’ and ‘comparative’ – which determine the organization and structure of the text. The book comprises three parts, each of which addresses a range of sub-themes pertaining to each of the angles.

The first part, ‘Causes of International Economic Integration’, deals with the rationale behind the existence of the multinational corporation (why do many businesses operate across national borders?) and the international production network (why do businesses make everyday products out of parts sourced from several different countries?), as well as the politics and economics of international business. Here, the author engages the reader in an absorbing narrative that branches into different strands of thinking. Starting from the internationalization of production and technological change, existing ideas for the openness of the state to the activities by multinational corporations follow: classical trade theory grounded in comparative advantage, increasing returns and international trade, the history of the politics of international trade with alternating episodes of free trade and protectionism from the mid-1800s onwards. Here the author also deals with ways in which states either interact to shape the international trading system (for example, voluntary union) or engage in conquering, leading to the formation of empires (and, later, retreat by de-engagement).

The second part, ‘The Rise of Big Business’, traces in long-run perspective the accumulation of technology and development of organizational modes of production through several ‘revolutions’ and the rise of Fordism. The agenda here is to explain the formation of the modern corporation. The narrative takes the reader from a framework grounded in Kondratieff’s long waves of technological change model along the steel-based second industrial revolution, and theories centring on the role of big machines in generating big companies. Subsequently, a number of other themes are addressed: products consisting of interchangeable parts driving new modes of production; and new modes of regulation generating and maintaining the market conditions, requisite to converting family businesses into vertically integrated, strategically driven companies and at the same time transforming old industries and creating new ones.

The third part, ‘Business Systems Today’, turns to the post-Fordist environment and focuses on the variation in business systems across the global economy. It first discusses the rise of flexible mass production and flexible specialization as forms of post-Fordism, the institutional configurations enabling these modes of organization and, the other side of the coin, the institutional impediments to their adoption into Fordist systems. From a consideration of actually existing American post-Fordism (marked by the continued importance of the large corporation, the polarization of the economy between the ‘knowledge economy’ and an economy of low-wage services, and, lastly, the transition in the control of corporations from managerial to financial) the author proceeds to discuss varieties of capitalism.

These varieties may explain why countries produce internationally successful companies in some industries but not in others (compare Japan and the United States); here the author considers unique competitive advantages associated with specific institutional and governance arrangements. The discussion touches on how alternate national business systems produce quite divergent stakeholder strategies and decisions on a range of business aspects, including innovation propensity. The author also addresses ideas of divergence or convergence of production and business systems or the maintenance of difference. The latter is relevant as ‘emerging economies’ (notably the Asian Tigers) make significant inroads into the global economy while they are hardly grounded in an existing variety of capitalism (indeed, this has induced a debate on the political economy of the developmental state).

Breaking with big theory constructs, organizational forms such as geographical clusters, industrial districts...
and regional innovation systems are brought to bear on the discussion in order to drive home the point of variety. The author invokes the innovative powers of networked groups of firms in which firms focus on core capabilities and partner for complementary capabilities to demonstrate the global competitiveness of the Italian fashion industry at the same time as Silicon Valley in California dominates the global information technology sectors. At the other extreme, and a scale jump further, ‘poverty traps’ are contrasted with the successful emerging economies. A recurrent theme, that of institutions, is brought to the fore again here to explain why it is so hard for half of the world’s population to join the rich world.

The last part, ‘Prospect’, in a single chapter, speculates about potential evolution of the world economy, in terms of the position of corporations and regions, in view of regional challenges, environmental concerns and energy costs. It is argued that, more so than is the case already, in the future long-distance supply chains and the global corporation will be phenomena of a past ‘epoch’ to be substituted with regional arrangements.

A number of features make the book a compelling reading to anyone interested in economic globalization, the spatial behaviour of international firms, and the differential positioning of regions in international production and services configurations. First, not only is much theory covered, but also multidisciplinary perspectives are woven together in a coherent, appealing, and highly readable account of theory and practice of international business and its complex multi-scalar environment. The book offers a highly integrated approach to the subject-matter, as often alternative ideas and theories are offered to explain the same phenomenon, emphasizing state-of-the-art thinking. The analysis and presentation stand out for the originality as to the kind (and combination) of theory that is brought to the fore. Second, the presentation of theory and real-world case studies in a well-thought-out mix substantially improves understanding of the economic, political and technological environment in which international business operates; it is the very purpose of the book. Third, while the author clearly privileges institutions above anything else, grounding of the account in the second part of the book in a historical narrative serves those who feel more attracted to an evolutionary approach. By engaging with the co-evolution of firms, states, and the geographically diverse and differentiated institutions of capitalism, the analysis offers something to more than one field of research. Fourth, the author avoids (over-)generalization; indeed, by the range of cases (firms, industries) dealt with in comparative perspective he emphasizes time and again the need to recognize variation/variety. For this reason, the author rejects the notion of ‘globalization’ in favour of more flexible interpretations.

Some critical notes can also be made. First, the agenda of the author, while laudable, is so broad that the reader may easily lose track of the core narrative or argument as the different parts of the book unfold. While in itself an excellent account of the diversity of state-of-the-art thinking and representation, the third part of the book jumps levels of analysis in a way that readers who are less familiar with the themes may easily lose track of the argument. As a result, the main theses of the work (to me, the necessity at times to go beyond the individual firm; the roles of institutions and history, as well as the recognition of variety given the particularities of real-world companies, industries and regions) may be hard for readers to detect.

This brings us to the second point. The author has done students and the general audience alike a great favours by weaving together many contributions into a single – highly readable – book. Its integrative character makes it of interest to scholars familiar with parts but looking for their amalgamation in a single book. But the integrative character is at the same time an impediment to students, that is, all but the most advanced of them. While potentially offering the student a rewarding educational experience as the book presents a beautifully crafted overview of relevant thinking and theory in the area, the text is presented at an advanced level, such that it is probably too demanding for most postgraduate students. In this respect, the extremely short introduction that just sets out the organization of the book is not very helpful. It is to be expected that for these reasons not many courses in globalization, international business and economics, and global economic geography are likely to adopt this book as a core text (regrettably).

A third comment is that – for the sake of balance – one would have wanted a more thorough consideration of the speculations offered in the last chapter as to future patterns. The idea of regional rather than global is increasingly voiced in several other circles, but it is still contested. The forces brought to the fore by the author do not necessarily cause a retreat of the global and mitigate against long value chains, while other developments have been driving and may drive regionalization and shortening of value chains as well. The emergence of China as the factory of the world, resulting as much from domestic factors as from international ones and the lowering of transport costs, often has taken centre stage in arguments about the expansion of value chains. But China is now in a process of fundamental rethinking of this global role, with substantial implications for geographical patterns of international business across the globe. This is just one issue. Another is that the reduction of carbon footprints does not imply in all cases a shortening of value chains. Assessing future patterns in the development of the world’s international business is as complex an exercise as unravelling its historical development.

Notwithstanding these observations, as reference this book should be on the desk of any scholar, researcher and practitioner who work in the areas of globalization,
international business, management, economics and economic geography.

LEO VAN GRUNSVEN

Section of Economic Geography, Department of Human Geography and Planning, Faculty of Geosciences, Utrecht University, Utrecht, the Netherlands

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Pakistan has received more than US$120 billion dollars (2009 constant US dollars, according to the DAC Database of the ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD), n.d.) in foreign aid since 1960. During the past fifteen years, over 30% of this aid is targeted at improving social infrastructure, including health and education. Specifically, since 1995 over US$2 billion aid dollars (2009 constant US dollars) is channelled to address Pakistan’s poor health outcomes. This includes bringing down high infant and maternal mortality, immunizing children against preventable diseases, providing access to health clinics and health providers, and providing population control via family planning.

What has all this aid delivered? Very little in terms of its intended effects. This finding may not surprise many readers as most are now accustomed to the ‘failure of aid’ literature (for example, EASTERLY 2006). But aggregate statistics do not tell us why aid has not worked in the past or even if the aid system is to blame. In So Much Aid, So Little Development: Stories from Pakistan, Samia Waheed Altaf, a physician and public health specialist from Pakistan, takes you on her journey through the aid system, providing a glimpse into how aid actually works and why it fails.

Dr Alfat was assigned to work on the Social Action Program (SAP) during its initiation phase in the early 1990s. She was hired as a technical expert with the task of figuring out how to attract more women to work in rural health delivery systems – a relatively specific task within the broader programme. SAP was Pakistan’s major social sector development programme that ran from 1993 to 2003, costing roughly US$8 billion dollars, of which US$450 million were loans (p. 4). It ended because of a lack of results.

Alfat argues that ‘[w]hat happened to SAP was exactly what should have happened. Failure should not be a surprise; it was an integral part of the project design’ (p. 9). She goes on to explain that her own understanding of this situation is that program designs are based on limited conceptual frameworks that reflect a woefully inadequate knowledge of local realities, and thus are inappropriate in the context of national constraints.

(p. 3)

Her findings support the cliche of a ‘vicious circle’, albeit of a different form. In attempting to figure out how to get more women involved as health workers, she discovers that many women over the past decades of donor ‘capacity-building’ programmes have in fact been trained as a variety of health workers. Yet, rural health clinics, many built by aid dollars, remain vacant with rotting drugs and medical supplies.

So where are these ‘missing’ women? Some women conform to social pressures by not working in order to focus on raising a family, an issue largely ignored by donors. Others are acting as entrepreneurs by taking their newly acquired skill set to the highest payer – oftentimes abroad or in private practice. Pakistani bureaucrats are actually happy that many women choose to leave, as there are not enough jobs within the public health system with high enough salaries for the increased capacity.

Ironically, both donors and recipient bureaucracies view capacity–building programmes as a success. Donors see that aid dollars were spent. Recipients are happy because their respective bureaucracies received funding. Aid dollars translated into the education of women in healthcare. However, provision of healthcare has not improved, which was the overall goal of the SAP. This sets into motion a perverse flow of aid to capacity building, where women are trained, but the public health positions are never filled. The donors record this as a success, while many Pakistani rural areas are left without healthcare provision. Bureaucrats know how to game the system to keep the aid dollars flowing for another round; thus, the cycle continues.

The SAP did not fail because of one specific reason – it failed for all the reasons identified throughout several decades of foreign aid research. Both donor and recipient bureaucracies are budget maximizers, lack the necessary information to be effective and have no incentive to change their behaviour. So-called ‘foreign experts’ lack local knowledge, and therefore expertise, especially regarding women’s social constraints. Both donor and recipient leaders face a host of political economy issues that ultimately shape aid outcomes. Corruption is an ever–pressing issue. Markets are limited as many poor governments still attempt to plan centrally certain aspects of the economy, especially in social sectors such as healthcare. Development is formulated as a technical problem in which aid can be an instrument within the engineering toolkit; however, development is an institutional problem – political, economic and social.

If anything, Alfat does not go far enough in distinguishing between public versus private provision of healthcare. Although not emphasized, her work
illuminates how the market can respond to the changing supply of health workers and changing demands from the local population. My only criticism is that I wish she had discussed further the interplay between the constraints facing both private and government provision of healthcare.

This book highlights the well-documented problems with foreign assistance from within the system. It is a must-read for anyone working in development. It reads more like a novel and, at times, the reader may wish it were fiction as Altaf’s experiences are frustrating, heart-breaking and unbelievable. The book could not come at a better time in light of the rejuvenated hope for foreign aid, largely stemming from research using randomized controlled experiments (for example, BANERJEE and DUFLO, 2011). What So Much Aid, So Little Development reminds us is that even if researchers are capable of identifying specific programmes that work at the local level, we must caution against national institutional constraints that current aid programs face. These programs would face the same knowledge, incentive and institutional constraints that current aid programs face. As Altaf reminds us, we are only human.

CLAUDIA R. WILLIAMSON
Development Research Institute, New York University,
New York, NY, USA
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The cluster phenomenon keeps attracting remarkable attention and popularity which are evidenced by an avalanche of academic literature. The cluster literature, although abundant, does not include too many in-depth analyses of cluster emergence. Previous attempts to explain the formation of new regional clusters include, for example, BRESHANAN and GAMBARDELLA’S Building High-Tech Clusters (2004). From the ‘early days’ of the cluster research, that is, since the 1990s, a significant part of the cluster literature has focused on two major issues: how to copy the success of Silicon Valley in California and how to apply or criticize Michael Porter’s account of clusters (for example, PORTER, 1998). It is delightful to observe that the analysis of clusters is (finally) attempting to take additional steps to understand the cluster phenomenon in a more profound way. ASHEIM et al. (2006) could be mentioned as an example of pushing the regional cluster research to a new level. Emerging Clusters, the outcome of a workshop on emerging clusters held in 2008, provides yet another contribution to the regional cluster literature, focusing on cluster emergence.

The book, which includes thirteen chapters with twenty contributors, focuses on three core fields of cluster research complemented by a policy section. The first part deals with the question about how the seed for the cluster is planted. The second part analyses the positive externalities and cluster-specific institutions which feed endogenous cluster dynamics. The third part focuses on firm level and investigates the growth pattern during cluster emergence.

The first challenge of the book is to cope with well-known theoretical and conceptual fuzziness in the cluster literature. To begin with, what are emerging clusters? According to the introductory chapter by the editors (p. 2), cluster emergence concerns a broad continuum ranging from ‘normal’ economic activities to the stage of firms forming clusters à la Porter, that is, geographic concentrations of interconnected companies and institutions in a particular field. According to Menzel (p. 241), the ‘mainstream’ cluster definition of Porter is problematic from the viewpoint of emerging clusters. Emerging clusters are marked neither by a large concentration of firms nor by extensive agglomeration effects. Emerging clusters only have a certain, yet unrealized, potential to form a functioning cluster. Does that mean that emerging clusters are actually outside the scope of the mainstream cluster theory? Throughout the book, the lack of a generally accepted cluster theory provides challenges to the writers. Some writers just leave the conceptual fuzziness aside and concentrate on the findings of numerous case studies that enrich the book. There are, fortunately, some writers attempting to theorize the emergence of clusters especially in the field of knowledge-intensive clusters. What should one, then, think about this theoretical and conceptual fuzziness of the cluster literature? Maybe one should consider the thoughts of BECATTINI (2008):

I can understand that a scientist, even a life scientist, cannot feel at ease with fuzzy concepts, but it seems to me that, if he wants to study change — and this is surely the case of Porter — he must cope with a certain degree of definitional fuzziness.

(pp. 270–271)
In the first part of the book which discusses how the seed for the cluster is planted, Cooke discusses the emergence of a number of regional ‘green’ clusters in terms of Jacoby’s (1969) insights of clusters emerging from new combinations of knowledge cross-fertilizing, for example, high-technology activities and traditional industries. Cooke claims that besides features of economic relations concerning related variety, knowledge spillovers and high lateral absorptive capacity, Jacobian clustering benefits from other more social, institutional and organizational assets: social capital, collective entrepreneurship, technological branching, peripherality, infant industry subsidy and innovation system. The chapter by Cooke is of special interest to researchers of cluster transformation, especially towards green or clean-tech clusters. Henn and Layre’s study clusters as a path-dependent process and analyse the role of strategic action in rupture situations using the Antwerp diamond district in the Netherlands as the case study. Based on the longitudinal analysis, they stress the relevance of not only path dependency studies, but also further research on the interplay between key persons, strategic action and chance aspects in the re-emergence of former cluster structures.

In the second part of the book concerning the positive externalities and cluster-specific institutions which feed endogenous cluster dynamics, Avnimelech and Teubal discuss the role of coordination in an emergent cluster structure, analysing the co-evolutionary patterns in the Israeli information and communication technology (ICT) cluster. They claim that some coordination, for example, collective learning or the selection of technology focus, should be created between agents’ activities to progress towards the emergence of the cluster. According to them, in some cases this informal coordination could be done by early market agents through spin-off and imitation of the successful agent. In most cases coordination should, however, be addressed directly by public or semi-public authorities.

In the third part of the book, which focuses on the growth pattern during cluster emergence, Patton and Kenney analyse the role of the university in the cluster emergence using universities in Wisconsin and Illinois as empirical data. They claim that university research-centric clusters, in comparison with industry-specific clusters, are characterized by the technology push and innovations coming from a wide variety of academic disciplines. As a result, the university spin-out firms will be as varied in their product markets as the research areas pursued by the university. The region in which the university spin-outs locate themselves needs to be a rich entrepreneurial environment in order to build up a well-functioning cluster. Garnsey, Stam and Thomas analyse the inkjet printing industry in the Cambridge area to explore the maturation and renewal of the cluster. They conclude that the renewal process of the inkjet industry requires a return to basic research in order profoundly to understand the processes involved in the printing technology. A shift from manufacturing to knowledge production focus is of crucial importance as well as the ability to apply inkjet printing technologies to ever more diverse areas. Renewal takes place through cooperative efforts between academics and the inkjet printing companies in the Cambridge region.

In the final part of the book which features cluster emergence and political perspectives, Sternberg analyses the origin of ten high-technology regions in the United States, the United Kingdom, Japan, France and Germany. He concludes that not a single determinant constitutes a necessary or sufficient precondition for the genesis of a high-technology region. He claims that the importance of amenities, venture capital and science parks has been overrated. The decentralization of many metropolises and the regional key persons have turned out to be of greater importance in cluster emergence than expected. Government research and development expenditure has implicit regional effects. There are, yet, some high-technology clusters emerging without any influence from policy. Kiese analyses policy transfer and institutional learning in German regional cluster policy. He claims that interregional policy learning in German cluster policy is rather limited. Regional cluster policies tend to be inward-looking and susceptible to lock-ins and rent seeking.

The book has clearly succeeded in highlighting some of the key features of emerging clusters. It is also worth noticing that it avoids giving ‘recipes’ in order to build up successful regional clusters. The book follows the thinking of Bresnan and Gambardella (2004) by focusing on deep regularities instead of a ‘recipe’ formula in the analysis of high-technology clusters. It could be discussed, however, if even more chapters could have been devoted to the analysis of cluster emergence: what really happened and why that resulted in the emergence of a cluster? The title of the book promises an analysis of theoretical, empirical and political perspectives on the initial stage of cluster evolution. The empirical data and analysis is rich and well-written and so is the policy section. One could, perhaps, have chosen some unsuccessful cases too. What happened to the emerging clusters that never realized the potential to form a functioning cluster? Why did they never make it? Regarding the theory part, there are only limited fresh openings towards a theory development of emerging clusters – although the chapters include many interesting suggestions of further research on this phenomenon. Moreover, the reader gets the feeling that the mainstream cluster theory including, for example, the cluster life cycle theory of cluster change has largely been taken for granted without further considerations. A concluding chapter would have been useful: it could have reflected on the state of the art, and what seem to be the most important open questions regarding cluster emergence.

To conclude, the book provides a valuable addition to the literature of regional clusters and should be

The so-called ‘Chinese model’ of economic development has attracted increasing interest around the world and lessons have been drawn from China’s experiences. Building Engines for Growth and Competitiveness in China uncovers some of the mysteries and satisfies people’s curiosity by detailing two development strategies used in China: special economic zones (SEZs) and clusters.

In Chapter 1, the editor, Douglas Zeng, defines several basic concepts, including SEZs and clusters. He draws on The World Bank to define an SEZ as

a geographical delimited area, where it has a single administration, offers benefits based on the physical location within the zone, and has separate customs area and streamlined procedures, as well as liberal economic laws. (p. 4)

And he uses Michael Porter’s definition of cluster as ‘a geographic concentration of interconnected firms in a particular field with links to related institutions’ (PORTER, 1998, p. 197). He also outlines the economic achievements of strategies building on SEZs and clusters in the Chinese context.

The rest of the book presents five case studies. Chapters 2–4 articulate three cases related to the three Chinese national-level SEZs, namely: the Shenzhen SEZ, the Tianjin Economic–Technological Development Area, and the Kunshan Economic–Technological Development Zone, respectively. The last two chapters elaborate on the cases of the Wenzhou footwear cluster and the Xiqiao textile cluster. All essays are qualitative studies built on numerous details. In the absence of any complicated mathematical content, this is a readable book for both scholars and practitioners.

Two issues related to the Chinese SEZs and clusters are worth highlighting. The first issue is the conditions of emerging SEZs and clusters. Compared with Western countries, China has its own idiosyncratic background. After ten years of the ‘Cultural Revolution’, China was desperate for its economy to recover. Although it was not easy to find a way that could avoid social instability at the same time as sparking the economy, China’s strategy was to establish SEZs. On the one hand, SEZs were normally located in remote regions (for example, the Shenzhen SEZ), which ensured that the SEZ strategy could be conducted relatively easily. On the other hand, the cost of failure of the SEZ strategy in remote regions would be limited and controllable and would not cause crises for the whole country. Indeed, most Chinese SEZs (at least the three cases discussed in the book) built advantages by themselves. For instance, the SEZs built good facilities, attracted human resources and enjoyed the benefits of increasing returns. The development of Chinese clusters, on the other hand, was consistent with KRUGMAN’s (1991) argument, that historical reasons or unexpected coincidences cause the birth of clusters. Both the Wenzhou footwear cluster and the Xiqiao manufactured textile cluster have a long tradition of doing business. Thus, the SEZ and cluster strategies each require specific circumstances before they can be successfully applied. In particular, the SEZ strategy required the government to play a strong role in allocating resources, even if the SEZs were set to ‘embrace’ the free market economy. That is the reason why SEZs always appear in countries with developing markets (such as China, India and Thailand) but not in developed countries.

The second issue is that Building Engines does a good job of showing that the Chinese SEZs and clusters are connected in the sense that the emergence of one phenomenon will cause the appearance of the other. On the one hand, many preferential policies concerning an SEZ are issued to promote developments of local clusters. Taking the Tianjin SEZ and the Kunshan SEZ as examples: as their applications for SEZ status were approved by central government, the local governments had rights to issue preferential policies to attract high-technology foreign direct investment (FDI) and advanced technologies. Subsequently, high-technology clusters emerged. In this case, the establishment of SEZs enabled successful clusters to appear. Another SEZ discussed in the book, Shenzhen, consisted of several low-technology clusters (such as textile and food processing clusters) in the 1980s–1990s. However, the low-technology clusters gradually
declined after the 1990s as the local government decided to use the SEZ status to introduce and establish high-technology clusters in Shenzhen. On the other hand, with regard to the development of Chinese clusters, the regions that adopt cluster strategies without a formal SEZ status will always be treated as informal SEZs. For instance, having realized that clusters positively influence local economies, the Wenzhou and Xiqiao governments both became actively involved in the development of clusters. The governments play at least three roles: as supervisors, issuing helpful economic rules and policies; as cluster initiators, organizing and coordinating relations among local firms; and as investors, financing public research and development and research incubators. Thus, although Wenzhou and Xiqiao are not SEZs formally, the relevant firms actually received the same (or similar) treatment as firms in the SEZs. Finally, although the SEZ phenomenon and the cluster phenomenon are like twins (an SEZ will cause the birth of one or several clusters, and the birth of a Chinese cluster may also get the treatments that are mainly applied in the Chinese SEZs), a shortcoming of the book is that it does not theoretically combine the two phenomena in any depth. In other words, the theoretical analysis of the relations between the SEZs and clusters remains weak. Nonetheless, this leaves space for further research.

The SEZs and clusters as development strategies reflect a trade-off between a totally free market and a totally planned economy. Theoretically speaking, such strategies expand the debate and realization of economic liberalism and Keynesianism — the experiences of China (from 1949 to 1979) and the Soviet Union show that planned economies lead to poor economic performance. However, Milton Friedman’s free market theory is also challenged by the bursting of the Latin American financial bubble in the 1980s (Krugman, 2009), and by the 2008 financial crisis (Stiglitz, 2010). Readers of Building Engines will be left in no doubt that the SEZ and cluster strategies are the main means by which the so-called socialist market economy in mainland China can successfully combine the planned economy and the free market economy. Over the past thirty years, such an economic model has promoted China’s economic strength. For example, China surpassed Japan in 2010 and now has the world’s second largest economy in terms of its gross domestic product. Nevertheless, the book also emphasizes that no economic strategy is a panacea that can be applied in every situation. The Chinese SEZs and clusters are currently encountering many tough problems: the SEZs are striving for further political reform, while the clusters lack innovative abilities and have lost a huge number of low-skilled employees.

A critical lesson that China has drawn on from its experience of operating SEZs and clusters is that any crucial policy needs pilot experiments before it is applied nationwide. This strategy is referred to as ‘crossing the river by feeling the stones.’ This strategy has become an ‘operative norm’ of the Chinese administration. For instance, in the recent process of internationalization of the yuan (RMB), despite having enormous foreign exchanges and trade surpluses, China has not opened its financial market to the world. Instead, it has chosen Hong Kong as its offshore financial centre.

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