

PROPOSITIONS

Competitive Challenges and Cluster Responses

Orchids, Cars and Electronics in East and Southeast Asia

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1. Due to the influence of industry-specific context, clusters in the same sector are likely to have the same industrial structure and a similar form of cluster governance (*this thesis*).
2. Country-specific context, especially government policy, can significantly alter cluster structure and governance away from the shape typically formed by industry-specific context, either towards more enabling or more impeding conditions for development, by intervening in the capabilities of local firms and supporting institutions (*this thesis*).
3. Contrasting with the notion of the Business System Concept, clusters operating in the same business system, facing a similar competitive challenge and having a similar form of governance may respond to the challenge differently due to differences in composition of economic actors (e.g. foreign versus local) and in the industrial structure and nature of the industry, which influence inter-firm relations in the cluster (*this thesis*).
4. To deal with a particular type of competitive challenge, a cluster requires active participation and high commitment of certain actors in the cluster; for example, the active role of the educational sector is significant for a cluster to cope with the challenge of human resource and skill development (*this thesis*).
5. To successfully develop a cluster, the essence is not merely the matter of ‘what’ strategy is applied, but also ‘when’ the strategy should be implemented (*this thesis*).
6. Beyond the typical role of creating sound business conditions to support the productivity of firms, as emphasised by cluster theory, government should be strongly committed to institutionalising a mechanism for long-term development of clusters (*this thesis*).
7. Following the notion of Rodrik on the greater importance of specifying the right process of industrial policy than of specifying the outcome, ‘process effectiveness’ should be emphasised in cluster policy evaluation so as to better see the missing dimensions of cluster policy implementation and to gain a greater understanding of the cluster-level learning process, both of which are crucial for long-term competitiveness of clusters (*this thesis*).
8. The Thai orchid cluster demonstrates that a visionary and strategic private sector leader can enable a clustering process to emerge, progress and be sustained (*this thesis*).
9. Cluster development is a ‘process’, not a ‘project’.
10. FDI policy alone cannot ensure industrial and cluster development, nor can it safeguard a cluster’s long-term competitiveness.
11. A drop of water can possibly move a river.