# Article information:

The Cluster as Market Organisation - Peter Maskell, Mark Lorenzen, 2004
<https://journals.sagepub.com/doi/10.1080/00420980410001675878>

# Article summary:

1. Clusters are specific spatial configurations of the economy suitable for the creation, transfer, and usage of knowledge.

2. The cluster is an emerging, self-organizing alternative for interfirm relationships in cases where global network formation becomes a less feasible strategy.

3. The paper empirically investigates two industries where clustering for different reasons might be considered superior to other forms of market organization.

# Article rating:

May be slightly imbalanced: The article presents the information in a generally reliable way, but there are minor points of consideration that could be explored further or claims that are not fully backed by appropriate evidence. Some perspectives may also be omitted, and you are encouraged to use the research topics section to explore the topic further.

# Article analysis:

The article "The Cluster as Market Organisation" by Peter Maskell and Mark Lorenzen explores the concept of clusters as a spatial configuration of the economy suitable for the creation, transfer, and usage of knowledge. The authors investigate how rent-seeking firms build network relations to create knowledge and obtain resource efficiency while keeping transaction costs at bay. They also consider the cluster as an emerging, self-organizing alternative for interfirm relationships in cases where global network formation becomes a less feasible strategy.

The article provides a comprehensive overview of the concept of clusters and their potential advantages for firms. However, there are some potential biases in the article that need to be considered. For example, the authors focus on industries where clustering might be considered superior to other forms of market organization, which could lead to one-sided reporting. Additionally, some claims made in the article lack evidence or exploration of counterarguments.

One potential bias is that the authors only investigate industries where clustering might be considered superior to other forms of market organization. This could lead to one-sided reporting because it ignores industries where clustering may not be advantageous or even detrimental. For example, in highly competitive industries with low barriers to entry, clustering may lead to increased competition and lower profits for firms.

Another potential bias is that some claims made in the article lack evidence or exploration of counterarguments. For example, when discussing relation-specific sunk costs as a safeguard against opportunistic behavior, the authors do not explore potential drawbacks such as reduced flexibility or increased risk aversion.

Despite these potential biases, the article provides valuable insights into the concept of clusters and their potential advantages for firms. The authors provide empirical evidence from two industries - pop music and furniture - demonstrating how clustering can lead to increased knowledge creation and resource efficiency. They also discuss how clusters can provide an environment that curtails costs and risks associated with establishing new firms through relocation or spin-offs.

In conclusion, while there are some potential biases in "The Cluster as Market Organisation," the article provides valuable insights into the concept of clusters and their potential advantages for firms. However, readers should be aware of these biases and consider other perspectives when evaluating the benefits and drawbacks of clustering in different industries.

# Topics for further research:

* Criticisms of clustering as a market organization
* Disadvantages of relation-specific sunk costs
* Clustering in highly competitive industries
* Alternatives to clustering for interfirm relationships
* Clustering in different types of industries
* Risks and drawbacks of establishing new firms through relocation or spin-offs

# Report location:

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