

The complex role of cluster agents in the development of automotive industry in Spain

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Abstract

The development and recuperation of automotive industry in Spain has not been properly analysed. Without national OEMs and a very low internal demand the sector has shown strong symptoms of sustainability and growth. The sector is creating permanent and valuable jobs and seems to be an exception to the Spanish industrial decline. The Spanish automotive industry is agglomerated around seven clusters in the North, east and center of Spain. This article will try to analyse those factors that could explain the sector's strength from the point of view of clusters. We hypothesize that a combination of cluster agents role and its capabilities contribute to the survival and competitiveness of the industry and overcome its weaknesses.

Keywords: Automotive industry, agglomerations, clusters, innovation.

Introduction

Spain automotive industry represents an exception to the industrial decline that has suffered the secondary sector during the last five years. According to ANFACC, the vehicle manufacturer industry employment is recovering significantly with a relevant growth closer to 2008 levels. Its positive evolution stands out over the rest of industry, especially to manufacturing which present much more modest results. In terms of the quality of employment, the automobile industry incorporates stable employment to a greater extent than the whole of the Spanish economy and maintains, in addition, a higher level of fix contracts to the manufacturing industry as a whole.

It is interesting to note that Spain has become the largest producer of commercial vehicles and the second manufacturer of cars in the European Union as well as the 12th worldwide. Automobile and components sector have also a commercial export coverage of 150%.

How can this situation be explained when there are no any Spanish OEMs manufacturers? The first reason is that the set of players in this sector act jointly and have a consensus that has allowed them to develop common strategies and policies and have been able to sell them to the public administrations forcing them to implement very active industrial policies unlike other similar sectors. This has been a powerful magnet for attracting the attention of foreign multinational firms that have found Spain an interesting location to outsource their production.

Among these factors the role of clusters and agglomerations has been critical in this industry. Two seminal publications (Sturgeon and Lester, 2004; Sturgeon et al, 2009) proposed that automotive industry is following a series of guidelines within which have been instrumental in a wave of "offshore" investments, mergers, alliances and acquisitions, especially in the early 1990s. Thus value chains are set composed of interrelated global corporations where relocation has played a fundamental role. The large OEM leading companies have exerted a strong governance in their global value chains in this offshoring tendency. In the analysis of the latter, regional and national structures have a key role supporting the industry coherence. This is why economic geography plays a different role according to segments of the value chain: design, manufacturing of components, assembly, etc. In this context, micro-level regional

clusters are essential and, in Spain, have been developed providing significant competitive advantages that have favored the development of the industry at national level.

Objectives

This paper will analyze the roles that cluster agents: OEM manufacturers, components suppliers, institutions, associations, University and public research organizations, etc. have played in the cluster configuration.

The paper will analyse seven clusters: Vigo, led by PSA Citroen, Valencia led by Ford, Castilla Leon led by Renault, Balearic Islands led by VW and Mercedes, Aragon led by GM, and Barcelona led by Audi-VW, Nissan and Seat. The relationships between stakeholders in the value chain, their interaction and quality are relevant in the cluster environment leading to the paradigm of the responsive value chain (Gunasekaran 2008) that helps to explain the advantages of cooperation between actors in the chain, the cluster and industrial leaders. The quality of the relationships between the various actors in the cluster configures its development and orientation according to our field study.

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