

THE GOVERNANCE OF COLLABORATIVE CLUSTER MODELS

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Abstract: *In the past decade, studies on the concepts of governance and cluster have emphasized the interest of the international scientific community for possible changes that can be brought to collaborative models of economic/innovative development, by implementing the most appropriate models of governance. This article summarizes elements of the two main concepts, governance and clusters, and their practical materialization within a conceptual model.*

Keywords: governance, cluster, collaborative model, collaborative governance

1. Governance – defining issues, typology

The first use of the concept of governance, as it is defined now, belongs to the World Bank, in a report issued in 1989 published a few years later, regarding the status of economic development of African countries, which mentioned “a crisis of governance”, seen as a way to exercise in a positive manner the act of governance in the former colonies, along with the international economic and financial bodies and other companies. The report also launched the necessity of a new structuring of the international relation so as to establish relations by which economy and finances of states, international bodies, civil society, businesses and multinational companies are well managed [1].

World Bank was trying to introduce a de-politicization and de-ideologization of economy and finance, in their dimension of elements of any modern society, which should work well, efficiently and with integrity, regardless of the political forces in power [2].

Studies on the concept of governance focus on five defining issues, namely [3]:

1. Governance refers to a set of

institutions and actors which are involved, but are not part of the government;

2. Governance identifies the blurring of boundaries and responsibilities for addressing social and economic issues;

3. Governance identifies the power dependence manifested in the relations between institutions involved in a collective action;

4. Governance refers to autonomous self-governing networks of actors;

5. Governance recognizes the capacity to do and achieve things that are not based on the government’s ability to use authority.

Because the new concept was not yet well defined, being considered too vague, for many authors governance was the saving concept which attempted to highlight a new way of managing international issues encompassing the old ways of government in order to develop a new project of international order, of peace and development, a project realized with the contribution of a large number of actors.

From the aspects presented above, it can be concluded that *governance* is a very vast concept, requiring *sound and effective*

supervision of the manner in which a phenomenon or activity is conducted, led, controlled or managed in order to protect the interests of the components in that area, organizations or institutions [4].

According to the scope, governance may be:

- global governance;
- national governance;
- local governance;
- corporate governance.

2. Collaborative Governance

Studies have shown that the scope of governance does not provide the necessary sufficiency for the management of the specific socio-economic situations of today's world. Thus, the US has introduced a new concept: *Collaborative Governance* [5][6][7][8].

Collaborative governance is a sum of expectations, interactions, and last but not least responsibilities which offer the only realistic option to address the multiple economic, social and environmental challenges society is experiencing today. In short, it is about how decision makers at different levels try to find practical ways of solving problems that transcend traditional jurisdiction, about the ways to create a new framework for collaborative action.

The program Weil regarding collaborative governance, developed by the Harvard Kennedy School of Government, describes this new concept as “a new level of social/political engagement intra and inter those sectors of society that have a more effective way to address most of the needs of the modern society, excluding those sectors that have had an approach targeting their own interests exclusively” [9].

Bennington (2003) [10] defines collaborative governance as “driving through continuously changing waves (societal changes), in conditions of maximum complexity”. Success in complex environments requires constant adaptability to environmental changes, adaptability that can be acquired only after careful revision

and implementation of the main recommendations resulting from the application of lessons learned.

Collaborative governance can be also an adaptive system that can produce innovative solutions such as inter-connection commitments between different actors on different levels of the governing process, so as to obtain the expected results.

In the United States, collaborative governance enjoys a genuine success and is most often associated with the administrative and economic success of some regions throughout the US. Thus, a series of interconnected projects have been started, aimed at connecting the main actors of the regional collaborative governance: local authorities, businesses/active companies in the region and all categories of citizens.

3. Clusters – collaborative models of economic/innovative development

The most common usage of the concept of cluster is assigned to the person who has contributed significantly to its popularization, Professor Michael Porter (1998): “Clusters are geographic concentrations of interconnected companies and institutions, which are manifested in a particular field. Clusters include a group of related industries and other important organizational entities from the point of view of competition. For example, they may include suppliers of specialized inputs, such as components, machinery and services, and providers of specialized infrastructure.

Often, clusters extend downstream towards various distribution channels and customers and laterally towards manufacturers of complementary products and towards industries related through skills, technologies or common inputs”[11].

Definitely, any type of entity belonging to such a collaborative model entails a number of benefits such as:

- increasing competitiveness and employment rate of labour by interconnecting people, skills, competencies and knowledge;

- increasing efficiency because it is easier to work in a network with customers and suppliers;
- fostering innovation, as interaction with customers generates new ideas and great pressure on innovation;
- reducing constraints for SMEs by large companies;
- improving opportunities for the internationalization of SMEs;
- chance of success for start-ups and spin-offs;
- providing the ability to influence educational profiles in order to meet the requirements of qualified human resources company.

4. The governance of the collaborative model specific to scientific research in institutions in the field of defence

Creating a model of collaborative innovation/economic cluster specific to defence is one of the ways we can ensure, on the one hand, the revitalization of the national defence industry and, on the other hand, the efficiency of activities specific to other institutions in the field of defence.

Such collaborative model is made voluntarily by the founding members, a Romanian legal entity registered as non-profit. The event takes place under the Statute, the Government Ordinance 26/2000 regarding associations and foundations and according to the national legislation applicable to entities in the private non-profit domain.

The governance system of the collaborative model for defence can be illustrated by grouping its components into three levels, namely:

- **Structures** – which can be of two types:
 - **internal:**
 - General Meeting of Shareholders (GMS);
 - Council of Administration (CA);
 - Strategic Council;
 - Scientific Council.
 - **external** – regulating authorities.

- **Procedures** – represented by all acts regulating the activity of the organization/ institution. These may be general regulations, applicable to all types of organizations/institutions, e.g. laws, financial, accounting, commercial regulations, or internal regulations: Rules of organization and operation, Code of ethics, Rules of governance and other laws and internal procedures governing the activities/ processes running within the organization/ institution.

- **Behaviours** – represent the way of acting and reacting in certain circumstances or situations (DEX, 2009). In this case, we mention the behaviours specific to top management (managers, executives, administrators, etc.)

4.1. Internal structures of the collaborative model of scientific research

In the following, we will briefly present the main internal structures of the collaborative model, which, in our opinion, can ensure the efficient governance of the proposed model.

General Meeting of Shareholders (GMS) – is the highest decision-making body at the level of the association. GMS consists of all the members of the association. AGA powers, structure, election/revocation of the management, AGA mandate periods, AGA-related convened issues and the ways to implement AGA decisions are stipulated in the STATUTE.

Board of Directors (BD) – is the structure which ensures the management of the association. BD will include representatives (presidents, general managers, directors or managers, according to the case) of all institutions/organizations that are part of the association. Authority, structure, mandate periods, and other relevant information on BD will be specified in the STATUTE.

Strategic Council – is the structure made up of personalities from the political and economic field, which, due to their

experience, position and relationships, can contribute to the strategic orientation of the cluster and its promotion. Authority, mandate periods and other information relevant for this structure will be specified in the STATUTE.

Scientific Council – is a consultative body whose main mission is to develop the R&D and innovation strategy of the cluster. The members of the Scientific Council are usually personalities from the scientific and economic sphere whose experience can help develop the cluster, disseminate and capitalize on the results of the scientific research. Authority, composition, appointment/revocation from/in office and mandate periods will be mentioned in the STATUTE.

4.2. Procedures specific to the collaborative model

As mentioned above, all rules stipulated in the national legislation relating to the governance of the cluster will be applied and obeyed at the level of the cluster. In what regards normative acts and procedures developed at the cluster level and applicable to all institutions/organizations that are part of the cluster, they must be based on national law and must not harm the members in any way.

The main document underpinning the cluster is the STATUTE. According to the dictionary, it is an “act or series of official provisions which regulates the purpose, structure and functioning of an organization, joint stock companies, association, etc.”

The STATUTE of the collaborative model specific to the field of defence will necessarily relate to:

- the entities adopting the statute, their representatives and position in the cluster (e.g. founding member);
- name;
- headquarters;
- legal form;
- purpose and objectives;
- lifetime;

- heritage cluster;
- income and expenditure;
- members – their rights and obligations;
- management and control bodies – authority, mandate periods, appointment/dismissal, etc;
- issues related to statute change, dissolution of the association, litigation, etc.

In order to detail on some tasks or activities at the cluster level, a range of internal regulatory actions can be developed. Among these, the most useful is considered the ***Code of ethics and professional conduct***. It sums up a set of principles guiding the organization/institution, its members and stakeholders. It includes the mission, values, principles, procedures and ethical and professional standards that define the activity of the organization. Regarded as guidelines for the conduct of all categories of members of the organization and of all those who come into contact with the organization through specific standards and procedures, these principles give consistency to the mission and values of the organization [12].

Another category of internal regulations are the ***Procedures***. ***The procedure*** represents all steps to be taken (the algorithm), the established working methods and rules applied for the execution of work, duty or task [13]. The procedure can be of two kinds:

System procedure – that describes an activity or a process which occurs in all departments of the institution, also called ***general procedures***. Those procedures that require only limited involvement of specialized departments are not considered system procedures. (MPF, 2005)

Operational procedure – describing an activity or a process which occurs in one or more departments of the ministry. They are also known under the names of ***specific procedures, process procedures, formalized procedures***, etc. [14].

At the entity level, these procedures will be developed in accordance with the

Order of the Ministry of Public Finance no. 946 of July 4, 2005, with amendments specified in Order no. 1389 of August 22, 2006.

Given the peculiarities of the activities occurring in the institutions of defence, system procedures and/or operational procedures (if applicable) will be developed according to specific regulations.

5. Conclusions

Collaborative models are an instrument cluster that best responds to the current challenges of the socio-economic

and politico-military environments. And this is all the more the realization of the future European defence industry must be based on the adoption of policies and solutions aimed to achieve smart weapon systems in strict accordance with the resizing of national defence structures.

Highlighting the aspects related to the governance of collaborative models contributes to a better understanding of the ways to achieve a robust and effective oversight of how such an entity is controlled and/or managed in order to protect the interests of the organization.

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