

Formation of International Food-Industry Cluster and Potentials of Niigata

KIMINAMI, Lily

Professor, Faculty of Agriculture, Niigata University

In recent years, the formation of industrial clusters has been drawing attention as one of the important strategies for regional development. Past experimental studies show that local Food-Industry clusters are forming in Northeast Asian countries, including Japan, China, and Korea, as well.

The socioeconomic conditions of location, represented by “transportation cost” in the broad sense of the term, dynamism of respective participating entities to induce innovations, and initiatives that support the cluster play important roles for the formation of the cluster irrespective of the size of the covered range. And it can be said for the Food-Industry in Niigata that the basis for the cluster formation is increasingly ready concerning all of the above points. Actually, there are already districts of accumulated Food-Industry in Niigata and inter-company collaboration and industry-government-academia collaboration are being developed.

Incidentally, viewed at the corporate level, the formation of industrial clusters is the building of a network based on business cooperation between companies, and the network can be interpreted as a process to vitalize the economy of the area within the network. Accordingly, for the formation of industrial clusters, what is significantly important is not just the accumulation of companies, but the way business cooperation works. Past experimental studies show that the way business cooperation works has a decisive impact on the performance of the companies involved. The results of the analysis of the relations between business cooperation of food-related companies and their performance in Niigata Prefecture and in Heilongjiang Province show that, while international business cooperation contributes positively to corporate performance, there are cases of business cooperation that make only a small amount of contribution to corporate performance, and moreover, there are many companies that do not adopt business cooperation as a major strategy. Therefore, the establishment of methods of cluster formation that will lead to better corporate performance is an urgent issue.

On the other hand, it is necessary for Niigata Prefecture to make enhanced efforts in order to help the locally-formed Food-Industry cluster to grow into an international Food-Industry cluster and at the same time to play the role of the core of the above cluster. Deepening of interdependence by trading and investments in Northeast Asia is a necessary condition for the formation of international industrial clusters, but not a sufficient condition. This will require, first of all, that local clusters be dynamic and sustainable. Moreover, clusters are considered to have a lifecycle just like products do, which makes it necessary to provide support measures suitable for each lifecycle stage. Furthermore, it is only after the stage begins when companies and clusters in different regions in different countries recognize each other as competitors/cooperation partners that efforts toward the formation of international clusters can be started. For this reason, the formation of international industrial clusters in Northeast Asia will start by assuming international industrial clusters formed in the U.S. and Europe as competitors/cooperation partners.

In other words, it is necessary for Niigata to firstly form a loose network to establish an environment that enables mutual competition/cooperation in order to become the core of an international Food-Industry cluster in Northeast Asia.

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