Contents

List of Tables and Figures

	List of Contributors	ix
	Introduction ANNA GRANDORI Interfirm networks: organizational mechanisms and economic outcomes	1
Di	RT 1 fferentiated interests, coordination mechanisms and rness outcomes	
1	The rules of the game in industrial districts SEBASTIANO BRUSCO	17
2	The fairness properties of interfirm networks ANNA GRANDORI AND MASSIMO NERI	41
3	Inside partnership. Trust, opportunism and cooperation in the European automobile industry ERHARD FRIEDBERG AND JEAN-PHILIPPE NEUVILLE	67
Di	RT 2 fferentiated competences, coordination mechanisms and rning outcomes	
4	The dynamic efficiency of networks BART NOOTEBOOM	91
5	Interorganizational relations in the Modena biomedical industry: a case study in local economic development ANDREA LIPPARINI AND ALESSANDRO LOMI	120

vii

vi Contents

6	Industry clusters as commercial, knowledge and institutional networks: opto-electronics in six regions in the UK, USA and Germany CHRIS HENDRY, JAMES BROWN, ROBERT DEFILLIPPI AND ROBERT HASSINK	151
7	Organizational learning and the role of the network broker in small-firm manufacturing networks KEITH G. PROVAN AND SHERRIE E. HUMAN	185
8	Dangerous liaisons: sharing knowledge within research and development alliances PAUL B. DE LAAT	208
	RT 3 ne externalities of networks	
9	The costs of networked organization PETER SMITH RING	237
10	Credit rationing among small-firm networks in the London and New York garment industries ANDREW GODLEY	263
11	The dark side of dense networks: from embeddedness to indebtedness GIUSEPPE SODA AND ALESSANDRO USAI	276
12	Japanese interfirm networks: 'high trust' or 'relational access'? MARK J. SCHER	303
	Index	319

Tables and Figures

Tables				
5.1	The relational subsets	133		
5.2	Centrality measures for each relational subset	135		
6.1	Firms by size, age, industry level, ownership and start-up			
	pattern in six regions	158		
7.1	Network, firm and respondent descriptive characteristics	190		
7.2	Organizational learning within SME networks	192		
7.3	Roles and emphases of the network broker for			
	organizational learning	201		
11.1	Porter's five forces model applied to the construction			
	industry in Italy	282		
11.2	Betweeness centrality of Italian general contractors	287		
12.1	Characteristics of the insider-outsider continuum	314		
12.2	Coordination mechanism modes	315		
Figu	res			
4.1	Degree of integration	94		
4.2	Options for covering fixed costs	101		
4.3	Cycle of learning	104		
4.4	Cycle of (dis)integration	110		
5.1	Competencies, size and basic connections among players			
	in the Modena biomedical industry	129		
5.2	The Modena biomedical industry: total relationships	136		
5.3	The Modena biomedical industry: exchange of raw			
	materials	137		
5.4	The Modena biomedical industry: the use of subcontracting	138		
5.5	The Modena biomedical industry: exchange of components			
	and parts	139		
5.6	The Modena biomedical industry: exchange of finished			
	products	140		
5.7	Average degree centrality by classes of firms' age (dataset			
	TOT REI	141		

viii Figures

5.8	Average degree centrality by classes of firms' size (dataset TOT REL)	141
5.9	Average degree centrality by classes of firms' age (dataset	111
3.3	RAW MAT)	142
5 10	Average degree centrality by classes of firms' size (dataset	* 12
0.10	RAW MAT)	143
5.11	Average degree centrality by classes of firms' age (dataset	
	COM PART)	143
5.12	Average degree centrality by classes of firms' size (dataset	
	COM PART)	144
6.1	Five sets of factors for analysing the emergence and role	
	of clusters in opto-electronics	155
6.2	Relative importance of the local, national and internationa	l
	networks	168-169
7.1	Alpha-net perception of competition among sample firms	196
7.2	Beta-net perception of competition among sample firms	197
9.1	Costs associated with economic exchange	240
11.1	The whole network of consortia among Italian general	
	contractors	286
11.2	Relationship between performance and relational capital	288
11.3	The vicious circle of costs and negative externalities	293
11.4	The public works market 1987–1995	297
11.5	Average profitability rate of the top 100 construction	
	companies in Italy from 1984 to 1993	297
11.6	Total amount of net profits (or losses) of the top 100	
	construction companies in Italy from 1984 to 1993	298
12.1	Kigyo shudan-keiretsu power relationships—a three-	
	dimensional view	310
12.2	Interfirm relations: trust—power/control matrix	312
12.3	R-dimension: relational access insider-outsider	01=
	continuum	315