

Relational Economics and Organization Governance

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Stefan Linder
Jessica Geraldo Schwengber
Adrian Zicari *Editors*

Cooperation in Value-Creating Networks


Relational Perspectives on Governing
Social and Economic Value Creation in
the 21st Century



Springer

Relational Economics and Organization Governance

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Editors

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Relational Perspectives on Governing Social
and Economic Value Creation in the 21st
Century

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Preface

In 2018, the first conference on Relational Economics took place at Zeppelin University in Friedrichshafen. This marked the launch of an international research project that aims to develop an economic theory on the basis of an interdisciplinary and relational epistemology and methodology. The basic theoretical assumptions and goals of this research project were summarized in a concise Relational Manifesto and published with the contributions of the conference in the specially established series “Relational Economics & Organizational Governance” at Springer Nature¹.

In September 2022, the second conference on relational economics was held at the ESSEC campus in Paris, Cergy. It was entitled “Cooperating in Value-Creating Networks—A Relational View”. This book is the tangible outcome of that conference, as it summarizes the discussion at the conference. The book contains papers presented and further elaborated on at the conference, as well as a number of essays written by other scholars in the field specifically for this publication.

According to the initial thesis of this conference, economic and social value creation in the twenty-first century will increasingly take place in networks of companies, governments, academia, civil society, and other stakeholders. Regional, national, global, individual, and collective actors cooperate in such value creation networks and in their interaction, they mutually influence each other and thus the process of value creation on the basis of their interests and values. This makes the adaptability of governance structures for steering these processes an important variable. This applies above all in times of dynamic economic developments and global social upheaval, when the willingness and ability to cooperate economically for mutual benefit is subjected to stress tests at all levels. This was increasingly the case at the beginning of the twenty-first century, and all contributions to the discussion at that time reflected these economic and social challenges.

¹ Manifesto by Lucio Biggiero, Derick de Jongh, Birger Priddat, Josef Wieland and Adrian Zicari in: Biggiero L., de Jongh D., Priddat B., Wieland J. and Zicari A. (2022): *The Relational View of Economics. A New Research Agenda for the Study of Relational Transactions*. Springer, 9–13.

In Part I of this book, “Global Value Networks and Polycentricity”, Josef Wieland and Robert L. Hellpap discuss the resilience and innovative capacity of regional-global networks. They assume that the crisis of global value chains will not end in de-globalization or re-nationalization, but in the emergence of multi-layer networks: a global network of regional networks in which relational space plays a crucial role. In his contribution, Jacob Dahl Rendtorff explains that the consequence of the regulations of the EU and some of its nation states are companies that, because of legal requirements to report their contributions, become socially responsible actors in global networks. In their analysis of environmental disclosure in Italian SMEs, Eduardo Crocco and Adrian Zicari show that it is the interplay of societal and individual factors that influence the behavior of small companies when it comes to implementing CSR. The Theory of Planned Behavior (TPB), which focuses on the interaction between personal beliefs and specific behavior, plays an important explanatory role in that. Lucio Biggiero’s contribution discusses the formation and diffusion of networks between institutions, organizations, and firms that are not regulated by price mechanisms alone. His contribution aims to explain Inter-Organizational Relationships (IORs) by discussing the strengths and weaknesses of six alternative classifications of these relationships, which reveal the evolutionary dynamics and complexity of the relationship between business and society.

The polycentric nature of modern societies at the level of individuals, organizations, and networks, which explains their dynamics and complexity, is continued in Part II “Relational Leadership and Management” at the level of leadership and management. Derik de Jongh and Stanley S. Ntakumba discuss the challenges of multi-stakeholder management in their essay “[Cultural Complexity and Relational Leadership](#)”. From the perspective of relational social constructionist leadership and the African Ubuntu philosophy, they examine the process in which leadership emerges from the interactions within and between collective actors. Josef Wieland and Jessica G. Schwengber discuss the competencies needed to manage cultural complexity. They conduct a comparative discussion of European and Chinese values, as well as the cultural orientations of the ASEAN states, with the aim of identifying the cooperation risks embedded in them and mitigating them through transcultural learning. From a constructivist and more epistemological perspective, Milton J. Bennett addresses another side of cultural complexity, namely the development of the survivability of multicultural organizations. Diversity management then cannot be limited to perceiving and accepting cultural differences but should be extended to understanding how they are constructed in an organization.

In Part III “Relational Philosophy and Economic Thought” the epistemological discussion of cultural difference and the complexity it drives is deepened by an analysis of fundamental normative forms of thought that structure economic and social categories and discourses in a fundamental way. In his contribution, “[Relationalizing Normative Economics: Some Insights from Africa](#)”, Thaddeus Metz shows how normative ideas influence economic decision-making. The discussion focuses on distributional issues and stakeholder engagement, showing the potential that lies in neglected African traditions to answer these questions. Michael Schramm’s

contribution, “[Value Dimensions of the Transaction—A Proposal of Business Metaphysics for Relational Economics](#)”, deals with the challenge of coherently relating cultural diversity in a shared empirical world. In this chapter, it is economic transactions that form a “point of accumulation”. In his essay on “[The Markets of Truth](#)”, Jan Söffner reflects on the impossibility of monetarizing moral goods like truthfulness. In the language of economists, truth is not a marketable good. It has an economic value; it provides utility, but it has no price. However, it is precisely in the discourse of digital capitalism that this value is called into question, and this leads to its appearance in social discourse in general. Birger P. Priddat argues for a new understanding of the concept of relationality in Aristotelian oikonomia. The associated notions of commonality, friendship, togetherness, and participation as political determinants of the essence of the Greek polis are its “true value”, which arises from the cooperation and commonality of its citizens and constitutes its political economy.

To conclude this introduction, I would like to thank Adrian Ziccari and Stefan Linder for their hospitality at the ESSEC campus in September 2022 on the occasion of the conference from which this book emerged. I would also like to thank Lukas Belser and Jessica G. Schwengber for their tireless editorial support for this book project, which could not have been realized without their dedication and professional expertise.

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Josef Wieland

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Global Value Networks and Polycentricity

Resilience and Innovation in Regio-Global Value Networks—Conception and Design



Josef Wieland and Robert L. Hellpap

Abstract This chapter examines the concept of regionalization, specifically within the framework of regio-global value networks. It moves beyond traditional notions of regionalization as an alternative to globalization, viewing it instead as an integral component of resilient and innovative cooperation networks. We adopt a network theory perspective, presenting regionalization as an n-partite multi-level network where nodes represent regional and supra-regional actors. A significant portion of the discussion focuses on relational networks as spaces for economic trade, questioning conventional spatial concepts in economic networks and the boundaries of these networks. We challenge the traditional understanding of globalization as aggregated national economies, advocating instead a network-oriented theoretical perspective. The importance of relational assets in regional clusters is highlighted, asserting that economic and social value creation depends not only on financial and technological resources but also on cooperation and the generation of shared value. We build on the idea that networks produce not just economic goods but also relational events such as traditions and trust, which are contingent on the availability and effectiveness of relational assets in local or regional clusters. We conclude by discussing the effectiveness of relational assets in enhancing the resilience and innovative capacity of regio-global networks, suggesting that a multiplex perspective can offer a deeper understanding of the interplay between resilience and innovation. An empirical exploration of regio-global networks is proposed to further systematize and extend the results of the discussion.

Keywords Regionalization · Regio-Global Networks · Relational economics · Network theory · Resilience · Innovation · Relational spaces · Relational assets

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1 Multiplex Regio-Global Networks: Introduction

In this paper, we do not understand regionalization primarily as digitally enabled “self-reliance” or “protection of industrial capacity” (UNCTAD, 2020:161), i.e., as an alternative to globalization (although these may be important aspects of a future global order). Regionalization in the context discussed here is an essential factor of a resilient and innovative cooperation network, which we will call a regio-global value network. In a nutshell, “regio-global” refers to the networking of local or regional economic activity in and between national, transnational, and global spaces. From a network theory perspective, this constitutes an n-partite multi-level network whose nodes are regional and/or supra-regional actors and their respective individual representatives. These act in single or multiple organizations and institutions at different levels (local, national, international). To represent this, the network perspective that follows from relational economics is multiplex by taking into account different relevant dimensions of relations between actors, next to economic exchange relations (Boccaletti et al., 2014).

Regional networks of local economic and social actors are thus embedded in national and transnational networks which, in turn, are part of global networks. Theoretically, it is the relations of relations, the form of the global network of regional networks and their polycentric governance (cf. Ostrom, 2010; Wieland, 2020) that will interest us.

The discussion of relational networks as places or sites of economic trade first raises the question of what concept of space is presupposed by economic networks. Accordingly, the question of network boundaries also arises. This will be the focus of the discussion in Sect. 2. The understanding of globalization as aggregated national economies, as conventionally assumed in international trade theories, is abandoned in favor of a network-oriented spatial theory that focuses on “transactions or relations that exist” (Burton, 1972).

From the perspective of Relational Economics, the economic and social value creation in networks, their continuity and stability depend not only on achievable financial and technological resources but also on the generation and effectiveness of an atmosphere of cooperation. More precisely, on the willingness and ability to cooperate to generate a “shared value”. Section 3 will therefore be devoted to a discussion of the relational assets of regional clusters. The assumption here, as already mentioned, is that in addition to the economic resources and interests that constitute networks, the willingness and ability to cooperate are decisive success factors. In addition to economic goods, such networks produce relational events (traditions, trust, shared knowledge, and so on), whose existence and quality depend on the effectiveness of the relational assets available in the local or regional clusters (motivations and structures that promote the willingness and ability to cooperate). In this way, a discussion about the “atmosphere” of economic transactions that has been traditional in economics since Alfred Marshall and Oliver E. Williamson is continued and theoretically endogenized. Sections 2 and 3 are based in part on Wieland (2024).

In Sect. 4, we will then draw a conclusion from this discussion and debate the effectiveness of relational assets with regard to the resilience and innovative capacity of regio-global networks. We point out that a multiplex perspective on the relations between actors allows for a more thorough understanding of how resilience and innovative capacity are inter-related.

In Sect. 5, we provide an example of how we formulate empirical expectations about regio-global networks that systematize and take the results of the discussion further.

2 Regio-Global Networks and Relational Spaces

For several reasons, Relational Economics (cf. Wieland, 2020, ch. 1) has proposed to conceptualize globalization not as a spatial concept but, following Burton (1972), as “transactions and links that exist” (34). Globalization is understood in this way as a self-developing network of events of transactions in which actors, their resources, trade and production practices, technologies, knowledge, moral standards, and so on interact. These networks are initiated by individual and collective actors as resource owners who cooperate with each other for mutual benefit and whose transactions in this context become attractors of polyvalent—economically, politically, ethically, legally, and so on—events whose success or failure is determined above all by the adaptivity of the governance structures necessary for this polyvalence. These actors form the nodes, and their cooperation and transactions with each other form the threads of the networks under consideration.

Sustainability, climate change, human rights, and social standards are examples of political, legal, and ethical coding that are linked to, interact, and thereby change the character of formerly purely economic exchange transactions. Transactions in such networks of multivalent coding are relational transactions, temporary and fragmented events that form “relational spaces” (cf. Wieland, 2024) of multisectoral interactions in which society takes place through the docking of different social logics onto and with regard to economic transactions. Society is thus constituted and carried out in and through economic transactions, as well as vice versa. Nodes can be constituted by economic actors but also by agencies or events of other social spheres (e.g., public actors). The threads of these networks are considered multiplex because classic market-based relations and other forms of exchange and cooperation are argued to influence each other.

Global economy, according to this theoretical proposal, is thus a network of regional, national, transnational, and international economic interactions that are linked to multiple decision-making logics. From the perspective developed here, the relationship between regional and global value creation is not reconstructed constitutively from the territorial concept of proximity and distance, but as a recursive interaction of different events in a network of relational transactions. In other words,

the regions defined by political, legal, geographical, or cultural criteria are not understood as independent and distinct actors, but the research interest is focused on individual and collective actors and their transactions that actually take place in this region (cf. Bathelt & Glückler, 2003, 2011). These interactions generate relational places and spaces, multivalent events, and the dynamics of the structure of their relationalization. In networks, such tendencies of structural change often manifest themselves as endogenous interdependencies between actors. This includes known structural changes such as tendencies for (or against) reciprocity, transitive closure (e.g., robbery, (de-)centralization, etc.), and the emergence and stability of (new) relationships (cf. Wassermann & Faust, 1999; Kadushin, 2012).

From a relational perspective, the interplay of resilience and innovation in regional-global economic areas must also be positioned within this theoretical framework. From a relational perspective, the value creation is no longer solely about the material production and trade of economic goods and services, i.e., linear input–output relationships. Rather, it is the creation and development of the willingness and the ability to cooperate that is of interest, or more precisely the relational abilities to create material and immaterial value. Willingness to cooperate and the ability to cooperate are the prerequisites for the development of a network of cooperation opportunities, which determine the size and quality of the cooperation corridor, the interaction opportunities in relational places and spaces, the network, and each of its actors. From an economic perspective (cf. Wieland, 2020, 2022; Wieland et al., 2022, 2024), it is therefore the relational costs incurred as well as the rent from cooperation that essentially determine the shared value achievable for all actors. From a network analysis perspective, the “places and spaces” can be understood as “social settings” (cf. Pattison & Robins, 2002) in which the actors of a network are embedded. Within these settings, interactions between actors are easier/more attractive than between such settings.

This does exclude that actors’ need for cooperation to achieve common goals goes hand in hand with the interest in individual competitive advantages or the protection of respective property rights. In the introduced model of regio-global value creation networks, based on the relational economy (cf. Bathelt & Glückler, 2011), the argument is that the willingness and ability to cooperate for mutual advantage is necessary to achieve individual competitive advantages through innovations and the economization of property rights to knowledge (cf. Benkler, 2006, 2017).

For the considerations developed above on the concept of space in relational economics, we note from this discussion that the materiality of events or transactions is constitutively polyvalent, arising from and bound to multiple contexts (spaces, places), decision logics, and language games. It is polycontextuality, polycontextuality, and polylinguality that together mark the social space of regio-global relational transactions and continue in their execution. This is the topology of relational transactions, a network of social actors, things, and events. They are “places in non-territorial terms” (Amin, 2002:391), distance and proximity are defined as cognitive and social and not in scalar parameters (cf. Sydow et al., 2016). They are events that emerge, continue, and pass without finally disappearing, a dynamic of the formation of patterns and structures, temporalized and fragmented events, and connectivity.

Relational transactions are trajectories of change, of “juxtaposition of difference, overlap of networks of different global connections” (ibid.). They are, as already stated, attractors of different events, the gathering place of distinct logics, milieus, and mini-societies that enable reciprocal individual and organizational learning with a knowledge spillover.

Regional value creation in globalization is, from this perspective, neither a marginalized, disappearing form of economic activity nor a linear expansion or contracting of a territory of economic activity with varying degrees of integration:

Instead it posits local economic activity as part of, and inseparable from, proximate and dissociated transactions, and assumes that whatever counts as the local is the product of varied spatial practices (Amin, 2002:395).

It is the “economies of proximity” (Storper, 1995, 1997) and the relational assets that constitute them that presuppose the region as an indispensable marking point for individual and collective learning processes of regio-global value creation. At the same time, they determine the dynamics of the dialectic of resilience and innovation and their temporary crystallization in the nodes and the ties of a network.

It is not a matter of ignoring the dimension of space or place in the analysis of global economies. Rather, it is to be understood as “a non-territorial way of viewing place” (ibid. 397) and a way to examine the processing of its regional or global events in relational transactions and their interactive spaces.

3 Economics of Atmosphere and Networks

Williamson (1975) devotes a separate section to “atmosphere” in “Markets and Hierarchies” (Chap. 2, p. 37ff) and deconstructs this term as a property of certain transactions. By atmosphere, he refers to “interaction effects to be taken into account” (37), which are not positive externalities but integral events of a governance structure for economic transactions:

... technological separability does not imply attitudinal separability. Reference to atmosphere is intended to make allowance for attitudinal interactions and the systems consequence that is associated therewith (ibid.).

It is therefore about the motivation and behavioral standards of the actors that lead to a “satisfying exchange relation” (38) in the first place. Relationality “is made part of the economic problem, broadly constructed” (38). As a kind of “quasi-moral” (ibid.), it affects the adaptive efficiency of the governance structure. Non-pecuniary “satisfaction” is an inseparable dimension of governance structure for transactions for which “attitudinal spillovers are thought to be especially strong” (39), i.e., for relational transactions. They can occur as “organizational mode issues” and as “economic system issues” (39, fn. 22), because “Transactional attitudes are greatly influenced by the socio-political system in which exchange takes place” (ibid.).

Storper (1995) speaks of milieu in the context discussed here, which he characterizes as follows:

The milieu is essentially a context for development, which empowers and guides innovative agents to be able to innovate and coordinate with other innovative agents (...) The milieu is described, variously, as a system of regional institutions, rules and practices which lead to innovation (1995:203).

In relational economics, events of the transactional atmosphere (Wieland, 1996, 2020) are characterized by polycontextuality (intersectorality), polycontextuality (multiple decision-making rationalities), and polylinguality (multiple language games). They can take the form of relational assets that dock onto economic transactions and have a direct impact on transaction and relational costs and economic value creation. The economics of atmosphere results from the failure of markets and formal organization to govern relational transactions. It is formed by jointly generated conventions, language games, learning procedures, routinized expectations, values of a group, or value concepts of the actors, which explain part of the economic performance and productivity of economics. Thus, on the one hand, the transaction atmosphere contains potential for innovation and productivity and thus the attainability of comparative cost advantages and resilience, but, on the other hand, it also provides opportunities for opportunistic behavior (Wieland, 1996). Or formulated differently: Atmosphere as a mode of governance lends itself to a high degree of plasticity (Alichan & Woodward, 1988) and thus, at the same time, to efficient adaptivity and susceptibility to contingency (cf. Wieland, 1996:63). The creation of appropriate governance structures generates relational costs, but at the same time, these lead to a widening and deepening of the cooperation corridors accessible to the actors. While measuring an atmosphere and its reach can be difficult, it should be possible to determine its consequences within networks: Where a stronger atmosphere prevails, networks show more pronounced characteristics, such as:

1. More relationships forming (increasing density) and existing cooperations becoming more intensive due to relational value creation being higher than relational costs.
2. Stronger dynamic (more change), as there is a certainty for actors to be able to replace reduced/dissolved connections.
3. More linkages between actors from economic and non-economic sectors.
4. As well as a higher multiplexity, i.e., overlapping of economic as well as non-economic relations.

Let us summarize: The conventional terms such as industrial district focus on the territoriality of interaction relationships. Distance, proximity, or locality are essential explanatory variables for the resulting coordination or transaction costs (cf. standard lit.). The term regio-global cluster proposed here, on the other hand, refers to a certain type of cooperation corridor that is constituted by the activatability of relational events (continuity, conventions, shared values, etc.), and assets (the willingness and ability to cooperate). These are multisectoral networks of producers, suppliers, customers, research institutions, administrations, health institutions, cultural, civil society, or political actors in relation to economic transactions, which thus become relational transactions with a specific atmosphere of cooperation. We call the costs incurred for this, relational costs, and the resulting income a relational rent (cf. Wieland, 2020).

According to what has been stated so far, we understand the dynamics of regio-global economic spaces less as a territorial category than as a nexus of cognitive and social processes in a cluster marked as relational. We thus follow Coe et al.:

Our conceptualization of a region is not a tightly bounded space, but as a porous territorial formation whose notional boundaries are straddled by a broad range of network connections (2004:469).

It is therefore about the interactive complementarity and coupling of regional and global resources and events. Regionality and globality are not parallel worlds, but recursively networked regions through “global pipelines” (cf. Bathelt & Glückler, 2011, 132 f. 241). Bathelt & Glückler see regions as interactions of actors in a spatial perspective that are characterized by “shared values” and “interpretative schemes”. This results in a “local buzz” (ibid. 132), an atmosphere of mutual learning, a shared understanding of new knowledge and technologies, and shared cultural traditions that are linked and interact.

Region and globality are thus coupled possibilities of experiencing lived economic and social practice and not simply collections or additions of aggregated economic data, be it of a region or a national economy or international trade. The dynamics of regio-global coupling are driven by the common interest of all stakeholders involved in economic and social value creation and the relational assets available for it, i.e., by the possibilities of shared value creation and the appropriation of this shared value creation by the stakeholders involved (cf. Wieland, 2017; Coe et al., 2004). It is thus clear that the resilience and innovative capacity of regio-global economic areas, even from the perspective of the region, cannot be exhausted in the defense against, or control of, global factors of influence (cf. Coe et al. 2004:470), but depends on their ability to enable cooperation and co-creation (cf. for this term Galvagno & Daniele, 2014; Dyer & Singh, 1998). As already explained, regio-global clusters are embedded in specific social and systemic contexts, whose existence and productivity are not easily transferable. At the same time, however, we observe slowly developing global, societal, and social values and behavioral norms on topics such as sustainability, climate change, artificial intelligence, and social networks, to name but a few (cf. United Nations, 2023), which are based precisely on their transferability. New socio-political contexts are emerging that are in an early stage of development, i.e., they are fragile and difficult to enforce and have yet to be shaped into regio-global relational assets by the actors in the course of their transactions.

4 Resilience and Innovation

It is now time to draw the practical consequences from the strictly theoretical discussion that has taken place so far. To this end, we want to understand resilience as the ability of a region to integrate and work through the contingencies of dynamic development processes in network interactions through adaptive governance structures. Innovation should be understood as the ability of a region to use these contingencies

productively by producing new processes, products, and services. Resilience and innovation capacity are not separately existing parameters of regional-global value creation but are recursively related to each other. They are conditions of sustainability and a possibility for each other (cf. Brunnenmeier, 2021; Lazega et al., 2022). Only a network that has stable resilience can mobilize the necessary resources and capabilities for innovation; only a network that demonstrates a dynamic innovation process can absorb process contingencies in the long run. Relating to the framework suggested by Hollway (2022), it follows that our arguments concern systemic resilience, i.e., the extent to which the “whole network” of regio-global clusters can sustain its functionality. While an economic perspective would describe the functionality mainly along the lines of ongoing/growing, e.g., economic transactions, relational economics is furthermore and above all interested to consider the persistence/development of cooperation atmosphere in a given relation. This atmosphere, however, interlinks different types of relations which allows us to apply a more general understanding of resilience, rather than being focused only on either external shocks (e.g., pandemics, war, or natural disasters), slow drifts (e.g., monopoly emergence), or phase transitions (e.g., sudden changes in preferences or policies). Due to the explicit multiplexity of relations, the understanding of network resilience in relational economics leads to persistent regio-global clusters with strengthened capabilities to sustain the functionality of the network as a whole, by network dimensions compensating each other.

Moreover, the networks that constitute regio-global clusters provide innovation capabilities that allow not only the regaining of functionality after a shock (i.e., resilience) to be explained, but also allow networks to restructure and adopt new functionalities by shifting weight from one relational dimension to another (i.e., responsiveness).

In the clusters of regional-global networks, the cooperation atmosphere and its relational assets influence the costs of generation and continuation of the achievable resilience and innovation level, and thus essentially determine the size and depth, of the relational dynamics of its cooperation corridor (cf. for this and the following Wieland 2017, 2020, 2022).

Relational assets that are critical for success in creating an atmosphere of willingness and ability to cooperate in regional-global networks are in particular (cf. Wieland, 2020, 133–142):

- i Continuity:
This includes the willingness and ability to build up and continue long term, trust-building, and trusting interaction structures characterized by reciprocity and mutual benefit.
- ii. Sharing Assets and Routines
This includes the willingness to develop, invest, and share relational assets with a high network specificity.
- iii. Ethical standards

The signaling of a credible preference for morally acceptable behavior in all interactions, regional and global, and the orientation toward moral principles, norms, and values accepted by all stakeholders is fundamental to the generation and further development of relational assets.

iv. Stakeholder management

Intersectoral relational clusters cannot be developed without management's aspiration for private and public value creation, shared value creation, and social responsibility for all stakeholders involved.

V. Management of Cultural Complexity

Regional clusters as part of a national, transnational, and global network are characterized by a high cultural complexity at the level of the individual actors, the professions and organizations involved and the cultural traditions in regions and countries.

Coen et al. (2004) confirm through their research that the strategic coupling of the various individual, organizational and institutional relational assets of regio-global shared value creation constitutes the central element of its dynamics.

Our key argument is that regional development depends on the ability of these coupling mechanisms to facilitate processes on value creation, enhancement and capture (Wieland, 2020, 24f).

If we think through the five relational assets of regio-global willingness and ability to cooperate in terms of their practical consequences for the resilience and innovation of relational transactions and interactions, they can be further specified, which will only be done as examples in the following.

(a) Resilience

1. This fundamentally includes the reciprocity of the elements of the "atmosphere" of regio-global clusters, for example, the already frequently mentioned culture of mutual learning, or generally accepted and lived moral principles, values, and norms. The existence or development of a transcultural competence for dealing with cultural differences and communities is just as much a part of this context as the creation of a relational leadership culture in business, politics, and civil society.
2. The effectiveness and efficiency of financial institutions for the development and promotion of regional-global networks, i.e., on the one hand, the representation of regional, national, and international banks in a region (cf. Coen et al., 2004:472 ff), but on the other hand also the availability of regional venture capital aimed at maintaining and further developing regional asset specificity (cf. Coen et al., 2004:474;) are essential aspects of regional-global clusters.
3. Of central importance is the generation of a relational rent, for example, through the improvement of regional cooperation in know-how transfer and through collective forms of learning (cf. Coen et al., 2004:473, BIC 2023). All these measures can develop into specificities of a region, which can themselves become the source of relational rents (cf. Coen et al., 2004:474).

But they can only promote regional development “only if they fit the strategic needs of global production networks” (ibid).

4. The development of regional governance structures for regional-global communication plays a fundamental role. This not only refers to the usual media, association communication, and partnerships between cities and regions but also, for example, to the international activities of universities or trade fairs. It is precisely these two institutional forms that combine access to essential global information and discourses, innovation orientation, and direct cooperation between the actors.

(b) Innovation

- i. Institutions and programs to promote education and training, business networks, start-ups, and communities of practices (COPs) (cf. Wenger et al., 2002), are central to the innovation atmosphere of a region. Such institutions can be the result of initiatives and investments by the private sector, public administrations, and civil society. They require adaptive governance structures with which the effectiveness of the bundling of stakeholder resources (companies, associations, administration, universities, etc.) can be increased. In them and through them, an atmosphere of entrepreneurship is created whose field of action extends far beyond the purely economic aspects of a society.
- ii. Access to and circulation of knowledge as well as the development of platforms of “peer production” (cf. Benkler, 2017) beyond individual property and disposal rights is difficult to achieve without a culture of cooperative continuity, contractual fairness, and trust. The effectiveness of cultural factors, however, depends essentially on the symmetries/asymmetries in their perception by the various network actors. Open communication as an element of atmosphere can help to overcome possible differentiations and achieve relational rents (cf. Vanpoucke et al., 2022).
- iii. Relational leadership philosophy and practice promotes innovative dynamics at all organizational levels. Unlike the superior function, it does not refer to hierarchy, position, and directive rights, but relational leadership is the result of a social exchange process and is assigned by the led to the leader (Uhl-Bien, 2006; Wieland, 2020). It therefore exists at all levels of the organization and, with regard to innovations, especially in the various forms and concepts of agile leadership (cf. Rigby et al., 2018).
- iv. Integrity and effective enforcement of compliance with the agreed informal and formal rules of the game of regional-global cooperation can create a positive and transparent transactional sphere that counteracts the various forms of opportunistic behavior. Integrity and compliance management can increase the willingness of network actors to make asset-specific investments of resources and contribute to building trust (cf. Wieland et al., 2020).

The following diagram summarizes the argumentation developed here and shows the components of the relational dynamics of regio-global clusters.

Table 1 Relational Assets

Relational Assets	Innovation	Resilience
Continuity	<ul style="list-style-type: none"> – Atmosphere – Transculturality – Reciprocity 	<ul style="list-style-type: none"> – Adaptive governance – Relational leadership – Regional-global communication
Shared Assets and Routines	<ul style="list-style-type: none"> – Regional venture capital – Access to information – Regional-global communication 	<ul style="list-style-type: none"> – Knowledge transfer – Learning together – Support COPs, Start Ups
Ethical standards	<ul style="list-style-type: none"> – Principles, values standards – Integrity and compliance – Trust, fairness 	<ul style="list-style-type: none"> – Sustainability financing – Discourse – Values management
Social responsibility	<ul style="list-style-type: none"> – Social standards – Human rights – Sustainability accounting 	<ul style="list-style-type: none"> – Shared value creation – Implementation SDGs – Stakeholder management

5 Network of Relational Clusters: Concept and Case Study

(1) As mentioned, resilience and innovation are in a relationship of recursive interaction and are mutually dependent on each other in order to develop. In the following, we will show how they lead to the formation and development of relational networks and determine their dynamics, especially their expansion, contraction, and internal change. In particular, we formulate which characteristics we expect to emerge and change for the network of the regional-global cluster of the “4 Motors for Europe” association. After defining which actors and ties constitute the setting, we derive the expected dimensions of resilience and innovative capacity and how they are related to network characteristics accordingly.

First of all, the network under consideration, which serves as an example of a regional-global cluster, was founded in 1988 by four European regions (Catalonia, Lombardy, Auvergne-Rhone-Alpes and Baden-Württemberg). As one of the first European regional networks, its self-declared goal is to expand the exchange and cooperation of four economically- and research-strong regions.

The primary constituent actors of the cluster are created by state institutions (e.g., offices), which assume management responsibility for the organization of the cluster network. While these are similar in origin, they are different in subject matter. The 4Motors cluster is primarily concerned with the topics of the economy, the environment, labor market mobility, research and teaching, digital health and care, and sustainable food systems. These areas of interest are represented by working groups composed of office representatives as well as economic actors from such respective sectors.

Thus, the constructed network consists of two types of nodes: Firstly, the individual actors that meet and interact within and between the working groups, and secondly, the different institutions (e.g., public, economic) they represent. The

resulting multimodal (or bipartite) network consists of nodes that function on and across different levels, from local (e.g., regional firms or administrations) to international (e.g., multinational companies, EU agencies).

The nodes in this network can be related through a multitude of different types of ties, depending on their specific functions and contributions in and for the regional cluster. To gain a better understanding of the interrelation of dimensions relevant to resilience and innovation capabilities, we propose to investigate relations of different strengths, i.e., relations that have lower costs to create and those that are more costly. We generally argue that lower-cost relations such as communication precede relations that are costly such as business relations (e.g., Buskens & Raub, 2002).

With regard to the Motors4EU-cluster, the following dimensions can represent a sufficient sample of relevant network dimensions:

- i. Exchange and coordination of development strategies and priorities (e.g., communication)
- ii. Exchange of know-how (e.g., conferences)
- iii. Exchange of human capital (e.g., mobile labor market)
- iv. Transactions/cooperation between companies (e.g., business arrangements).

(2) It is expected that the number and diversity of the constituent actors have increased since the cluster was founded. On the one hand, continuous and reciprocal interactions have overcome the relational costs for present actors, making it attractive to remain in the network. Moreover, with the establishment of the EU economic area, regional-global communication could be facilitated, which makes the growing cluster more interesting for resident companies. With the increasing size of the network (number of nodes) as well as the increasing diversification of the actors, mechanisms for easy embedding of new actors as well as for specifying the identity of the cluster are needed. Otherwise, with increasing heterogeneity of interests, norms, and values, there is the possibility of the network separating into different more interest-specific components. Accordingly, value management systems (cf. Wieland, 2014) are needed to coordinate the principles, values, and norms of the cluster among the embedded actors. Thus, actors within the cluster converge, either by making their ethical standards more similar (influence effects) or by leaving the cluster (adverse selection). In addition, clearer ethical standards provide a better opportunity to attract new suitable actors in the future (positive selection) and to integrate them more quickly into the existing network. Thus, an increasing growth of the network can be expected over time, as fewer actors leave the network and more new actors are successfully embedded.

The integration of new actors into the network can be considered more successful as the more different relational dimensions connect the actors. The different dimensions can be ordered hierarchically according to their relational costs. For example, the exchange of priorities or joint declarations on social responsibility has rather low costs compared to the exchange of know-how or business arrangements. Accordingly, it would be expected that, during the emergence of the network, dimensions with lower transaction costs would initially emerge. With the increasing establishment