“Does an enterprise’s participation in global markets ensure sustainable income growth?” This is the basic question of Upgrading to Compete (p. 1), edited by Carlo Pietrobelli, professor of International Economics at the Law School of the University of Rome since 1998 and Roberta Rabellotti, Department of Economics and Quantitative Methods and Faculty of Economics. The book draws on a wide field of study on clusters in order to represent a solid base of knowledge, mainly in the field of the contemporary administration of companies in a globalized world in a state of constant change.

The book is divided into three parts, containing ten chapters. The first and second parts approach the study of organized clusters according to specialization by sector, with the third part containing a complementary theory that suggests some implications.

Chapter 1 introduces the reader to the reasoning behind the book and its structure, covering topics such as clusters and value chains that will be thoroughly studied later on, with full examples. The meaning of the word upgrade consists of “making better products, making them more efficiently, or moving into more skilled activities has often been used in studies on competitiveness (Kaplinsky, 2000; Porter, 1990) and is related to innovation” (p. 1).

Chapter 2 deals with the current development of Boaco and Chontales in Nicaragua where a number firms operate in the dairy industry. With production given over to the internal market and an industrial production system targeting international markets, the chapter analyzes the development of the cluster and how its local producers have been investing in the upgrading of their products, processes and organization with its benefits and influences.

In Chapter 3, the author analyzes 3 different clusters in Brazil (Petrolina - Juazeiro, Santa Catarina and Rio Grande do Norte), all small and medium-sized (SMEs) fruit producers. Pointing out basic differences among these 3 places, such as help and public or private support for a certain company in the process of adoption and upgrading of fruit production.

Chapter 4 focuses on the expansion of the Chilean clusters and how such a process has been possible with changes in the development and cooperation efforts that have taken place over time. Going by the whole process of commercial development of the country, from the denominated initial learning, going by the maturation and finally arriving at the globalization, which in many countries is a phase that has greatly marked economic development in cooperation with other countries. This in turn
generates the need for specializations and studies in fields of technology, in other words, the need to upgrade. A good example of a cluster crisis is given in Chapter 5, showing the history of a furniture cluster in Chipilo, Mexico, explaining a time of rising production on the one hand, and on the other hand a time of decline and instability that spread to many other firms. The author even describes possible reasons for these facts, such as micro inefficiencies, excessive employment and macro factors.

As well as in the chapters already mentioned, the others are based on the approach of rich analyses and research of many firms in Latin American countries. The metalworking cluster in Espírito Santo State, Brazil and value chains and software clusters in Mexico are mentioned in Chapters 6 and 7 respectively, showing reasons, possible results and necessary implications. Latin America is mentioned as a whole cluster and value chain in Chapters 8, 9 and 10.

It is a very well systematized book, full of great and rich empiric evidence. It is very well structured and never loses focus, which is essential for the good development of a businesses world that has a growing need to update in order to compete.