"The Use of a Cluster Approach for Improving the Competitiveness of SMEs in Transition Countries: The Case of Bulgaria, Republic of Macedonia (FYROM) and Serbia and Montenegro"

by
Aleksandar Karaev
PhD Candidate

ABSTRACT

This upgrade report intends to serve as a monitoring tool for progress in a research project, which aims to determine the impact of a cluster approach on the competitiveness of Small and Medium sized Enterprises (SMEs) in transition countries. The project focuses on cases in Bulgaria, Republic of Macedonia (FYROM) and Serbia & Montenegro. The report provides a comprehensive review of the literature, which then leads to the rationalisation for this research. The project aims, objectives and research methodology will follow.

In the last few years transition countries in South East Europe have begun viewing clusters as an instrument for accelerating economic development with many having integrated their policy for supporting cluster development into overall economic policy. These cluster policies have been additionally supported by international donor organisations. There is a substantial body of evidence regarding the contribution of clusters to the improvement of the national economic performance and this is one of the reasons why clusters, as an instrument for increasing competitiveness, are so widely accepted in developed countries; however, only limited insight on the impact of clusters in transition economies can be found with most studies having been conducted by the same organisations which initiated the cluster development. Since the main actors in cluster development are companies, this research aims at determining whether SMEs receive additional benefits (e.g., performance) if they organise themselves in clusters.

SMEs will be the central point of this research as we seek to provide better insight into the efficiency of cluster policies in transition countries. It is envisaged that the main findings will assist business managers in making more informed decisions regarding the adoption of a cluster approach as well as assisting policy makers in the design of more efficient cluster policies. This research will add academic value in the context of expanding knowledge in relation to the impact of clusters on economic development in transition countries and as such aid in filling gaps within our existing body of knowledge.

The seminar series is open to all members of staff and students of CITY and to public that wish to attend.