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**THE CLUSTER CONCEPT FOR SUSTAINABLE ECONOMIC  
DEVELOPMENT IN TRANSITIONING AND POST-CONFLICTS  
BALKAN COUNTRIES**

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***Abstract:** The concept of cluster development in the Balkan countries during the transition and post-conflict period represents one of the key instruments of sustainable economic development. In view of business environment improvement of the Balkan region, economical and socio-demographic aspects of the region were considered. Its geographical position made it the main crossroad and a bridge connecting Europe and Asia, resulting in great ethnic and cultural variety, as well as it has become the playground of major political influences and turbulent history. The Balkan region abounds in rich and various natural resources and in world famous innovators, such as Nikola Tesla. The contradiction between weak economy on one side and opportunities of the Balkan region on the other side can be overcome by implementation of a strategic and systematic approach in cluster development in the region. LEDIB Clusters House developed a model for the cluster development in the Balkans, with an emphasis on the application of practical instruments contributing to the implementation of operational and strategic plans.*

***Keywords:** Development, cluster, model, methodology, instrument, the Balkans, transition, post-conflict, network, promotion, facilitator, education*

**1. Introduction**

In transitioning and post-conflict Balkan countries, small and medium size enterprises (further referred to as SME) play the essential role in the development of market economy with only a few big successful companies present, whereas former big socially-owned enterprises are slowly disappearing. SME are therefore considered the prime drivers in creating new jobs and ensuring significant impulses for the economy. Additionally, SME play an important role in poverty reduction and vulnerable groups integration such as, refugees, internally displaced persons and other socially vulnerable groups of people.

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The transition process from the state economy to the market economy in the development of the post-conflict Balkan countries was disrupted in violent ethnic conflicts escalating in the nineties of the last century, after disintegration of Yugoslavia. The results of the conflict were devastated infrastructure and private properties, as well as a significant number of refugees and internally displaced persons.

The situation in the post-conflict Balkan countries is reflected in a high unemployment rate, lack of managerial skills and human resources, an inadequate approach to accessing funds and institutional support to the SME sector development. SME in these countries encounter numerous serious obstacles in their development, so that many newly founded SME, in case they survive, remain in the informal sector because entering the formal sector requires more resources than they are able to provide.

Transition process and fast change from centrally planned to free market economy brought about high unemployment among majority of the Balkan countries, especially post-conflict ones, resulting in grave economic and social crises. High unemployment is the greatest economic and social problem Serbia is facing presently. "One-fourth of the total number of labour force hasn't got a job. This figure ranks Serbia at the very top position on the unemployment list in Europe, together with Bosnia and Herzegovina, Macedonia (FYROM) and Spain. What makes it worse is its long-term presence, because two-fifths of the unemployed don't work for more than five years, whereas only one-fourth works for a period of a less than a year. It means that it is structural not a cyclic unemployment taking place in Serbia which minimizes chances for reducing unemployment" [19].

Some of the major problems and obstacles in the legal environment have been distinguished during the assessment:

- Laws, regulations, administrative procedures and policy are inadequate so that it is easier not to apply new regulations in the SME development at all, due to the bureaucratic establishment, inadequate services and administrative issues;
- Incapacity to access credits and capital prevents development of micro and small enterprises;
- Enterprises have no access to relevant business development institutions. It results in poor quality of products and inefficient production that block enterprises in reaching regional and international market;
- Lack of cooperation between correlated and associated enterprises prevents capacity building and cooperation among clusters at a local level.

To overcome these issues, one of the main goals of the state authorities and international donor organizations should be SME sector development through implementation of the concept of development of the industrial clusters.

One of the achieved results in a five year long implementation of the Danish Program for Local Economic Development in the Balkans LEDIB in cooperation with the District of Nishava and Clusters House from Nis is the concept of the model for the cluster development in transitioning and post-conflict Balkan countries which contains practical instruments for the establishment and development of clusters in the specific context of economy of the Balkan region. The Cluster House model foresees implementation of 6 key steps in the establishment of the stimulative cluster development environment, as well as promotion, networking and cluster internationalization.

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### **2. Business Environment Assessment of the Balkan Region with the Emphasis on Post-conflict Balkan Countries**

Geographically, the Balkan Peninsula forms a bridge between Europe and Asia. The biggest cities in this region are Athens, Istanbul, Sofia and Belgrade. The region is recognized for its agriculture (land cultivation, fruit production, farming and fishery), forestry, mining and industry sectors. Ethnic and cultural variety, various political influences and turbulent history resulted in that the majority of the Balkan countries is in the state of transition or post-conflict reconstruction.

Transition as a global process comprising all sectors of human life becomes the road to the establishment of entrepreneurial society, based on knowledge and information technology. Besides the rule of the market, technological, organizational and managerial restructuring of the enterprises are encouraged, as well as speeding up of the SME establishment process. The development of SME results in reaffirmation of the market, private ownership and enterprise and in the fact that thanks to their flexibility, SME endure recession in a more relaxed way.

A cluster is a form of small and medium size enterprises association driven by innovativeness, productivity, competitiveness through collaboration between business societies, education and research institutions and the public sector. More than 60 clusters dealing in all economy sectors have been registered in Serbia. The exact record of clusters in the Balkans is unknown, but it can be approximated to more than 700 clusters and cluster initiatives. Besides the Clusters House from Nis, a business oriented development organization acting also as a coordinator of the Balkan cluster network which was established upon the initiative of 7 clusters from the south-east of Serbia, a similar business and development organization, called Association of Business Clusters (ABC) has been founded in Bulgaria this year.

The impact of the implementation of the cluster development concept in the economy of a country in transition is reflected in the promotion of values such as the achievement of greater innovativeness, employment, economic development and entrepreneurial initiative.

The economic and social significance of SME has been recognized by the Balkan countries and national strategies for the development of SME have been adopted at the same time when numerous supporting institutions and agencies on a central, regional and local level have also been established.

However, local authorities in post-conflict Balkan countries are facing difficulties in meeting the new demands and in adapting to new political system requirements. Deficient legislative and legal framework susceptible to amendments create unfavorable environment for SME development. Bureaucratic procedures, high taxes, scarce infrastructure investments and general lack of transparency and responsibility also obstruct business development. Education system is obsolete and skills and knowledge of human resources are limited and outdated. This is not the way to develop SME sector.

In order to attain more proactive approach to access investments and entrepreneurial initiatives it is important for the local authorities to understand the needs and dynamics in

the SME development, as well as to be actively engaged in creating business environment which in turn will stimulate the growth of competitive industrial clusters.

Local authorities alone cannot create necessary conditions for the business development. Creating favourable business ambience requires active participation of all relevant local community actors. Giving “voice” to all relevant actors improves the quality in decision making and a sense of unity develops among different groups and individuals. A low level in the social dialogue culture is still apparent, as well as in joint planning that should involve citizens, companies, business supporting institutions and local authorities, especially in the post-conflict Balkan countries.

The future of the business environment of the Balkan region is reflected in the political projects of the Balkan countries where the SME development has an utmost priority. National focus on SME development ensures the starting point for the local actors in their cooperation to improve their business environment. EU integration process will ensure new market opportunities for SME.

Cooperation among local actors has a good potential for upgrade of the industrial clusters, whereas current decentralization process taking place in the Balkan countries creates new opportunities for the local authorities to collaborate with local associations and citizens, thus enhancing favorable environment for a local economic development. Local authorities have opportunity to improve the framework for SME development, i.e. by adapting regulations and administrative framework, increase in the infrastructure investments, etc.

One of the crucial challenges in business environment in the Balkan region is mental barrier in the concept of the SME development among politicians, civil servants and local population, and their lack of understanding or motivation. Such a lack of motivation can represent a great challenge for the local self-government to achieve agreement and cooperation with local public authorities, local companies and social partners who share mutual business strategy. Business member organizations in general are rather weak regarding financial and human resources so that in spite of political intentions, internal capacities may challenge the development process. Restrictive experience in social dialogue also represents a challenge, as nongovernmental and other types of organizations have restrictive or no interaction at all with municipal authorities or associated sectors.

Some of key issues requiring attention are the following:

- Inadequate regulations framework and stimulating procedures supposed to ensure minimum of social and living standards. For example, World Bank (in 2003) stated that management in Serbia keeps on carrying the burden of inadequate legal framework, authority overlapping, restrictive institutional capacities and lack of investment funds necessary to deal with essential domestic issues. A part of post-conflict reconstruction process is strengthening institutional mechanism for pollution prevention, social exclusion, gender inequality, violation of minority rights, etc. Further, beside the restriction in legislative framework, there is also a need for initiative to assist companies in improving their own social standards as well as the environment standards.
- Lack of financial, technological and human resources dealing in social and local problems in the region. Post-conflict countries usually have damaged infrastructure, decreased production capacities, exhausted public income budget, erosion of human

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and social capital, decreased security and a great number of people in social need, etc. For obvious reasons, these factors limit the capacities of the region to fight social and other problems of the local community.

- Social exclusion caused by poverty, unemployment, lack of social welfare system and specific problems related to refugees and internally displaced persons have a wide range of negative associated effects (including crime, corruption, tensions between ethnic minorities, etc.) threatening long-term stability. Public and private organizations can have a significant role in sanating social exclusion problem, not only by creating new jobs but also by developing and implementing higher social and environment standards [16].

Application of cluster development concept influences social, economic and local environment of the post-conflict reconstruction.

Presence of international organizations/donors has a positive impact on social and environment standards in the region, especially the impact of European Union which will contribute to the progress in social and local development in the years to come. Social and local issues play more significant role in public planning, accumulation of negative effects of pollution, poor working environment, etc.

In order to survive in the global economy, post-conflict Balkan countries will have to deal with social and local impacts of their business. It is evident that the present day companies are not regarded as isolated entities but through the social context. It implies that they must be ready to respond to local social demands. If they want to establish business relations with foreign multinational companies, they will be expected to document their business on a social and local level of functioning. The control of multinational corporations is no longer limited to their own preferences abroad. More and more thy are managing working conditions and local influences through public tender procedures regardless of the fact whether or not the own or control the production process. In other words, more companies in the region will realize sooner or later that socially responsible conduct may be in their favour since it is a precondition for becoming a reliable partner in the global distribution chain.

Some social and local problems in post-conflict Balkan countries are highly institutionalized or have roots in the local values and culture. For example, corruption is a problem influencing whole society which is very difficult to fight.

Lack of capital resources and limited access to bank funds are needed to develop SME. Conventional financial institutions consider SME too risky. Unskilled management and bookkeeping in micro enterprises and SME are some of the arguments. Special problem for SME is the absence of long-term credit benefits since the loans are available through micro-credit organizations and banks on a short-term basis for the period of 12 to 18 months, unless supported by donor fundings.

Present situation in the region is such that local entrepreneurs rely on their own resources or on family and informal fundings. This creates serious problems for their business prospects. Research conducted by OECD and EBRD in 2002 showed what were the main sources in SME funding:

- Private/family capital,
- Inherited capital,
- Access to micro funding,
- Commercial bank loans.

This clearly shows the difficulties in business dealing with the bank sector. Because of the administrative costs, banks are often reluctant to approve loans in the value lower than 40-50.000 euros. Micro crediting organization may approve loans in the amount of 5-10.000 euros but most of granted loans is below 5.000 euros. Eventhough there is some turnover, these funds are less than sufficient to cover the costs in the range of 10-50.000 euros thus preventing micro enterprises become small enterprises which could represent a significant step in the increase in employment rate as well as for enterprise transformation from the informal into formal ones. The concept of industrial cluster development is of great importance to SME sector as a support in obtaining credit benefits.

There are a lot of sectors within SME funding that require intervention, such as technical support in improvement of legal reforms, framework and bank regulations, as well as in capacity building and training of the bank staff. From the aspect of providing the institutional support to the development of SME sector, EU developed a network of the regional development agencies. Various international donors offer support in a form of business consulting service with the aim of improving their capacities such as: South East Enterprise Development (SEED) deals in increasing capacities of SME through provision of investment services at the level of an enterprise and through capacity building of enterprises and local actors in provision of services and business environment improvement; Business Advising Service Program (BAS) supports SME in ensuring consulting services from local consultants. Additionally, it cooperates with the SME development institutions such as Chambers of Commerce, professional business association, entrepreneurs' associations, etc. There is a considerable number of small consulting companies from such as one-man agency to those hiring academic or other experts working full time and dealing in economy issues. Besides, there are companies specialized in business services provision such as accounting, bookkeeping, taxes, legal rights, quality control and issuing quality certificates that ensure all complex and dynamic legal requirements are met. Also, there is a limited number of local auditors.

In Serbia for example, some institutions specialized in providing non-financial support to SME did not exist untill 2001, except for Chamber of Commerce offering business information and organizing seminars and trainings on trending economic issues.

No support was available whatsoever regarding starting or developing business. With the support from international organizations/donors, the institutional capacity building was initiated. Since they were founded by various donors, institutions in Serbia adopted various methods of work and organization. Initiatives for establishing a network comprising all supporting organizations and for the introduction of more simplified procedures and communication systems were undertaken, thus enabling them to work together and exchange information. However, it was not sufficient enough for business support to become sustainable as some implementing agencies had foreseen it originally. The income raised so far in most cases was allocated to mediation work for the ongoing development programs funded by the state or donors, not from the services rendered through SME. It should be mentioned that the experience from EU and other countries show that it is not realistic to expect that the regional development agencies could sustain their role of the

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agency with public obligations without some kind of financial support from some central or local authority. Enterprises lack skills, information and know-how to improve their products and production to meet requirements imposed in future.

In some Balkan countries, there are national cluster associations, national cluster councils and departments within respective Ministries. There are no institutions or bodies responsible for the cluster development at the regional level. For example, the department responsible for the cluster development with the Ministry of Finances and Economy of the Republic of Serbia established with the support from Norwegian ENTRANSE Program in 2007 was closed in 2009. From then onwards there is an annual public call for project proposals submission in the sector of cluster development (presently functioning National Agency for the Regional Development) with a fund drastically sizing down. The only national body responsible for cluster development in Serbia now is the Cluster Council of the Chamber of Commerce of Serbia and Cluster House from Nis acting as the national platform for the cluster development in Serbia. In most of the Balkan countries there is no national cluster development strategy developed.

The need to develop the systematic approach to the development of clusters in the Balkan countries is of immense importance because they are one of the most efficient instruments in supporting the SME sector development. They contribute to better information exchange, networking, promotion and capacity building in SME sector and supporting institutions. It implies direct and continual cooperation with businessmen in the field.

The most important role in the cluster development is assigned to cluster facilitators or cluster managers, whereas the biggest problems cluster organizations face is trust among the cluster members. Expertise and knowledge of the cluster facilitator are the essential resources of each cluster because they represent the basic factor in goals achievement and added value of the cluster members. Market globalization and the pace of technological development influence the expansion of the necessary know-hows in the successful utilization of cluster resources. Permanent education of cluster facilitators and leading cluster members has a great importance in the cluster progress. The Cluster House model foresees the establishment of the training center for cluster facilitators/managers because they are directly contributing to the development of internal and external communication among clusters and achieving benefits for the companies- cluster members.

As Hauron Hug suggests, the best definition of a manager is “A change in conduct through experience“ which means that the cluster facilitator will be educated best if he experiences real situations, when coached by his mentor through project implementation and self assessment in an environment similar to the one in which the cluster is functioning.

### **3. Balkan Cluster Network**

The initiative to establish the Balkan Cluster Network represents one of the results achieved in a five year implementation of LEDIB Program through the component of cluster and business organization development, supported by the Cluster House from Nis, Serbia during the Balkan conference “Days of Clusters”.

The goals of the Balkan Cluster Network are:

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- Contribution to strategic planning of the cluster development in the Balkans.
- Contribution to the overall economic development in the Balkans.
- Support to promotion of public and private partnerships within cluster development sector in the Balkan countries.
- Intercluster networking (C2C), promotion and internationalization of the Balkan clusters.

Since November 2012, 29 cluster organizations and supporting institutions joined the Balkan Cluster Network.

The Balkan Cluster Network contributes to:

- Cluster development promotion in the Balkan countries
- Ensure more efficient way to access development funds for cluster organization
- Logistics and information center of the Balkan Cluster Network at the Cluster House support networking, promotion and internationalization of the Balkan Clusters.
- Organization of the Balkan conference “Days of Clusters”.
- Organization of business events to promote intercluster networking to attain better position and achieve successful development of cluster organization in the Balkan countries.

The cluster development is taking place regardless of the challenges of the environment. From the aspect of authorities there is no adequate understanding of the cluster development, whereas business association is not strong enough to give full support to the cluster organizations, as it was stated in the assessment of the business environment in the Balkan countries.

Still, there are many clusters in the Balkans that are awarded “bronze label” , four from Bulgaria, 14 from Croatia, 5 from Roumania and 4 from Serbia. In the process of the establishment and development of clusters, cluster managers are key actors in the progress and achievements of each particular cluster. Favourable environment for the cluster development is of utmost significance as to the opportunity to achieve top results and even obtain “gold label”.

#### **4. Cluster House Model**

The Cluster House model for economic development in the Balkans has been conceived on feasible and good result practice rather than on any doctrine or specific style. It is based on a comprehensive model, methodology and global practice framework.

The Cluster House model was specially inspired by two perspectives:

- Sustainable economic development

The objective of the sustainable economic development is to build economic capacities at the regional level in order to improve overall economic future and quality of life. It is a process gathering various partners from the public, business and nongovernmental sector in their joint effort to create better conditions for economic development and increase employment.



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- Cluster development

Cluster represents a concept of establishing relations among companies that are driven by innovativeness, productivity and competitiveness through collaboration among business organization, education and research institutions and public sector as an instrument in achieving economic growth both in developed countries and in countries in transition.

In spite of the fact that the concept of the Cluster House model originates from well organized economic models, it can be stated without any exaggerations that it comes from the practical experience rather than from the theory. It is efficient, operative and well tested model.

There are few serious challenges related to the sustainability of this model.

The first and probably most important one is the support from the authorities and decision makers. The second challenge is the period of support and specific sector of focus of the international donor organizations. The third challenge is the available capacities and commitment on the part of members involved in the implementation of the model.

On the territory of the Balkan region, especially in post-conflict countries, frequent changes in political structures are common which further implies that insufficient knowledge and understanding of cluster development as an instrument in the support to SME sector of the decision makers may endanger the concept. Great obstacle in progress achievement is too many researches, analyses and strategies are produced without implementation of the action plan and objectives defined in the strategy. The problem of feasibility is present in almost all segments of development.

The role of international donor organization is immense in initiating local economic development, cluster development respectively. The outcomes of development programs may seem feeble or cannot be achieved due to the lack of synergy among donors' programs operating in the same area, vast size of the territory where program is implemented, time limited missions that are not extended and program activities that surpass the possibilities and needs of the community.

The very status of the cluster organization and achievements depend mostly on the available capacities and commitment on the part of the team members implementing the Cluster House model. The team consists of cluster facilitator and cluster management who play an extremely important role in the cluster development and should:

- Act as agents of change,
- Emphasize the need for change and promote innovative cooperation among cluster partners
- Accumulate knowledge on clusters and global changes clusters are encountering
- Use data and facts gathered from the cluster members as inputs in their strategic approach
- Build bridges to connect clusters at the regional, national and international level through continual promotion of new cooperation and innovative alliances among cluster members.

Cluster facilitator acts as an associate in cluster development of a specific industrial cluster. His task is to consider all possibilities and needs of the industrial cluster through assessment of capacities and demands of cluster members and to establish internal and external network. Internal network includes horizontal and vertical networking of cluster members and supporting institutions within the sector, whereas external implies possibility of cross-border cooperation and networking with similar organizations, initiatives and partners who may contribute to further cluster development.

## **5. Cluster House Methodology**

The Cluster House developed methodology involving 6 steps in the cluster development from the very concept to the implementation, based on a five year experience in the southeast of Europe in combination with best practice studies from Europe, Asia and North America.

There is no universal recipe for the successful cluster development concept. In accordance with the environment and economic sector, various methods are used, whereas the instruments for the cluster development are the same and can be applied individually to each specific cluster. Experience shows that in the Balkan countries, agro clusters are established in a concentrated area where majority of the agro or similar producers are situated, whereas construction clusters search for group of companies that are ready to join them as new partners. Textile cluster is not defined by the territory but by wide range of products and need to create common brand. In all cases of cluster establishment, a “bottom-up” approach was used. A cluster cannot be established out of nothing but out of the existing companies and institutions situated in the same geographical area.

### Step 1 / Know your cluster

Cluster members must have benefits from their membership. All undertaken activities should contribute to the real values accepted by the cluster members. It is imperative that the information on the cluster members needs are gathered, as well as to produce reports and statistics data reflecting the business operation of a specific sector. Throughout the first step, a cluster facilitator/manager has a chance to get acquainted with the company, to have interviews with leaders and managers and build personal relationship with them. One can hire external consultants to make the assessment of the gathered information. A cluster facilitator/manager must have his personal subjective impression on the situation in a specific cluster, as well as of the specific challenges members and institutions encounter.

To understand clusters better, some instruments can be used for the assessment, such as SWOT analysis, surveys or questionnaires for cluster members, individual interviews with business leaders, interviews with experts, desk research methods and personal experience.

The cluster facilitator gives the final statement.

### Step 2 / Map stakeholders

It is necessary to determine stakeholders, partners who are not directly benefiting from the clusters but who can contribute to more efficient functioning of the clusters. Thus, it is necessary to focus on representatives from the main institutions who can support the cluster work. If for example a cluster wants to establish contacts between business and

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research institutions, it can be achieved through cooperation with the local university. When looking for a partner or potential founder it is not needed to reach agreement on all matters but to find mutual interest for the cluster itself and for each individual partner. Organization of workshops for partners and cluster founders is one activity that creates one coherent group and contributes to formulation of vision and mission of the cluster. A constant follow-up of the opportunities to include new partners and maintaining regular contacts ensures understanding the common needs.

### **Step 3 / Define strategy and scope of your initiative**

After reaching the agreement on vision and mission statements, the main goals should be defined. Strategy implies setting up specific goals and defining ways to achieve them. Specific goals must be defined according to the SMART analysis instrument („SMART“ S-specific, M-Measurable, A-achievable, R-realistic, T-time bound) and translated in measurable key performance indicators (KPI) or “success criteria“). Accordingly, specific activities should be defined in the action plan. Activities can be defined as internal (staff recruitment, trust building among partners and alike) and external (specialized trainings design, lobbying in respective public entities, participations at exhibitions, etc.). Cluster members should be constantly informed on the ongoing activities and included in some of the activities (e.g. if a cluster member has good experience in international activities, he should share that experience with the other members at the training organized by the cluster) keeping the focus on few partners. Additionally, it is highly recommended to use NABC (N-need, A-approach, B-benefit, C-competition) for the purpose of giving interesting presentation on business activities to cluster members, partners, investors, donors, financial institutions, etc.

### **Step 4 / Define financial set-up**

In the initial phase, a cluster is funded by the public administration or international donor organizations. Approximately, 50 to 80% of cluster activities are funded from public resources even in cases when cluster function for 20 years. Membership fees, project allocations, services, donations and sponsorships have considerable share in the financial set-up. The greatest share comes from the projects and smallest from the membership fees share. Cluster facilitator should improve his communication skills with a special focus on negotiating techniques, especially needed in cases with negotiating with sponsors, investors, authorities, etc. The arguments for support must clearly be defined by the cluster facilitator, as well as the expected results of a specific activity. Cluster must operate in accordance with the national and regional development strategy and meet the criteria for support.

### **Step 5 / Define organizational set-up**

A cluster should be organized in accordance with the expected results of the cluster activity. There is a centralized and decentralized model of cluster organization and both models are member-friendly. A centralized model is more suitable to the Balkan clusters because it is structured as a project organization with secretariat playing the central role in all activities with the aim of preparation, development and implementation of numerous projects and financial management. A decentralized model implies delegating working packages or services to partners who are in turn responsible for their performance and delivery results to the cluster and members. Establishment of a cluster and staff recruitment

capable of supporting the vision, mission and cluster goals is one of the crucial moments. Legal aspects of business regulation implies establishment of rules and procedures in legal documents where terms of reference for the cluster facilitators are specified and which contribute to more efficient management and cluster development. The cluster Management Board must consist of three partners from different sectors, e.i. private companies, education and research institutions and public sector representatives („triple helix“).

#### Step 6 / Evaluation and Communication

Statistics data and successful stories can document more efficient functioning of cluster members and contribute in that way to building and strengthening of trust among current and future members. Transparent display of data is also important for the funding of clusters, whether it comes from private or public sources because it shows the efficient utilization of the allocated funds. The data must be presented also to the management and supervisory board of the cluster to have an overview of the implemented activities and further development of activities in a productive manner.

During the process of evaluation, it is recommended to apply instruments such as conducting frequent interviews in a form of a dialogue and filling in the evaluation list upon completion of each activity.

Informing the public on activities and results achieved of a cluster is one of the most significant tasks of the cluster facilitator. Also, the information campaign includes printed media, television, web portal, newsletter, leaflets and manuals, specialized cluster magazines, conferences, fairs, social networks (LinkedIn, Twitter, Facebook, Viral marketing, etc.). Successful communication means using various information media to tell the cluster story. Precondition for an effective and efficient information campaign is to develop a communication plan together with the action plan and regular update of information.

## **6. Capacity Building in Cluster Development**

The essential value of the Cluster House model is reflected in its approach to capacity building of the cluster development actors.

The cluster development actors who are actually cluster facilitators/managers, representatives of scientific and research institutions should work on continual improvement of knowledge and awareness on the significance of cluster development concept.

Educational program for cluster development consists of two components:

- Workshops on cluster development
- Process of learning about cluster development

Workshops on cluster development are conducted in 4 three day modules for beginner and advanced level, on member recruitment, on how to keep members and represent the needs of members according to methodology 3D (“DO-DISCLOSE-DISCUSS”). Methodology 3D includes “off-the-job” techniques and “on-the-job” training. “Off-the-job” techniques consist of lectures, special studies, films, study cases, discussions, role-plays and simulations.

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It consists of 20% “Design of Training” (knowledge and information of the participants about the topic), 40% “Description” (statement presentations) i 40% “Discussion of Case Studies” (use of stories from real life as basis for discussion). “On-the-job” training is held at the same facilities during the working hours.

Process of learning about cluster development is a study trip tailored to meet specific needs.

On the road to achieving cluster excellence, the Cluster House Model is guided by Aristotle’s saying: “Excellence is not an act... but a habit”.

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## KONCEPT KLASTERA ZA ODRŽIVI EKONOMSKI RAZVOJ U TRANZICIONIM I POST-KONFLIKTNIM BALKANSKIM ZEMLJAMA

**Rezime:** *Koncept razvoja klastera u balkanskim zemljama tokom tranzicije i post-konfliktnog perioda predstavlja jedan od ključnih instrumenata održivog ekonomskog razvoja. U cilju sagledavanja poboljšanja poslovnog ambijenta balkanskog regiona, sagledani su ekonomski i socio demografski aspekti. Geografska pozicija Balkana učinila je da postane glavna raskrsnica puteva i most koji povezuje Evropu i Aziju, rezultirajući velikom etničkom i kulturnom raznovrsnošću, kao i prerastanjem u igralište vodećih političkih uticaja i turbulentne istorije. Balkanski region obiluje bogatim i različitim prirodnim resursima i svetski poznatim inovatorima, poput Nikole Tesle. Protivrećnost između slabe ekonomije sa jedne strane i mogućnosti balkanskog regiona sa druge strane, mogu se prevazići primenom strateškog i sistemskog pristupa u razvoju klastera u regionu. LEDIB Kuća klastera razvila je model za razvoj klastera na Balkanu, sa fokusom na primenu praktičnih instrumenata koji doprinose primeni operativnih i strateških planova.*

**Ključne reči:** *Razvoj, klaster, model, metodologija, instrument, Balkan, tranzicija, post-konflikt, mreža, promocija, fascilitator, edukacija*