Cluster Development in Georgia and State Policy

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The seminar's theme is an overview of the social and economic aspects of cluster formation and development in Georgia, analysis of systemic measures and processes, and formulation of conclusions and relevant recommendations.

Small and medium-sized enterprises (SMEs) are the main "driving force" of the economy. Their support and development is a strategic priority for any country. It is clear that in Georgia as well, SMEs play an important role in the economic and social development of the country. The most effective "instrument" for SME development, increasing their competitiveness, and consequently fostering inclusive economic growth is a cluster. Cluster formation is of great importance for the development of the country's industrial potential, economy, and the regional ecosystem as a whole.

A cluster is a geographically and sectoral concentrated network of interconnected enterprises, companies (often groups of SMEs), service providers, groups of firms in relevant industries, and organizations related to their activities (universities, research institutions, chambers of commerce, associations, state and public organizations, etc.).

In Georgia, over the past decade, specific steps have been taken to support the development of SMEs and enterprises, and to organize them through a cluster system. However, at this stage, the issue still faces many challenges.

Currently, Georgia does not have framework documents at the legislative/regulatory level, including a policy document, strategy, or program for cluster development. Implementing cluster development policy requires a systemic approach from the state and maximum involvement of relevant sectors.

The foundation of Georgia's competitiveness is the regional economy. It would be advisable to develop regional development strategies with the perspective of creating and developing clusters.

For economic growth and gaining competitive advantages in global markets, it would be appropriate to implement cluster policy so that the country can maximally adapt to the trajectory of global innovative-technological development.

References

[1] Small and Medium Sized Enterprises Development Strategy 2021-2025

[2] European Cluster Collaboration Platform

[3] EU Programs': EU4Business, EU4Clusters, EaP Plus web-portals