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The Complementarity of the Performances of Public Entities Versus Clusters to Meet the Needs of Citizens

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Abstract: The efficiency of development strategies is the result of managerial and competitive professionalism, as a result of achieving performance. Credibility, trust and managerial notoriety are determined by actions and measures so that the needs of citizens are satisfied and the area of their problems is reduced or eliminated. Public entities and clusters, in order to reach a high performing level of satisfaction of citizens' needs, must have the same elements of comparison in terms of ideas, beliefs and organizational culture. The management model that must be adapted takes into account the conception of an interest based on the complementarity of the performances of public entities and clusters. The derivation of the results from the complementarity of the performances emerges from their cumulative monitoring, having the citizens' needs centrally located. In this way, new performance values are obtained which, correlated and interpreted in a competitive way in terms of the achieved performances, will generate positive competitiveness, the redesign of management and operational processes with a major impact on the satisfaction of citizens in the area of interest of both the public sector and of the dimensioned area of the cluster domains.

Keywords: management; cluster; performance; strategy; public sector

JEL classification: H83, L25, M21

1. Contextual Analysis of the Concept of “Cluster”

The year 1998 is the cross-disciplinary reference point for identifying the importance of the cluster concept, through Michael Porter, who thanks to his academic training in engineering and administrative experience to the highest levels, concluded that “clusters have the potential to affect competition in three ways: by increasing the productivity of the companies in the cluster, by driving innovation in the field and by stimulating new businesses in the field” and have “a decisive sustainable competitive advantage over other places, or even have world supremacy in this field”.

Therefore, the intersection of different companies, suppliers, associations and institutions in the region can lay the foundations for identifying an important sector to cover some sectorial needs of citizens. Thus, the exchange of information, the experience and expertise of each member of a cluster, but also their relational system, complements the interconnectedness of the other members.

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Figure 1. Competitive potential of clusters

Source: author processing, according to Michael Porter's definition

The imprint of Romania's accession to the European Union, in 2007, created optimal conditions for the development and competitiveness of "agglomerations" of ideas, performance and associations. This idea-association-performance triangle is the starting point for initiating and concretizing the clustering process.

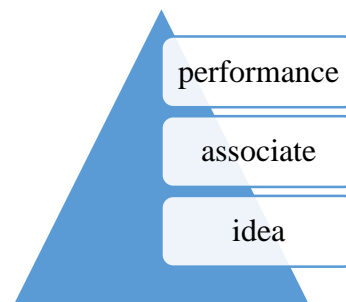


Figure 2. Clustering Process

Source: Processing Authors

Clustering process was favored on the territory of Romania by the extent of the development of the business environment inspired by the attraction of European funds, depending on the identification of the needs of the citizens of a certain region and their satisfaction, as far as possible, at European standards.

Although the initiative to establish clusters was well received in Romania, the last 10 years have shown that administrative support from the central authorities is needed, through a national research and development strategy and around 2018, a framework of the categories of members from the economic, academic/university and administrative fields of public authorities. However, the evolution of society and technology, required the attraction and involvement as members of a cluster and other actors, such as: consulting firms, centers of innovation and technologies, etc.

If, initially, the clusters were seen as "economic agglomerations", over the years, the clusters were formed into consortia and even poles of competitiveness.

The economic development of the regions in Romania is also penciled in by the establishment of regional development agencies, which by official documents were established at a number of 8; thus it was possible to identify the functions and roles of each authority involved in the development process, as well as the share with which one can participate in ensuring the services, works and products intended for the citizens of the respective regions.

2. Clustering Process in Identifying Citizens' Needs

The establishment of a cluster involves the attraction and coagulation of public and private entities, which together will lead to the creation of jobs, to the development and achievement of their

performances against the background of elements such as size, specialization/field and the results obtained/productivity but also of the leaders/representatives of each individual member.

Clustering process contributes to innovations and their development in the regional market and facilitating the initiation and implementation of projects in a common thinking and oriented towards meeting the needs of citizens. Regardless of the type of clusters - network type, "hub and spoke," satellite type or institutionalized, they come in support of identifying and solving the problems of some needs in a certain region or in a certain sector/field.

The members of a cluster should not be confused with its member entities, although they converge towards performance and the satisfaction of citizens' needs. But, it should be noted that the importance of economic, social and community interest can determine and/or impose the membership of one cluster to another cluster, without affecting the principles, policies and strategies of the initial cluster. These competence transfers are imposed by the outsourcing of some segments of the activities/actions of regional interest.

Although, initially, the competition of the clusters was determined by the economic competition, it was demonstrated that the satisfaction of the citizens' needs imposed the competition of the public entities against the private ones, to then bring them into a complementary synergy for the interest of the citizens.

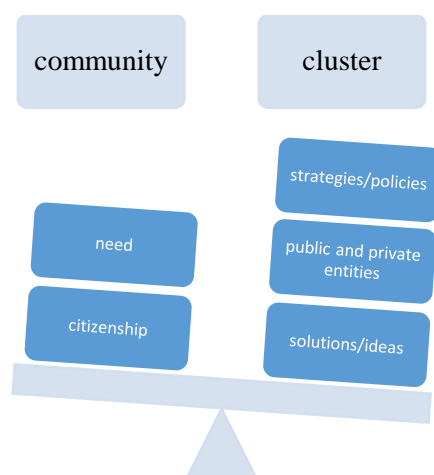


Figure 3. Synergy of Complementarity for Citizens' Interest

Source: Processing Authors

The synergy of complementarity for the interest of citizens must create a balance in favor of satisfying the needs of citizens, through solutions and strategies/policies adopted and implemented by public and private entities, members of the clusters.

The membership and involvement of each member in the structure of a cluster is determined by factors such as size, geographical delimitation, the relationship system between possible future members, existing competitiveness between them, innovation and technology, correlated in a strategy.

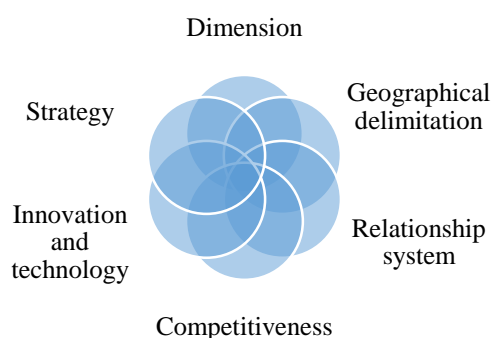


Figure 4. Determinants of clusters

Source: processing authors

Due to social evolution, economic development and technologies, the adaptation of cluster members to the exigencies and requirements of the regional, national and international market, makes them become living organisms/entities in an interdisciplinary process and based on the complementarity of functional and relational parameters.

Examples of good cluster practice were easily assimilated in areas other than those in which they operate, but most importantly, the public sector made its presence in each cluster project, which led to a popularity of public policies, government programs and laid the foundations of economic development strategies.

Credibility, trust and managerial notoriety are determined by actions and measures so that the needs of citizens are satisfied and the area of their problems is reduced or eliminated.

Clustering process supports the importance, development and competition of transfers of all research and the results obtained, which are the basis of innovation in sectors and fields of activity. The multidisciplinary interest of society is also reflected in the activity of the clusters through the participation of business incubators, managerial workshops, innovation centers, technology centers, research parks and technology parks.

The success of a cluster and the achievement of performance in the field of activity has its essence in multiple and different fields, since the needs of a collective are also different, and the common point is their interdependence.

3. Complementarity of Cluster Members – Public Interest for the Region

The complementarity of knowledge and skills of each member of a cluster inevitably leads to financing opportunities, economic growth in a given region as well as sectorial productivity. This complementarity requires public entities to track and obtain the performance of services, works and/or products, to achieve open and transparent competition, transfer of information and knowledge in the spectrum of the cluster, but also to identify and develop an interactive path from and to citizens.

The complementarity of the performances and responsibilities of public entities versus clusters, must be viewed, understood and analyzed by avoiding the overlap of the performances and activities of all actors involved in meeting the needs of citizens.

Actions in a certain region must be well analyzed and introduced into a system that, when implemented, proves its effectiveness. Ensuring complementary measures between the public and private sectors must

be determined by regional development strategies and analyzed at several levels: local, county, regional and national. Thus, complementarity can appear in the fields of public utility services, rehabilitation of county roads, education for different categories of trades and professions, increasing the attractiveness of the region, creating new jobs, developing the economic sector, increasing the standard of living, agriculture, industry, health, urban development, etc.

The complementarity of actions and measures are also imposed by easy access to the workforce, the availability and access to specialized information, the use and access to public goods, the infrastructure of specialized services and the possibility of comparing performance. So, the resulting complementarities are useful and reassuring for each member of the cluster, each for the benefit and satisfaction of citizens' needs.

Merging economic policies with public ones, but intersected with satisfying the needs of citizens in a certain region, has positive effects for the communities involved, by: reducing unemployment, the employed workforce, imposing some forms of training and professional training, opportunities for economic development, income local for the local fiscal system, etc. These policies, in turn, will be complementary and create the premises for a unitary, innovative and creative management based on well-defined structures, based on change and a clear vision for the actors involved in the complementarity of performances, namely for local, county and government public entities, associations professional, chambers of commerce, and institutions of the university and academic environment.

Identifying the needs of citizens in a certain region, correlating them with the development potential of the public sector and government development plans simultaneously become catalysts for the complementarity of performances. The creation of an easy framework for the development of clusters, the awareness of public entities to satisfy the needs of citizens must be carried out from the "bottom up," thus obtaining a complementary process in favor of all the actors involved and the beneficiaries/providers of public services.

The voluntary participation of the members within the clusters is based on their mutual trust, the complementarity of the activities, institutional and managerial, but also the assurance of individual and institutional independence. Through a transparent cooperation, benefits are ensured for all actors involved in the activity of the clusters, although they remain competitors from all points of view, under clear conditions of autonomy.

The initial stages of implementation and monitoring/evaluation of cluster development must be supported by sectorial and regional development directions, by governmental measures based on the inter-institutional experience of sectorial performance diagnostics, the building of related and complementary partnership links, the elaboration of criteria for support/grants state for obtaining performances.

4. The Complementarity of Obtaining Performances to Satisfy the Needs of Citizens

Obtaining the performance of some services, works, products to satisfy the needs of citizens, requires the facilitation of innovation, on the entire complementarity of information, data, statistics, forecasts, knowledge, skills, contacts, relationships, etc. These aspects will lead to low prices, to a transparent competitive environment, to the development of an easy relational system both for the public sector and for the private sector, having the needs of the citizens at their center. The maximization of opportunities for the private sector and public economy will be imposed by public and private management based on change, innovation and innovations.

The different levels of performance achieved or that can be achieved in a certain region and sector, highlights the outsourcing of some activities, which do not occur automatically but require the acceleration of the pace of development of the respective sector depending on the signals identified from the market and the role that public entities understand to fulfill within the cluster to which it has joined.

Achieving performance in a certain region where we encounter clustering processes must have as a benchmark the catalysis of local authorities, the only ones that can grant incentives and provide the infrastructures necessary to carry out the activity and that can avoid or reduce economic and administrative imbalances, through programs and/or projects, by financing or co-financing the programs and/or projects initiated within the regional clusters, but also by coordinating the public services provided, by monitoring and evaluating the performance achieved and ensuring the specialized coordination provided by the relevant organizational structures.

It goes without saying that these processes of achieving performance must be followed over the years, even in the medium and long term, as economic and administrative policies will be complementary with slow measures and instruments and coming from several segments of activity, which involve adaptations and cumulative learning, the results of which will be seen over time. Including, the process of satisfying citizens' needs, will be a medium and long-term one as each community has its own pace of adaptation to the great economic and administrative changes, and entrepreneurial and administrative actions/activities in the public sector are influenced complementary.

It goes without saying that a cluster will achieve positive results in a region where public authorities have achieved performance, compared to an area where administrative performance is left to be expected. And in this case, we can speak of a complementarity of performances and a training among clusters and public entities less involved in community life, thus trying to limit the usual economic and administrative dependencies and intensify entrepreneurial principles through the involvement of the civil sector. The civil sector through citizens thus becomes an "engine" for increasing the economic and administrative potential for clusters and an effective tool for designing local policies, based on existing resources in the community. Once this "engine" is put into operation, it becomes over time a "critical mass" for clusters, which imposes the need to satisfy the public needs of citizens in a direct and/or indirect way.

Public entities and clusters, in order to reach a high performing level of satisfaction of citizens' needs, must have the same elements of comparison in terms of ideas, beliefs and organizational culture. The management model that must be adapted takes into account the conception of an interest based on the complementarity of the performances of public entities and clusters. The derivation of the results from the complementarity of the performances emerges from their cumulative monitoring, having the citizens' needs centrally located. In this way, new performance values are obtained which, correlated and interpreted in a competitive way in terms of the achieved performances, will generate positive competitiveness, the redesign of management and operational processes with a major impact on the satisfaction of citizens in the area of interest of both the public sector and of the dimensioned area of the cluster domains.

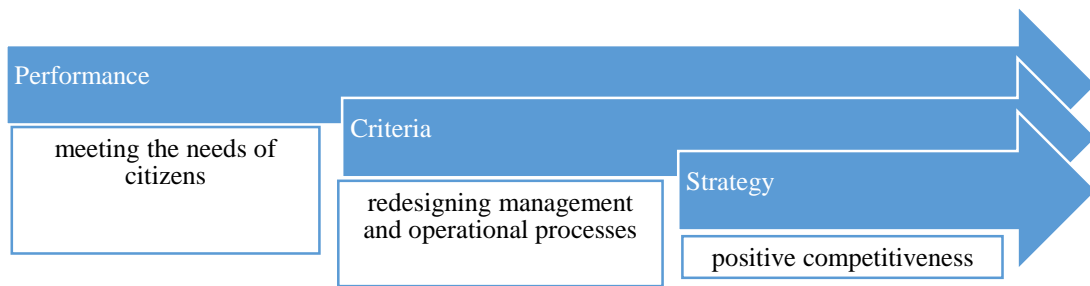


Figure 5. Correlation of values to obtain performances

Source: processing authors

In order to achieve long-term performance in order to satisfy the needs of citizens, we must have established criteria on the basis of which to redesign the managerial component, from a procedural and operational point of view, all based on the strategy of positive competitiveness.

The complementarity of the achieved performances is also based on that of the performance indicators for the clusters under the aspects of investments, efficiency and productivity, resources, profitability, the weight of research and development expenses compared to the total costs, but also the added value of the clusters in the GDP.

The response of clusters to the needs of citizens in a region is coherent and aggregated to needs, but adapted to innovation, knowledge and performance, based on intellectual capital and attracting potential investors. The intelligent valorization and maximization of the opportunities identified to and from the sphere of the public sector, transfers the intervention of obtaining performances to it, as the main provider and insurer of the provision of public services to citizens.

The involvement of the public sector in clusters, slowly, steadily but surely determines smart communities based on innovations in the public interest to meet the needs of citizens.

Achieving performance, in a clustering process, is based on the accumulation of experience, quality of services, mutual dependence of cluster members, and collective optimization by solving the problem arising as a result of citizens' needs.

The quality of services is based on knowing all the resources and performance potential details predicted and achieved by the cluster members.

5. Conclusions

The concentration of all resources for the activity of the clusters brings sectorial benefits and the effects of multiplication and spread of the results obtained lead to the satisfaction of citizens' needs and demonstrate that economic-social development can be achieved, and the performances of the public sector are complementary to those of the private sector. The identification of existing success factors in a certain region represents the potential for the establishment of a cluster in the field that covers and satisfies a need of the citizens. The common package of skills of the members of a cluster, the

communication system within it, the mode of coordination and cooperation of the activities carried out and the measures taken, the working groups necessary for the implementation of development policies and the achievement of performances ensure the complementarity of the performances of public entities versus clusters in order to obtain satisfaction citizens' needs.

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