

THE RELATIONSHIP BETWEEN FIRM SIZE DISTRIBUTION AND AGGLOMERATIONS IN THE SCOTTISH INDUSTRIAL CLUSTERS

GERALD MUNYORO

Graduate Business School, School of Entrepreneurship and Business Sciences
Chinhoyi University of Technology, Chinhoyi, Zimbabwe

ABSTRACT

It is evident that some of the difficulties that have been faced by the policy makers, especially when developing and carrying out this economic plan, have been caused by the failure to delineate and identify industrial clusters. In addition, these problems have also been compounded by the absence of knowledge about the association or otherwise between the organization of economic activity in clusters and the sizes of their constituent firms. Basically, the results will be based on the chi-squared test. Therefore, the results from the chi-squared study, which were used to calculate and examine whether the distribution of firm sizes in Scottish industrial clusters were significantly the same as the size distribution of firms in the rest of Scotland. The results of the study show that in the ICT sector, financial sector, Biotechnology sector, Oil and Gas sector and Mechanical engineering sectors show that the size distribution of firms within these industrial clusters is significantly different from the size distribution of firms in the rest of the country. However, in the Creative industrial sector the findings show that the size distribution of firms within the industrial cluster is significantly the same as the size distribution of firms in the rest of the country. The results in the creative cluster may be attributed to the fact that the cluster was started by local entrepreneurs who are living in different parts of the country and are interested in developing their own regions, or simply that the cluster is still in the introduction stage of development. The study also presented the significant finding that small establishments tend to operate outside the industrial clusters rather than within them because small establishments enter and exit clusters faster than large establishments and this is good for economic planning by regional economists.

KEYWORDS: Industrial clusters, Regional disparities, Scottish Government, Economic development, Economic activity, Chi-squared test, Economic planning