

Aim of the project

The research investigates clusters in the furniture industry – companies and institutions related to the furniture industry located in a short distance from each other, linked by various relations of a professional and personal character (eg. business relations, membership in associations, participation in projects, friendships etc.).

The aim of the project is to investigate and compare the process of knowledge flow in regional furniture clusters in Poland and in the "Third Italy". This area includes regions in central and north-eastern part of Italy (Tuscany, Emilia-Romagna, Veneto, Friuli-Venezia Giulia), and its name has been given to distinguish from the industrial triangle Turin-Genoa-Milan (with many big, strong enterprises) and the poor south of the country, the so-called Mezzogiorno (where the industry is not well developed). A characteristic feature of "Third Italy" is the presence of many small and medium-sized manufacturing plants in traditional industries (furniture, footwear, fashion industry), which are known in Europe and even the world and large-scale export products. Also among the twenty thousand Polish furniture manufacturers, more than 90% are micro-enterprises employing up to 9 workers, often existing for many years, some of which cooperate and compete in several furniture clusters. The main assumption of the project says that although clusters in both macro-regions have different socio-economic conditions for development and different story (the so-called lifecycle) – since setting of the first manufacturing companies, through the formation of other companies and their surrounding environment – occurring in them in a different way process of knowledge flow leads to greater innovativeness and thus to adaptability (a possibility to adjust) to market changes.

Furniture industry in 2014 plays a significant role in the economy of many Polish regions and the regions of 'Third Italy'. Industry creates jobs for people in the local community finances a large number of local initiatives that affect the creation of a positive image of the region. Furniture companies, however, must move along with the times and seek ways to implement new solutions – popular innovations – in terms of products, processes and organization of production and marketing. Without them furniture firms will suffer stagnation and even potential problems leading to layoffs and falling. Thus, companies are faced with the need to seek new knowledge in the field of technology and ways of doing business that will allow the adaptation to changes on the market during economic slowdowns and crises and development.

In the literature it is assumed that spatial (geographical) proximity of entities in the cluster has a positive effect on their development opportunities. In this study, analysis will also investigate other distinguished in literature proximities of entities in the cluster and their significance to possibilities of acquiring knowledge and using it to adapt to market changes. These are: organizational proximity – the similarity of applied technology, business size structure; social proximity – the role of trust, openness to cooperation and institutional proximity – the institution's activities for the benefit of the industry, creating institutionalized forms of cooperation (cluster organizations). In addition to approaches from the point of view of the cluster as a network approach also the firms' point of view will be used. Investigated will be firms' desire to acquire and use new knowledge because of the possible reduction of transaction costs and because of expected benefits that can be explained by strategic choices in game theory.

During the study indicated will be all actors engaged in furniture cluster in two selected for in-depth analysis regions: Wielkopolska province in Poland and the Veneto / Friuli-Venezia Giulia in Italy. Detailed analysis in these two regions will try to investigate how dense are the relations in these networks (how many links join individual entities), who plays a key – central role (has the most relationships with others, is a source of new technological and business knowledge) and how many links are localized within the region, and how many go beyond it.

Reasons for choosing research topic

Subject of knowledge flows within furniture clusters in Poland and "Third Italy" has been taken because a number of reasons. These are:

- 1) The need for assessing historical conditions on today's socio-economic processes and then to following "best practices" from highly developed countries, with long traditions of market economy in terms of cooperation
- 2) The need for investigating small and medium-sized manufacturing plants in the Polish economy, which are vast majority of all companies in Poland, and which are "Polish value", important for many local communities
- 3) The need to study those industries that are important in regional innovation strategies in Poland, with a long life cycle and which survived times of economic crisis. The Polish economy is one of the least innovative in the European Union, but the products of low technology industries (such as food and furniture) are important in the structure of exports. The furniture industry may also in the next years be a recognizable strength of Poland abroad.
- 4) A few years interest of the Principal Investigator on clusters in Poland, manifested in scientific and non-scientific activity (cooperation with cluster organizations).
- 5) Contacts gained during the conference of the Regional Studies Association in Piacenza in Italy (the Principal Investigator is a member of this organization) that allow to hope for the technical capabilities to carry out the Italian part of the study, and then to publish the results in the form of publications in foreign scientific journals