

Abstract:

Using six case studies from Africa, this paper examines the theoretical argument that geographic and sectoral clustering enables enterprises to overcome constraints to growth and development. Findings were both theoretical and practical. Theoretically, the study underscored the strength of the collective efficiency framework, but found that certain anomalies could only be explained by other contextual variables. Grouping the six case studies revealed important differences among them, and showed that each group plays its own part in the industrialization process. “Groundwork” clusters prepare the way; “industrializing” clusters begin the process of specialization, differentiation, and technological development; and “complex industrial” clusters produce competitively for wider markets. The paper concludes with practical implications for African governments, donors, and the business community.