# Article information:

The Effect of Industrial Cluster Policy on Firm Performance in Ethiopia: Evidence from the Leather Footware Cluster
<https://agris.fao.org/agris-search/search.do?recordID=US2022279969>

# Article summary:

1. The article analyzes the impact of a public policy promoting industrial clusters on micro and small-scale leather shoe manufacturers in Ethiopia.

2. The results suggest that the policy adversely affects productivity, profitability, growth, and innovation performance of the treated firms.

3. The study highlights the importance of considering the transmission mechanism and long-term impacts of industrial cluster policies.

# Article rating:

Appears moderately imbalanced: The article provides some useful information, but is missing several important points or pieces of evidence that would be required to present the discussed topics in a balanced and reliable way. You are encouraged to seek a more balanced perspective on the presented issues by exploring the provided research topics and looking at different information sources.

# Article analysis:

The article titled "The Effect of Industrial Cluster Policy on Firm Performance in Ethiopia: Evidence from the Leather Footware Cluster" presents an empirical analysis of the impact of a public policy promoting micro and small scale industrial clusters in Ethiopia. The study uses firm-level survey data collected from randomly selected clustered leather shoe manufacturers that have directly benefited from the policy and those that do not, both before and after the cluster policy intervention.

The article provides valuable insights into the productivity, profitability, innovation, and network effects of industrial cluster policies in Ethiopia. However, there are some potential biases and limitations to consider. Firstly, the study only focuses on one industry (leather footwear) and may not be generalizable to other industries or sectors. Secondly, the sample size is relatively small, which may limit the statistical power of the analysis.

Moreover, while the study finds that industrial cluster policy adversely impacts productivity, profitability, growth, and innovation performance of small and micro leather shoe manufacturing enterprises that moved to government-created clusters, it does not explore potential benefits for larger firms or other industries. Additionally, it is unclear whether possible risks associated with industrial cluster policies are noted or explored in-depth.

Furthermore, while the article presents evidence supporting its claims about negative impacts on treated firms' collaborative business and knowledge networks due to relocated cluster policy hampering growth impediments such as lack of trust or market information; it does not present counterarguments or explore potential solutions to these issues.

Overall, while this study provides valuable insights into industrial cluster policies' impact on firm performance in Ethiopia's leather footwear industry; it is important to consider its limitations and potential biases when interpreting its findings. Further research is needed to explore these policies' broader impacts across different industries and sectors in Ethiopia.

# Topics for further research:

* Risks and benefits of industrial cluster policies in Ethiopia
* Impact of industrial cluster policies on larger firms and other industries
* Potential solutions to growth impediments caused by industrial cluster policies
* Collaborative business and knowledge networks in Ethiopian industrial clusters
* Generalizability of industrial cluster policy impacts across different sectors
* Statistical power and sample size limitations in industrial cluster policy research

# Report location:

<https://www.fullpicture.app/item/a9a467972418a817d2062699d81bc353>