

## MODEL OF CLUSTER DEVELOPMENT IN THE MANAGEMENT OF WINERIES ENTERPRISES IN ATU GAGAUZIA

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*Public policy support for cluster development of the industrial sector requires investment by enterprises in research and innovation. These processes are only possible by sharing existing capacities, effective knowledge sharing and technology transfer between companies within the same or related industries. The relevance of this article is dictated by the need to find new forms of co-operation of producers in frame of cluster formations. The purpose of this article is to develop a model of cluster-management for development of wineries in the region. When writing this article used the methods of empirical research: a survey, analysis, synthesis, processing documentation. Results. In order to increase the competitiveness of wine enterprises, the author proposed the development of the wine industry of ATU Gagauzia within the framework of the cluster policy of the Republic of Moldova. The author proposed organizational structure of the wine cluster of ATU Gagauzia, described benefits which get when entering in the cluster for its participants and for the overall region.*

**Keywords:** wine cluster, innovation, management model, competitiveness, synergistic effect.

*Politica de stat de sprijinire a dezvoltării grupurilor a sectorului industrial dictează necesitatea investițiilor de cercetare și inovare în domeniul cercetării și inovării. Aceste procese sunt posibile numai prin folosirea comună a capacităților existente, prin procesul efectiv al schimbului de cunoștințe și prin transfer de tehnologie între companiile din cadrul aceleiași sau conexe industrii. Actualitatea acestui articol este dictată de necesitatea de a găsi noi forme de co-producători din cadrul formațiunilor de cluster. Scopul acestui articol este de a dezvolta un model de management de dezvoltarea grupurilor întreprinderilor vinicole în regiune. La scrierea acestui articol sunt folosite metode de cercetare empirice: anchetarea, analiza, sinteza, procesarea documentației. Rezultate. În scopul de a îmbunătăți competitivitatea vinăriei, autorul articolului oferă modalități de dezvoltare a industriei de vinărie în cadrul politicii de grupuri a Moldovei. Rezultate. Autorul oferă structura organizatorică a clusterului de vinărie, sunt fundamentate beneficiile membrilor și în regiune primită după intrarea în cluster.*

**Cuvinte-cheie:** grup vinicol, inovare, model de management, competitivitate, efect sinergic.

**JEL Classification: L17, L32, L52, L66, O35.**

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**Introduction.** The experience of the European Union shows that the Clustering processes serve as the foundation for economic growth, increase the competitiveness of certain industries and the overall economy, creating new businesses, and jobs, the development of regional development programs, more extensive and fruitful cooperation between the business sector and State educational environment, non-governmental organizations and others.

Even though the small size of the market of the Republic of Moldova, economists believe that the creation of clusters is not only possible but also necessary for the consolidation of small and medium enterprises [4, 5, 8]. In addition, the Republic of Moldova is located at the intersection of the main highways connecting the major markets. It can be an attractive factor, especially for investors from the EU and Ukraine CIS, and is a big advantage to domestic economic agents the prospect of their participation in international industrial clusters.

**Formulation of the problem.** Viniculture and winemaking are the main sectors of the Moldovan economy, accounting for about 15% of the annual budget of the Republic. The Moldovan wine industry plays an important role production wine in ATU Gagauzia. South of Moldova traditionally engaged in winemaking, which is the main branch of the economy. In the Gagauz Autonomy, consisting of 26 settlements, operates 14 wineries. The share of wine in total Gagauzia industrial production is about 60%. Such concentration of this type of production is not available anywhere else in the country. However, in recent years, it is impossible to note the progressive development of the industry. Total volume of produced wines in ATU Gagauzia, with its linear approximation clearly shown in Figure 1.

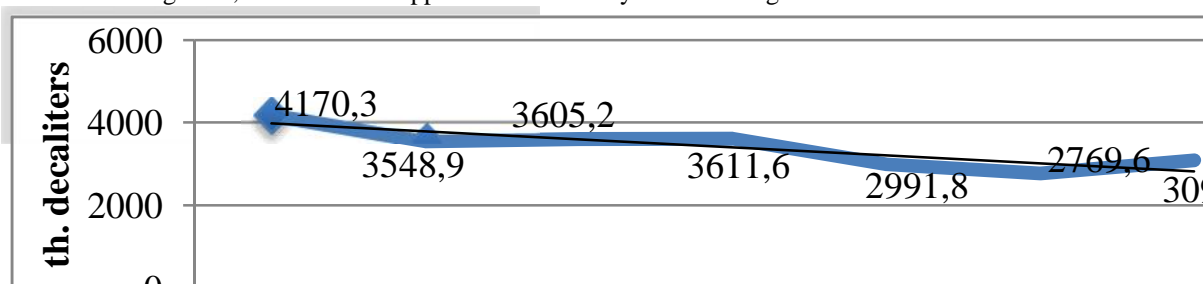


Fig. 1. Volume of wine production in ATU Gagauzia for 2008-2014 years (th.decaliters)

Source: Developed by the author according to the Main Department of Economy and Foreign Economic Relations of ATU Gagauzia

Linear approximation of volume of wine production in ATU Gagauzia for 2008-2014 years demonstrates the decline in production for the analyzed period. In comparison with 2008 to 2014 it produced 25.8% less wine production. Wine production in ATU Gagauzia in average annually is reduced by 4.46%. To change this trend in a priority dimensions of sustainable development of enterprises should be the wine industry systematization of their work, expressed in overcoming disunity and decision single concept of the wine industry in the Gagauzia.

**The purpose of article.** Propose the development of the wine industry in the ATU Gagauzia in the frame of cluster policy of Republic of Moldova.

**The empirical base of the research** has served the wine industry ATU Gagauzia, which consists of 13 operating companies.

**Statement of the basic material.** To ensure sustainable and long-term development, wineries of Gagauzia must be innovative. However, along with the introduction of process innovations, expressed in the introduction advanced technologies, purchase of new equipment, it is necessary to make changes and in business practices, workplace organization, in the development of external relations, ie, embed organizational innovation. For this kind of innovations are more frequent minor investments, the ability to combine and create new advantages and economies of synergistic effect resulting from the pooling of resources from different manufacturers. Also for organizational innovation is not so acute shortage effects of product and process innovations: imitation, obsolescence and others.

To the South of the Republic of Moldova is characterized by a low level of use in organizational innovation. This is evidenced by data provided in the Journal "Innobarometru 2014 pentru RM" – 12,3% of all surveyed companies, as well as the results of sociological research A.P. Levitskaya "Issues and Trends Innovative SME ATU Gagauzia" – 12% of all respondents [3;9].

In order to improve the development of wineries in Gagauzia part of organizational innovation, proposes the creation of regional wine cluster, which will push for the development and competitiveness the wine industry and the region as a whole.

The idea of clustering the economy has already been considered in the Republic of Moldova. Thus, for the early transition countries on the path of innovative development the Academy of Sciences of the Republic of Moldova in 2010 developed and proposed for public discussion the draft Concept of development of innovative business until the year 2020. Implementation of this concept should lead to restructuring Moldovan economy and accelerate the development of innovative entrepreneurship.

Between the years 2011-2012, the Ministry of Economy of the Republic of Moldova together with the Institute of Economy, Finance and Statistics developed the "Concept of the cluster development of industrial sector in the Republic of Moldova", approved by the Government on August 20, 2013 [1].

The concept of cluster development of the industrial sector of the Republic of Moldova is based on the international experience of cluster initiatives (EU, China, etc.), which are an important component of development industrial, regional and innovation policy advanced economies. The main goal of this concept is to determine the need for and the possibility of introducing and development of the mechanism of association of economic agent in the form of cluster efficiency and competitive development of the industrial sectors of the economy [1].

The index of specialization of regions of the Republic of Moldova, calculated Gutu K, study shows the main directions of development of the industry Cluster Networks. Thus, the share of products from Gagauzia, delivered to external markets in 2011 amounted to 67.7%. The leaders – the production of natural wine, manufacture of apparel, dressing and dyeing of fur. These directions, according Gutu K., primarily require an investigation to determine the cluster linkages [7].

Considering the wine industry of ATU Gagauzia as a base wine cluster of the South of the country, it is necessary to note the following conditions for its creation:

1. Favorable economic and geographical position of Gagauzia
2. The presence of favorable conditions for growing special grapes – the main raw material in the production of wine;
3. Qualified human resources;
4. The functioning of the Comrat State University that trains specialists in the field of wine-making;
5. Development of services of Innovation Incubator, the aim of which is to develop an economy based on innovation and transfer of new technologies by promotion and development of innovative SMEs;
6. The development of the scientific base of viticulture and winemaking;
7. Development of infrastructure in the region;
8. Supporting government;
9. High geographical concentration of wineries in a small area of Autonomy;
10. The administrative bodies and enterprises, which are able to enter the value-added chain.

In addition, the most viable clusters develop into sectors and regions where the entrepreneurs have already established cooperation between them already exists a certain degree of dialogue and trust. The form of this cooperation on the territory of ATU Gagauzia is the Association of Winemakers of Gagauzia „GAGAUZ AV N” This Association was created to help its members in establishing mutually beneficial cooperation with domestic and foreign potential partners, to promote popularization and the promotion of wines from Gagauzia on the Republic of Moldova and abroad.

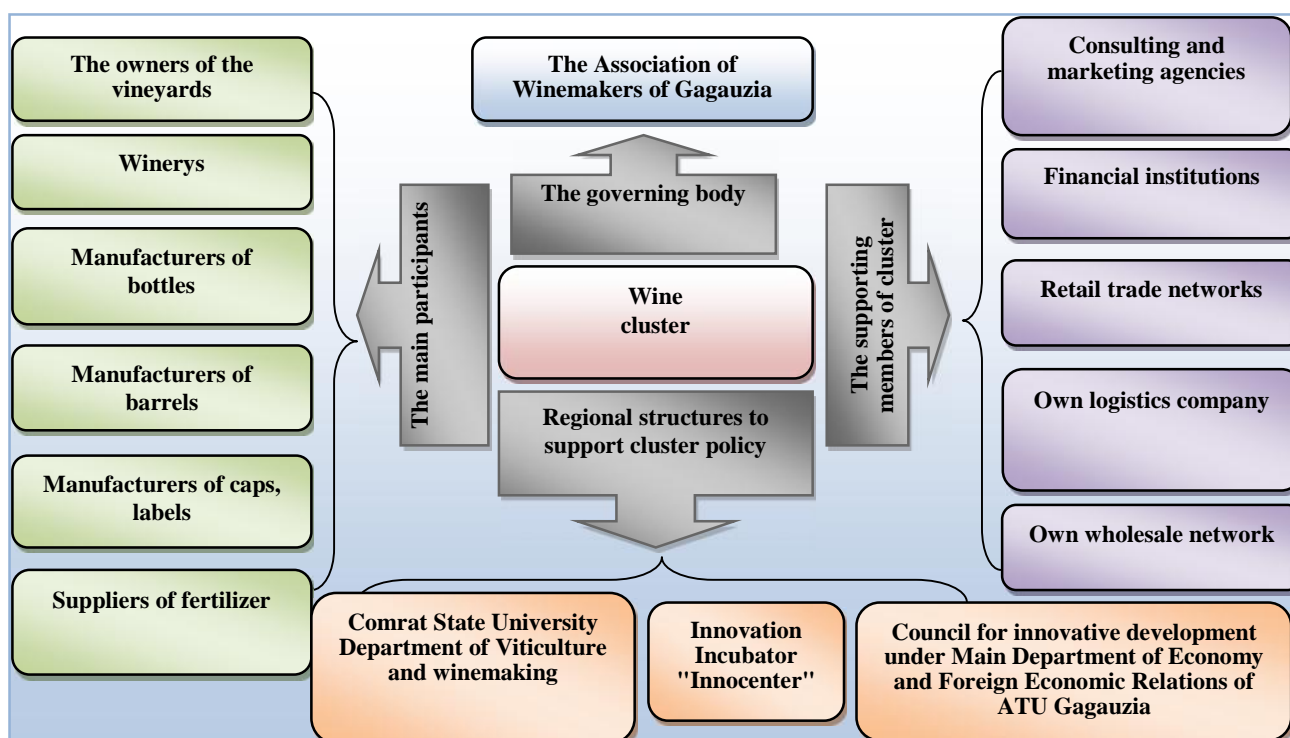
Figure 2 shows the organizational structure of the wine cluster in the ATO Gagauzia, recommended by the author.

From the above figure it is shown the role of the governing body of the cluster Winemakers Association of Gagauzia «GAGAUZ AV N».

The main cluster members are directly involved in the cultivation, processing of grapes, bottling and storage of wine.

Operating cluster members facilitate the marketing of winemaking, sales of finished products, development of new markets, grace funding of processing enterprises, as well as the financing a cluster of special European funds etc.

The role of regional structures to support cluster policy with assistance in the implementation of resource- intensive technologies, achievements science and advanced experience, skills etc.



**Fig. 2 Proposed organizational structure of the wine cluster ATU Gagauzia**

Source: Compiled by the author.

We describe the benefits that will be able to get all the parties to the wine cluster in the ATU Gagauzia. These benefits will also be a highly motivating factor in making the decision to create the cluster and joining them.

The main participants in the cluster will be able to reduce transaction and transport costs by using its own fleet, which in turn will lead to lower production costs. Unified policy and the promotion of uniform quality standards for all participants will provide a guaranteed market and product recognition. In addition, small businesses will have access the results that are highly capital-intensive specialized studies, invested at the expense of all the cluster members.

The owners of vineyards (farms) will receive a consistent customer, which in turn is a risk of lack of insurance market and enables selection of the address.

Serving members receive regular consumers of their services the core cluster, and as a result of the guaranteed financial stability.

Regional structure of support cluster policy will be able to carry out targeted training and to conduct targeted research.

Regional authorities receive guaranteed returns of subsidies in viticulture, also an increase in the number of jobs and, consequently, an increase in revenues in the Regional budget. Inter a cluster competition forces each individual participant to improve their own competitive advantage, leading to the elimination of inefficient forms operation. Each participant through the development of their respective strengths, complementary underdeveloped functions of the other and thus, leads to the implementation of the principle of 5 complementarity between cluster members, also leading to an increase in the synergistic effect [2].

Besides these benefits for the cluster members it should also be noted that this occurs with the effect of synergy. This is due to the fact that the cluster as a stable Partnership that are interconnected with enterprises, institutions, organizations, and individuals. It may have a potential that is greater than the simple sum of the individual capacities components. This increment occurs as a result of cooperation and effective use of the capacity of partners in the long run, the combination of cooperation and competition [6].

Hasanov R.H. considers that the most important synergistic effects Cluster are [6]:

- 1) The effect of flow of knowledge within the cluster;
- 2) The effect of incremental cash flow by the addition of cash flows companies within the cluster

- 3) the effect of sharing infrastructure;
- 4) the effect of reducing transaction costs.

It should not be assumed that the synergistic effect is achieved within a cluster due to the disappearance of internal competition, on the other hand, competition between members of the cluster companies escalates. However, this does not preclude joint development and use of infrastructure, cooperation with suppliers, new markets under the brand name of the cluster etc.

Intracluster competition forces each individual participant to improve their own competitive advantage, leading to the elimination of inefficient forms operation. Each participant through the development of their respective strengths, complementary underdeveloped functions of the other and thus, leads to the implementation of the principle of complementarity between cluster members, also leading to an increase in the synergistic effect [2].

**Conclusions.** The cluster are the best public private entity partnership. As part of the cluster focuses on enhancing the competitiveness of not only individual enterprises, but also the entire production chain. Generally Regional wine cluster in ATU Gagauzia can play a key role in the creation favorable business environment, promote economic activity subjects, allowing to adapt to changing environmental conditions, and enhance the efficiency and competitiveness of the region.

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