

Bio-Tech Clusters in India and Pakistan

Investigation of unique characteristics of territorially embedded businesses received a great deal of interest from geographical economists, sociologists, development scientists and business researchers (Fornahl/Brenner 2003). Being located in the territorial proximity allows frequent interactions among firms. Such relationship can become source of long-term advantage for firms who benefit from cost reduction and improved market intelligence. A fundamental condition of inter-firm cooperation is the behavior of trust. Formal rules (e.g., commercial law) or informal institutions (e.g., family, religion, cultural norms etc.) provide enabling environment for trust. In advanced economies conditions need to be created for 'systemic trust' as the cost of investing in 'personal trust' increases for firms with respect to their suppliers and customers. Examples of 'systemic trust' are technical standards for quality, copy right regimes and legal norms governing business behavior. In this research, it will study how physical proximity facilitates interactions among the pharmaceutical/ bio-tech firms in Pakistan and India. How the formal and informal institutions govern business behavior and enable horizontal and vertical collaboration between firms for research and development and market capitalization. The intention of this study is to analyze political and cultural dynamics of firm behavior in India and Pakistan, especially the role of family ties and other social and cultural factors which form the basis of inter-firm cooperation in pharmaceutical/bio-tech clusters..

Stand: 2012