



### Call for Papers – Abstracts

#### **Contradiction of clusters: clusters as a factor of social progress and responsible innovations - on the one hand, and as a reason of formation of 'underdevelopment whirlpools' – on the another hand**

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#### **Abstract.**

Clusters are becoming more wide-spread throughout the world. Despite the claims of scientists that clustering has some benefits for the economy and marking out just positive properties of clusters, consequences of their formation for the economic systems may be different. Contradiction of clusters consists in the fact that being a factor of social progress and responsible innovations in the developed countries, they inhibit economic development and lead to formation of 'underdevelopment whirlpools' in the developing countries.

Consequently, in the result of clustering there occurs the intensification of disproportion of the development in economic systems within global economy. That is why, such a multidimensional phenomenon, as clustering, should be viewed from different positions, taking into account the peculiarities of economic systems.

This study highlights both positive aspects of clustering, and negative aspects of cluster formation by the example of European countries. The author explores the benefits of cluster formation for modern economy, reveals the specifics of formation of modern economic clusters with carrying out a factor analysis of social progress, analyzes the statistics of responsible innovations and conducts a correlation analysis of economic development and responsible innovations by the example of European countries.

The author reveals the possible threats of clustering for separate economic systems and ways to overcome them, determines the possible negative aspects of clustering in the context of regional development, displays the phenomenon of 'underdevelopment whirlpools' as the consequence of unstable regional industrial clustering and calculates 'underdevelopment whirlpools' by the example of European countries. As a result, the author develops a methodical approach to the formation of clusters in the context of providing balanced regional development.

**Keywords:** clusters, social progress, responsible innovations, 'underdevelopment whirlpools', developed countries, developing countries.