

"A man is
great by
deeds, not by
birth"

-Chanakya

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**Responses to Institutional Voids - Clusters and Business
Groups - Substitutes or Complements?**

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Abstract

While extant literature highlight business groups as a response to institutional voids, recent studies emphasized that business groups continue to persist because of the information advantages they possess. Studies in the developed economy context have shown that firms in clusters could benefit significantly from the information advantages and perform better than firms outside clusters. In this study, we examine if clusters serve as an alternative response to business groups. We also examine if clusters and business groups serve as complements or substitutes.

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