

Industrial and Firm Upgrading in the European Periphery: The Textile and Apparel Industry in Turkey and Bulgaria

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Abstract

Under what conditions is upgrading of the light leading export sector possible? The thesis embarks on the case of Turkey (1983-2003) and Bulgaria (1995-2003) to analyze the factors that determine upgrading of their textile and apparel industry. Drawing on primary reports, interviews, secondary literature (Sectoral Analysis, Global Value Chains and Business Association) and empirical analysis at the sectoral, network and firm level, the thesis demonstrates Turkey's success and Bulgaria's failure in upgrading. The claim is that the competitive state and the competitive sector are not just static entities. The effects of the international organization of production and services have a tremendous impact on them that creates a diversity of responses. The responses drive the process of collaboration between state and sectoral actors. This collaboration is identified as *State-Sector Aptitude Building* which helps local firms from peripheral economies to reposition in higher value added segments of global value chains and improves their industry's export role, thus furthering economic development and standing in the global economy.