

# Selected microeconomic effects of ICT firms in context of level of sectoral concentration: Case study in selected regions of the Czech Republic

Kamila Turečková\*

*Silesian University in Opava, School of Business Administration in Karvina, Univerzitní nám. 1934/3, 733 40 Karviná, Czech Republic*

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## Abstract

**Purpose of the article** It is assumed that a strongly territorially concentrated branch that transformed into the sectoral agglomeration of identical companies in terms of the branches is specific for a range of its network externalities such as positive effects resulting from a qualified workforce, spreading innovation and transferring knowledge, experience and information. In general terms, some microeconomic factors and relevant variables will be perceived differently by ICT firms in the context of the different intensity of the sectoral concentration in the particular territory.

**Methodology/methods** The contribution is based on the primary research performed among ICT companies in Moravskoslezský Region and Jihomoravský Region in the Czech Republic in 2016 and 2017 expressing their attitudes and opinions in the context of the branch concentration emphasizing the specific localization of these companies within the centres of the analysed regions, or on the outside, i.e. on the periphery. The analysis of the results from the questionnaire survey is in the empirical part confronted according to the location of the firms in the centres of ICT branch concentration of the chosen regions (in Brno-city and Ostrava-city) and simultaneously compared across the two regions. The theoretical basis includes in particular „the core-periphery theory“, extended by the concept of the sectoral agglomerations and also selected theories of the period of post-Fordism.

**Scientific aim** The presented contribution deals with the specification of the chosen microeconomic effects of the branch concentration of companies in the ICT sector of the given area, and defines differences in factors of the branch concentration of ICT companies.

**Findings** Based on the performed research, it was discovered that more than 60 % of the companies perceive branch concentration positively and consider its effect beneficial and desired. From interregional comparisons follows that ICT firms in the Moravian-Silesian Region are more decided towards their employees - for example, they require in 59% university education, while in Brno-city it is only 21%). South Moravian ICT firms feel less dependent on other ICT firms, but are less aware of their competition. Another important finding is that the companies in the centres of ICT branch concentration in particular regions tend to perceive the positive effects more intensely than the costs related to the process of the branch concentration, which is not the case with the companies in the peripheral localities of the Jihomoravský Region and Moravskoslezský Region.

**Conclusion** The results of the research reflect the assumptions of the chosen theoretical framework and support the conclusion that it is suitable for ICT companies to do business in a region where the ICT sector is concentrated.

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\* Corresponding author. Tel.: +420 596398 301; fax: +420 596 312 069.  
E-mail address: tureckova@opf.slu.cz.