

THE COMPETITIVENESS AS THE MAIN FACTOR IN THE ERA OF GLOBALIZATION

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It is going without saying that economics is a very important science because it is based on the facts of people's everyday life. Everybody knows that nowadays each country of the world come in the era of globalization. And competitiveness is the most important factor here.

What most shocks the observer of current economic events is that the foundation on which the developed economies have lived in the post-war period, a golden age, no longer exists. With the eighties and nineties the macroeconomic indicators no longer reflect the development paths of the post-war period. To understand better, we can assume a few key elements in a rapid sequence.

1. The growing internalization of production has the effect of the inducing a sort of rising ubiquity of production factors. At first glance, the consequence is the erosion of the production capacity of many national and regional economies.

This is the decades-old awareness, that economists learnt from the fundamental work on *resource base theory* by E. Penrose (1959), who was perhaps the first to spread the idea that, as competitive advantage is based on scarce and heterogeneous capacities, a successful regional or national economy must possess capacities that others do not have (and therefore rare ones) and that can be exploited within a broader scenario.

If it is true that one cannot talk of competitive advantage in a world where particularly everyone knows how to do the same things in roughly the same times and the same costs, contemporary history teaches us that some resources are instead localized. Another factor is the capacity to produce knowledge. The industrialized countries with high production costs (especially labour), the gradual passage towards the *knowledge economy* can be interpreted firstly as the outcome of the process of globalization of factors and markets. In these regions, the problem of competitiveness depends increasingly on the capacity to create, accumulate and utilize knowledge more rapidly than competitors. This is the creation of knowledge and not the product knowledge that represents the great new location factor, the source of competitive advantage in the contemporary globalized economy.

2. It is the fact that the globalization process is accompanied by a rather rapid growth in international investment and product flows. It is a statistical fact that international product specialization has grown consistently in recent years, above all in the economies of the industrialized world (a phenomenon that, at first sight, is surprising in an era when the use of communication and computers encourages as never before the diffusion and imitation of technology). The growing specialization of the national and regional economies no longer depends on economies of scale in production – and thus on competitiveness / price ratio – but on the nature of the products put on the market, on the know-how to make these products, on the type of needs that they satisfy, and on the capacity to make the products themselves involve continuously while preserving their originality.

3. It is going without saying that in these conditions, the possibility of a regional economy to launch itself successfully on the international markets lies, on the one hand, on the identity of the product, and on the other, on the fact that the solution of the problem of competitive advantage is no longer found in the search for the best technology and production methods available. If a solution exists, it has to be sought inside the region itself, in other words in the capacity for co-ordination between producers, consumers, institutions and other local actors.

4. Globalization (the formation of global company networks) weakens the economic sovereignty of the nation states thus strengthens regional specialization in competitive activities. In their turn, the regions bind themselves to the global economy by promoting their own specialization. This explains the diffusion of political strategies and choices (often neomercantile) aimed at promoting and strengthening the systems (or clusters) present, i.e. the groups of actors and activities connected to each other and therefore generators of economic value.

The starting is the concept of the *identity* and *uniqueness*, whose dialectic is central to the understanding of this passage. On the one hand, it is absolutely obvious to state that each place, and thus every local system, is unique (in the end, this is one of the foundations of geography as a descriptive science). On the other hand, it is well known that this problem was solved in a totally different way by the 20 century social sciences: for a long time, the uniqueness of places was interpreted as the result of contingent geographical and historical circumstances that «disturbed» the linearity and necessity of universal laws of social and economic action.

Posing the problem of uniqueness in terms of identity radically changes the perspective. In fact:

a) identity attributes to the local system an autonomy from the abstract laws of the economy;

b) the search for identity means abandoning pure description;

c) it also presumes that the characteristics of places are not listed pedantically, but selected;

d) finally, from the perspective of our reasoning, the assumption of places as active subjects means accepting the multiplicity of development processes.

The question of identity can be solved by using some of the instruments of systematic analysis, in particular the *distinction between organization and structure*. Although both concepts are of a relational nature, the sense is profoundly different. The *organization* is, in fact, given by the ensemble of relations between the elements of the system what makes that system what it is and not something else. The *structure* is, instead, given by the material and the historical qualities of those relations.

The climate of trust and cohesion can be seen as an essential component of the organization of the system. The existence of the individual companies, with its own specialization and biography, is a structural element, in the sense that it is a part of the realization of distinct organization. In addition, the high social mobility that leads to a frequent exchange of roles between workers and entrepreneurs is not an element of organization but of structure, in that it is simply an expression of something deeper, such as the presence of trust and of particularly close and cohesive social networks.