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INTERNATIONAL RESTRUCTURING DYNAMICS OF COMPETITIVE ADVANTAGES

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Abstract. Following the collapse of the bipolar system, the international system of the post-war period was led into such a crisis, which - if wanted to be surmounted - demands the application of an architecture of international regulation of a qualitatively different scope.

However, the conception of the "triad poles" seems to one-sidedly obey to the orientation of the "internationalisation of markets" where actually the reproduction and exploitation of competitive advantages inevitably lead to the nationwide level of regulation and crisis.

In addition to this, the approach of the construction / reconstruction of competitive advantages on a national basis, is usually conceived either in a coincidental or in a superficial way. In this way, the specific historical and synthetical terms of entanglement and the crisis of fordism are left into obscurity during the present phase of their international restructuring.

On the contrary, in the analysis of competitive advantages a direction focusing on "the environment" of the sustainable development on local terms appears to be a quite fertile one.

In the light of the above facts the proposed approach takes the following form:

- First, the logic of structural integration and enrichment on a multi-national basis should be put forward, instead of the use of simple movements of market promotion and the "pseudo-globalisation".
- Second, "regulatory bridges" of public planning should be composed among local-regional and multi-national development dynamics.
- Finally, it is necessary that a new way of international competition and cooperation, beyond the idea of the "traditional narrow national benefits", should be comprehended and put in action.

1. THE INTERNATIONAL ENVIRONMENT APPROACHING 2.000

1.1. THE POST-WAR FORMATION OF THE DEVELOPMENT AND DOMINATION OF INTERNATIONAL FORDISM

Retrospectively, in the search of the points of fissure, where the structural rearrangements of the international environment rise from, we are obliged to "call a halt" and examine what is, by every mediator, called: "CRISIS OF FORDISM" [1, 2, 6, 7, 8, 10].

Although the term is more frequently used in a wider field of analysis, we consider its use necessary in order to explain certain elements, that will appear to be essential components of this approach.

A. First of all, referring to the **pure analytical contents of fordism**, it is convenient to always focus our attention on the dialectical character of the composition of two fields of analysis :

- a) that of a historically distinct mode of accumulation and
- b) that of a "specific" form of total regulation, surrounding and mobilizing it.

The recognition of this dialectic character, in every aspect of analysis, should, firstly, remind us of the *continuity* and *co-determination* of the two fields of analysis of Fordism; secondly, it should enable us to certify both *general and specific contradictions* included, whenever the above did not show up, even when fordism appeared to be invulnerable.

And the Fordist formation, more or less, appeared to be "invulnerable" until the end of the 60's. Having composed the pure logic of massive consumption, on the productive basis of the principles of Taylorism, [6], (thus overcoming the crisis of the 30's), post-war capitalism finally connected the **intensive mode of accumulation** to the "well balanced" system of institutional forms of the national **"monopolistic fordist regulation"**. The result is undoubtedly of dominant historical significance: "post-war world" lived 30 years of unforgettable stability, prosperity and optimism...

B. At this point the plausible question might arise: which is the "post-war" world we are referring to?

Could it be supported that after the war ended, the whole of the world assimilated and functioned on the basis of Fordism?

Of course not.

On the contrary, the analytical terms of **historicity** and **specificity** are constructive to the core of the "regulation" approach (therefore in a wider sense to the Fordist regulation) : national social formations, having **different structural starting points**, are **systematically reformed**, in the interior of a **total historical procedure**, which, exactly because it functions dialectically and in a uni-balancing way, ends up to a **continuous reassertion and perpetuation of the specificity**.

Therefore, heterogeneity of structures is historically reproduced into a new - heterogeneity.

This reproduction of **national specificity** through concrete, **continuous and total historical mutation** as well as and the simultaneous **structural consolidation of heterogeneity into inequality**, leads to the concept of the so called post-war **Universal Hierarchy**.

Distinction terms such as "rich" and "poor" countries, "developed" and "developing" societies, "central" and "peripheral" states certainly lead to different approaches and symbolics, but all converge to their common root: they presuppose the conception of the **Universal Hierarchy**.

C. Post-war world Hierarchy appears to be assimilated into a complex form of different and superpositional levels and dynamics.

- (i) The *military - political division* of the world into "Capitalistic" - "Socialistic" received the addition of
- (ii) the *financial - developing division* into "first", "second" and "third" world, as well as,
- (iii) the *division on internal technological - administrative basis* which led to the advanced, industrial, bureaucratic world and to the one "towards industrialisation".

The Fordist Cycle of development, born and consolidated in the U.S.A, the winner of the war is firstly installed in the great capitalist European countries and finally, instilled into Japan as well, through peculiarities created by the specific conditions of each one.

Thus, the post-war Domination of American Fordism is, firstly, composed of the dynamic balance of its internal social regulation [A] secondly is certifying the stability of post-war world Hierarchy [B] and finally is leading to the simultaneous conservation and confirmation of the contemporary domination, as expressed in the levels below:

- (i) the **military - political level** (defined by the total tug-of-war of "the bipolar" competition, between the U.S.A. and the U.S.S.R),
- (ii) the **financial - developing level** (the Marshall plan, internationally guaranteeing the role of U.S.Dollar, approfondation of the welfare state and hyper - development of the interior market etc),
- (iii) the **technological - administrative level** (total development of economies of scale, the "heavily" concentrative organisational structures and the technologies of massive production).

D. Our last note, referring to the constitution function and development of the post-war model of Fordism, has nothing to do directly with either its abstract content (see A), or the expressions of International Hierarchy (see B) and in a wider sense the relations of Domination (see C) produced dialectically.

However, it focuses attention to the **structural orientation of accumulation**, which is usually underestimated or obscured, whereas it actually functioned as its mainframe of reference and action, especially, during the period of its acme and harmonious function

"... An essential characteristic of post-war development is its widely "self - central" character, that is the ability, of the reproduction of capital in the interior of the mode of intensive accumulation, to be expanded without a continuous expansion of the national economic space.

On the contrary, inside the mode of extensive accumulation, which imposes a systematic restructure of world - wide space intensive accumulation could be fulfilled in a cohesive way in the interior of predetermined national boundaries". [8, page 34].

Therefore, both the model of Post-war Fordism itself and the American domination, that handled it, ruled on a national - international level, and it seems to be a mistake if one tries to interpret them in a mechanistic way, taking for granted, that they functioned as conditions of a global structure of universal cohesiveness and of a stable equilibrium.

Behind the principle mechanisms of *international administration*, the nucleus and main sub-systems of post-war Fordism, were dominantly reproduced, during its acme, in their *self-central national regulation*.

Thus, the universal system simultaneously remained

1. potentially vulnerable, to the expansion of the national basis crises of the dominant fordist social formations, on an international level,
2. without necessarily signifying, that an eventual harmony in the interior of the sovereign Fordist social formations would lead to an unimpeded development of their "satellites", on an international level.

1.2. THE EMERSION AND EXPANSION OF THE CRISIS OF FORDISM.

"If the crisis occurred, because of the rise in oil price, why did it not vanish after its decline".

Extraordinarily, even a simple question like that was able to shake the faith of those, who were trying to smooth the spirits and soften the scepticism over the future, in the centres of the development of Fordism.

So, day by day, "the bitter taste of the crisis" was lingering in the mouth.

Then, the situation started to clear up. We did not have to deal with an external and absorbing crisis or with an unexpected and painful shock, that were presumed to yield the soonest possible.

On the contrary, a closer study of the data in the end of the 60's, would have provided us, from the beginning, with the main components of the **structural crisis**, that the central Fordist social formations were confronting, and would be unravelled not only on a national but also on an international level, simply enforced by the forthcoming oil shocks.

The holding up of the rise of productivity, simultaneously noticed in all Fordist Economies of the centre, in the end of the 60's (almost at the same time with the social expression of claims in '68), clearly introduced the "deeper" path, that the study of the crises should follow.

This general and intersectorial slow down of the rate in the rise of productivity (BOYER: Determinants et evolution probable de la productivite et de l'emploi: un essai de synthese des travaux recents" couverture orange, CEPREMAP, non 7922, Mimeo Paris, 1979).

- either, dominantly, through the logic of "**profit squeeze**", due to the preservation of the demanding potential of the market, and the following rise in the cost of work per product unit,
- or, sovereignly, through the rise of the capital per working unit, in terms of value (in Marxist terms, increase in the organic composition of capital), was expressed in terms of a **generalised crisis of the rentability of capital** [6].

Therefore, this "**crisis of valorization**", directly, doubts the Fordist Organisation of the productive procedure, whose continuous renewal, demands a corresponding expansion of massive consumption, and therefore "inflexibilities of every level connected to the monopolistic regulation are from now on in doubt" [8, page 25].

Thus, it is all about a *structural transformation* in the composition of the dialectic of Fordist form (see point 1.1 A), which through the procedure of international post-war expansion, has already structurally reformed the universal post-war Hierarchy (see point 1.1 B), this way, highlighting, firstly, the increasing power of the countries of the central European Fordism, and, during the next phase, the parallel development of the "Japanese Fordism model".

Within this frame, the crisis of the domination of American Fordism was formed (see point C), and expanded on a double analytical level:

1. Firstly, as a **national crisis**, which, due to its size, can carry the **international status**, along, by spreading itself to international financial relations and exchanges.
2. Secondly, as a deepening of the **structural crisis of the model of self - central development itself**, which has put forward and guaranteed its transplantation in the interior of central national sub-systems, over which it rules (see point D).

Especially, this reproduction of the crisis of the dominant Fordism, in the internal *technological - administrative sphere*, and, in a wider sense, its total transfer into its *economic synthesis*, determines the necessary **structural terms of instability**, furthermore expressed in the **external military - political dimension**.

1.3. THE COLLAPSE OF "BIPOLISM": TOWARDS A NEW INTERNATIONAL ARRANGEMENT.....

Both the decades of the 70's and the 80's will remain in the historic memory of the dominant western World as a period of the deepening of the structural crisis, for which no substantial solutions were found.

It is all about a situation in which, after a quite long period of calmness and euphoria, the problems and the disequilibrium, caused by the logic of post-war western development, rise again and notably, in an upper level of complexity.

The national phenomena of the crisis, such as the persistent inflation, the slowing down of the interior fordist investing rhythms and the structural unemployment, come to create the problems of a **new synthesis on an international level**, that, from then on, need to be systematically approached, not only in their **inter-scientific** (ecological, social, psychological), but also in their **inter-territorial expression** (global, multi-national and regional systems).

Within this frame, the total dynamic of capitalism expressed by the dialectic of the strategy of firms and state policies, is articulated into a new phase of booming of international economic competition.

- On one hand, **big transnational companies** react to the halting of the increasing potential in the interior of their national Fordism, by making investments, formed as *centralisation/specialisation*, focusing on the investing flow North-North (this is exactly where the paradox lies "...the crisis of the Fordist model is interpreted into an intensification of investments among economies, that are susceptible to the same crisis of the same mode of accumulation") [8, page 142].

It is also essential to look for the **international competitiveness** which, during the 80's, imposes the intensive application of the strategies for "rationalisation" and technological innovation, in the "interior" of the multinational company - acting as a homogenising power on an international level - and helps it being articulated on a **global level**.

- On the other hand, **the national - Fordist state**, by reproducing the new heterogeneity of its space, lies in front of its own weakness to expand, in order to guarantee the efficient regulation of the national and international system, at the same time. The following deep crisis of the welfare - state and the failure of the logic of "Reaganomics", on a national basis, seem to essentially deprive us of the hope of returning to the "old status quo" of the balanced post-war world.

This way, the crisis of the 80's "appears to be global, if its results are examined by us, but it has also got an international form, if we focus on the peculiarity of the mechanisms, that created it". [8, page 14].

For, in any sense, the main "mechanisms", total balancing is due to, are finally of a **nation-centred conception and deliberation**.

However, the late 80's had in store one more "surprise", that really multiplied the terms of obscurity and complexity of the already existing global disequilibrium.

The "fear of the opponent", "the opposite side of tug-of-war" of the American sovereignty, the "world of applied socialism", collapsed; (According to the opinion of the undersigned this occurred because of structural reasons of crisis, common to the ones the western world faced during the last two decades, without of course putting the elements of important differentiation aside, which can at the same time interpret the transformation of this crisis in the "Soviet Block" to an immediate collapse. Anyway, this presentation cannot cover the subject) .

Extraordinarily, this evolution, substantially, deprives the U.S.A. of its last, undoubtful level of its unique domination. Its *political military shield* has not got any more any reason to hyper-determine the total coherence of the western world.

Another procedure of vital importance was almost simultaneously activated: the re-union of Germany in 1990. Thus, the dilapidation of the old "bipolistic" system points out the way to a radically new sovereign status quo in the international system.

Undoubtedly this "... double crisis of the post-war international system, that firstly appeared during the 80's, must be regarded as the crisis:

- a) of the *bipolism* (primarily caused by the collapse of *applied socialism*) and
- b) of the American domination in the Universal capitalistic system, based on the Fordist regulation mode, in national and international social relations" [3].

Furthermore, in order to overcome a crisis of this particular type, the application of an **architecture in international regulation, totally different in nature**, would be required.

Not only have the size and interactions of the international status quo radically changed, but also, the qualities of the phenomena.

2. NATIONAL, INTERNATIONAL AND LOCAL COMPONENTS OF RESTRUCTURING OF COMPETITIVE ADVANTAGES, DURING THE NEW PHASE OF GLOBALISATION.

2.1. THE TRIAD: "MARKET INTERNATIONALISATION" OR "INTEGRATION" ?

"Long time ago, Germany and Japan were regarded as super powers had they been estimated under the scope of their economic productivity, commercial balance and financial surplus, but had they been estimated, according to their dependance for security from the U.S.A, they were not considered as such. In the future, these countries are not expected to be super powers under the economic scope only. They are going to form super powers mainly because the political importance of their financial power is, to no more, be predetermined by their dependance in the sector of security. This factor used to impose essential restrictions to their free action in the field of foreign affairs". [R. TUCKER: "1989 and All That" FOREIGN AFFAIRS (1990) 4, page 96/97].

The period of multidimensional "confrontation" and "co-domination" of the triad has already begun...

Firstly, trying to simplify an extended discussion as far as the nature, logic and dynamic of the "triad" are concerned, one has to focus on its wide orientation, which is directly or indirectly included in its analytical potential.

--- A team that first approaches "the triad", finally focuses its conception on the picture of "**Pole - gladiator**": the U.S.A., Japan and Germany are undoubtedly the three super powers that have got the most vigorous economies, and the supremacy of goods and capital flows globally. They also hold the leading part in advanced technologies and rapidly developing sectors...

Interior fordist and "post-fordist" type crises of the mutation, of each member of "the triad", will be "absorbed" to such an extent as long as "the powers of the global market" will re-consolidate the rhythms of balance...

According to this point of view, it is usually considered that "the achievement of rationalisation" of the national public sector, the restriction of its deficits, within the frame of a systematic policy of deregulation, are presupposed, so that private initiative will be "relieved and strengthened"...

Even though, nowadays, that the 80's are over, an approach of this kind might seem short-sighted and over optimistic, one must accept that not only is it expressed, to a great extent, within the frame, of political-ideological logic, but also within the **strategic-investing logic of capital, during the 80's**. Furthermore, directly or indirectly, consciously or not, it determines the central point of conception acquired by the most important centres of decision and action.

In a more important dimension, in the interior of this approach, a certain model of international expansion and competition, is preconceived and put in action. This happens during the 80's, when the impotence of the self-central balance of Fordism is directly noticed. The *primary importance of the external market* is, from then on, the critical point of the survival of the interior-national Fordist model of accumulation. This necessity was, either way, during the last two decades, expressed, by the strategy of multinational firms, which rose from the "triad of the Protagonists".

The final actions of articulation of their strategy were based upon a **global perspective**. However, multinational companies of "the triad" drew the competitive advantages, that were of a national nature and reproduction. In other words, the power of multinationalisation, based on the exploitation of heterogeneity, offered by separate national regulations, was assimilated, into the logic of market internationalisation, under a worldwide scope.

Thus, *the concentration of dynamics into the triangle* of three protagonist-countries, appears to be condensed to the following contradiction: "the search for the renewal in the valorisation of capital" - deriving from the inability of the self-central mode of accumulation and national regulation - is concentrated within national areas, hit by crises of the same nature. Moreover, it is diverted to placements, either based on the *principle of "the re-dealing of the cards"* (centralisation), or on the dominant *short-term logic* of speculation in the financial sphere. These placements are, neither able to **improve structurally**, nor offer **solutions and ways out of the crisis**.

--- As a result of the evolution of the previous problematic, meaning the **geostrategic scepticism**, or more or less, the **realisation of the dialectic empass**, to which the previous approach of "pole-gladiator" - "world competition" leads, a second approach of the triad of the **"pole-country teams"** emerge in a parallel and often additive way.

"... The Japanese domestic market is smaller in comparison to the domestic markets of the other two main competitors, but it has got the advantage of presenting a long and unified history. (*1)

The history and culture (*2) of Japan may not allow it to create a, so to speak, financial confederation (*5) along the Pacific Ocean, in order to compete with the European or American commercial Block. (*6). Korea and all economies based upon China (*4) (continental China, Taiwan, Hong Kong and Singapore) may rather secure special relationships with the best market (*7) the U.S.A. - than with their chief opponent, Japan ... old boundary hostilities and national competitions between the countries of Eastern and Western Europe should be put aside. British and Germans should become Europeans ... The natural, -due to its geographical position (*3) - commercial partner (*8) of the U.S.A. - Latin America - is both poor and of a low educational level. Even if a market, common to the North and South America, is created, the U.S.A. will not be helped very much. A common market of this kind would motivate quite a lot of people to move to the United States, fact that would cause a great reduction to the wages of unspecialised American workers..." [16]

Most of the approaches of this type are characterised by an *effort to compose "all factors"*, trying to interpret/predict the dynamics of the new phase of globalisation. Historical (*1), cultural (*2), geographical (*3) and geo-strategic (*4) factors, is trying to be connected in order to interpret and reveal the dynamics of the new realities. However, in a great number of these analyses- like the one in the present extract [16] - the whole consideration does not go beyond the limits of the logic (*5, *6, *7, *8) **of the commercial type of grouping and privileged market relations**.

Nevertheless, this is not enough. It simply appears to be placing one more link in the chain of the previous approach: "pole-gliadiator" - "pole-team of commercial unification" - "global competition". Undoubtedly, this go-between link is neither meaningless nor even without a probable short-term effectiveness. Yet, it does not seem to be profound enough, because a greater effort is needed for the formation of a new well-balanced, international arrangement. It is simply an effort to create *fragmentational conveniences* in a general system, that cannot overcome the *interior crisis of the national regulations*.

At this point, exactly, the most substantial, according to our point of view, question should be put forward. Is the triad, even in its most extended conception, really perceived only as a shape of "**internationalisation of the markets**", or can it, on the contrary, also be conceived in a content of "**substantial integration**" ?

Because, finally, substantial oriented integration is "... the increase, within a given space, of the compatibility of the plans of a total of decision centres, that are called to create one, and only one, economic system" (M. Bye). Undoubtedly, this is not the conception forming and arranging the "poles-teams" in the interior of the triad, nowadays. Much more than that one should clearly ensure that "... a zone of free exchanges, a customs union or a common market are not enough to compose a procedure of integration. [1 (page 772)]. The distinction should be based on this: "... the integration can only start provided there are common policies, whose specific stages driving to the expression of social procedures of common regulation in the several unified parts where the logic of integration lead to one (or more) hyper-national economic (and political) authorities. [1 (page 772)].

On the contrary, the function of "the triad" poles, nowadays, seems to clearly, one-dimensionally obey to an orientation towards "market internationalisation. This concerns a logic which simply describes" all decisions aiming at the expansion of markets, either intersectorially, or totally, in order to make them function in a better way... Meanwhile, every national space preserves its own regulation procedures, as long as it does not violate the rules of the contract of the common market". [1 (page 773)].

Finally, the dominant approach lies in the fact that, during the contemporary phase of globalisation, *the synthesis and reproduction of competitive advantages*, drawn by the company, inevitably lead again to *the dominant regulation level of national dimension*. However, this is the level, on which the insufficiency to "administer" the structural crisis, becomes more and more evident...

2.2 THE FACTORS OF THE STRUCTURE / RESTRUCTURE OF COMPETITIVE ADVANTAGES, ON A NATIONAL BASIS.

Therefore, bearing in mind what we have already said, we reach the point of examining the procedure of the structure / restructure of competitive advantages, on its national basis. This procedure is supposed to be of vital importance for the existence and evolution of every **national social formation**, concerning every level of it, to the extent that its formation, preservation and development presuppose *the ability of existence and reproduction of its economic subsystem and furthermore the "survival" of the firms that compose it*.

Within this scope, referring to the procedure of the structure / restructure of competitive advantages, we substantially approach the procedure of creation / recreation of the necessary terms of exploitation, continuously surrounding the interests already located, in such a way, that they can survive and develop under the conditions of international competition. If a particular national space - "environment" fails to continuously succeed in the creation / recreation of these necessary terms, then the powers of competition, (immediately or gradually), wear the productive potential of the companies and, in a wider sense, its total social reproduction.

This procedure of the structure / restructure of competitive advantages, enriching the national environment, forms a source, out of which, every firm draws elements and tries to idiomorphically transform them into competitive ability in its interior.

Thus, inside the national environment and under circumstances of generalised international competition, this ability of structure / restructure of the given competitive advantages is of critical importance for all following three categories:

- a) companies of national origin and perspective,
- b) companies of national origin, transnationalised abroad,
- c) companies of foreign origin, that have or would have implantation in the interior of the national space in consideration.

Although the subject is of great importance, most of the analyses referring to it, especially in the past, either remained stuck to the *traditional static frame* (comparative and absolute static advantages) or simply focused on the *circumstantial terms and policies* strengthening the competitiveness

Michael Porter, in his very important analysis, under a different scope, concentrates on dynamic and structural orientation: "The competitive advantage of nations (1990). (See schema I).

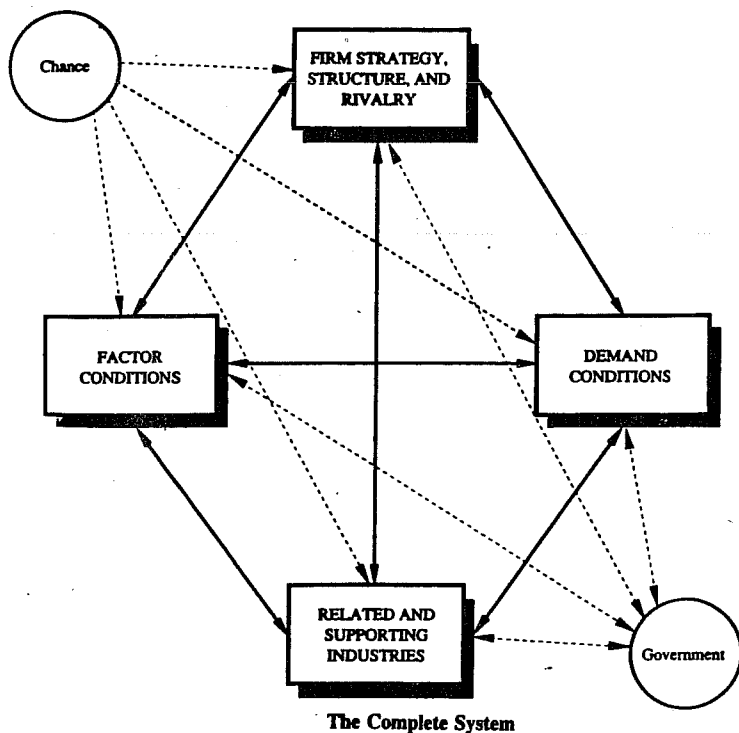
"Why does a nation achieve international success in particular industry? The answer lies in Four broad attributes of a nation that shape the environment in which local firms compete that promote or impede the creation of competitive advantage.

1. Factor conditions. The nation's position in factors of production, such as skilled labor or infrastructure, necessary to compete in a given industry.
2. Demand conditions. The nature of home demand for the industry's product or service.
3. Related and supporting industries. The presence or absence in the nation of supplier industries and related industries that are internationally competitive.
4. Firm strategy, structure, and rivalry. The conditions in the nation governing how companies are created, organised and managed, and the nature of domestic rivalry. (page 71) ...

... The determinants of national advantage shape the environment for competing in particular industries. In the histories of most of the successful industries we studied, however, chance events also played a role. Chance events are occurrences that have little to do with circumstances in a nation and are often largely outside the power of firms (and often the national government) to influence.

Some examples which are particularly important in influencing competitive advantage are the following:

- Acts of pure invention
- Major technological discontinuities (for example biotechnology, microelectronics)
- Discontinuities in input costs such as the oil shocks.
- Significant shifts in world financial markets or exchange rates.
- Surges of world or regional demand.
- Political decisions by foreign governments.
- Wars.



[SCHEMA I]

Chance events are important because they create discontinuities that allow shifts in competitive position... (page 124).

... Having described the determinants of national competitive advantage, a final variable is the role of government. Government is prominently discussed in treatments of international competitiveness... (page 126).

... Government has an important influence on national competitive advantage though its role is inevitably partial... (page 128).

... The "diamond" is an interactive system in which the parts reinforce each other. (page 130). [14].

This analysis, undoubtedly manages, to match two very important privileges. Firstly, preserving its **clarity and simplicity**, it approaches the reality it examines in **structural terms**. Secondly, it is efficiently incorporated in a wider progress of the contemporary research in the Economic Sciences, that denies the sterility of "uni-dimensional" approaches and is open to a new effort of **synthetical conception** of the phenomena, it deals with.

However, it, unfortunately, seems, that it can only realise that **dialectical nature of the state**, concerning **the structure of the national competitive advantages**, in a mechanistic and, finally, superficial way. Therefore, it does not conceive the synthetic regulation character of the state into a specific mode of accumulation: government not only functions in *simple interaction but continuously within* the factors of the structure / restructure of national competitive advantages.

Underneath, of course, lies a certainly insufficient approach of *historic - holistic terms* in such a way that the model cannot clearly distinguish between the specificity and the structural heterogeneity of space and time, in the contemporary international environment.

In the same way, some crucial points of the articulation of the contemporary international crisis seem to be underestimated as they are condensed in **social terms** (poverty, social exclusion etc), **environmental terms** (dis-equilibrium, non-reversibility etc) and **regional-local terms** (regional "cycle of life").

Thus, the specific *historical-synthetic* terms of blocking and crisis of *the recreation of competitive advantages*, on a national basis, remain in shadow in the present phase of the mutation of the social formation from Fordism to "post-Fordism".

2.3 THE FORM OF COMPETITIVE AND SUSTAINABLE LOCAL DEVELOPMENT.

The important rates of the post-war economic increase, notably scattered into countries belonging to the lower level of international hierarchy, made us, to a great extent, forget, the reproduction of the social formation, on a local-peripheral basis.

Nevertheless, since, the internal crisis of the central national Fordisms, reduced these rates of increase, the problems of **local-peripheral structural underdevelopment** rose once again. This, seems to be, partially, rational : "moving from carriage to carriage", only makes sense on a "stopped train".

However, things are not as simple as presented above; even if the whole "train" was moving, many of the "carriages", would not find a way to get tied to the "locomotive", and much worse than that, many of these carriages would be continuously kept off the opportunity to ever find a "locomotive" of their own to be tied to ...

The problematic of development was placed under a new scope, because of the crisis as beyond the fact that the reproducing non-balance among the national middle rates existed internal regional inequality was expanding its content and was becoming more and more evident.

Simultaneously, problems of a new quality, when examined on a **local basis**, appeared to be of crucial importance: localities of extreme poverty and intensive population "hemorrhage", localities with "exhausted" natural potential and acute environmental crisis, finally, localities, the deep structural problems of which were hid by the often "satisfying" and totalising national average rates.

Within this frame of approximation to the local forms of the crisis *the state of nationcentred conception and architecture* appears to have less and less space for efficient action. This happens because the total crisis of its regulating role becomes deeper, depriving it drastically of its sources and "tools" of intervention, within the frame of the general philosophy of deregulation, which is nowadays dominant.

Nevertheless, beyond these discouraging remarks there is no doubt that, " ... the evolution in regions of industrial development, depends on the evolution of the companies on which the regions base their prosperity". [17, page 215].

So, the continual reformation itself, and the enrichment of the local "environments" of development, are, inversely and totally, the necessary presumptions for the reproduction of the competitive advantages and the increase of the company itself, both on a local-regional and on a national-international level.

In other words, it seems that analysing on terms of **local-social formation** can help the profound study of the **simplest analytic component of the international hierarchy.**

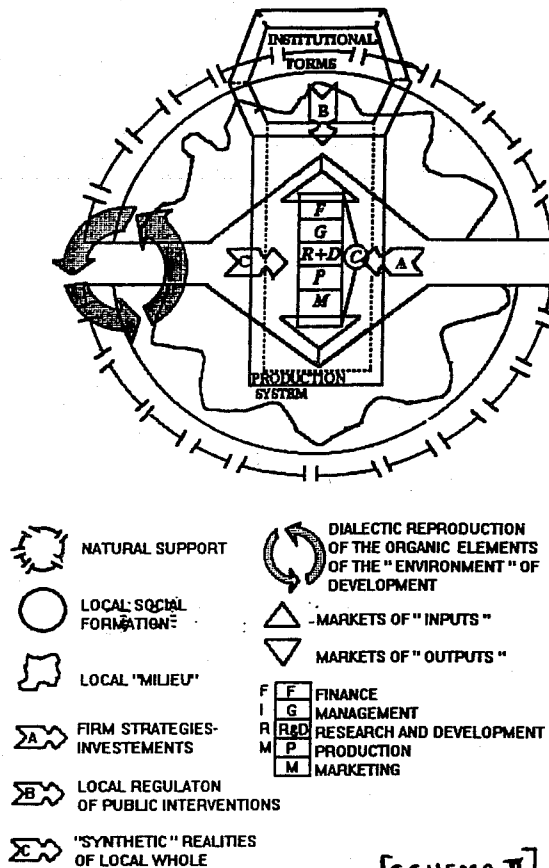
(1) Thus, it could firstly avoid the "generalisation and neutralisation" that central-national rates include from their nature and

(2) secondly, it could focus better on the structural problems included in the reproduction of competitive advantages, on a local scale, and in a perspective sense, on all higher analytical ranks of the space.

Because, finally, it should generally be accepted that as a social organisation is something more than just the summation of its parts, every part of it bears a specificity that organically distinguishes it from the generality of the total.

The same direction has been already adopted in another dissertation of ours, about the approach of the "environment" of sustainable development, under the title: "Development Dynamics in Southern Europe: sustainable Development": J. SPILANIS, CH. M. VLADOS, (in) Studies in Regional and Urban Planning, Constantine Porphyrogenetus, September 1994).

THE " ENVIRONMENT " OF SUSTAINABLE LOCAL DEVELOPMENT



[SCHEMA II]

The above topic together with the problem of structure / restructure of competitive advantages, on a local scale, composes the two sides of the same coin. This occurs because the production / reproduction of local competitive advantages presupposes *the preservation and the dynamic balancing of the "environment" of development*; at the same time, *the preserved "environment" of local development can exist providing that it manages to reproduce competitive advantages for the sake of the social capital which is valorised inside it.* (See schema II).

This uniting channel (A) of business activities functions:

- a) as a generator, while the specific investment strategy has, directly or indirectly, an economic content that structurally transforms the inner of the production system and generally the whole local development scope,
- b) as a receiver of the greater local dialectic while the advisability and longevity of its options are purchasingly verified or not.

The second explanatory component group (B) (Diagram II) which tries to activate this interpretational form of the local environment of development, refers to the dialectic of the total legislated mechanisms of the public intervention that concerns it.

Space (C) is composed by overlapping subsystems according to the following succession:

1. Local production system, that is the locally formed production system in its accomplished and accountable content.
2. The "milieu" system, which is understood as the scope of the local production / reproduction of the multiform quantitative and potentially productive competitive characteristics informational, technological, cultural etc.
3. The total social dimension system: it generally includes the elements of political-ideological contradiction and their specific institutional crystallizations on a local level.
4. The system that terms the natural pedestal and that crucially functions in the perspective of specific local relationships and medium-long term dynamics.

All those overlapping and hierarchic subsystems determine each other via a constant synthetic dialectic which appears as the dynamic situation of the local sum (C).

Based on that dynamic situation of the local entirety (C) the interconnected articulation of spaces (A) and (B), that we have already prescribed could finally integrate the synthesis of the "environment" of development.

Finally, under this consideration the problematic of sustainability (non-sustainability) of development (underdevelopment) can be reduced in terms of dynamic symmetry (asymmetry) into the dialectic production / reproduction of the entire local environment of development (A/B/C). Thus, the aspiration of sustainability conducts into a new approach of balance (non-balance).

3. APPROACHING A NEW CONCEPTION OF COMPLEMENTARITY AND COOPERATION.

Our world does not seem to approve of the idea of the "end of history" of F. FUKUYAMA, according to which an increasing economic integration leads to the decrease of possibilities of great conflicts among the countries. [4].

On the contrary, it is highly probable that we are orientating towards notions, such as:

"1. The knowledge that the "old status of things" of the bipolar system does not exist any more and will continue to dilapidate.

2. The international policy is more and more determined by the confrontation of states and regions for the formation of a new course of things, and at the same time for the new structures of domination, which in turn are necessary to act as a breakwater against the "wild and destructive wave" of economical and political fights for domination and competition". [3].

Our world is expected to be competitive, violent, unstable and uncertain.

As we could realise on a level of conception / theorisation of this new reality, there are many points which need to be deeply reexamined and redefined.

-Firstly, on the international stage, the meaning of "pole-gliadiator", as determined by its national existence and character, remains -directly or indirectly- the dominant term of interpretation and articulation of strategies towards the future.

Substantially, this is an approach that no matter how "law-abiding" it may seem, it includes and makes a profound study not only of the broadening of the phenomena of social exclusion, but, in a wider sense, also of the "firing" of every kind of offensive nationalism and fanaticism.

-Secondly, the dominant frame of conception of the structural and restructural procedure of competitive advantages basically remains on a nationcentred level. And this, without studying in depth the synthetic forms of social procedures, finally leading the global crisis of Fordism to a crisis of the reproduction of the competitive advantages on a national basis.

-Finally, the analytical orientation, provided by the holistic approach on a local-peripheral level seems to acquire a crucial content.

Is there any way to make a less violent, less unequal, less unfair, less non-balanced, less underdeveloped world?

Beyond one's hopes, one has to wait for one's future in order to learn.

Approaching the end of this dissertation we could simply suggest, that an effort to consolidate to a **new conception of complementarity and cooperation** on an international basis would be advisable.

A. One effort, that, instead of the simple movements for the opening of the markets and "pseudo-universalisation", would put forward *the logic of structural integration and enrichment* on an international range, If the reproduction of competitive advantages becomes more and more problematic within the frame of the contemporary crisis of national Fordism, it seems that the moment to "cultivate" the structural terms, on an extended pluri-national level, which will compose the sources of "tomorrow's competitive

advantages", has come.

B. Another effort, which, facing the consumption of the "tools" of the several national regulations (and to the extent that a total universal regulation would be utopic), will counter - propose *the formation of "regulating bridges" of public planning*, which will unify, balance and make the several local and super-national developing dynamics compatible.

Before forming those regulating bridges of planning, we should primarily form bridges of unpertubated ascertainment analysis and essential realisation of the common problems. Towards this direction, the initiative of I.M.S.A.M. gives us a quite fertile experience.

C. A final effort, which will conceive the international competition and cooperation not under the *scope of pushing the "narrow traditional national benefits forward"*. Because it has been clear that, since, the conception of problems on a nationcentred basis, cannot radically treat the causes of the contemporary ecumenic crisis, it finally, functions towards the destruction of "the narrow national interests" themselves.

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