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## **Editorial: Competitiveness: overview of a new venture**

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### **Mark Esposito\***

Lab-Center for Competitiveness,  
Grenoble Ecole de Management and Harvard University Extension,  
12 Rue Semard, F-38000, Grenoble, France  
Email: [markesposito@g.harvard.edu](mailto:markesposito@g.harvard.edu)  
\*Corresponding author

### **Terence Tse**

ESCP Europe Business School,  
527 Finchley Road,  
London, NW3 7BG, UK  
Email: [ttse@escpeurope.eu](mailto:ttse@escpeurope.eu)

**Biographical notes:** Mark Esposito is a member of the teaching faculty at the Harvard University Extension School, a Senior Professor of Business and Economics at the Grenoble Graduate School of Business in France, and a Senior Associate at the University of Cambridge – CISL in the UK. He serves as an Institutes Council co-Leader at the Microeconomics of Competitiveness program (MOC) developed by the Institute of Strategy and Competitiveness, at Harvard Business School. He is the Founding Director of the Lab-Center for Competitiveness and Head of the Political Economy and Sustainable Competitiveness Initiative at Grenoble Graduate School of Business. He obtained his doctoral degree from the International School of Management in Paris/New York, in a joint program with St. John's University.

Terence Tse is an Associate Professor of Finance at ESCP Europe and the Head of Competitiveness Studies at i7 Institute for Innovation and Competitiveness. In addition to frequent appearance in academic publications, he has been regularly featured on practitioner journals and blogs. He has also made appearances on Chinese, French, and Greek television. Before joining academia, he worked in mergers and acquisitions at Schrodgers and at Lazard Brothers in Montreal and New York. He also worked as a consultant for Ernst & Young and served as an independent consultant to a number of companies. He obtained his doctoral degree from the Judge Business School at the University of Cambridge.

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The discussion on competitiveness came to the forefront of policy debates with the publication of *The Competitive Advantage of Nations* by Professor Michael E. Porter of Harvard Business School as we had stated during another special issue, always on competitiveness. This is of course far from being a novel concept. Competitiveness, before him, was widely discussed by illustrious economic thinkers and economic geographers who had at first thought about location (economic geography) as paramount for socio-economic development. While much has changed in the world of today, from the time in which the geographers were writing about it, the core principle of location as driver to growth, continues to be true across spectrum. Yes, supply chains have changed

from local to global, to go back to local, through interesting economic and trade mechanisms, but the main idea behind still holds. Location drives value chains and companies engagement with the territory. As we look at increasing urbanisation phenomena, especially from the emerging block, the principle of concentration of activities for the benefit of an advanced business proposition continues to thrive business decision and policy.

Governments have developed policies for competitiveness, right, left and centre and there is no government today, which does not engage in a reflection on how productivity needs to be enhanced. Either by primary mission or by proxy of imitation, in the case of the most 'infant' governments, which are now facing the challenges of competitive necessities, once the primary businesses are taken care of, or once the mirage of competition out of abundance of factors of production, vanishes, to the benefit of a new emerging country.

All of this is to reinforce the fact that, in the centre of any economic system, be it corporate/industry/entrepreneur/governmental, competitiveness is perceived as a critical agent of change, or agent of prosperity, in the most wishful of the cases. This competitive agency has the sole purpose to make/produce goods and services which people can buy to satisfy their various wants. And if this happens, by having sophisticated goods and products, which will support higher wages, then this is what the game is all about: increasing standards of living for the long term, by balancing domestic and foreign investment. Quite straightforward, but it is still such a challenge.

The inaugural issue looks at the broad theme of competitiveness and policies and practices of competitiveness, with a holistic view, ranging from company case studies, to empirical work, which aims at demonstrating hypothesis. As many of the editors and editorial board members stem from the school of thought of Professor Porter at Harvard Business School and as many of us are still active members of his affiliate faculty, we thought there is never enough emphasis on competitiveness, and adding a new journal to this discipline can only help the diffusion of those practices that could inspire academic researchers as well as practicing researchers, in this field.

The first study deals with examples of competitive propositions from Italy, which is, in the records, a country with high concentration of territorial clusters, at least from the perspective of what Italians used to call 'distretto industriale', which could be seen as a forefather of clusters, but still strongly anchored to an industrial sense, where production tends to be still an intensified factor. Alberti, Giusti and Pizzurno, who lead a competitiveness centre in the north of Italy, study with wealth of details, on the specific of Institutes for Collaboration (IFC), a specific morphology of territorial clusters. The issue moves in its second paper to India, where Patil, Narkhede and Akarte study the implementation of competitiveness practices in cases of manufacturing capacity, which tends to be typical of emerging economies. India in particular is experiencing increasing attention to manufacturing, following Mr. Modi's call for action, in the historical budget of 2015, which sees the country's strenuous effort to move from service based to manufacturing, also due to a premature deindustrialisation of the Indian manufacturing capacity. As we continue the issue, Cole brings us back to a key historical period, the one ranging from 2000 to 2008 and the performance of oil companies in the European context. Cole's research is particularly interesting, as it is anecdotal to the volatility of the oil industry, as captured by the timeline specified, and as oil companies still today, face daunting challenges of stability and competitive proposition, across regions. Finally, Kurtishi-Kastrati, Ramadan, Dana and Ratten approach the issue of competitiveness from

the double lens of analysis of the emergence of an economy like Macedonia and the challenges and dilemmas around FDI and its attraction. In this case, a disconnect between macroeconomic performance of the country and its inherent attractiveness for FDI, is at the centre of the authors' research.

All these contributions reflect a profound need for studying competitiveness, regardless of the maturity of the country and/or the industry. This special issue is the beginning of a journey of academic investigation, where the competitiveness is studied with a lens of modernity and actuality, within the context of a timid growth and the fear of recession, as shadow to every country's future. We hope you will enjoy it.