
Introduction: Future research directions for innovation and entrepreneurial networks

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1 Introduction

Innovation and entrepreneurship have gained a position at the forefront of the global competitiveness agenda due to their link with economic, social and sustainable performance (Kurtishi-Kastrati et al., 2016; Ratten, 2014). This special journal issue discusses the networks that are evident in innovation and entrepreneurship as a tool for improving global competitiveness. The aim of this paper is to provide an overview of the

issues discussed in the special journal issue by promoting creative solutions to global issues around competitiveness. A way to do this is through entrepreneurship policy at both the regional and local level, which is influenced by social change. In addition, the competitiveness of regional economies in different parts of the world is affected by the enterprise policy making decisions. This means that industry, business and government are increasingly looking at sustainable innovative and entrepreneurship networks, which can help them improve their global competitiveness. This paper finds that there are networks of innovative and entrepreneurial capabilities for improving global competitiveness and for addressing pressing social issues. Suggestions for managers, policy makers and future research endeavours are also stated.

In the globalised economy, regions are being promoted for their economic development policies that enable firms to succeed (Dana and Ramadani, 2015; Malecki, 2007). Global competitiveness revolves around economic, institutional and social change that affects productivity (Dana, 2001). Kitson et al. (2004) highlight how the term 'competitiveness' is contentious, complex and lacks consensus in understanding what it means in the international environment. This is due to the global competitiveness of a region being influenced by a number of factors including institutions, infrastructure, macroeconomic environment, education levels, labour market, financial market, technological level, market scale and innovation sophistication (Ratten, 2007, 2013; Farinha et al., 2014). Global competitiveness is broadly defined in this paper as the policies and factors that influence the productivity level of an economy and its ability to affect investment levels for wealth and economic value creation.

Global competitiveness focuses on the conditions that enable individuals, firms and industry to compete in the international market (Huggins, 2003; Ferreira et al., 2013). The different conditions operating in each country and region in the world make value creation a priority for ensuring competitiveness (Cooke, 1997). Competitiveness involves the capability of an economy to adapt and change based on societal trends (Dana and Mallet, 2014). This means that some firms will be better able to adapt their production and service capabilities depending on market demand (Storper, 1997). For some firms, competitiveness is influenced by higher levels of innovation that enable growth and development.

Global competitiveness varies depending on the geographic location, type of industry and economic policy (Audretsch and Keilbach, 2004; Ferreira et al., 2015). Global competitiveness policies can be categorised as economic or social depending on their entrepreneurship and innovation outcomes (Huggins and Williams, 2011). Economic policies centre on providing finance, tax incentives and help to business in order to increase investment and innovation. This can involve governments taking appropriate regulatory steps to ensure new businesses are started and to encourage existing industry to increase value-added outputs. Social policies focus more on harnessing societal values that drives better standard of living rates and sustainability initiatives. Some governments may strengthen their funding to disadvantaged or minority groups as a way to help provide equality in society.

Competitiveness emphasises good practice and best outcomes available depending on the circumstances existing for business. The level of competitiveness is enhanced when entrepreneurs are alert to opportunities, which may depend on their interpretation of future business outcomes (Huggins, 1997). Opportunities are perceived differently by regions depending on cultural factors linked to societal attitudes towards education, risk and innovation (Parker, 2004). Culture is important for facilitating entrepreneurship as it

enables a region to attract investment, which can be used to facilitate economic activity. Part of global competitiveness involves turning knowledge into economic growth by creating and disseminating information (Huggins and Williams, 2011). Institutions that influence government policy about entrepreneurship can help encourage diversity and experimentation (Gibb, 1993). For this reason, competitiveness has been referred to as competitive advantage due to its focus on productivity, employment and living standards (Kitson et al., 2004).

This special issue includes eight papers, conceptual and empirical in nature, specific to the contribution of innovation and entrepreneurship networks as drivers of global competitiveness in a multivariate perspective. Together, the papers in the issue reflect varied approaches. They examine and investigate the theme at different units of analysis, use different theoretical backgrounds, and different methodologies. The use of diverse theoretical backgrounds is also obvious across articles. Individually, each paper offers rich insights regarding the phenomena they scrutinise.

2 Global competitiveness

Competitiveness is underpinned by different forms of capital, which include cultural, creative, human, infrastructure, institutional and production (Kautonen, 2012). This capital enables competition to lead regions to focus on areas of expertise in which they have an advantage (Turok, 2004). This expertise can be in a range of areas from technology, education, tourism to manufacturing and finance. The benefit of competition to a region means that they can focus their efforts around a certain area, which may bring international recognition. Previous research by Howells (2005) states that sectoral and industry concentration may equate to geographic and economic growth but depends on the success of regional development policies. The competition resulting from sectoral concentration stems from both the intended and unintended outcomes of economic activity (Kautonen, 2012).

Competitiveness is derived from the propensity of a region to promote entrepreneurs to be achievement orientated (Lee and Peterson, 2000). This may occur when current exiting business practices are improved by innovative thinking, which increase the market position of a firm relative to its competitors. The entrepreneurial mindset is an important component to competitiveness because it helps business to challenge competitors to have a more aggressive stance in the international marketplace. Global competitiveness is important for sourcing potential opportunities for entrepreneurs from the external environment (Morris, 1998). The global environment helps shape business direction for entrepreneurs about societal trends and changes. For example, the economic, political, legal and social factors affect environmental shifts in competition (Covin and Slevin, 1991). Lee and Peterson (2000) describe the global competitive environment as being responsible for the entrepreneurial spirit in a country. This means that certain cultures may be able to compete better in the global environment due to their fiscal and regulatory structure.

2.1 Entrepreneurship and competitiveness

Entrepreneurship is a key driver of competitiveness because of its link to innovation and investment (Greene et al., 2007). The global environment is more receptive to

entrepreneurs when there is access to capital and market incentives for economic development (Foster, 1986). The conditions promoting entrepreneurship are drivers of societal changes in network collaboration between international partners. The diminished national barriers to competition have helped global capital flow to increase. The common understanding of competitiveness in the literature revolves around production levels in a country, which are influenced by policies and institutions (Gugler and Shi, 2009). Entrepreneurship differs to competitiveness as it may mean change and innovation but not necessarily best practice.

Geographic areas that are able to be more innovative and entrepreneurial can increase their economic success in the international marketplace. Entrepreneurship levels within a region are affected by the human capital that they are able to attract (Benneworth, 2004; Fernandes et al., 2015). Being open and creative is a key element of innovation and entrepreneurship, which are sources for global competitiveness (Anderson, 2005). Countries that have a supportive infrastructure enabling entrepreneurs to develop their businesses help sustain a regions global competitiveness. This can be conducted by taking advantage of perceived opportunities by creating an entrepreneurial culture that encourages adaptive and dynamic behaviour.

Entrepreneurship is crucial for global competitiveness because it can unlock wealth through economic development (Huggins and Williams, 2011). Entrepreneurship is an important component of global competitiveness as it has short, medium and long-term consequences (Huggins and Williams, 2011). These consequences include employment and wealth creation, which enables business to grow and survive during economic hardship (Audretsch and Keilbach, 2004). Future economic development and growth depend on the entrepreneurial spirit and innovativeness within a region due to its influence on global competitiveness (Fritsch and Mueller, 2004). Entrepreneurship sometimes is concentrated in a specific geographic region due to the cultural and societal attitudes towards innovation, risk taking and competitiveness (Minnitti, 2005). This concentration of entrepreneurship is influenced by the social environment existing in a region, which drives competitiveness (Huggins and Williams, 2011). A region that has a more entrepreneurial culture will usually have more success with new venture creation (Werker and Athreye, 2004). The entrepreneurial capability of a region creates an ecosystem in which innovation is utilised for global competitiveness (Verheul et al., 2001). In regions where entrepreneurship is valued there will be more emphasis on sustaining economic outcomes that leads to global business opportunities (Saxenian, 1996). Part of this approach includes having an entrepreneurial culture that cultivates opportunities (Parker, 2004).

Global competitiveness is influenced by entrepreneurial capital, which is the capacity of a society to develop entrepreneurial activity (Audretsch and Keilbach, 2004). The ability of a region to utilise its entrepreneurial capital depends on the institutional and innovative structure of the area (Baumol, 1990). Regions that continue with low levels of innovation are likely to be less competitive as they have lower levels of value added production. Innovation is a key competitive asset that can provide a conducive environment to create economic and social value (Kautonen, 2012). More regions are focusing on the necessity of an environment to support innovation, which includes science, technological and social components. Innovation is part of the characteristics of being globally competitive as it enables business to create and commercialise new products, services and technologies. In many countries, the use of current practices is

insufficient to gain a competitive advantage and innovation is required. This has meant more businesses are utilising innovation as a way to evolve faster than their competitors.

3 The future of global competitiveness, innovation and entrepreneurship policy

As discussed in the papers for this special journal issue, global competitiveness relies on innovation and entrepreneurship policy to succeed. Our view is that policies promoting innovation and entrepreneurship in business by educating entrepreneurs about global markets will have significant impacts on competitiveness of a region. This is due to culture being an important element of global competitiveness and this can be influenced by education programs aimed at developing entrepreneurship. Boettke (2001) referred to culture as being fundamental to economic development success but being hard to evaluate. This is due to the different conceptualisations of what culture is and how it affects economic policy.

A long term commitment to promoting a regional entrepreneurial culture is important in recognising the benefits of entrepreneurship. To maximise entrepreneurial opportunities there should be improved policies aimed at generating a more enabling culture. The promotion of entrepreneurial behaviour may embed a cultural element, which integrates a reward system. The continued emphasis on global competitiveness by regions means innovation and entrepreneurship will continue being important. Sustaining global competitiveness means that governments may need to change how it intervenes in terms of building an entrepreneurial culture. To ensure success governments should pay attention to how their policies can promote or hinder entrepreneurship within certain regions. Further consideration should be given to the needs of communities, business and industry in growing an entrepreneurial culture. This may require a long-term engagement in terms of facilitating government, business, industry dialogue to ensure societal needs are linked to global competitiveness.

The Global Competitiveness Report links social, environmental and economic factors to production levels (Gugler and Shi, 2009). Corporate social responsibility is part of global competitiveness as it is linked to firm's strategies (Davies, 2003). The social cohesion aspect of global competitiveness is important in facilitating a sustainable economy. Social cohesion is made up of a number of different elements including solidarity, networks, belonging, order and values (Kautonen, 2012). Solidarity is important in reducing wealth inequalities that influence standard of living levels in a country (Kearns and Forrest, 2000). Networks include developing social capital that makes for a more harmonious society. Social capital is important in strengthening global competitiveness as it focuses on interpersonal and interorganisational learning (Kautonen, 2012). Belonging is crucial in enabling communities to develop that link identity to geographic and cultural identity. Order comprises social control, which makes commitment easier to develop because certain rules and regulations are in place. Values are part of the civic culture and help place importance on equity and fairness.

The factors of social cohesion are linked to competitiveness as they help innovation and entrepreneurial behaviour to develop in society (Kautonen, 2012). Social cohesion helps in distributing better competitive assets in society thereby decreasing inequalities that may hamper competition. Despite the benefits of social cohesion, differences in competitiveness may result when resources are focused on specific regional locations.

This occurs when regions due to their human capital and social structure attract more commerce and investment due to the entrepreneurial ecosystem in place.

The increased mobility of human capital has meant that business is focusing at the international level for employment decisions in many cases. This has been in conjunction with the opening of country boundaries to be more able to compete at the global level. More economies have removed trade barriers to their markets resulting in increased export rates (Turok, 2004). In addition, there have been a number of other factors affecting globalisation and innovation rates, which include intellectual property protection resulting from innovation related activities (Porter and Stern, 2001).

There are managerial implications from the articles in this special journal issue that are particularly relevant for global business. Entrepreneurs should take into account the factors needed to increase their global competitiveness and innovativeness. As some countries are still in their early stages of development the competitiveness in certain industries it may be useful for managers of businesses in these regions to look at highly competitive regions to learn about their strategy. Moreover, potential entrepreneurs focusing on the global market from inception will need to acquire knowledge and information about the different factors of global competitiveness. Managers should encourage policies that try out innovative ways of doing things such as new marketing and product designs.

4 Conclusions

This special journal issue has made a contribution to the literature about global competitiveness, innovation and entrepreneurship but there are also a number of areas that require further examination and additional research. First, the conceptualisation and measuring of global competitiveness lacks consensus in the entrepreneurship context. This means it is advisable to study in more detail how competitiveness differs in meaning depending on cultural expectations. It may be useful to look in more detail at emerging, transitional and developed countries to compare how they utilise innovation and entrepreneurship for global competitiveness. It would be interesting to see how different industries and stages of economic development incorporate societal changes like corporate social responsibility into their competitive strategies.

Second, the context of entrepreneurship within a country may influence the competitiveness outcomes. It would be helpful to know the entrepreneurial ecosystem and context of a country to see the change in global competitiveness rankings. This could include comparing different entrepreneurial policies to see the effects on globalisation. Further research might be conducted into entrepreneurial attitudes and global competitiveness. Finally, other drivers in the global competitiveness process need to be explored in more depth. It would be advisable to consider whether entrepreneurship and innovation are by products or inputs into competitive strategies of business.

We expect this special issue to be more of a promising new foundation rather than the final word in a significantly rich area of research. In particular, there exists extensive potential for academic work that examines the underlying causal mechanisms, the processes through which innovation, entrepreneurship and networks manifest themselves, and the implications in terms of regional and global competitiveness contexts.

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