

COMPETITIVENESS AND POWER in the Czech Republic

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Czech Republic: Competitiveness and Power

THE ARGUMENT

- W.E.F. Competitiveness Report > analysis and set of policy recommendations for national competitiveness [NC], where NC is 'the set of institutions, policies, and factors that determine the level of productivity of a country' (emphasis added, WEF)
- But, what then?

Czech Republic: Competitiveness and Power

- Both theory and experience indicate that simply enacting national legislation in response to the WEF analysis is insufficient
- Increased (national) competitiveness --> complex structures of power within which and through which governments of states operate in the global economy.

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- BUT:
not simply a matter of economics
- AS:
increasing competitiveness requires the effective use of POWER >
'the ability to influence that behaviour of others to get the outcomes required' (NYE)
- AND:
'POWER' – always CONTEXTUAL!

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Hence, key questions for any state:

1. What structures of power are relevant here?
2. What power do WE (who is 'we'?) have WITHIN these structures and/or OVER these structures, and
3. Given 1 & 2, how can we best (i.e. most efficiently) use the power we have to achieve our goals of increased competitiveness?

The 'WHY':

This argument involves 3 key theoretical and conceptual shifts:

- A. Understand the 'global economy' (or 'national economy') as a product of BOTH economics and politics, i.e. a national political economy, a global political economy: rules and institutions also have political purpose

The 'WHY':

B. Understand how far traditional 'arms length trade' (DICKEN) has been overtaken by 'global production', driven by the TNCs, specifically by

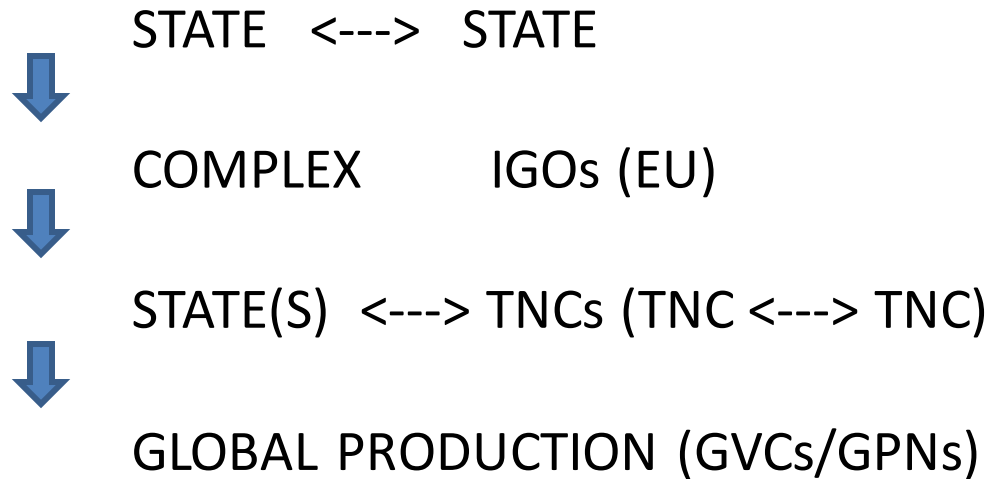
GLOBAL VALUE CHAINS (GVCs) or GLOBAL PRODUCTION NETWORKS (GPNs) which cut across – vertically and horizontally – territorial political economies.

The 'WHY':

C. Understanding the theoretical and empirical shifts in the LOCUS and NATURE of POWER in the changing global political economy.

The 'WHY':

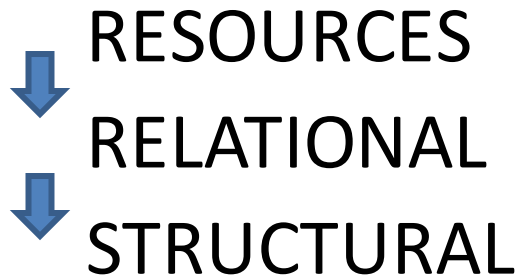
LOCUS of POWER:



All of these sites/structures/manifestations of power co-exist today.

The 'WHY':

NATURE of POWER:



STRANGE – Security, Knowledge, Finance,
Production

↓ 'SOFT'

“rests on the ability to shape the preferences of
others”

The 'WHY':

STRUCTURAL 'SOFT' POWER (NYE):

'the ability to get the outcomes you want without having to force people to change their behaviour through threats or payments',
i.e. STRANGE'S 'STRUCTURAL POWER' >
making the rules is one element.

The 'HOW':

A + B + C :

Produce a different economic and political reality which directly impacts upon a territorial state's ability to achieve change in national competitiveness

The 'HOW':

- 1] Constructs non-traditional model of how a territorial political economy fits into the current G.P.E. > one not theorised adequately by current disciplines, requiring power analysis

The 'HOW':

2] Changes terms of discussion to 'added value', rather than simple $M + X$, where 'added value' is often partly the result of disaggregated power as well as technical and other capabilities located in the national territory.

The 'HOW':

- 3] Suggests that improvements in NATIONAL competitiveness in this reality are both LIMITED by power, but made possible by the intelligent and focused exercise of power (based on 1] above!)

The 'HOW':

- W.E.F. > GCI > transnationalisation of business and production.
- Power analysis of global production is particularly appropriate in case of Czech Republic: “Czech industrial production is largely focused on assembling imported intermediate goods” --> Czech territorial economy is embedded in a number of key GVCs/GPNs [or vice versa].

Competitiveness Power on the Czech Republic

Conceptions:

- National Policy and action on traditional lines : necessary but not sufficient
- Identify and analysis existing power and governance structure of Czech Republic, presence in the total range of GVCs/GPNs
- Targeted use of all levels/elements of power (public/private; collective/individual) at all levels of connection of Czech economy to global political economy