

BUILDING EFFECTIVE COMPETITIVENESS IN THE ARAB WORLD

Abstract:

Competitiveness could basically be defined as nations and organizations' capability of challenging the environment through continuously improving their performance. For this purpose, building up competitive advantages is greatly strategic than possessing naturally comparative ones.

In the case of business enterprises, competitiveness is mainly expressed by value-added manufactured products and high quality of provided services. To be able to differentiate between highly performing and less performing enterprises, Porter (2005) has introduced a business competitiveness index (BCI) focusing on micro-levels factors that lead to improved productivity. According to him, it is this later that makes sense to competitiveness (Porter, 1998).

Broadly, it could be possible to distinguish three interdependent levels of competitiveness. The first is micro-economic, the second is national and the third is international or global. This paper is focusing on the first level. The aim is to argue that it is at this particular level that competitiveness is concretely and strategically implemented. To say that, if at points of production, productivity is low or negative, there is little chance for true and long term competitiveness.

At this level, claiming real and durable competitiveness is subject to the good management of knowledge, innovation and entrepreneurship. Whether in the public or private sector, what matters is the contribution first to productivity-based growth.

This viewpoint paper targets the following objectives. One, clarify the notion or concept of competitiveness. Two, pinpoint the specific role of the micro-economic level in the process. Three, consider the case of Arab countries, in general, in order to figure out the main bottlenecks that prevent improvement of their international competitiveness.

Key words:

Competitiveness, competitive advantages, distinctive competencies, productivity, performance, innovation, entrepreneurship, knowledge monitoring, micro-economic level, Arab countries.