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Occupational Health

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Comment on Richard
Whitley's Paper

Translearn final workshop
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About the starting points of the Translearn project

- The era of global economic growth (1980's>)
 - China's rise into a new workshop of the world
 - India's emergence as a global hub of IT-enabled services
 - driven by the increasing consumption of US households
- How have the advanced industrial countries fared?
 - strong growth in the US; at the cost of deep imbalances & negative social consequences
 - Europe and Japan lagging behind due to more conservative policies
- The Nordic success story
 - small open economies as winners in global competition
 - strong growth despite extensive public sector & high levels of taxation
 - investments to knowledge, skillful utilisation of synergies between flexibility & security
- Translearn's idea
 - to learn from the Nordic experiences through detailed case studies

A New Situation

- Deep recession covering the whole world economy
- Systemic crisis of the prevailing pattern of growth
 - utterly unsustainable both socially and from the resource & environmental point of view
- Ours is the year zero of modern world economy
 - the old economy is dying, new growth not yet in horizon
 - the entire economic logic must be changed in order to reach towards a more balanced & sustainable growth
- The Nordic countries
 - have been hit hard by the crisis
 - old recipes of success won't necessarily work in the future
- Implications for the Translearn project
 - are the project's initial assumptions about the global environment still valid?
 - is there a need to reinvent the Nordic model?

Now to Richard Whitley's paper

- Key question: how major societal changes influence the dominant economic logics & competition models
 - isn't this something I just tried to do?
 - RW focuses his analysis on another historical period: the post-Bretton Woods world
- A small remark concerning the title
 - three major influencing factors: "internationalisation, technological change and *academic expansion*"
 - are we perhaps exaggerating our significance?
- An ideal typical analysis in five discrete steps
- 1: Definition & classification of seven competition models

Fordism

Opportunism

Craft production

Flexible customised production

Diversified quality production

Flexible mass production of differentiated goods & services

Discontinuous innovation

Summarising the paper

- 2: Analysis of conditions supporting the emergence of different competition models
 - product markets, numerical & functional flexibility, supply of unskilled workers, constraints on short-term opportunism, availability of knowledgeable risk capital, supply of technical specialists, availability of new technical knowledge & modularisation
- 3: Main changes in business environment
 - product market internationalisation, capital market internationalisation, int. organisational integration, collapse of state socialism, digital revolution, increasing consumer incomes & academic expansion
- 4-5: Impact of changes upon competition models
 - from impacts on key components to the actual models & changes in the dominant economic logic
 - conclusion: all models survive but not equally well

Some Comments & Criticisms

- The greyness of theory vs. the richness of real life
 - the scheme functions beautifully: can it turn into an iron cage which tempts us to abstract too much?
 - some firms & businesses tend to prosper against all odds
- The seven competition models
 - should discontinuous innovation really be treated as a separate competition model?
- Has the strength of 'societal effect' weakened?
- The significance of 'academic expansion'
 - should we rather talk about the AIC's increasing specialisation on complex products & services and strive towards knowledge-based growth
- Is the strategy universally valid?
 - all the AIC's trying to reach the same goal
 - discussions about techno-nationalism (Bhidé) & the end of national innovation systems (Sabel & Saxenian)

Back to the Beginning

- Something fundamental must have happened when
 - The Financial Times asks whether capitalism has a future
 - its columnist proposes to shoot the bankers
- The historical limits of RW's analysis
 - could one repeat his exercise by focusing upon today's key changes in business environments?
 - e.g. collapse of the financial system, the resource & environmental crisis, global resource mobilisation, rise of the next four billion consumers, the next industrial revolution
 - filling the boxes, looking at the fates of various competition models & the dominant economic logic
- Finally (this goes beyond the scope of RW's paper)
 - reinventing the Nordic success story
 - could it perhaps be based upon the growth of new BoP-oriented & sustainable business activities?

Thank you!