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Competition, Competitiveness and 'Created' Competitive Advantages: Re-Positioning the Singapore 'Advantage' in China, India, Vietnam and Indonesia

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Proposal:
**Competition, Competitiveness and 'Created' Competitive Advantages:
Re-positioning the Singapore 'Advantage' in China, India, Vietnam and Indonesia**

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BACKGROUND

With intense globalization in today's dynamic economy, Dunning, Lipsey, Porter and Stopford amongst others, have asserted that competitiveness has become more of a tussle between countries' man-made assets than between natural endowments. The role of state has thus evolved. In a similar vein, the economic boundaries of a nation are now less defined with these man-made assets, unlike natural ones, being able to be created outside of a country's physical boundaries. Economic policies have increasingly been directed from fostering efficiency and competitiveness within the domestic economy, to do the same beyond their geographical borders.

It comes as no surprise that several regimes have gone to the extent of orchestrating their full range of available natural resources, which even include political commitment, state enterprise networks and trusted business contacts, in their bid to 'manufacture' wealth creating investments in regional economies. The Singapore regionalization stratagem is quintessential of such policies. This project in the last decade has seeded a swathe of state funded infrastructural projects and business space solutions including industrial parks, business parks, IT and high-tech parks, residential-commercial facilities, consultancy and real estate services in developing nations in Asia.

Our previous research projects have focused on Singapore's regionalization experience in the framework of developing Singapore-styled industrial parks in Indonesia, China, Vietnam and India. These were premised on the state's clean and efficient government with a knack for sound industrial development policies. We have examined various strategic issues concerning the Singapore Economic Development Board's (SEDB) regionalization programs – R2000 and R21, including the positioning of Singapore as a value-adding bridge for private sector-led regionalization, and the strategic promulgation of initiatives (and incentives) to support these projects. On site interviews, questionnaire surveys and case studies of investors in the case study parks were featured. Various aspects of public policy to support the initiative were also analyzed.

Evidence garnered from our research has supported the validity of our null hypotheses on the sustainability of these 'business model' underpinning the flagship projects in Indonesia, India, Vietnam and China. This was in turn an assessment of the Singapore state enterprise network in the promotion and facilitation of cross border operations. Both qualitative and quantitative methods were used in examining the dynamic political, legal, economic and socio-cultural circumstances facing each industrial park.

PROPOSED PROJECT

The Singapore regionalization stratagem has been in place for more than a decade, with each of its 'engineered' enclaves achieving success to various extents. This was primarily due to the economic, political, legal and social-cultural factors surrounding the strategic positioning for each of these state-supported, high-infrastructure parks. The industrial parks hence look further than their initial focus on mitigating risks involved for private enterprises venturing into unfamiliar investment locations. The parks' nevertheless, have achieved similar success in their ability to attract investment. This however has translated into a slew of similarly patterned parks by local or foreign developers on the fringes of the Singapore-developed enclave. These competitors have undoubtedly added to the array of challenges, in particular the ability to draw potential investors with lower overheads and amenities with almost the same quality as the Singapore parks.

We hence intend to conduct a comprehensive competitor analysis of industrial park scene in Indonesia, Vietnam, India and China. Our research will provide a holistic analysis of both interactions between operating environment and park tenants as well as amongst tenants in the same industrial parks.

The project will primarily focus on the following:

- The dynamics between the Singapore-styled parks and competitor parks
- The effects of such dynamics on Singapore's regionalization stratagem
- The effectiveness of Singapore's strategic implementation of R21, and the exportability of the R21 'business model'
- The sustainability of Singapore's purported competitive advantage, and possible new directions in staying ahead.

METHODOLOGY

We currently have preliminary data from tenants in the Singapore parks and those located in their respective competitors. These competitors include the Panbil, Citra Buana and Latrade Industrial Parks in Batam, Indonesia; the Tan Thuan, Bien Hoa and Linh Truong Export Processing Zones in Vietnam; and Electronics City in Bangalore, India. Plans to work on Singapore's IT-park projects in Hyderabad (Cyber Pearl), Chennai, Mumbai and Delhi are also in the pipeline.

A multi-pronged approach will be used in our analysis:

- Literature and information search;
- Questionnaire surveys and on-site Interviews with senior executives in the flagship projects, and competitor parks; and
- In-depth case studies of, and site visits to, the flagship projects and selected competitor parks

Against this backdrop of heightened competition, we seek to inquire the plausibility for governments or consortia of governments to create new sources of competitive advantages for firms operating within their jurisdiction, and how. These include investments in privileged investment enclaves and Special Economic Zones (SEZs).

Quantitative analyzes for the modus operandi of Singapore-styled parks in creating and sustaining their competitive edge as enclaves for enterprise, will be featured. This would be backed by in-depth case studies of the strategies employed by their tenant-firms in harnessing 'created' competitive advantages to support their business operations.

Our analysis will also feature a new dimension of strategic adjustments, of how existing tenants in the Singapore-styled parks are reacting to this heightened competition and its subsequent implications on the feasibility of the park's management and more importantly the sustainability for the regionalization of the Singapore state-enterprise network.