

Competitive Array of Cities Based on the Local Development Strategy

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Abstract: *Competitive advantage and competitiveness are the very goals that any company is subject to having to seek and overcome along the way of their productive or operational activities. With this study, we try to understand the elements of the competitive matrix of cities based on the local development strategy, taking into account an analysis of São Paulo and Rio de Janeiro in 2014. Thus, it became a case study based on a qualitative research in order to find solutions on the raised problem situation. Competitiveness is a key factor in defining the strategies of companies and the way she wants to beat the competition. Widely competitive markets recorded strong economic, social, political and environmental development. However, the matrix is not a static tool, but dynamic depending on the actions of their agents.*

Keywords: *Competitiveness, Matrix, Local Development, Strategy, Industrial Park, Technology Park.*

1. INTRODUCTION

Bet on the competitiveness of a company is a purely strategic task and involves many actors and factors. These factors history undertook to study and find solutions. One of these exits occurred in the Region of the Third Italy, in several European countries and the US, briefly, bet on the local development of cities. Developed city, guaranteed competitiveness.

Focusing on understanding the elements of a competitive matrix of a developed city, there was this study. In order to analyze the elements of a competitive array of cities based on the local development strategy.

However, the research took into account, a case study, the states of São Paulo and Rio de Janeiro in 2014 for being the most developed in Brazil. These states have high economic power and strong industrialization, but also is present LD policies (Local Development).

That bet on LD, helps companies to be more competitive and prepared to face strong and well-equipped adversaries.

The array elements resulted from the application of the methodology and case analysis of the reality of these cities over the past economic years.

In short, the study reveals that the LD has a strong influence on the competitiveness of cities and in defining the strategies of companies as well as the composition of the competitiveness of array elements. This matrix is therefore dynamic and changes over the market reality and impact of economic actions of their most influential players: government, business and local society.

2. PROBLEMATIC

The development of cities is a determining factor in the definition of competitive business strategies and positioning of products / services. This study seeks to understand the strategic influence of local development in the competitive matrix of cities, taking into account an analytical study of the cities of Rio de Janeiro and São Paulo who have some local development model.

3. OBJECTIVE

Analyze the elements of a competitive array of cities based on the local development strategy.

4. RATIONALE AND RELEVANCE OF THE STUDY

The subject is quite relevant since enterprises (national or global) define their market strategies according to the market reality, that is, the city that will provide service or offer the assortment.

Thus, this study assumes that the LD has a decisive role in the constituent elements of the competitive matrix of cities and defining strategies of action in the market by companies.

The existence of one or more development model in a city is an investment attraction factor and improve the socioeconomic conditions of the same.

Therefore, it is possible to contemplate that São Paulo and Rio de Janeiro have several models of local development and concentrate most of the investments within the country.

So, no matter who gave rise to the LD, what really matters is how much this LD will provide improvements to the cities and to the State. All the living forces (companies, governments, citizens and other stakeholders) should work so that the LD is a reality and with it, economic, social and business development is a constant and not be seen.

However, one cannot think of competitiveness without structure and infrastructure able to meet the needs of the market and support the actions of the companies, and therefore, there needs to be LD and thus fostering competitiveness and market participants.

So we got up this study to better understand the impact of the LD so that the cities are more competitive.

5. RESEARCH REVIEW

The LD is a very rich concept and that should reflect on the day of the city, as described BUARQUE (2008, p. 25) "Local development can be conceptualized as an endogenous process of change, which leads to economic dynamism and improve the population's quality of life in small territorial units and human settlements ". This process produces benefits for the city (structure and infrastructure) and the population (as assortment of products, improved quality of life, variety in goods and services, etc.).

However, it is necessary studies to start a LD process in a city so that everyone is imbued in the cause. "It is analyzed that local development assumes that society actors (governments, citizens, businesses and civil society organizations) of particular sites are integrated and form a consensus on the economic characteristics of the region and the opportunities for that they operate according to their peculiarities. These features involve the collective intelligence directed to the "sustainability of development processes" (DOWBOR, 2008, p. 91) ".

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Previously, Mintzberg and Quinn (1991), defined strategy as "a model or plan that includes goals, policies and sequential actions of an organization into a cohesive whole." Emphasizing that to achieve success there needs to be cohesion in the implementation of defined plans. As define and defend WRIGHT, KROLL and PARNELL (2000) "senior management plans to achieve results consistent with the mission and the general objectives of the organization." Competitiveness is favors the strategy and the town LD. Therefore, it is all about betting and involvement.

6. METHODOLOGICAL PROCEDURES

This study is based on qualitative approach that according Eisenhardt (1989), has flexibility, because it is not linear, which implies changes in different stages of research and analysis. It is supported by literature review.

The study seeks to make description and presentation on local development models to better understand its importance in the competitiveness of cities with largely accurate model development. The method adopted is the exploratory and descriptive (Malhotra, 2001), are indicated when the investigation aims to describe the characteristics of a phenomenon, present estimates of behaviors of a specific population or check the relationship between variables in this particular case, the elements that make the competitive matrix of cities with local development model. Therefore, and as Collins and Hussey (2005), the use of exploratory research is also justified because there are few previous studies for the research problem in question, aiming to look for patterns, ideas or hypotheses, through studies case, observation, historical analysis and in-depth interviews.

Competitive Array of Cities Based on the Local Development Strategy

For data analysis, it adopted the analysis of content, supported by the literature survey. For Vergara (2006), the method comprises three basic steps: (a) pre-analysis; (b) exploration of the material; (c) data processing and interpretation. The pre-analysis refers to the material selection and the definition of procedures to follow. There is the selection and analysis of LD models and elements of competitive array of cities, depending on the results achieved by the cities with such models. The exploitation of the material relates to the implementation of these procedures. With it, we can build this model in this study, showing that when a city or applies a combined LD models, just betting on the competitive increase of its economic agents (companies) and increasing sets for consumers. The processing and interpretation, in turn, refers to the generation of inferences and results of the investigation. With this methodological approach, the study proposes to meet the overall objective of analyzing the elements of a competitive array of cities based on the local development strategy.

7. PRESENTATION, ANALYSIS AND DISCUSSION OF THE RESULTS: COMPETITIVE ARRAY OF CITIES

Currently, there is the existence of several models that are applied to the development of cities and, briefly, the following table presents the grouped models and their application in two of the most industrialized states of Brazil: Rio de Janeiro and São Paulo.

Table1. Summary of the models of development

Group	G1 – Cluster; APL; territorial development; industrial district.	G2 – Technology Park	G3 – Consortium of local / regional development	G4 – Solidarity Economy
Description	Industrial model of production, marketing and provision of services such as cluster and APL.	Model focused on the creation and dissemination of technology and innovation in processes, procedures, techniques, products and concepts to meet current or future requirements.	Model of government initiative mostly to address similar needs to other locations.	Model that opposes the current economic order, generation and income distribution. Replaces the capital by man as heart of the matter.
Enterprises	Allows the reduction of primary and logistics costs, direct connection to suppliers, availability of innovation on the network, continuous improvement in the processes, etc.	With the help of universities they get innovate their methods and processes, promoting new practices.	They come with the goods and services required to meet the causes of the consortium.	Contrasts the model and investment in social inclusion to convince workers to continue producing.
Society	Availability of quality products and varied, affordable, quality of access roads, increase in vacancies and employment, improving the quality of life, etc.	New products, opportunities and options to meet your needs / desires.	Contemplating the improvement of social problems in health, education, security, employment and income.	Seeks to balance human-capital-environment.
Public Power	Infrastructure improvement, increased welfare (and HDI), meeting the interests and needs of the population.	Technological development of the country, investment in innovation and creation of new governance practices.	Improving social welfare, economic, political and environmental.	Provide balance and improving the social situation of people.
Note	It requires integration: government, society and enterprises.	Integration of the select group to create the synergy technology/innovation.	Strong participation of the government.	Relational goods instead of the exchange ratio purely.

Source: own elaboration.

However, many of these models have been applied in other cities, before the São Paulo and Rio de Janeiro, as in Europe and the USA. The LD is an endogenous process involving all stakeholders to

achieve full and sustainable economic, social and structural conditions beneficial to the quality of life in the city / municipality.

Therefore, there have been detailed analyzes on the LD in RJ and SP as a way to gather information that is great for the decision-making process in companies, societies, universities and governments.

To better understand this phenomenon, we grouped the models identified in groups that have similar characteristics and seeking to reach a lot of times the same audience. In G1, for example, are industrial models, such as the districts/industrial parks, productive agglomerations, the local clusters, clusters, among other models. These models are largely initiative of the companies themselves or with government encouragement.

Already in G2's the highlight of technology parks. It is inconceivable to have LD and not being a producer of technology. This model greatly benefits the creation of area development and innovation of companies is very often sponsored by universities in the country, encouraging or even full government investment. In technology parks, companies are invited to be part of the model through leasing or long-term contract. The critical part of this model is that the role of civil society participation is not very clear. It is undeniable that the model benefits society, however, community participation (whether organized or not) is not clear. It is restricted exclusively to companies, managers of the park and the government. In some of the parks or the participation of the academic community is real, being restricted only to the "few" strictly selected. The main reason of this situation are the amounts invested in the ambitious project. Participating companies seek excellence in these parks which forces managers to carefully selecting the people who will have access to them. However, fringe benefits and to direct (in some cases) arrive for everyone. Within the universities themselves (which have technology park) there are areas of knowledge that are not contemplated in the park and professionals in these areas have no part in it. This is because the parks have their own vocations and universities have multiplicity of areas of knowledge. The parks are millionaires and billionaires business therefore requires great accuracy.

G3 There consortia which are mostly government initiatives, so cities mayors decide to join other cities (usually neighbors) to strengthen their towns and remedy its structural, economic, environmental problems and meet the needs of their populations. However, participation is not entirely restricted to mayors. Business and society participate directly. Agreements that mayors do with each other need to be brought to the attention of producers of goods and services (companies) and knowledge of consumers (society). Without the participation of these it is difficult to achieve LD and have the real competitive city.

G4 stand out to social initiatives. People in society embrace ideals in order to contribute to the economic, social and environmental development of the city. Depending on the social pressures, the government has just coming in and regulating such initiatives to make them legitimate. Not that it's necessary, but it gives a different meaning in ideology acceptance process. Several state governments have passed laws regarding the solidarity economy in recent years. The advantage of the models of this group is committed patent to sustainability, social responsibility and appreciation of the man as the center of the economy instead of capital.

However, the study did not prized in the conceptual differences models, as depending on the author's name may be different, but the features they present.

These models are beneficial for everyone from all embrace the cause and see themselves in it. The lack of commitment to any of the models is enough to reach the failure.

The LD is a search that is not just on an achievement, but in successive coping mechanisms of obstacles that lead to the achievement of targets in various economic, social sectors, political, environmental, structural and leaving the local society with happiness and air moral to keep fighting for the continuous improvement of quality of life and social level.

It is noteworthy that the focus on developing a city's first government in any sphere that share this desire with the community and its economic partners.

Meantime, the fact that some cities apply the models described does not mean that have reached the integrated LD. The State of São Paulo is one example. It is the most industrialized in the country and by no means is considered integrated. It has economic growth, social and struggle to have

Competitive Array of Cities Based on the Local Development Strategy

environmental and sustainable growth. The level of industrialization can undermine the overall development due to environmental and sustainability issues, plus the improved quality of life. Only time will cause the city to reach the integrated LD. Mean while, the struggle continues and efforts cannot stop to this end. São Paulo lacks green spaces, for example. The same applies to RJ that although industrial parks, technology parks, solidarity economy, among other models, the state has not yet achieved the minimum required in order to be considered to have an integrated development. The Guanabara Bay is a pure example of contamination of Fluminense edge.

The fight continues and each municipality seeks to unite forces to get there by eliminating or reducing the social, structural, environmental, economic and political order to follow the route of the integrated LD. This means that the integrated LD can be just a dream for many companies and cities. There may be economic growth as in SP and RJ, but no integration. None of these cities can be considered to have integrated LD.

As for the companies, this is a scenario that should be exploited strategically. We must seek ways and mechanism to satisfy these cities in the development stage they are in.

Nevertheless, cities that adopt LD models feature high degree of competitiveness, driven initiative, innovation and strong economic capacity and financial flexibility. Innovation and ICTs become differential in the city. Companies become technology sources and new production processes. The strategies become more aggressive in terms of market competitiveness and availability of products, thus, differentiation exceeds the price, that is, people buy the attributes of products or services, not the price. These cities usually have a hot market and increasingly aggressive where consumers themselves feel valued and important. The entry of new competitors is normal, but the stay is uncertain. The struggle for survival becomes a relentless struggle.

Therefore, it is worth noting that globalization gives a "helping hand" (help) in the lower crushing process to simplify the market and reduce competition. You need not create fights to ward off competitors, simply increase the competitiveness of the market that gradually some will collect and file for bankruptcy or enact technical bankruptcy. NeeLDess to say that the workforce should be qualified, by the way, the lack of training is short-lived, the market itself punishes disqualified. Having a city with high local economic development process (even if not yet integrated) is good for the city, the region and the people who need quality products and services.

Anyway, maintaining product is cultivated (the life cycle is getting shorter), as long as the product enters this stage the competitor is already preparing the new to the market. Even at this stage the competition is huge. Developed cities are genuine technological laboratory products and services.

Thus, the LD provides products and services that people need and improves the visibility of the same face to the other cities and other markets. The competitiveness becomes the criterion most claimed by the companies.

Table2. *Competitive Matrix of cities*

Characteristics	Models: G1, G2, G3, G4	ICT	Innovation	Marketplace	Strategy
New products/services	All	Strong	Less G3.	Competitive	Aggressive
New competitors	G1, G2, G3	Strong	Differential	Highlycompetitive	Aggressive
Maintenance	All	Strong	Constant	Balance / stability	Marketing positioning in audience
Synergy	All	Strong	Network shared	Constantly growing	Partnerships
Manpower	All	Strong	Qualified	Available and restricted ¹	Developing people
Globalization	All	influential	Strong influence	Unstable	Positioning to face new and strong competitors (global)
Competitive advantage	All	Strong	Differential	Determinant	Diversify: scenarios and processes.

Source: *own elaboration.*

¹G1 and G2 models are specific and its workforce is located. G2, for example, stands at universities to take advantage of qualified personnel (researchers) that is usually expensive. The remaining staff models goes through qualifying rounds (training) including some G1 models.

It should be noted that the competitive matrix of cities only makes sense if the city has recognized models (G1, G2, G3, G4) and is evidence of the involvement of stakeholders in the process. The states in question have characteristics of LD models described.

New Products/Services

It was found during the study that these states had an increase in the creation of goods and services with the implementation of the LD. However, LD helps the cities to have new horizons and to promote entrepreneurship.

So to differentiate themselves in highly concurrent market, as a matter of survival, companies are forced to invest in the creation and development of new products. For Cobra (1997) is for this reason that "companies choose not to innovate, thus, are not at risk. Still many others just fit and others react when they are pressed by the action of the environment. "So it can be said that "when the company does not react, does not fit and does not innovate, comes to failure."

This time, a city with LD model has just directing its companies so that they know how to define their strategies and can achieve the necessary sustainability. Competitive markets require dynamic and able to keep pace with market volatility operators. The enterprises are aggressive in their actions and quest for success of its strategy.

New Competitors

As the LD becomes a reality, new investors are emerging and fostering trade and industrialization of the city. Thus, the differentiation becomes the decisive criterion to sell and consequently records to bet on aggressive strategies to achieve the set goals.

Maintenance

It appears that the sharp LD requires that there be a balance in the services provided and that preventive maintenance is a reality. Because the level reached by the city can not sympathize with gross failures in the process of provision of goods and services.

Synergy

Solitarily, it is difficult to reach stratospheric results. Organizations and people need at certain times come together with others to produce much more than isolation. Also, stresses Covey (2002) on the synergy, as the result of producing two or more people together something greater than the sum of which produce separately.

It appears that the great examples of LD in the US and Europe, recorded a high degree of synergy for the good of the city itself and market competitiveness. Thus, the synergy vine being, according to Ribeiro (1993), by multiplying the sum, that is, all the energies coming together towards the same target generating a whole greater than the sum of its parts, increasing market progress and outlook of its members.

However, it is important that this synergistic growth preserve, Lins (2005), his character, and that this is fundamental to stimulate the formation of networks, partnerships and win-win power / appropriate action to address the challenges and vicissitudes that can arise.

Thus, the synergy is an essential element for the competitiveness of cities and consequent continuous improvement of work processes and the quality of products and services in the city.

Manpower

When you bet on the LD as a competitive factor, the words "seek to capable people" begin to lose their effectiveness because with the advance of LD and increased competition, the townspeople just following the process and start to be more competent, competitive and seek self-empowerment.

However, it is emphasized that the manpower is a major force for the LD is a success and the city's competitiveness is a reality.

Globalization

Currently, there are no longer purely closed markets. There is always some external influence product. Therefore, it is important that the city implements the LD knows how to handle globalization as a competitive factor and a lot of the time, destabilizing the local economy. This phenomenon is defined

as Stever (1975); Albrow (1990) and Al-Rondhan (2006) the international process of deepening economic integration, social, cultural, political, which were driven by the cheapening of transport and media of the countries in the late twentieth century and early twenty-first century. The popularization of internet has made the process simpler, faster and much of the time effectively. In other words, this phenomenon pervades the entire city backdrop and influence in traditional and cultural values of the city. To be competitive we need to be aware of all the factors that influence the behavior of the consumer. The township enterprises are no longer just competing with them, but also, and above all, with other markets, because of the sale over the Internet.

So it is that the globalization process, according Albagli (1999), it refers to a wide range of factors, among which are: the standardization of the measurement of time, the universalization of money and the universalization of the information. From the city of São Paulo can now buy products in New York, Beijing, Paris or any other city that has products available online. The world of trade was small and the city must be prepared for this practice.

Competitive Advantage

The existence of a developed city means that companies have to redouble their efforts to be consumer preference. Therefore, they need to do to adopt a successful strategy. This will be considered a sustainable competitive advantage, provided that no other competitor can copy it, nor are already implementing or adopt surrogate strategy with equivalent benefits (Barney, 2002).

8. CONCLUSION

Currently, you cannot bet on an unknown market. Before going into business you need to know to market characteristics. In this study, it became clear that the LD is a real tool allied to the competitiveness of cities and the raised premise was answered by the study, so the competitive matrix of cities is influenced by local development and therefore, investors have to bet into firm actions that can generate competitive advantage to the company.

Because, enterprises and other economic agents also play a decisive role in the competitiveness of cities, since it is they who provide the goods and services needed to achieve the LD at some development model. This implies that all economic agents must all be on the same pitch for the city to be an example to be followed to have reached a level of excellence.

In short, the matrix is not a static tool, but dynamic depending on the actions of their agents. Thus, other studies, the later can add or reduce the elements that make up the current matrix, provided they are striking for the shares in the local market and are the result of local development model analysis.

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