

# The Competitive Advantage of Regions

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The purpose of this special issue is to provide a historical perspective on the regional dynamics of industries and the competitiveness of certain regions within the global economy. This issue is an outcome of the large-scale research project CARIS (Competitive Advantage of Regions: Europe and East Asia in Comparative Studies on Industries), which is supported by a Grant-in-Aid for Scientific Research (KAKEN) (A) 23243055.<sup>1</sup> The project started in April 2012 with a five-year research period planned. More than twenty scholars from inside and outside Japan, representing a wide range of affiliations, nationalities, and research languages—including researchers in the partner project BEAT (Business in Europe and Asia in the Twentieth Century) at Utrecht University—converged. CARIS is organizing a series of academic meetings and publications in both English and Japanese, both inside and outside Japan. This small special issue in the *Kyoto Economic Review* is the first collective outcome to be published in English, and it will be followed by other book and special issue publication projects.

The following is the basic understanding of the project. It serves as a starting point in discussing the approaches taken, and the research questions addressed, within the three papers in this section.

While there are a plethora of historical studies on industry, they tend to feature three major deficiencies that have yet to be explored. First, although many publications examine individual firms, as well as historical analyses of the cases of many industries, an overarching study that combines these two approaches is still lacking.

The second is the lack of a clear and common methodology. Unlike economic history, which focuses on the macro level (i.e., the economy), and business history, which focuses on the micro level (i.e., the enterprise), industry history that deals with the meso level lacks a clearly defined and commonly shared methodology. Comparative studies of several key industries based on common (but minimal) criteria and viewpoints will bring about a more systematic understanding of industry-specific features and the dynamics of their development from a long-term historical perspective.

The third is the lack of a regional focus, and it stems largely from the geographical and linguistic segmentation of the existing studies. While much research on transnational economic activities and networks has been inspired by the rapid and deep economic integration of Europe and North America and

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<sup>1</sup> See <http://www.econ.kyoto-u.ac.jp/~kurosawa/caris/index.html> and <http://kaken.nii.ac.jp/en/>.

the changeover in East Asia from a vertical to a horizontal division of labor, studies of industry history that focus on the “region” as a unit—such as East Asia (including Southeast Asia), Europe, and North America—do not fully address all the key issues. Most of the work that focuses on regions compare national industry histories and do not pay sufficient attention to the real geographical distribution of economic activity. Focusing on the “region” would help in better elucidating those inter-industry transnational or global value chains that transcend national borders.

The competitiveness of a region will be a key concept in the course of exploring these two latter deficiencies, for two reasons: (i) industry is an arena where both competition and cooperation take place, and (ii) it is competitiveness that explains the rise and fall of an industry in a given region and the geographical distribution of each element of a given industry. In this respect, the CARIS project focuses on industry history by paying particular attention to industries’ intrinsic features, as well as to region-specific conditions. Transnational intra- and inter-industry networks, commonly shared competitive advantages within the region, and the features of the industry in the given regions will also be analyzed.