Index

absolute advantage see competitive advantage
absorptive capacity, technology diffusion 110
activism, environmental 82
agents of production 13
aggregate demand 93, 169, 219
allocative efficiency 114
government failures 195
impact of IBAs 144–7
index of competitiveness 270
institutional framework 158
anti-competitive behaviour 165, 178
appropriability regime
innovatory incentives 157
outward direct investment 140
successful innovation 106–7, 108
Arthur, Brian 76
asset bubbles 54–5
Australia
economic performance 261–2, 263, 268
income inequality 92
Austria, economic performance 266, 268
basic resources 100
behavioural strategies, cognitive dissonance 61–4
Belgium, economic performance 268
beliefs, socio-economic integration 65
benchmarking
competitiveness 32
organizational arrangements 250
see also competitiveness indices
best practice organizational paradigm 70, 223, 238–9
blind men and the elephant metaphor 9
Bohm, D. and Peat, D. 63–4
bounded rationality
government failures 201
high coordination costs 221
information asymmetries 186
technical efficiency 115
bureaucratic rent seeking 199
business
globalization of 80–1, 95
see also international business activities
Canada
economic performance 264, 268
income inequality 92
capital
investments, technology diffusion 109
rates of return on 259
see also equity and venture capital
carrier branches 43, 179
catching up
GDP growth 260
paradigm shifts 74–5
chance events, dominance of inferior technology 76
Chang, H.J. and Rowthorn, B. 234–5
classical growth theory 13
classical philosophies, interest in 65–6
car clubs 183, 185
Club of Rome 81
clubs, small groups of states 243
co-specialized tasks 86
Coase, Ronald 207–8, 216, 217
codified information products 184
codified knowledge 106, 110
cognitive consonance 59
cognitive dissonance 59–64
collective behaviour, socio-institutional adjustment 67
Common, John R. 153
common property goods 183, 227
communication
long distance 133–4
socio-institutional adjustment 68–9
comparative advantage
of governments 196
living standards 4
traditional trade theories 5, 6
competition policies
economic specialization 223
supranational 222–3
technological diffusion 158
competitive advantage 3
standards of living 6–7
sustainability of 28–32
Competitive Advantage of Nations, The 19
competitive markets 228
competitive pressures 117
Competitiveness: Dangerous Obsession 4
competitiveness
defining systemic 9–11
export market shares 264–7
government role 161–70
importance of 3–8
institutional framework 153–60
international business activities 135–52
international trade 15–19
literature review 12–21
organizational efficiency 113–24
product market characteristics 126–34
productive resources 100–3
systemic framework 26–8
technological innovation and diffusion 104–12
competitiveness indices
benchmarking
early 1980s 297–304t
late 1980s 307–14t
early 1990s 317–24t
mid 1990s 327–35t
data sources and construction 272–4
nature of 269–72
conflict, socio-institutional adjustment 64
conflict management 235
consumer learning 191
consumer preferences, differentiation of 185, 224
consumption demand 50
new ICTs 85
United States 51t, 94
continuous positive experiences 58–9
cooperation
coordination efficiency 120
inter-organizational, Japan 232–3
public and private sector 230–1
see also supranational jurisdictions
cooperative organizations 212–13
market failures 216–17
cooperative provision, public goods 224, 227
coopetitive ventures see cross-border cooperative ventures
coordination costs 180–2
organizational arrangements 220–2
public sector organizations 197
coordination efficiency 119–23
government failures 196
impact of IBAs 149–50
index of competitiveness 270–1
institutional framework 158, 159, 160
core technologies, new ICT paradigm 84–5
corporate hierarchies
internationalization 241–2
market failures 220
structural adjustment 234
costs of transition, technology diffusion 111
crashes, financial 55
created resources 100, 101–2, 102–3
cross-border cooperative ventures
allocative efficiency 147
resource base 137–8
technical efficiency 149
technological innovation and diffusion 141, 143–4
see also inter-firm networks
cross-border mergers and acquisitions 222
cyclical crises 46
data sources, competitiveness indices 272–4
decentralization, public sector activities 243–4
deductive approach, competitiveness and growth 27
demand characteristics, competitiveness 27
Index

demand factors, government failures 198–200
demand patterns 50–3, 85, 87, 131–2
demand problems
ICT paradigm 91–4
macroeconomic policies 169–70
policy implications 94–6
demand-pull theory 36, 50, 106
Deming, W.E. 120
Denmark, economic performance 262, 268
deregulation 67, 179–80
derived demand 50–51, 84
diamond framework 19–21
derived preferences, public goods 185, 224
digitized information products 184
division of labor 44, 89, 102, 181, 187
domestic demand patterns 131–2
domestic markets 27
domestic rivalries 130
double-Kondratiev waves 70, 72–3t, 290
Dunning, John 4–5, 101, 135, 148
dynamic efficiency 125–6
government failures 196
index of competitiveness 271
economic activities, geographical
concentration 87–90
economic agents
market failures 186, 187
rent-seeking activities 154
economic crises, neo-Marxian analysis 46
economic development
late 1980s 259

technological innovation 38–40
economic growth
government role 161–70
institutional framework 153–60
international business activities 135–52
organizational efficiency 113–24
product market characteristics 126–34
productive resources 100–103
Schumpeterian view 35
systemic framework 26–8
technological innovation and diffusion 104–12
theories 12–15

Economic Institutions of Capitalism 153
economic organization
theoretical framework 207–14
trends in 238–44
economic performance, industrialized
countries 257–68
economic specialization
comparative advantage 4
consumer learning 191
coordination costs, public sector 197
information and communications
technology 84–5
large markets 89
market failures 178, 181, 188–9, 223
old techno-economic paradigms 48–9
provision of public goods 217, 224
rent seeking 199
economic systems
framework for analysis 26–8
indigenous innovation activity 105
nature of 23–6
overall competitiveness
early 1980s 304t
late 1980s 314t
early 1990s 324t
mid 1990s 335t
sustainability of systemic advantage 28–32
technology diffusion 109
economic theories, traditional 5–6
economists
lack of interest in competitiveness 3–4
perspective, competitiveness 9
editors, mental paradigms 68
efficiency see comparative advantage;
market efficiency; organizational
efficiency
effort-utility functions 115–16
electronic commerce 95, 176
emergent new industries 89–90
employment constraints, government
failures 200
endogenous market failures 165, 180–6
endogenous growth theories 13, 14, 15
enforcement, institutional rules 154
entrepreneurial activity, economic development 38–40
environmental externalities, supranational jurisdictions 209
environmental problems crisis of twentieth century paradigm 81–2
information asymmetry and uncertainty 186–8
organizational solutions 228–31
information and communications technology
codified knowledge 111
demand problems 91–4
government failures 201–2
index of competitiveness 270
learning economies 191
market failures 176, 177, 178–9, 181, 187–8
private institutions 217–18
rationing 185
see also ICT paradigm
information and knowledge exchange
coordination efficiency 122
industry clusters 88, 89
institutional framework 159–60
transaction costs 181
users and producers 132–3
information products, codified 184
information revolution 85
infrastructures, new ICT paradigm 84
innovations
effects of pressure 117
Schumpeterian definition 35
user-producer theory 132–4
see also technological innovation
input costs, crisis of twentieth century paradigm 81
institutional arrangements, best practice 70
institutional change 155
institutional disequilibrium 155–6
institutional framework 153–60
competitiveness 156–60
competitiveness index 272
early 1980s 302t
late 1980s 312t
early 1990s 322t
mid 1990s 332–3t
nature and evolution of 153–6
organizational arrangements 30
institutional market failures 176–7
organizational solutions 216–18
institutional norms 25
institutional paradigms, Kondratiev waves 70
institutional renewal 235
institutions
private and public sector cooperation 231
see also product market institutions
intangible assets 177
intangible investments 84
integration, of markets 52, 64–5
integrative mechanisms, socio-economic systems 25
intensive Kondratiev waves 74–5
inter-firm cooperation 109, 223, 232–3
inter-firm networks
Coase framework 208
increasing importance of 241
organizational advantage 210–11
weakness of 211–12
see also cross-border cooperative ventures
inter-firm rivalry 130
interactions
economic systems 24, 31
socio-institutional adjustment 68–9
technoeconomic and socio-institutional systems 40–47
interdependencies, economic systems 24, 31, 32
interdisciplinary nature, of competitiveness 9
international business activities (IBAs) 135–52
competitiveness index 271–2
early 1980s 301t
late 1980s 311t
early 1990s 321t
mid 1990s 331t
diamond framework 20, 21
globalization 80
old economic paradigms 53
organizational efficiency 144–50
product market characteristics 150–52
productive resources 136–8
technology 138–44
international competitiveness
demand and supply characteristics 27
firm- and industry-level 12
non-price factors 169
international public goods 184–5
international trade
allocative efficiency 146–7
barriers, reduction in 95
Index

resource base 138
structural market failures 223
technical efficiency 149
technological innovation and diffusion 141–2, 144
theories 15–19
Internet 95
interrelatedness, technology diffusion 111
interstitial coordination 119
investment
costs, private supply of public goods 227
institutional framework 158
research and development 188
structural market failures 223
see also capital investments; foreign direct investment; intangible investments
invisible hand 13, 168, 246
inward direct investment
resource base 136–7
technical efficiency 147–8
technological innovation and diffusion 139–41
Ireland, economic performance 260, 261–2, 266, 268
Italy
economic performance 265, 268
inter-firm cooperation 232–3
Japan
cooperative ventures 144
economic performance 260, 262, 265, 266, 267, 268
inter-organizational cooperation 232
labor market 111
Johnson, Mark 69
journalists, mental paradigms 68
Keynes, John Maynard 104, 164, 168
Keynesian revolution 168
Kindleberger, C. 184–5
Knight, Frank 187, 229–30
knowledge
macro-organizational policy making 249
new technoeconomic paradigm 85
public good properties 186
see also codified knowledge; information and knowledge exchange; scientific knowledge; tacit knowledge
knowledge spillovers 108
Kogut, Bruce 30
Kondratiev waves 41, 70–76, 290
Krugman, Paul 4, 6, 89–90
Kuhn, Thomas 43, 289
labor markets, technology diffusion 111
large markets, industry clusters 89
Laszlo, E. 68
law of one price 81
leadership
coordination efficiency 122
long-term competitive 30
learning economies 190–91
organizational solutions 232–3
legal framework, adjustment 67
legal monopolies 233
legitimation, values and institutional norms 25
Leibenstein, Harvey 115–19
Leontiev, Vassily 17
limited liability corporations 231
Lindbeck, Assar 242
linkages, management of 120
living standards
comparative advantage 4
competitive advantage 6–7
productivity 6
local government, emphasis on 243
local public goods 183, 184, 185
locational advantages 29, 138
long wave theories 70
long-distance communication 133–4
long-term competitive leadership 30
low-trust societies, cooperation and systemic coordination 123
Lundvall, Bengt-Ake 132–4
lurch and learn 66
macrodecoupling 199–200
macroeconomic market failures 177–8
organizational solutions 218–20
macroeconomic policies 21, 219
macroeconomic theories 3
macroeconomic view, government role
market imperfections 166
problems with 167–70
Index

macro-organizational role, governments 164–5, 166–7t, 245–50
Malaska, P. 51
market efficiency
assumption of 13–14
government role 162–3
market failures
endogenous growth theories 14
excessive publicity of 200
extent and pervasiveness 175–93
government role 166–7t
macro-organizational approach 165
new trade theories 18
organizational arrangements 209–10, 214, 216–36
shifts in best practice organizational arrangements 238–9
market intermediaries 230
market mechanism
imperfect information 228–9
information asymmetry 186
neoclassical theory 119, 163
new government analysis of 247
specialization of production processes 181
market potential
institutional framework 157
successful innovation 105–6
market pressures, lack of 204
market size, technology diffusion 109
market structure
technological innovation 106
technology diffusion 109–10
markets
competitive 228–9
economic specialization 48
integration of 52, 64–5, 180
Marshall, Alfred 14, 87–8, 188–9
Marx, Karl 13, 40–41, 59, 70, 167
Maslow, A.H. 50, 59, 117
mass media
excessive publicity of market failures 200
mental paradigms 68
maturing industries 90
maturing technologies
crisis in twentieth century paradigm 82
technoeconomic paradigms 48–9
medieval England, institutional framework 216
mental inertia and rigidities
government failures 201–2
provision of public goods 185
socio-institutional adjustment 61, 62–3, 67–8
mental paradigms
common social bonds 211
socio-institutional adjustment 59–70
mental renewal, structural adjustment 289
mental sets
evolutionary phases 59
specialization 187
metropolitan governments 209
microeconomic policies 3, 21
microprocessor technology 85
Mill, John Stuart 13
MNEs see multinational enterprises
mobile resources, production processes 6
mode of regulation 45
monetary policies
demand problems 94
supranational cooperation 219
motive branches 43
Multilateral Agreement on Trade and Investments (MAI) 223
multinational enterprises (MNEs)
coordination efficiency 149–50
cross-border cooperative ventures 138
foreign direct investment
resource base 136–7
technical efficiency 147–9
technological innovation and diffusion 138–41
locational decisions, technology diffusion 143
mobile resources 6
product market structure 150–52
productive resources 102
national champions 233
natural resources 100, 102
needs, hierarchy of 50, 59, 117
negative externalities
Coase organizational analysis 207–8
resource-related costs 48
Index

Nelson, R.R. 9
neo-Marxist school 45–7
neo-Schumpeterian school 41–3, 46–7, 70
neo-Smithian school 43–5
neo-technology theories 17
neoclassical theory 3
adaptation 114
economic growth 13–14, 14, 15, 104
government role 163–4, 246
market imperfections 166t
problems with 167–70
market mechanism 119
perfect markets 175
technical efficiency 114
Netherlands, economic performance 262
network-based organizations, alleviation of coordination problems 221
New Institutional Economics 249–50
new socio-economic paradigm, empirical study
challenge of the new paradigm 289–90
data sources and construction of indices 272–4
economic performance of industrialized countries 257–68
future research 292–3
methodology 269–72
policy implications 291–2
summary of statistical results 276–88
new trade theories 18
New Zealand
economic performance 261–2, 263
income inequality 92
nightwatchman state 246
non-economic objectives, government failures 204–6
non-price factors, competitiveness 169
non-profit organizations 210
Coase framework 208
financing 225–6
increasing importance of 241
information asymmetries 230
internationalization 242
organizational advantage 211
provision of public goods 224
weakness of 211–12
non-tariff barriers 95
normal science 43
North, Douglas 25, 153–6
observable technologies 110–11
occupational categories, new ICT paradigm 86
Okun, Arthur 162
older generation, new mental paradigms 66
OLI paradigm 135–6
Olson, Mancur 209
openness, socio-economic systems 25–6
opinion leaders 68
organizational arrangements
best practice 70, 238–9
competitiveness index 270–71
early 1980s 299t
late 1980s 309t
early 1990s 319t
mid 1990s 329t
crisis of twentieth century paradigm 82
government intervention 249
institutional framework 30
mainstream economics 8
market failures 216–36
national differences 30
new ICT paradigm 86
old technoeconomic paradigms 48–9
theoretical framework 207–14
organizational capabilities, successful innovation 107
organizational efficiency 113–24
allocative efficiency 114
coordination efficiency 119–23
dynamic efficiency 125–6
economic performance 12
institutional framework 158
international business activities 144–50
Porter’s analysis 20
technical (X-) efficiency 114–19
organizational inefficiencies
decline in productivity 82
endogenous growth theories 14
organizational resources, successful innovation 107
organizational slack 115
organizations
economic systems 24
economic theories 14–15
Index

Oriental philosophies, interest in 65–6
outward direct investment
resource base 137
technical efficiency 148
technological innovation and diffusion
139–41
oversupply crisis 95

paradigms
  evolutionary change 49, 65
  see also ICT paradigm;
  socio-economic paradigms;
  socio-institutional paradigms;
  technoeconomic paradigms
Parsons, Talcott 24–5, 49, 64–5, 153
path-dependency, economic systems 29
pecuniary incentives 117
per capita GDP, catch-up, leading
countries 74
perfect markets 175
physical conditions, industry clusters 88
policy entrepreneurs 68
policy externalities, government failures
202–3
policy guidelines, diamond framework
20–21
policy implications
  demand problems 94–6
  increasing returns, socio-economic
  adjustment 77
  new technoeconomic frontier 291–2
  new trade theories 18
policy instruments, conflict management
235
political influence, institutional
framework 160
politicians, high rate of time discount
203
Porter, Michael 19–21, 27, 88, 89, 90,
100–103, 120, 129–32, 156–7, 289
Portugal, economic performance 260,
264, 266, 268
positive externalities, industry clusters 90
pressures
  innovation 117
  work effort 117–19
  see also market pressures
price competitiveness 169
primary wave, technological innovation
39, 40
private sector
  employment 200
  institutions 216–18
  organizational paradigms 238–9
  provision of
    information 229
    public goods 224, 226–7
    and public sector cooperation 230–1
  regulatory framework 247
privatization, state-owned enterprises
241
product market characteristics 126–34
competitiveness implications 126–9
competitiveness index 271
  early 1980s 300t
  late 1980s 310t
  early 1990s 320t
  mid 1990s 330t
  crisis of twentieth century paradigm
  82–3
  firm competitiveness 27–8
  influencing forces 129–32
  international business activities
  150–52
  new ICT paradigm 86–7
  old technoeconomic paradigms 50–53
  user-producer interaction 132–4
product market institutions 129–30
product technologies, industry clusters
90
production demand 50–51
production functions
  homogenous 16–17
  neo-technology theories 17
  see also universal production function
production processes
  mobile resources 6
  productive resources 101–3
  specialization, market failures 181,
  187, 188–9
production technologies
  industry clusters 90
  maturing of 48
  uncertain 204
productive resources 100–103
competitiveness index 269–70
  early 1980s 297t
  late 1980s 307t
  early 1990s 317t
  mid 1990s 327t
Index

377

crisis of twentieth century paradigm 81–2
firm competitiveness 28
growth theories 13
institutional framework 158–9
institutional incentives 156
international business activities 136–8
neoclassical and macroeconomic perspectives 168
old technoeconomic paradigms 47–8
productivity
increasing demand through improving standards of living 6
property rights
appropriability 107
intangible assets 177
public funding, non-profit organizations 226
public goods
endemic market failures 182–6
organizational arrangements 223–7
private and public provision 224, 226–7
technological innovation 108–9
public sector activities 242–4
employment 200–201
expenditures of GNP, certain countries 240t
inefficiency 204
organizations
coordination costs 197
information asymmetries 230
and private sector cooperation 230–31
pure public goods 182–3
putting-out system 238, 239
quasi-public goods 183, 185
radical innovations 36–7
rationing
ICTs 185
social desirability 183f
real competitiveness 6–7
recession 260
redistributive policies 162
reduction strategies, cognitive dissonance 61–4
regime of accumulation 45
regulation approach 45
regulations, technological innovation 157–8
regulatory framework
adjustment of 67
indirect incentive effects 247
technological diffusion 158
Reich, Robert 94
rent-seeking 154, 159, 160, 198–9
reregulation 67
research
competitiveness 9
economic growth 12–15
research and development, investment 188
residential commodity associations (RCAs) 225
resource-based theory 30–31
resource-related costs
rise of twentieth century paradigm 81–2
resources
new ICT paradigm 84
see also mobile resources;
organizational resources;
productive resources
restrictive practices, MNEs 151
revolutionary change, socio-economic systems 47
Ricardian trade theory 4, 15–16
Rifkin, J. 81
rigid ideologies, government failures 201–2
risks, private supply of public goods 227
Rose-Ackerman, Susan 224
ruling classes, social structure 47
Russia, institutional disequilibrium 155–6
Sabel, Charles 101
Salter, W.E.G. 106
scale economies 189–90
ICTs 179
organizational solutions 232–3
Schmookler, Jacob 105, 106
Schumpeter, Joseph 35, 36, 38–40, 104, 168
scientific knowledge 270
scientists, paradigm shifts 67
scope economies 190
fiscal federalism 209
ICTs 179
organizational solutions 232–3
second industrial divide 43
secondary wave, technological innovation 39, 40, 54, 84
selection environment, technological innovation 46–7
selective factor disadvantages, innovation 117
skills
institutional preferences 156–7
new ICT paradigm 86, 94
Smith, Adam 13, 44, 48, 89, 105, 146, 163, 168, 175
social change, Marx’s systemic view 40–47
social learning 66
social pioneers 62, 68
social policies, early 161–2
social security systems, ideal 95
social tension, socio-institutional adjustment 64
socio-economic adjustment, increasing returns 70–77
socio-economic development, long waves 36–55
socio-economic paradigms
dominance of inferior 76
see also new socio-economic paradigm
socio-economic systems
openness 25–6
periods of change 47
problem of order 24–5
socio-institutional adjustment 58–70
socio-institutional paradigms, timing and duration 70–77
socio-institutional systems, and technoeconomic systems 40–47
solidaristic coordination 123
Solow, Robert 93
Soros, George 65
sources of advantage, sustainable competitiveness 29
Spain, economic performance 260, 266, 268
special interest groups
market failures 178, 179–80
rent seeking 198–9
specialization
market potential 105
occupational 86
production processes 181, 187, 188–9
value-adding systems 102
see also economic specialization
specialized knowledge 228
specialized resources 101–2, 102–3
specialized supplier industries 88
speculative booms 54–5
speed, technology diffusion 142–3
Spender, J.C. 186
standardized technologies 178–9
standards of living see living standards
state-owned enterprises, privatization 241
stock market boom, ICT 93–4
Strange, Susan 169
strategic frontier framework 126–9
strategy scholars, perspective, competitiveness 9
structural adjustment
government role 197
industrialized countries 92
mental renewal problems 289
rigidities 191
organizational solutions 233–6
short-term policy making 203
structural change 7–8
demand for public goods 186
economic uncertainty 188
government failures 199
macro-economic problems 177–8
organizational solutions 223
transaction and coordination costs 182
structural crises 46
structural inertia 133
structural market failures 165, 178–80
organizational solutions 222–3
structural unemployment, demand 92
suboptimization, government failures 202
subsidiary trades, industry clusters 88
substitutable competitiveness factors 29
supply and demand, decline in inflation rates 93
supply factors, government failures 200–206
supply-side characteristics, competitiveness 27
supply-side framework, competitive advantage 7
supranational competition policies 222–3
supranational jurisdictions
environmental externalities 209
geographical expansion of economic activities 218
reduction of market failures 243
supranational organizations, benchmarking 249
surplus above subsistence 119
sustainable competitive advantage 28–32
Sweden, economic performance 260, 262, 264, 265, 268
Switzerland, economic performance 260, 262, 264, 265, 266, 268
systemic competitiveness see competitiveness
systemic goals, coordination efficiency 122
systemic knowledge 228
systemic level, organizations 24
systemic properties
social change 40–47
technologies 111
systemic vision 234–5
tacit knowledge 106, 110
Tainter, Joseph 49
teachers, mental paradigms 68
technical efficiency 114–19
coordination efficiency 124
government failures 195
impact of IBAs 147–9
index of competitiveness 270
industry clusters 89
institutional framework 158, 159
technoeconomic paradigm shifts 8, 37–8
government policy outcomes 204
institutional market failures 177
neo-Schumpeterian school 42–3
neo-Smithian school 44
socio-economic adjustment 189
socio-institutional framework 59–70
technoeconomic paradigms
crisis of established 47–53
crisis of the twentieth century 80–83
financial crises 53–5
timing and duration 70–77
see also ICT paradigm
technoeconomic systems, and socio-institutional systems 40–47
technological determinism 40, 46
technological gap theory 17
technological innovation 7–8
demand-pull theory 50
economic development 38–40
economics of 105–7
industry clusters 90
institutional frameworks 157–8
international business activities 139, 144
public good characteristics 108–9
selection environment 46–7
socio-institutional change 40
typology of 36–8
technological knowledge, technology
diffusion 110
technological opportunities, successful innovation 106
technological spillovers
industry clusters 88–9
international 188
technology
competitiveness index 270
early 1980s 298t
late 1980s 308t
early 1990s 318t
mid 1990s 328t
international business activities 138–44
systems, changes in 37
see also core technologies;
information and communications technology; maturing technologies;
observable technologies;
production technologies
technology diffusion
economics of 107–12
institutional framework 158
international business activities 142–4
technology-push argument 106
third industrial revolution 80–96
  crisis of twentieth century paradigm 80–83
demand problems 91–4
  policy implications 94–6
  industry clusters 87–90
new great depression 90–91
new ICT paradigm 83–7
third sector organizations
  advantage of 210, 211
  provision of public goods 225
  regulatory framework 247
weakness of 212
Thurow, Lester 230–31
total factor productivity (TFP) 14
trade barriers, international 95
trade theories, traditional 4–5
  traditional economic theories 5–6
  traditional trade theories 4–5
international trade 15–19
transaction costs 180–82
  organizational arrangements 220–22
trust
  coordination efficiency 120
  institutional frameworks 221–2
Turkey, economic performance 266
twentieth century paradigm, crisis of 80–83
uncertain production technologies 204
United Kingdom
  economic performance 263–4, 268
  income inequality 92
United States
  consumption demand 50, 51t, 94
  continuing economic lead 76
deregulation 179–80
  economic performance 261, 263, 264, 266, 267
estimated transaction and coordination costs 180f
  income inequality 92
  labor market 111
market potential and innovatory output 105
residential commodity associations (RCAs) 225
universal production function 13
urban agglomeration, index of competitiveness 271
urbanization externalities, industry clusters 89
Uruguay Round 223
user-producer interaction 132–4, 152
value-adding systems
  industry clusters 89
  network arrangements 210–11
  specialization of 102, 189
values
  increasing socio-economic integration 65
  information asymmetries 187
  socio-economic systems 25
Veblen, Thorstein 119
Viner, Jacob 161
Wealth of Nations, The 105, 175
welfare services, public provision of 226
welfare state 162
Whitley, Richard 123
Williamson, Oliver 153
Wolf, Charles 199, 200
work effort
  incentives 116–17
  inertial costs 118–19
  institutional framework 159
  pressures 117–18
utility 115–16
world economy
  government failures 206
  increasing demand problems 91–4
World and Global Competitiveness Reports 273
World Wide Web 176
X efficiency see technical efficiency
Yankolevitch, Daniel 66
younger generation, new mental paradigms 62, 66