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GLOBALIZATION, NEOLIBERALISM, AND REGIONAL COMPETITIVENESS: ARGUMENTATION NOTES

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Abstract

This article aims to explore the concept of competitiveness from a geographical perspective and a critical approach, seeking to demonstrate how the discourse and practices associated with planning policies to achieve the competitiveness for countries and subnational spaces (such as regions, territories, places, and cities) are intertwined with the imperatives of the current phase of neoliberal globalization. Given that local and regional conditions have become increasingly decisive in the efficient production, circulation and commercialization of hegemonic agents, the competitive integration of goods and services into international markets fundamentally relies on the capacities of space to generate high productivity and fluidity. However, the relentless pursuit for competitiveness at any cost has resulted in socially, economically, and environmentally harmful impacts, particularly in the commodity-producing regions of peripheral countries. This drive has intensified the "war between places", deepened geographical inequalities, and heightened territorial vulnerability.

Keywords

Regional Development; Socio-Spatial Inequalities; Regional Theories; Regional Competitiveness; Neoliberalism; Uneven Geographical Development; Territorial Vulnerability.

ARTIGOS

GLOBALIZAÇÃO, NEOLIBERALISMO E COMPETITIVIDADE REGIONAL: NOTAS PARA DISCUSSÃO

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Resumo

O artigo propõe discutir o conceito de competitividade em sua dimensão geográfica com base em uma abordagem crítica, a fim de demonstrar como o discurso e a prática de políticas de planejamento para o alcance da competitividade dos países e dos subespaços nacionais (regiões, territórios, lugares, cidades) estão atrelados aos imperativos do período atual da globalização neoliberal. Dado que as condições locais e regionais têm sido cada vez mais decisivas para a produção, a circulação e a comercialização eficientes dos agentes hegemônicos, a inserção competitiva de bens e serviços nos mercados internacionais depende fundamentalmente das capacidades do espaço em gerar alta produtividade e fluidez. Contudo, a busca incessante por competitividade a todo custo provoca impactos social, econômica e ambientalmente perversos, como o que se observa nas regiões produtivas de países periféricos especializados em commodities. Tudo isso tem acentuado a "guerra dos lugares", o desenvolvimento geográfico desigual e a vulnerabilidade territorial.

Palavras-chave

Desenvolvimento Regional; Desigualdades Socioespaciais; Teorias Regionais; Competitividade Regional; Neoliberalismo; Desenvolvimento Geográfico Desigual; Vulnerabilidade Territorial.

GLOBALIZATION, NEOLIBERALISM, AND REGIONAL COMPETITIVENESS: ARGUMENTATION NOTES[1]

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Introduction

Competitiveness is a contentious concept that has gained significant prominence in the current historical context, namely during the period of neoliberal-oriented economic globalization. It has been employed to describe the performance of large corporations and to classify countries and subnational spaces (regions, territories, places, cities). The term serves as a lens to assess the role of the State in producing and regulating general and specific production conditions that facilitate the competitive integration of economic agents and production chains into globalized markets.

International institutions have made significant efforts to develop competitiveness indices and rank countries, regions, and places (such as municipalities and customs zones) as a strategy to promote the adoption of public policies more closely aligned with globalization. Among the most prominent organizations in this field are the *World Competitiveness Yearbook*, produced by the IMD World Competitiveness Center[2], which has served as a reference since 1989 for analyzing national competitiveness by collecting, quantifying, and ranking indicators and variables; and the *Global Competitiveness Index*[3], published

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2. Available at: https://www.imd.org/centers/wcc/world-competitiveness-center/rankings/world-competitiveness-ranking/. Accessed in: January 2024.

3. Available at: https://www.weforum.org/publications/global-competitiveness-report-2019/. Accessed in: January 2024.

annually since 2004 by the World Economic Forum, which also classifies countries based on a set of criteria, including infrastructure, macroeconomic stability, the labor market, financial systems, market size, business dynamism, and innovation capacity[4].

On a regional level, two studies have gained significant recognition over recent years: (i) the World Competitiveness Index of Regions (WCIR), developed by British researchers (Huggins et al., 2014), which compiles 19 variables to assess the economic performance of 546 regions worldwide; and (ii) the European Regional Competitiveness Index (RCI)[5], produced triennially by the European Commission since 2010, which ranks the competitiveness of over 150 regions within the European Union. This index is based on 68 variables encompassing institutional and business performances, macroeconomic stability, infrastructure, health, education, the labor market, technological development, and innovation.

In Brazil, two key initiatives for classifying municipalities have gained prominence. The first, produced by the Industry Federation of the State of Rio de Janeiro (Firjan) since 2008, has aimed to classify Brazilian municipalities based on their perceived level of socioeconomic development. This classification, known as the *Índice Firjan de Desenvolvimento Municipal* [Firjan Municipal Development Index][6], considers three core areas: (i) employment and income, (ii) education, and (iii) health. The second initiative, which is more directly relevant to our argument, is the *Ranking de Competitividade dos Municípios* [Municipal Competitiveness Ranking][7], accompanied by the *Ranking de Competitividade dos Estados* [State Competitiveness Ranking]. Conducted since 2019 by the Center for Public Leadership (CLP) in collaboration with its partner institutions, this ranking employs a methodology based on 65 indicators organized into 11 themes: (i) innovation and economic dynamism, (ii) education, (iii) health, (iv) fiscal sustainability, (v) public administration performance, (vi) telecommunications, (vii) sanitation, (viii) human capital, (ix) security, (x) economic integration, and (xi) the environment.

The creation and constant updating of all these reports reflect a growing concern among large companies, States, and regulatory organizations with the competitive integration of products and production chains into globalized

4. Available at: https://www.gov.br/secretariageral/pt-br/moderniza-brasil/eixos-do-moderniza-brasil/ambiente-de-negocios-prospero/gci/sobre-o-gci. Accessed in: January 2024.

5. Available at: https://ec.europa.eu/regional_policy/assets/regional-competitiveness/index. Accessed in: January, 2024.

6. Available at: https://www.firjan.com.br/ifdm/consulta-ao-indice/. Accessed in: January, 2024.

7. Available at: https://municipios.rankingdecompetitividade.org.br/. Accessed in: January, 2024.

markets. Beginning in the 1990s, academic literature on the competitiveness of companies, nations, and regions experienced exponent growth, paralleling significant political, legal, and geographical transformations worldwide, particularly in peripheral countries.

In this context, the aim of this article is to develop a discussion on competitiveness from a geographical perspective, adopting a critical approach to uncover the fundamental role of productive regionalization and some of its socio-spatial implications within the framework of neoliberal globalization. Special attention has been given to issues such as uneven geographical development and territorial vulnerability.

In addition to the introduction and conclusion, the article has been structured into three parts. The first highlights two fundamental aspects of competitiveness: (i) as evidenced in a portion of the literature consulted and through our own investigations, competitiveness emerges in the current historical period, rendering its application to earlier periods anachronistic; (ii) it is an attribute not only of economic agents and production chains but also of geographical space, particularly of productive regions shaped by the expanding territorial division of labor. The second part examines the concept of regional competitiveness as discussed in specialized literature, considering both conservative and critical perspectives, and proposes a working definition. Lastly, the third part develops a more systematic argument regarding the ideology of competitiveness as a construct of neoliberalism, addressing some of its inherent contradictions.

1. Geographical competitiveness as an imperative of neoliberal globalization

In the current historical period, large corporations and financial investors possess more effective and comprehensive means to understand and intervene in each portion of the Earth's surface, due to the massive concentration and centralization of capital (Marx, 1980; Smith, 1988) across various productive sectors. Furthermore, they have access to the unified set of techniques and the cognizability of the planet (Santos, [2000] 2010), which are key characteristics of globalization, alongside the geographical mobility (Castillo, 2017) of capital and neoliberal practices (Peck; Tickel, 2002; Harvey, 2005; Dardot; Laval, 2016). Thus, the phenomenon identified by Santos and Silveira ([2001] 2010) as the selective and corporate use of territory becomes especially significant, where regions, territories, and places are selected to be used effectively in various spatial production circuits (Santos; Silveira, 2001; Castillo; Frederico, 2010a), drawing on geographical advantages (natural, geo-economic, and political-normative-institutional), which are essential to the competitiveness of economic agents. As Santos (2012, p. 167) observes,

> To the extent that the business possibilities held by places are more easily discerned today on a world scale, their selection for implementing any given activity becomes even more precise. And further, that selection is contingent upon the business success. This is how places become "competitive".[8]

Competitiveness became an imperative in the economy (and in life) particularly with the rise of neoliberalism. According to Peck and Tickell (2002), Harvey (2005), Brenner, Peck, and Theodore (2012), and Dardot and Laval (2016), neoliberalism is defined by a set of norms, policies, behaviors, and actions undertaken by States, companies, and individuals, aimed primarily at fostering greater economic development within a system of freer markets, achievement of competitiveness goals, and state actions largely aligned to the demands and interests of the private sector. As Dardot and Laval (2016, p. 17) state:

> [...] neo-liberalism, far from being an ideology or economic policy, is firstly and fundamentally a rationality, and as such tends to structure and organize not only the action of rulers, but also the conduct of the ruled. The principal characteristic of neo-liberal rationality is the generalization of competition as a behavioural norm and of the enterprise as a model of subjectivation. The term 'rationality' is not used here as a euphemism that allows us to avoid pronouncing the word 'capitalism'. Neo-liberalism is the rationality of contemporary capitalism – a capitalism freed of its archaic references and fully acknowledged as a historical construct and general norm of existence.[9]

This hegemonic rationality of neoliberalism has legitimized and potentialized the deregulation of markets and the expansion of financial systems, fostering increased capital accumulation and empowering the agents who now dominate the structures of the global political economy (large corporations, financial institutions, supranational organizations) (Harvey, 2005). Armed with the neoliberal ideological framework, these agents have extended their principles, values, and spheres of operation throughout society, where the meaning of "freedom" in the market and the perceived natural order of things have been reduced to the capacity of public and private organizations and individuals to compete for particularistic objectives (Dardot; Laval, 2016).

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8. N.B. For direct citations, the English version was used of SANTOS M. *The Nature of Space*. Duke University Press Durham and London. (2021, p.168). Translated by Brenda Baletti.

9. N.B. For direct citations, the English version was used DARDOT, P.; LAVAL, C. *The New Way of the World*: on neoliberal society. London. Verso Books. (2013. p.9). Translated by Gregory Elliot.

In this context, of an unrelenting pursuit of competitiveness, the hegemonic economic agents seek privileged access to resources and territorial assets (Benko; Pecqueur, 2001) through strategic partnerships with States, aiming to achieve the desired levels of productivity, fluidity, and profitability. As Santos and Silveira (2001, p. 260) noted, each agent possesses distinct capabilities for accessing and using locational advantages. However, "it is up to the most powerful companies to secure the best portions of territory, that is to say, the companies endowed with greater economic and political power".[10] The implications of this, the authors argue, lie in the fact that "the points of territory where they establish themselves become mere operational bases, abandoned as soon as the conditions are no longer advantageous" (ibid., p. 291).

The way that private agents access and use territorial assets and resources ultimately defines their capacity to act and achieve varying levels of competitiveness, i.e., to produce and circulate with greater efficiency and to maintain their presence on both national and international markets. Competitiveness has become a necessity and an imperative in the current era of globalization because, as Turok (2004) argued, it is not only the substantial increase in capital mobility, resulting from Foreign Direct Investments (FDIs) and the opening of national markets (i.e., a reduction of trade barriers) that matters, but also the heightened interconnectedness of economies facilitated by advances in transportation and communication. In this environment, agents and places must compete with others offering more competitive products and services (in terms of costs and quality) from different parts of the globe, thereby leading to greater instability for local and regional businesses.

It is crucial to emphasize that competitiveness also has a geographical dimension, since it is not only an attribute of individuals, companies, and states, but also permeates society as a whole, becoming a defining quality of places, regions, and territories (Castillo, 2008). As Santos (2000, p. 57) noted, "in a globalized world, cities and regions are pushed to compete with one another, [...] as disobedience to its norms implies the loss of one's position within the economic scenario, or even one's disappearance from it".[11] Thus, the various fractions or compartments of geographical space tend to present a set of factors that provide higher or lower levels of competitiveness, i.e., potential and effective ways of adapting to the specific international markets of each productive sector. As Castillo (2015, p. 105) observes,

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10. This and all other non-English citations hereafter have been translated by the authors.

11. N.B. For direct citations, the English version was used of SANTOS, M. *Toward an Other Globalization*: From the Single Thought to Universal Conscience. (2018, p. 27). Springer International Publishing. Switzerland. Translated and edited by Lucas Melgaço and Tim Clarke.

> [...] competitiveness is also a quality of geographical space, considering that regions and territories can be more or less suited to the demands of international markets. Territorial or regional competitiveness results from the rare combination of material (natural and/or technical) and immaterial factors of production and circulation/distribution of a given product or productive chain within a specific fraction of geographical space.

As a result, places, regions, and territories have increasingly sought to offer competitive conditions to investors through technical and organizational circumstances that ensure high *spatial or geographical productivity*[12] (Santos, 1996 [2012]). According to Silveira (2011), the potentialities of a place for efficient work depend on its *technical density* – the set of modern objects it contains -, its *informational density* – the access to and use of hegemonic information – and its *normative density* – the dominance of global and local norms that regulate (or deregulate) actions. Thus, the exercise of competitiveness becomes embedded in geographical space, "since the efficacy of actions is intimately related to their localization" (Santos, 2000, p. 79).[13] As Fajnzylber (1988, p. 22) apud Müller (1995, p. 44) observes:

> It is clear from the foregoing that it is not only companies which compete in the international market. It is also a field of confrontation between production systems, institutional structures and social organs, in which business is an important element but one integrated in a network of relations with the education system, the technological infrastructure, management-labour relations, the public and private institutional apparatus, the financial system, etc.

The competitiveness of a geographic scope is, in this context, embedded in the logic that Santos (1996) and Santos and Silveira (2001) referred to as the "war between places". This concept describes a competition between places to attract the same activities or companies by offering a range of locational advantages (both material and immaterial) that enhance spatial productivity and competitiveness. In this process, corporations wield significant power to negotiate and dictate the establishment of the most advantageous conditions, whether preexisting or requiring creation, for their establishment and operation.

12. Santos (1996, p. 247) proposed an idea of *spatial productivity* so that "Places can differentiate themselves according to their differential capacity to offer a return on investments. This profitability depends more or less on the local technical (machinery, infrastructure, accessibility) and organizational conditions (local laws, taxes, work relationships, work traditions). Market effectiveness is not, however, generalized for a place; rather, it tends to refer to a particular product produced in that place; (...)". N.B. For direct citations, the English version was used of SANTOS, M. (2021, p. 167).

13. N.B. For direct citations, the English version was used of SANTOS, M. (2018, p. 41).

2. Regional competitiveness: concept and geographic attributes

Given that places, territories, and regions actively compete for resources in pursuit of greater economic performance on the international market, numerous authors (Storper, 1997; Budd; Hirmis, 2004; Kitson; Martin; Tyler, 2004; Boschma, 2004; Turok, 2004; Bristow, 2005, 2010; Malecki, 2007, 2017; Camagni; Capello, 2013; Huggins et al., 2014; Huggins; Thompson, 2017) have sought to define the most successful geographical contexts, particularly at subnational scales, in terms of *regional competitiveness*. Storper (ibid., p. 264), for example, describes it as "the ability of an economy to hold stable or increasing market shares in an activity while sustaining stable or increasing standards of living for those who participate in it".

Other authors have presented similar definitions, such as Kitson, Martin, and Tyler (2004), who view regional competitiveness as the success with which certain regions and cities compete to attract resources (both public and private), technologies, and skilled workers, as well as to secure a larger share of the global export market driven by high economic productivity. Huggins et al. (2014, p. 2) argued that regional competitiveness is rooted in "the relative differences in rates of economic development across regions and the capacity and capability of regions to achieve future economic growth relative to other regions at a similar stage of economic development". Bristow (2010, p. 121), on the other hand, understood it as

> [T]he pre-eminent conception of regional competitiveness as equivalent to 'attractiveness', or the capacity of the region to compete with other places for mobile capital, leads to a strategic emphasis on the ability of the region to attract and retain innovative firms, skilled labour, mobile investment and central and supranational government subsidies and funds, and an overriding focus on the pursuit and measurement of their success in doing so relative to other places or 'rivals'.

Over recent decades, debates surrounding geographic competitiveness have gained prominence, particularly with Porter's seminal work published in 1990, in which he argued that not only companies, but also countries develop competitive advantages over one another. Porter (ibid., p. 42) emphasized that these advantages are tied to four elements comprising what he terms the "diamond of competitiveness": (i) *factor conditions* of production and circulation; (ii) *demand conditions* in domestic and international markets for goods and services; (iii) *related and supporting industries* supplying diverse goods and services; and (iv) *strategy, structure, and rivalry* among firms. The greater concentration of these elements makes certain nations more competitive than others in international markets.

In later publications, Porter (1996, 2000, 2001, 2003) and other authors (Ohmae, 1995; Kresl, 1995; Storper, 1997; Budd, 1998; Scott, 1998; Sheppard, 2000; Begg, 2002; Camagni, 2002) began to discuss the importance of competitiveness at subnational scales, such as regional and local levels (particularly cities), understanding that firms secure stronger competitive positions through access to and utilization of various local geographical resources and attributes.

But what are the dimensions and attributes of *regional or territorial competitiveness* in general terms? What must regions and territories possess to be considered competitive? From the perspective of evolutionary regional theory, Boschma (2004) argues that collective regional development strategies, as well as a set of pre-established specific assets (knowledge base, technological competence, and the accumulation of various historically evolved politico-institutional organizational environments in the region), can decisively influence the ability of certain regions to endogenously provide more opportunities for business success compared to others. Malecki (2007) and Huggins et al. (2014) emphasize the central role of entrepreneurship, knowledge, and innovation within a region in generating competitive advantage.

Huggins and Thompson (2017, p. 22-23) also highlighted the importance of institutions (with their laws, regulations, and norms) and socio-spatial culture (or collective behavior) in the process of fostering regional competitive development, ensuring that, "[W]hilst institutions can be considered to be the rules of the game governing growth processes, cultural and psychological traits encompass the extent to which such rules are adhered to, as well as the way in which they foster future institutional change". According to the authors, these factors create a regional environment capable of enabling firms to operate at their maximum productivity levels. Depending on the forms of interaction between these two components, they can either facilitate or constrain economic growth processes.

Camagni and Capello (2013), in turn, argue that regional competitiveness depends on a variety of resources and assets that constitute *territorial capital*[14], including: natural productivity conditions (land, favorable edaphoclimatic factors, water resources); clusters of specialized firms (especially those producing personalized and unique goods and services); suppliers (parts and equipment); infrastructure (healthcare, education, logistics, communication, and energy systems); services (offices, financial, commercial, legal, marketing, among others);

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14. Camagni and Capello (2013, p. 1387) define territorial capital "(..) as the set of localized assets – natural, human, artificial, organizational, relational and cognitive – that constitute the competitive potential of a given territory".

Research, Development, and Innovation (R&D&I) centers; skilled workers with flexible contracts; accumulated knowledge; know-how; innovation capacity; creativity; entrepreneurial culture; accessibility and connectivity; technological transfer and diffusion; cooperation networks among public and private agents; an efficient governance system supported by norms, rules, and practices; and state-provided fiscal and credit incentives, among others. These resources and assets are utilized by firms and the local economy as a whole to achieve greater operational efficiency in both production and circulation.

Kitson, Martin e Tyler (2004, p. 994), using a similar line of argument, highlighted the importance of the following factors for regional competitiveness:

> The quality and skills of the labour force (human capital), the extent, depth and orientation of social networks and institutional forms (social/institutional capital), the range and quality of cultural facilities and assets (cultural capital), the presence of an innovative and creative class (knowledge/creative capital), and the scale and quality of public infrastructure (infrastructural capital) are all just as important as, and serve to support and underpin, in the form of regional externalities, an efficient productive base to the regional economy (productive capital).

Similarly, but with a critical perspective, Castillo (2008, 2011, 2015) proposed that the gathering and concentration of natural, technical, and regulatory factors specific to a given production sector in certain regions of the national territory facilitate the formation of a *competitive region*. This concept is closely linked to the idea of organizational cohesion or solidarity within a region, resulting from a combination of internal characteristics and external vectors (Santos, 1994 [2008], 1996). “It is a geographical compartment characterized by productive specialization (both rural and urban) that ‘obeys’ the external parameters (typically international) of quality and cost” (Castillo, 2011, p. 337).

In these segments of space, the role of logistics[15] becomes crucial, since deep regional productive specialization leads to increased flows (Santos, 1996), demanding enhanced circulation and territorial fluidity (Arroyo, 2005). As Santos (1996, p. 275) indicated, “(…) it is not enough simply to produce. Production must be set into motion, because production no longer directs circulation. Rather, circulation

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15. According to Castillo (2011, p. 340), logistics, in its geographical dimension, may be understood as “[...] a set of material competences (infrastructure and equipment related to transportation, storage, distribution, assembly of industrial products, customs facilities, etc.), regulatory competences (concession contracts, tax regimes, local traffic laws, tolls, local regulations for loading and unloading, etc.), and operational competences (specialized knowledge held by service providers or logistics operators)”.

shapes production"[16]. Similarly, Becker (2007, p. 142) observed that logistics may be understood as the "continuous preparation of means for war – *or for competition*" (emphasis added), enabling large corporations to exercise effective control over both time and space.

Thus, a *competitive and logistical region*, understood as inseparable concepts, are the geographic expressions of hegemonic production and corporate circulation during the current historical period (Castillo, 2008, 2011). For this, the density of *geographic networks* (Dias, 1995, 2005; Corrêa, 2012) and *logistical hubs* (Braga; Castillo, 2013) is essential to achieving such competitiveness, since they constitute forms of *accessibility* that enable the rapid and efficient realization of significant material and immaterial flows and, consequently, greater *geographic mobility* of agents (Castillo, 2017).

The convergence of all these qualities contributes to enhancing the level of *productive specialization of places* (Santos, 1994, 1996; Silveira, 2010, 2011; Kemeny; Storper, 2015), another important dimension of geographic competitiveness. This context, linked to the broadening of the international division of labor, is characterized by the functional specialization of regions and their municipalities in specific stages of one or more productive spatial circuits. This is achieved through the appropriation and selective use of resources by a specific activity or economic sector, and through the regional specialization of natural, geo-economic, and political-normative-institutional resources to make them efficient in the production and circulation of certain types of products and/or services.

Santos (2000, p. 81) emphasized that "all pieces of the Earth's surface become functional to the necessities, usages and appetites of States and companies in this phase of history"[17] and that "Places become specialized according to their natural virtualities, their technical reality, and their advantages in the social order. This specialization also responds to capital's growing demands for security and profit, which emerge from an always intensifying competition."[18] (Santos, 1996, p. 146).

Kemeny and Storper (2015) highlight the existence of two forms or levels of regional economic specialization. The first is absolute specialization, which occurs when a region has an activity or sector that stands out without necessarily representing the largest share of total employment and income generated in the economy. The second form is relative specialization, which emerges particularly in

16. N.B. For direct citations, the English version was used of SANTOS, M. (2021, p. 187).

17. N.B. For direct citations, the English version was used of SANTOS, M. (2018, p. 42).

18. N.B. For direct citations, the English version was used of SANTOS, M. (2021, p. 168).

small or medium-sized local or regional economies, where one or a few activities or sectors hold a relatively significant share of total employment and income, often becoming the main sources of development.

Regional economic specialization in its relative form would, in this sense, be the opposite of what authors such as Conroy (1975), Malizia and Ke (1993), Siegel, Johnson, and Alwang (1995), Dissart (2003), Davies and Tonts (2010), Kemeny and Storper (2015), and Deller and Watson (2016) have referred to as *regional economic diversity*. Malizia and Ke (1993, p. 222), for example, stated that this "[D]iversity refers to the variety of economic activity which reflects differences in economic structure". Kemeny and Storper (2015, p. 1004) understand a diversified region as "a wide array of unrelated sectors in its economic base, with no specific sector dominating".

According to these authors, while specialized regional structures achieve higher levels of economic growth and competitiveness due to the concentration of functional factors that enhance efficiency for specific products or activities, they are also marked by heightened *vulnerability* to market volatilities, such as price shocks and/or fluctuations in effective demand, and sectoral crises. This vulnerability stems from the fact that risks, damages, and losses are more easily transmitted and proportionally shared across all activities and agents that are strongly interconnected and functionally interdependent (Martin et al., 2016). In this context, the competitiveness that underpins the economies of these regions inherently carries vulnerability as its counterpart – a condition that becomes even more pronounced in territorial dynamics (Castillo; Bernardes, 2019).

3. Regional competitiveness, neoliberal political economy, and uneven geographic development

The development model based on competitiveness is aligned with the current neoliberal economic rationality, which posits that individuals, States (across various territorial scales), and solidarity organizations (Antas Junior, 2005) behave similarly to businesses, imposing strategic management methods to maintain market competitiveness (Peck; Tickell, 2002; Bristow, 2010; Dardot; Laval, 2016). The neoliberal State has played a central role in achieving forms of geographic competitiveness by fostering an economy conducive to private investment, grounded in deregulated, flexible markets with lower production costs (Harvey, 2005; Fougner, 2006; Jessop, 2016).

According to Harvey (2011, p. 165), the current scenario of capitalism is largely defined by what he has called "interterritorial competition," that is to say, the competition between States on the federal, state, and municipal scales to offer the most attractive public policies to investors. As Turok (2004, p. 1070-1071) argued:

> Some governments have tended towards a low-cost, laissez-faire approach to raising competitiveness, including liberalization of domestic markets, privatization of public utilities, relaxation of environmental standards and withdrawal of other 'burdens on business' [...]. By reducing the levels of regulation and taxation, they have tried to lower the costs of production and create more flexible labour markets to establish a business context conducive to greater price competitiveness and higher profitability. This is intended to generate growth by stimulating private investment, encouraging enterprise and attracting foreign capital.

It may thus be stated that regional competitiveness is a model of regional development based on a neoliberal political economy (Peck; Tickell, 2002; Bristow, 2010) that has distinctly accentuated uneven geographic development (Smith, 1988; Harvey, 2005). As Santos and Silveira (2001, p. 302) emphasized, "neoliberalism leads to greater selectivity in the geographic distribution of providers of goods and services, driven by the imperative of competitiveness to seek, under the threat of their own weakening, the most favorable locations." According to Peck and Tickell (2002, p. 387):

> [...] neoliberalism was playing a decisive role in constructing the "rules" of interlocal competition by shaping the very metrics by which regional competitiveness, public policy, corporate performance, or social productivity are measured-value for money, the bottom line, flexibility, shareholder value, performance rating, social capital, and so on.

Bristow (2010) identified several issues with this type of thinking and political practice in relation to the development of the national territory and regions: (i) the selective and non-replicable nature of regional prosperity as spaces of competitiveness; (ii) the detrimental creation of a hierarchy among places based on economic power relations and control over space, thereby establishing dominant and subordinated regions; (iii) the reorganization of the State to fragment the territory in order to prioritize the desires and interests of specific localities or regions, rather than establishing an integrated policy aimed at the development of the nation-State as a whole.

Brandão (2007) raised similar criticisms, arguing that this political economy of territorial development, by promoting a singular narrative of prosperity centered on the endogeneity and competitiveness of places, overlooks several critical issues. These include the absence of social class conflicts, power relations (political and economic), the spatial hierarchy of wealth generation and appropriation, the federal inaction of the State, and the historical-geographical heterogeneity of regions – particularly in peripheral countries. In other words, it treats regions and/or localities that achieve economic success as models of development, as if all could compete on the same level, disregarding the uneven geographic process of capitalist accumulation and the historical specificities of socio-spatial formations, as also observed by Castillo and Bernardes (2019).

In light of these contradictions, we align with Malecki (2007, 2017), who highlights that regional competitiveness may be recognized in two geographic scenarios: (i) *high-road competitiveness*, characterized by high wages and highly skilled workers, innovation generation, entrepreneurship, endogenous development of knowledge and technology, and the production of high-value-added goods and services driven by internal agents (large companies and local support institutions); (ii) *low-road competitiveness*, defined by low production and circulation costs (wages, raw materials, logistics, taxes) and the production of lower-value-added goods or services led by external agents (transnational corporations). According to Malecki, the first scenario tends to occur in select global locations, primarily in a few cities or city-regions, especially in core countries, which concentrate most international R&D networks and the value generated by global production chains linked to sectors that produce high levels of knowledge, technology, innovation, corporate management, and commercial-financial services. The second scenario, on the other hand, is more commonly observed in other dynamic areas of the globe, specializing in specific stages of global production chains with lower value-added activities, such as those associated with raw material extraction (agricultural, mineral) and the production of semi-manufactured goods (processed foods and beverages) or basic manufactured goods (clothing, household items, vehicles, spare parts, equipment, etc.).

Regarding the development characteristics of areas in the second scenario under neoliberalism, Hudson's (2010, p. 15) observation seems particularly enlightening:

> For many regions in the global 'South', however, neoliberal 'development' has been defined in much less sophisticated terms, with strong neo-colonial echoes of a colonial past. For some, it has involved restructuring agricultural production systems from subsistence to cash crop production and from production for domestic consumption to producing 'exotic' fruits, vegetables and flowers for sale in export markets and more latterly to producing crops as a source of biofuels. For others, the emphasis has been upon becoming regions of export-oriented manufacturing of consumer goods, via the attraction of foreign direct investment, typically tied into the supply chains of global brand owners based in the 'North'.

Low-road competitiveness is thus predominantly established in regions specializing in highly standardized activities (with minimal product differentiation), which can be, and are, carried out in various parts of the world. Gaining a competitive edge on international markets relies on configuring large-scale production in these regions at the lowest possible costs. This is exemplified by regions specializing in commodity production (agricultural, livestock, mineral, energy) in countries like Brazil. To compete globally, these regions must maintain low production and logistics costs, regardless of the associated social, economic, and environmental implications. They must also navigate the volatility of oversupply and the prices set on major stock exchanges (Castillo; Frederico, 2010b).

Conclusion

Competitiveness is an intrinsic feature of neoliberal globalization, and from this perspective, applying its definition to comprehend earlier historical periods becomes anachronistic. According to Santos (1994, p. 34), *Competitiveness* – preceded by the ideals of *Progress*, from the late nineteenth century to the Second World War, and *Development*, from the second half of the twentieth century – "permeates the discourse and actions of governments and large corporations". However, it would not have emerged and become predominant in the current historical period (since the 1970s in central capitalist countries and the 1990s in peripheral countries such as Brazil), coexisting with earlier paradigms, without the "recent technical advances and the corresponding spatial fluidity". As Santos argued, competitiveness represents the expression of a global economic war, led by large corporations and major financial investors supported by the State.

In general, and by way of definition, competitiveness manifests itself in two simultaneous and inseparable ways: (i) as a form of economic performance and (ii) as a hegemonic discourse. From the perspective of economic performance, it may be understood, in simplified terms, as a globalized standard of product quality and cost, impacting not only production but also distribution, to ensure – albeit temporarily – sustained access to globalized markets. As a discourse, it constitutes an ideology that justifies the actions of the State and corporations, with the purpose of securing the competitive integration of a product (whether primary, semi-manufactured, or industrial) and/or a fraction of geographic space into globalization. The discourse of competitiveness is essential for legitimizing and naturalizing its practice. This discourse is crucial for legitimizing and naturalizing the practices it promotes.

In Brazil, the notion of competitiveness has been present in the plans and programs of the federal and state governments since the 1990s, but particularly from the 2000s onward, in an uncritical and uncontested manner. It represents a broad consensus, a discourse adopted from international agencies and even embraced by left-wing parties and political leaders. In peripheral countries, low-road competitiveness (Malecki, 2007, 2017) is generally not sustained by primarily endogenous technological innovations but rather by the over-exploitation of the workforce, environmental degradation, income and land concentration, the deepening of socio-spatial inequalities, public investments in infrastructures aimed at facilitating the movement of production to export ports at the expense of social infrastructure, public subsidies for the export of primary products, and strong sectoral associations tasked with obtaining State benefits for companies. Additionally, threats such as the depletion of natural resources, including soil, water, and forests, leads to the primarization of the export agenda (Gonçalves, 2011; Lamoso, 2020) or even the national economy itself (Cano, 2012).

Two remaining points should also be addressed in the conclusion of this article. The first, as proposed by Castillo and Bernardes (2019), refers to the necessary distinction between competitiveness and competition. The former should be understood as an attribute, a quality of an agent, a product or production chain, or a specific geographical area (place, region, territory), particularly of the productive region (Santos, 1985; Castillo; Botelho; Busca, 2021). Competition, on the other hand, is a relationship between economic agents or geographical areas, closely linked to the competition for the globalized market of a particular sector among productive regions, aptly illustrated by the concept of the "war between places" (Santos; Silveira, 2001). Therefore, these are two distinct concepts, although intrinsically related as a dialectical pair.

The second and final point concerns regional competitiveness. This type of region is characterized by the broadening of the territorial division of labor across any economic sector. Some studies (Castillo; Frederico, 2010b; Davies; Tonts, 2010; Deller; Watson, 2016; Martin et al., 2016; Faccin, 2019; Castillo; Botelho; Busca, 2021; Santos; Castillo, 2023) have shown that the greater the regional productive specialization, the higher both the regional competitiveness and territorial vulnerability tend to be (especially in municipalities, in the case of Brazil). This is due to the excessive dependence of local economies on one or a few economic sectors, generally linked to globalized markets. The directly proportional relationship between competitiveness and vulnerability of fractions of the geographical space is a reality that needs to be addressed seriously by the State at all its scales, given the ephemeral nature of the maps of competitive regions, i.e., the unstable nature of the geography of production in the current historical period.

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