

# Unveiling the Impact of Local Spillovers on Global Competitiveness: Insights from 'Local Spillovers and Competitiveness in Global Value Chains'



## Making Foreign Direct Investment Work for Sub-Saharan Africa: Local Spillovers and Competitiveness in Global Value Chains (Directions in Development)

by Thomas Farole

★★★★★ 5 out of 5

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Screen Reader : Supported  
Enhanced typesetting : Enabled  
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Print length : 298 pages



In an increasingly interconnected global economy, firms' competitiveness is no longer solely determined by their internal capabilities. The emergence of global value chains (GVCs) has introduced a new dimension to competitiveness, as firms are now embedded in complex networks of production and innovation that span across bFree Downloads. One key factor that influences firms' competitiveness in GVCs is the presence of local spillovers.

Local spillovers refer to the knowledge, technology, and other benefits that firms can acquire from their local environment. These spillovers can arise

from interactions with other firms, research institutions, universities, and infrastructure. The book 'Local Spillovers and Competitiveness in Global Value Chains' provides a comprehensive analysis of the role of local spillovers in shaping firms' competitiveness in GVCs.

## **Key Insights from the Book**

The book presents several key insights into the relationship between local spillovers and competitiveness in GVCs:

- **Local spillovers can enhance firms' innovation capabilities:** Firms located in areas with high levels of local spillovers have greater access to knowledge and technology, which can foster innovation and new product development.
- **Local spillovers can improve firms' productivity:** Local spillovers can also lead to increased productivity by providing firms with access to specialized inputs, skilled labor, and efficient infrastructure.
- **Local spillovers can create agglomeration economies:** Firms that cluster in geographic areas with high levels of local spillovers can benefit from agglomeration economies, such as reduced transportation costs and increased access to specialized services.
- **Local spillovers can vary across industries and regions:** The strength and nature of local spillovers can vary significantly across different industries and regions. This variation can have a significant impact on firms' competitiveness in GVCs.

## **Policy Implications**

The findings of the book have important implications for policymakers seeking to promote economic development and competitiveness in GVCs:

- **Invest in local infrastructure and education:** Governments can enhance local spillovers by investing in infrastructure, education, and research institutions. This can create a more supportive environment for innovation and competitiveness.
- **Promote cluster development:** Policymakers can encourage the formation of industry clusters by providing incentives for firms to locate in close proximity to each other. This can foster local spillovers and agglomeration economies.
- **Target policies to specific industries and regions:** Given the variation in local spillovers across industries and regions, policymakers should tailor their policies to the specific needs of each sector and location.

'Local Spillovers and Competitiveness in Global Value Chains' is a valuable resource for researchers, policymakers, and business leaders seeking to understand the role of local spillovers in shaping competitiveness in GVCs. The book provides a comprehensive overview of the latest research on this topic, and offers practical insights for promoting economic development and competitiveness in a globalized economy.

By investing in local spillovers, policymakers can create a more supportive environment for innovation, productivity, and competitiveness in GVCs. This will ultimately benefit firms, workers, and the economy as a whole.

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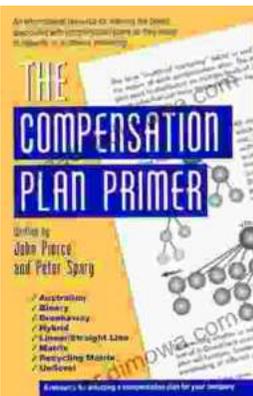
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