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MARKETING STRATEGIES FOR CREATING NATIONAL WEALTH FOR STRATEGIC IMPLEMENTATION

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ABSTRACT

The main factors in creating national wealth and in their strategic implementation are a productive and efficient economy, a good social system, and a good aiding process. Every country (state) develops its own strategies for creating national wealth to achieve the following goals: Designing an effective national strategy, Defining a strategic base, Designing a strategic position, and Designing a strategic implementation. We will elaborate the formation of a strategic base through the creation of social needs within the evaluation of the existing compatible inner and outer environment of the nation. Through them we are going to set the national goals and tasks regarding the environment, by analyzing the: Global economic structure, influence of global forces and trends, and Analysis of national concepts. We will elaborate the strategic position and its design through national growth strategies, concentrated in pragmatic and concrete guidelines for the identification of specific public policies regarding the improvement of competitiveness as basic and primary state politics and state supporting policies. The designing of the national strategic implementation will be classified through the following thematic elaboration: The state as an initiator of wealth, The state as a protector of wealth, The state as the regulator of wealth, The state as the mediator of wealth. The paper elaborates several elements that are crucial for the implementation of the national strategies for creating wealth through: Evaluation of the advantages and weaknesses of the state, Dilemmas, the balance between different political options, Creating a healthy relation between the country and the business, Increasing the cooperation between the different governments of the region.
Keywords: strategies, national wealth, implementation, values, concepts, beliefs, culture, economy, basic position, basic global economic structure, regional mediator, protective, initiator

INTRODUCTION

Strategies for creating national wealth: from a strategic vision to a strategic implementation. In this paper we consider the main factors that contribute to the continuity in crating the national wealth. The countries need a model and approach that will help them to see the possibilities of achieving the aimed goals in a realistic way. At the end, all nations are striving toward a better economy, good society and good political process. The countries develop their strategies for creating the national wealth with the aim of achieving these goals. The designing of effective national strategies demands defining of the *strategic base, strategic position and strategic implementation.* These three components were contemplated separately.

Defining of the strategic base

In order to formulate the strategic base for one country, the policy makers need to grade the existing competitive, inner and outer environment of the nation. They also have to state and revise the national goals and tasks regarding the environment.

Three steps were used in the analyses of the current situation of a given country: *first*, analyses of the global competition structure; *second*, analyses of the influence of the big global forces and trends; *third*, analyses of the national capacities.

The global competitive structure. In a strongly interdependent global economy, the national wealth of a country depends in great deal from the competitive position that it has in the global market. Each country will face the competitors i.e. other countries that strive toward the same market goals with the same or similar strategies. Therefore, we can conceptually divide the countries in strategic groups, where the members of each group follow the same or similar strategies on the global market.

Each group of countries has special conditions for competition and special role in the world economy. Each country has to fully monitor its own competitive position so that it won't weaken, and if it does it will be followed by a quick reaction.

Global force and trends. After the Cold War the nations turned their focus on army and political battles, toward economical challenges. The countries today are competing more in order to create national wealth rather than providing political control over the rest of the nations where several fundamental forces support this change: *first*, the growth of the global interdependency; *second*, broadly spread protectionism and the growth of the regional economic blocks; *third*, transnationalisation of the great companies; *fourth*, accelerated technological advancement; *fifth*, growth and conflict of the nationalist policies; *sixth*; enhanced awareness for the ecological factors.

These forces influence differently on different countries, therefore each country must recognize the potential possibilities and threats that come from the global forces and trends.

Analyses of the national capacities. The degree to which each country recognizes its own possibilities and deals with dangers depends on its own abilities. The ability of a given country to respond to the challenges depends on: the national culture, the attitudes and values; the social cohesion; the natural recourses richness; the industrial organization, as well as the political structure and authority. The national possibilities must be analyzed not just in regards of the amplitude and the intensity of each element, but also within the interactive effects between these elements during the time. This kind of assessment helps the policy makers to detect the weaknesses and the advantages in the same time.

The country should establish realistic goals. They should arise from the analyses of the country's environment (inner, outer) and from the competiveness, not just from the aspired position that is not realistically connected with the country's possibilities, where the difference in the relative wealth and the relative competitiveness of the countries results in four different formulations of the strategic grounds of the countries: *first*, the countries in leading positions; *second*, countries that are losing their competitiveness; *third*, countries that are not very rich, but their competitiveness on global level is strong; *fourth*, countries whose current wealth and competitiveness are on a low level.

There are many economic models that the countries can choose in order to achieve a greater economic development.

Each model has its own values and flaws. There is not one best option, i.e. development model. Each country is a unique connection link of possibilities, comparative advantages and limitations. By estimating the advantages and flaws of each development option, the economy policy makers of the country should choose and develop an optimal development path for its own country.

Strategic position of the country

The national development strategy must be formulated with pragmatic and specific directives for the identification of specific public policies for the improvement of competitiveness.

Hugh Mosley and *Gunter Schmid* (1993) recommend the competitiveness of a country to include in the same time micro-competitiveness and international competitiveness. The micro-competitiveness (comparative advantage) is the possibility of a domestic company to sell its products on the global market and on the grounds of their relative price and quality to be proactive in the offer from the other foreign competitive companies.

Two basic types of public policy are necessary in order to improve the competitiveness: state primary/basic policies and state supportive policies.

State basic policies. In order to improve the competitiveness of the country, the policy makers must formulate the primary policies of competitiveness and cooperation in contrast to the other countries. The three basic primary policies include the investments, the strategies for developing the industry and the trade.

Investments. The governments understand that it is difficult to speed the economic growth leaning only on the domestic companies. Most of the governments are competing in attracting foreign companies that would invest in their countries. The foreign investments bring several benefits. They improve the domestic efficiency by raising the competitiveness, through establishing new standards for the labor quality etc. The global increase of the level of foreign investments also increased the level of connection and interdependence of the countries in the world.

The national policies for foreign direct investments (FDI) should entail two basic goals. 1) On a short term, a secure FDI strategy should attract foreign investments that would increase the capital available for the countries. The policy makers should strive for the country to achieve high competitiveness in a specific part of the international trade system. 2) On the long-term, the country should increase the capital flow in order to achieve maximal long-term benefits. The national policies should encourage foreign companies to participate in the export, to invest in human and physical capital and to provide a transfer of technologies.

Strategies for building an industry. The economical strength of the country depends from the choice and safety of the industrial clusters, the industries and companies.

The industrial cluster represents a group of industrial segments- the local industry, the industries connected with it and the supportive industries that have vertical and horizontal interconnection. The connected industries generate a synergetic effect for the industrial cluster that can be seen through the effect of a snow ball, the effect of substitution and the spillover effect. In the same way also the supporting industries play a significant role in generating effects for creating of supporting (satellite) industries of the cluster.

The first step toward the development of the national industrial portfolio is to analyze the industrial developmental determinants in more detail, the attractiveness of the industries, as well as the national capacities of competitiveness. The second step is to formulate the national vision for the industrial sector. In this step, three main dimensions (questions and answers) are taken in consideration: *what*- the intensity of the production factors; *where*- the extent and the borders of the market; a *how*- investment strategies, foe each industry separately. The end step is consisted of identification of strategies for the support of the industry: neutrality; market stimulation and selective strategic approach.

Trade. The state interventions and promotions of the export play especially important role in today's growing international competitiveness. Two broad categories of approach are used by the state in order to promote the export- direct and indirect programs. The *direct* programs are concentrated on the demand, while the *indirect* programs are focused on the offer. These two approaches are not mutually exclusive. To the contrary, they are highly complementary and interactive.

State support policies. The primary state policies, the efficient functioning of the macroeconomic policies, the policy for infrastructure development and policies for the development of the institutional frame.

The macroeconomic policies represent coordinated set of monetary and fiscal policies that increase the economic stability and continuity and contribute for the growth of prosperity and equality. A country develops macroeconomic policies in order to manage the following challenges: 1) managing inflation; 2) managing the capital investments; 3) managing the rate of exchange; 4) managing the fiscal policy; 5) handling unemployment; 6) handling extreme shocks in the domestic economy etc.

The development of the infrastructure, especially in the early phases of the industrialization is crucial for the economic development. The big developmental projects for infrastructure include: 1) the physical development of the infrastructure; 2) development of the technological infrastructure; 3) development of human capital; 4) development of small and middle enterprises.

The growth of specialization, the interdependence between different economic agents and the complexity that comes from their interactions, leads to an increased need for clear definition of the legal and institutional system by the state. Such system would include 1) rights to protect the private ownership; 2) industrial regulation and deregulation; 3) privatization; 4) industrial relation policies; 5) redistributive policies; 6) social cohesion policies. Without such institutional frame the predictability of the economic output, as well as the economic efficiency would be drastically burdened and reduced.

The national strategic implementation

The implementation of the national strategy basically requires a model that would increase the national competitiveness and classifying of the state functions, where they would be appear as:

Wealth initiator. This is connected with the state activities that promote economic development trough providing infrastructure, using different instruments in order to increase the private investments, creating a platform for building industrial clusters, acting as a joint shareholder and providing other forms of hybrids between the public and private development.

Protector. This includes the state defense expenses, as well as the state support for different interest groups, such as the ethnical groups or groups with different social handicap.

Regulator. This includes the state standards and regulations that encompass a broad range of economic and social activities. As examples we can list the production standards, the specific behavior, control of the pollution, as well as the provisions regarding the industrial and labor market regulations.

Mediator. This encompasses a state action designed to solve a dispute, to guarantee an income or to provide a minimum pay for the employees.

Organizer. The state can influence the organization of social interest groups through sponsorship or through recognition of future types of interest groups.

The implementation of the national strategy for creating wealth is focused on the following elements:

- Assessment of the strong and weak sides of the state
- Recognizing the dilemmas and the balance between the different political options
- Building healthy relationship between the state and the business
- Increasing the cooperation between the different governments

Assessment of the strong and weak sides of the state. Knowing that often governments can worsen the situations, the market failure does not always justify the state intervention. On the other hand, the unproductive activities regarding the demand for rent could be found not only in inefficient state operations, but also within companies that function very poorly. The relative performance of the public contrary to the private economic activities should be assessed in the context of each country individually and the specific situations.

The political institutions, as well as many economic institutions are not created equally. The countries differentiate in the configuration of their interest groups, the voting system, the bureaucratic structures, the role of the court, as well as the public opinion.

Recognizing the dilemmas and the balance between the different political options. If a country wants to improve its competitiveness it is important the programs to be developed systematically, which would eliminate the weaknesses of the public policies, as well as the managerial inequalities. Some would think that the policy makers can follow the simple logic in order to get to viable set of public policies. Starting with the recognition of opportunities and the limitations it would continue toward the defining of the broad set of strategies for creating wealth. Unfortunately, during the process itself, the policy makers will face with great dilemmas and disbalances in every step. The big question that policy makers are facing includes: orientation toward the growth as oppose to distribution of income; balance of sectors as oppose to disbalance of sectors; shock treatment as oppose to gradualism; high employability as oppose to high inflation; state ownership as oppose to private ownership; big private companies as oppose to small firms; interventionism as oppose to free market; inner investment facilitation as oppose to attracting foreign investors.

While choosing the politics and the government action, the policy makers should take in consideration not just the "pro" and "cons" attitudes that are related to the separate politics, but also the specific factors that could influence each country separately and would set the determinates for success.

Building healthy relationship between the state and the business. The national wealth could be regarded as a sum of wealth created from national businesses. In the market economy the corporations generate wealth through the increase of the added value that will later be distributed through higher salaries for the employees, higher dividends, higher reinvestments for the companies, higher tax inflow for the state, as well as creating a business climate for the smaller companies that could be included as supporters in the production. This process of the creation of wealth is inherent in every market economy and the role of the company is to exploit these mechanisms.

The economic growth requires cooperation between the business and the state, however traditionally the business and the state look at each other with doubts. The degree of cooperation between them is partially influenced by the structure of state (unitary as opposed to federative state).

The type and the quality of leadership in business and the government sector can also influence the relation business- state. Strong and charismatic leaders from the line of government and the business show how the communication is maintained and which subjects are included in the political agenda.

Increasing the cooperation between the different governments. The international system of the 21st century is characterized by visible inconsistency: on one side is fragmentation, on the other the growing globalization. A large number of questions and dilemmas arising on the surface can be solved on a global level, among which is the question regarding the intensive destruction of the environment, the explosive growth of the population, as well as the economic interdependency.

The growing influence in the world is redirected toward the geo-economy. The countries are becoming more and more interdependent, and this interdependency is comprised of their competitiveness and cooperation. If we consider the global system of free trade, in absence of the world government, the benefits from the trade depends on the international cooperation- to strengthen the contacts, to standardize the rules and the regulations, to uproot the protectionism. If any country were to break the rules of free trade its benefits will disappear for everyone. The reciprocity is a significant principle, which helps in increasing the international cooperation. The norms and rules are strengthened through reciprocity.

The world financial crises and its expansion lead to discovering new phases and strategies, which will generate wide-ranging and constant growth and thus lead to the creation of new international institutions and reorganization of the existing, with the purpose of maintaining and monitoring the new economy order and redefining the role of the World Bank and the International Monetary Fund, where the international interregional exchange remains very important for the world economy, the functioning should be in compliance with the new strategic models between the regions and will maintain and spread the idea for open reorganization.

CONCLUSION

All countries are striving toward a good economy, good society and good political process. The national goals are set to meet these aspirations: growth of the level of GDP per capita; improvement of the international competitiveness; reaching high employment rate; maintaining a stable price level; good health system; good education; clean environment; security and peace; human freedoms etc.

The countries are aspiring to achieve the goals hierarchically, from a higher goals i.e. priorities to lower goals. For the less developed countries, the economic tasks and goals should be the first priority. In the developed economies policy makers are trying to make a grater balance between the economic, social and political goals.

The international competitiveness is related to the ability to achieve higher income from the production factors in the global economy. If the country is competing only with cheap labor force, then it must maintain the salaries and the work conditions on a lower level. Therefore, the goal is not simply to achieve a high level of international competitiveness at all causes, but to achieve that with high salary level, superior productivity, services, quality and innovations. Here public policies can have an integral part.

In order to secure the effectives of the state promotional export strategies, two things need to be taken in consideration: the connection between the export and *exporting penetration*; and the relation between the exporting diversification and specialization. The first relation is concerned with the short-term efficiency of the export, while the second connection has a role in the long-term efficiency of the export.

The relation between the market and the state is at the moment redefined within the world frame. Many countries realized that the market has specific functions that are related to the offer, the prices and the productivity. In the same time, the neoclassics cannot ignore the role of the state in the creation of the conditions in which the market is functioning any longer.

The relations between the business and the state are very often influenced by two other sectors. The business is capable of developing cooperative relations with the state when their credibility is on a high level. Provided that the country is responsible, capable and electively secure, with divided opposition, then the business should intensify the relations with the high authorities and with the current governmental projects and investments. Alternatively, when the government is not secure or the triumph of the authorities is insecure on the successive elections, then the businesses are more careful in the everyday relations with the authorities. In the last decades, the business was criticized because of the negligent toward the environment. The critiques regarding the unscrupulous orientation toward the profit put the business in a negative position in the society and the political public.