

English summary

How to conduct the scientific debate the right way

BY FINN OLESEN

As a fact, the economic mainstream has been criticised at all times. As such, in 1936 John Maynard Keynes wrote *The General Theory* in protest of the content of the macroeconomic mainstream understanding of his time. And indeed Keynes was rather successful as his book later on gave birth to what is known as The Keynesian Revolution in the history of economic thought. And this kind of macroeconomic reasoning completely took over the scene of macroeconomics for some decades as *the* macroeconomic mainstream thinking.

Later on, in the 1970s Keynesianism itself was exposed to a fierce criticism. New paradigms grow in strength as years passed by: from Monetarism, New Classical thinking to the New Keynesian understanding.

Today, following the years of the global financial and economic crises from 2008 and onwards, especially the Post Keynesians have tried to challenge the modern macroeconomic mainstream not only theoretically but also methodologically. The mainstream didn't foresee the coming of the crises and the mainstream have had a lot of problems explaining convincingly how and why the crises could become as potent as has been the case.

This has triggered off a debate at least among the more heterodox minded economists of how to get the message, theoretically as well as methodologically, out the right way. How ought the heterodox, as well as the more mainstream like economists, to conduct the scientific debate the right way?

Also in the 1960-70s the demand side, whether as preferences between differentiated goods or as "neighbor trade" provided an alternative path to understanding competitiveness; emphasis migrated to the industry or corporative level. This slide was boosted by new theorizing on industrial districts – clusters – during the last two decades of the XX century. International competition was now seen as a competition between national or regional clusters which in turn provided an explanation why a country's exports tends to concentrate on fewer product classes than its import. The newer theories open up for increased government intervention, combining industrial and competitiveness policy.

In conclusion *international competitiveness* may be seen at different levels of aggregation (firm, industry, cluster, national) and interpreted as a mixture of supply side effects of older theories, demand side effects of newer theories and government strategy.

Cloth, Rags and Clothing – Chr. Juncher Ltd. in Randers 1852-1980

By ANDERS HAVE ESPERSEN

Chr. Junchers Cloth - and Clothing Factory Ltd. was founded in 1852. In 1888 Christian Juncher joined the firm, which he immediately mechanized. In 1900 Christian Juncher build a modern factory in eastern Randers. Afterwards, sales, production and number of employees grew. The population's taste in clothes was changing at the time, and from around 1910 the Danish textile factories experienced fierce competition from Germany. For these reasons, Christian Juncher in

1913 opened a clothing factory. First World War meant that home sewing had a renaissance, and the cloth factory was re-started in sales.

Cheap foreign goods meant that the cloth factory suffered after the war. Its economy was, however, in 1927, stabilized through the formation of a limited company. In the early 1930s, the clothing firm became the main branch of the company, while tough foreign competition resulted in the cloth factory closing in 1961.

The clothing factory grew through the 1930s. Production of uniforms for the German Wehrmacht and increased prices meant that turnover was high during the occupation. After the war, the company built new factory buildings, and until the 1970s the factory experienced a golden era. Foreign competition from cheap products along with a conservative management, created the crisis that struck the company in 1972. The clothing firm closed in 1980.

The multiple roots of competitiveness. An essay

By KURT PEDERSEN

Economists define *changes* in a nation's international competitiveness by way of a composite index which reflects how exchange rate, nominal wages and productivity have moved viz-a-viz her trading partners. Even if the eclectic nature of *competitiveness* precludes any precise definition, the essay undertakes a time journey through economic doctrines in order to spot some essential aspects of the concept.

The classical economists emphasized advantages at the national level in terms of sectoral labor productivity, but observed that exchange rates and relative nominal wages may serve as an obstacle to trade – the “real wage trap”. About a hundred years later capital was introduced in the neoclassical Heckscher-Ohlin model, in which capital/labor ratios determined international trade patterns. Leontieff's paradox and the introduction of additional variables to labor and capital blurred the picture. From the 1960s the multinational corporation emerged in the literature as a vehicle for allocation of technology and management skills across borders. The interaction of international trade and international investment became a prominent research area.

They, who made a difference

30 persons, who in the years 1990- 2005, contributed in an extraordinary way to the business development of the city of Aarhus.

By MICHAEL O. BRUUN

In fifteen years (1990- 2005) the author was director for Business Development in the Municipality of Aarhus. The department of Business and Industry was responsible for the preparation, elaboration and implementation of the business development plans and initiatives being part of the policy of the municipality. The department was referring directly to the Mayor and the City Council.

The article describes the experiences and impressions from the interplay with persons from the business community, the business organizations and institutions. Combined with an extensive follow-up research this interplay indicated, that it was possible to point out 30 persons with an influence on the general business development of the city, which was outstanding and crucial.

For each of these 30 persons the paper presents a description of the contribution, which made a *decisive difference for the development of the city* with about 300.000 inhabitants.

The 30 persons fulfill one of the following four criteria:

A: Persons who in the period had developed their enterprise into a global/international group with headquarter in Aarhus.

B: Persons, who besides their own enterprise had the energy and competence to participate in the business development of the city.

C: Persons from the public sector (civil servants and politicians), who had decisive influence on the public investments in the infrastructure.

D: Persons from the 'Research and Development world' with visionary ideas and with the ability to have them realized. The ideas were mainly within different kinds of public- private cooperation.

The paper illustrates how the business development was significantly marked by these 30 named persons: 30 passionate individuals. The hypothesis is that the business development of the city would only have been average without these people and their contribution. Instead it was 10 % higher. The passionate individuals contributed to a large increase in the occupation of the service sector and this corresponding to an only very modest decrease in the occupation of the production sector.

The number and quality of passionate people of a region is crucial for the growth of that region. Because of that it is worrying that the mentality 'what's in it for me' apparently is spreading in modern society. Altruistic people like the 30 passionate persons will be in demand in the future.