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## Suitability Assessment of Success Factors of Regional Development Competitiveness in Iran

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Received: June 15, 2014 Accepted: October 14, 2014

### Extended Abstract

#### Introduction

Globalization and advances in information and communication technologies and also emerging knowledge based economies can fundamentally alter the policy approaches of the countries relying on "comparative advantage" to the "competitive advantage". This trend has raised the concept of "Territorial Competitiveness". Competitiveness is a concept that was previously meaningful only at the level of activities and firms, in the mid-1990s. It coincides with the increasing importance of place, caused by the movement of human resources and capital, enjoyed spatial manifest and came into the discourse of regional science and spatial development planning.

Hence, the aim of this research is to address two questions in the context of regional development competitiveness: First, the nature of competitiveness in the region and the other one, the reason of being more competitive in some regions relative to others. Responding these two questions would reveal how to achieve a competitive position in the region relative to the others, and also to develop the "spatial development competitiveness frameworks".

Current approaches are imperfect to answer the questions, to address the issue from the perspective or discipline, to assume the same importance quotient for all of the known drivers in achieving regional competitiveness, and to ignore or regard the role of mediator variables as the least importance in formulation of the causal relationship. These are all the factors that make the available approaches imperfect. On the other hand, the impossibility to generalize available regional development competitiveness models, which is being used in developed countries, has put recognition of the specific and most suitable drivers for yielding regional competitiveness in Iran on agenda of this research. This is as the main step to formulate theoretical model of regional development competitiveness in territory.

#### Methodology

Seeking a comprehensive spatial development framework to make the regions more competitive

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in Iran, with least shortcomings in the available approaches mentioned above and the best fit to the Iran context, would be met by a procedure that is scheduled in some steps in this research.. According to the purpose of the study, the most suitable definition would be selected and accordingly appropriate index would be defined. In next step, we try to extract all of the drivers mentioned in different disciplines literature. These drivers or success determinants for regional development could be traced in seven main theoretical visions: new economic geography theories, strategy point of view, evolutionary theories or Neo-Schumpeterian point of view, new growth theory, endogenous growth theories, creative capital theory, consumer city theoretical view and last one cognitive-cultural industries theory. In this step, after definition, these success determinants would be indexed to enter into the casual relationship model as independent latent variables. Then, the importance quotient of the drivers to yield RC would be measured by means of Path Analysis method. The strength of this model is its ability to eliminate linearity between drivers and to consider the role of mediator variables. Accordingly Iran casual model of regional competitiveness would be formulated.

Accessing formal required information and statistics limited the scope of this research to the province level of Iran. Besides, addressing the issue from the perspective of spatial development planning and the study scope and responsibilities of regional science disciplines kept away this research from logging into the macroeconomics issues. Those drivers or success determinants would be analyzed and are within the scope of the place related issues.

### Results and Discussion

The first step in casual analysis and design of structural model is dedicated to indexing of seven latent variables recognized in previous steps. After indexing, correlation quotient of each driver would be defined by means of correlation analysis. The results show that cognitive cultural activities and cluster development are two drivers have direct and most important impact on regional competitiveness in Iran. These correlations are significant at level of 0.05. After defining the direct and indirect impacts of drivers on each other and on the competitiveness as dependent variable and eliminating the linearity, by means of measuring the intersectional correlations, the path model would be designed as structural model.

As the model shows, specialization based on relative advantages such as oil in Iran would not be a good driver to yield competitiveness unlike its advantages in increasing wealth. It would not be leaded to innovation and does not have flexibility in meeting changing needs in global market. Even, American creativity capital theories, is not applicable in Iran C.C activities and clustering are the most suitable drivers for Iran context. These activities must be placed in top of the RC agenda since they are able to occupy niche markets.

### Conclusion

The proposed theoretical framework to yield regional competitiveness in Iran, in this research, shows that most of the available models in the world are not directly applicable in the context of Iran. Each context needs innovative solutions in proposing the best fitted model. The proposed model in this research needs to be tested by means of structural equation modeling methods in future researches. This method would approve this theoretical model by empirical data. Therefore, more researches are needed for formulating the best framework for Iran regional development. Up this way, we would be able to respond correctly to the emerging needs of regional policy takers and policy maker to find best solutions for making their regions competitive.

**Keywords:** cluster development, cognitive-cultural activities, consumption region, creativity capital, regional competitiveness.