

**Exploring the macro-micro links  
re-interrogating the notion of  
“growth mode”**

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# The progress of GERPISA

## Among initial objectives twenty years ago

- Exploring the macro-micro links

## The current stage of reflexion

- Two conditions of firms' profitability
  - a macro condition
  - a micro condition

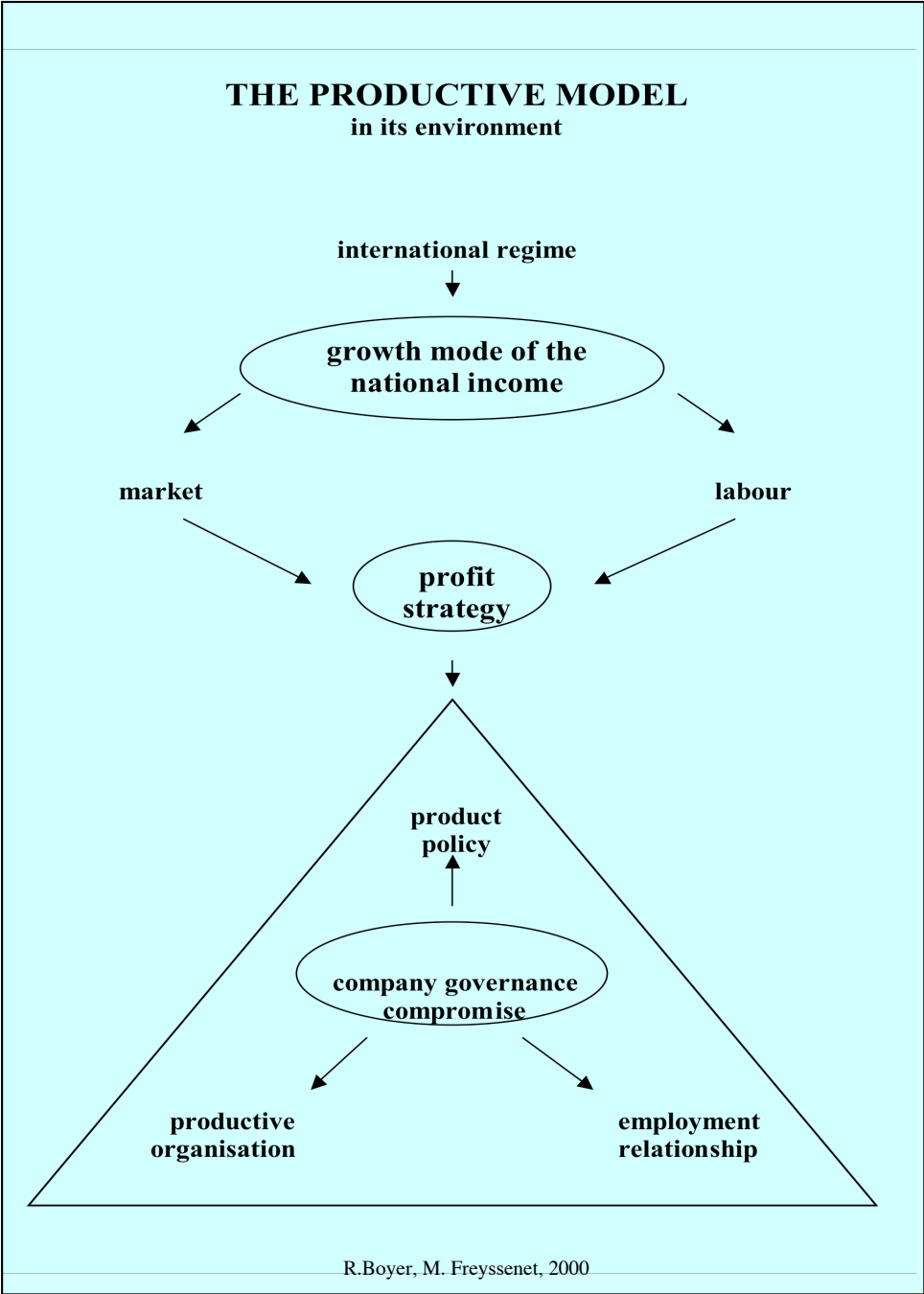
# Two essential conditions for profitability

## 1. A macro condition

Choice of a **pertinent** 'profit strategy' in **relationship with market and work**, that depend on national 'growth mode' and 'international regime'

## 2. A micro condition

Construction of 'entreprise government compromise' to find **means** that are both **coherent** in light of the adopted profit strategy and **acceptable** by the main firm's actors



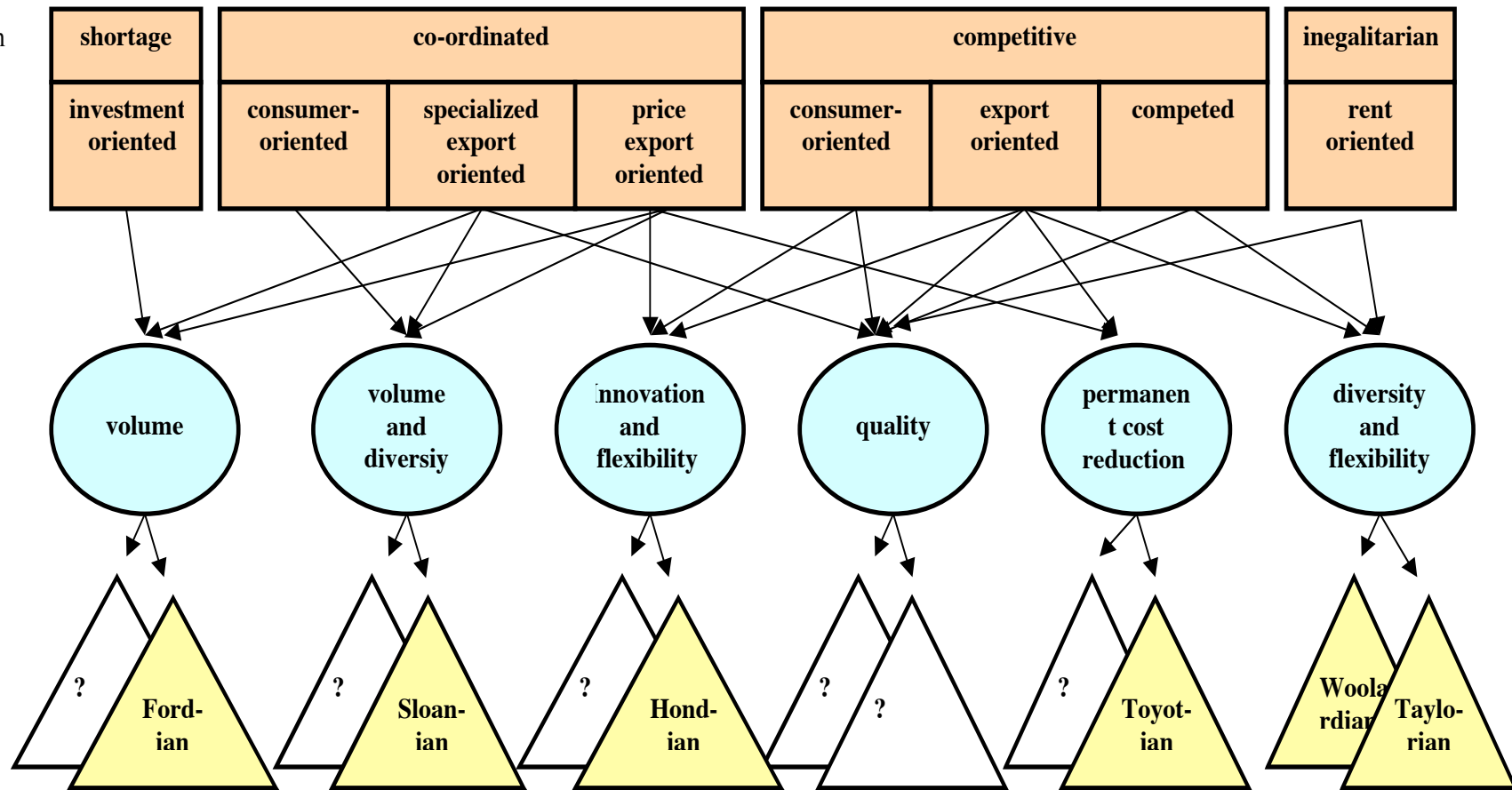
Freyssenet, M., « Exploring the macro-micro links re-interrogating the notion of 'growth mode' » Twelveth International Colloquium of GERPISA,

## Links between growth modes, profit strategies and productive models

Growth modes  
of national income

Forms of  
Distribution

Main  
Sources



# Two questions

How the entreprise compromises contribute to the construction of a national compromise about...?

- the sources of the national growth
- the modalities of national income distribution
- The labour relations
- The commercial laws
- The public policies, etc

How the entreprise's actors are obliged or prefer to use...?

- the national agreements
- the institutions
- the public policies
- etc.

to find  
acceptable and coherent means  
to implement  
the selected profit strategy ?

# Relevance and limits of the notion « growth mode »

## relevance

- The notion gives the necessary and sufficient macro conditions of relevance of the enterprises' profit strategies

## limits

- The notion unawares of important aspects of the context
- It doesn't permit to understand the national growth differences between countries having the same growth mode
- It says nothing about the international context

# The cul-de-sac of traditional methods to identify models

## Successive approximations method

- Inevitable contestations of the selected components
- Tinkering about the data to show possible systemic differences

## Statistic methods

- The correlation says nothing about the real links
- The results depend on the available data and their elaboration



## The method elaborated and implemented to identify the productive models

- Definition of the common stake of the main actors
- After, thank a constant backward and forward motion between data and logic argument,
  - making a list of **possibles strategies**, a list of the conditions of possibility of these strategies and a list of the requirements to implement them
  - analysing the **context permissivity** et the **coherency of the used means**
- Test of the **achieved results** by the different national configurations

## A reasonable hypothesis

- All countries try to keep their independancy and their unity
- Without growth, they undergo external pressure and internal tensions, destabilizing their sovereignty and their constitutive pact
- We reasonably can think that the main national stake is the growth

## If it is the case, we can list logic successive questions

- What are the sources of the growth ?
- Is it possible to exploit them with the same intensity?
- If not, what are the possible strategies?
- Which to select? See the conditions of possibility and the requirements to implement the different strategies
- What are the possible means in the context to meet the requirements of the selected strategy?

# The possibles sources of growth

Investment

Consumption

Exportation

Predation

# Impossibility to exploit the four sources of growth with the same intensity

The internal  
and external  
conditions  
of possibility  
aren't the same

The requirements  
to implement them  
are contradictory

# The driving source of growth

- Characterize the growth strategy
- We can know it by the fact that the national income distribution is index linked to...

- forced or voluntary saving in the case of investment
  - internal productivity in the case of consumption
  - external competitiveness in the case of exportation
- imported volume of free goods in the case of predation

# The growth strategy

## “ Consumption ” (1)

### Characteristics

- anticipation of productivity gains increasing the purchase power
- thank a national compromise: increase of productivity/ increase purchase power

### Conditions

- internal:  
market potentially large  
abundant workforce
- external:  
protection  
of internal market  
accepted by the  
other countries

# The growth strategy

## “ Consumption ” (2)

### Requirements

- production:  
even increase of productivity
- distribution:  
even increase of purchase  
power
- régulation:  
index link between purchase  
power and productivity

### Dynamic-contradiction

- slowing down of productivity  
increase (saturation of demand,  
divergence of productivity  
between sectors)
- ↓
- creation of new needs
  - privatisation of public services
  - internationalisation
  - regional integration



# The conditions of the growth strategy

## “ Consumption ”

### Internal:

market potentially large,  
abundant workforce

- Volume of population, dimension of national income distribution
- Social relations implying the productivity increase

### External:

protection of internal market  
accepted by the other  
countries

- multi-lateralism and controlled liberalization of exchanges
- geo-politic reasons
- very large country

# The requirements of the growth strategy

## “ Consumption ”

### Production: productivity increase

- Priority to new capacities and process innovation
- Priority to consumption goods and services
- Pushing the productivity increase in the domestic sector, merchant sector, public sector

### Distribution: purchase power increase

- of a sufficient part of the population

### Régulation: index link

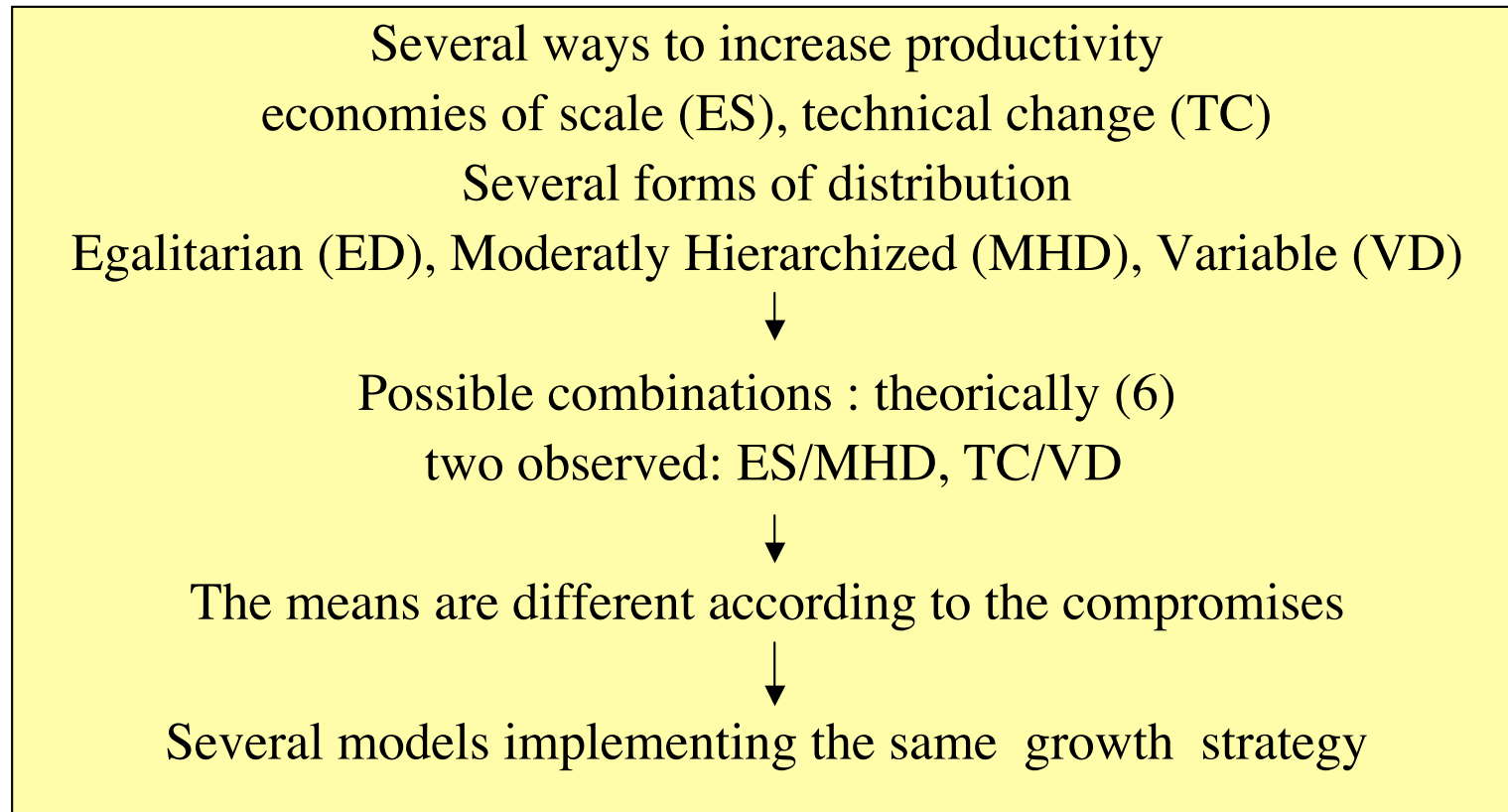
#### Purchase power/productivity

- Control of exchanges
- Control of inflation
- Low credit rate
- etc.

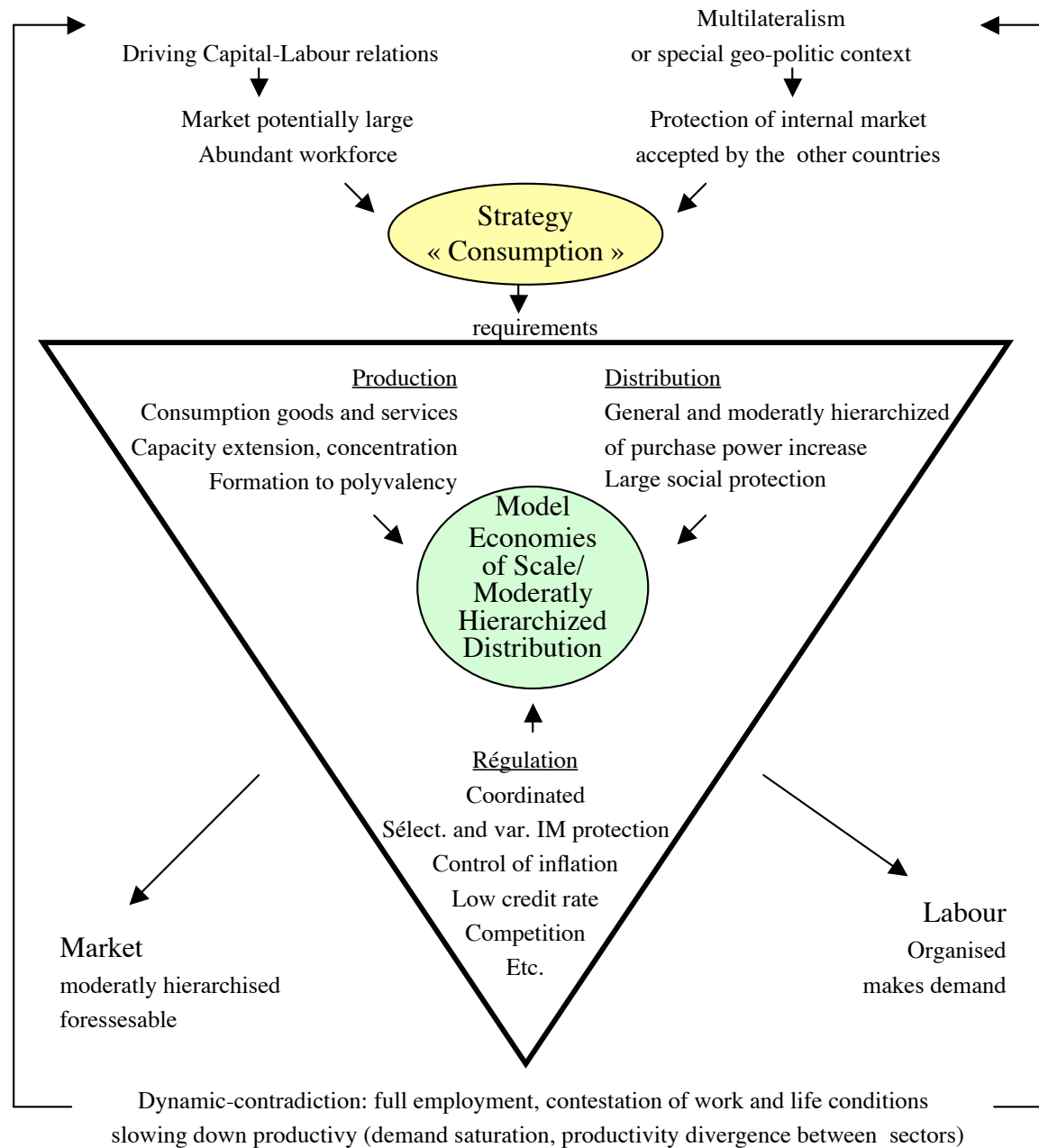
### Compromise

- Construction of an alliance between social forces

# The possible compromises: productivity/purchase power



GROWTH STRATEGY « CONSUMPTION » AND MODEL « ES/MHD »



# The growth strategy

## “ Exportation ” (1)

### Characteristics

- Income from exportation of goods, services, raw goods, capitals or workforce
- Purchase power increase index linked to the type of competitiveness (prices, specialised goods, rare goods)

### Conditions

- internal obligation or opportunity to export
- external access to foreign markets

# The growth strategy

## “ Exportation ” (2)

### Requirements

- production: to maintain the external competitiveness
- distribution: according the type of competitiveness
- régulation: to ensure the indexation purchase power/ competitiveness

### Dynamics-contradiction

- To renew the competitive advantage (prices, specialised goods, rare goods)
- reaction from other countries
  - ▼
  - internationalisation,
  - autonomisation of firms

# The conditions of growth strategy

## “ Exportation ”

### Internal: obligation or opportunity to export



- population too little, necessity to compensate the lack of raw goods
- historical specialisation
- raw goods resources

### External: access to foreign markets



- geo-political reasons
- countries « consumers »
- exchanges liberalisation and countries specialisation
- countries lacking raw goods

# The requirements of growth strategy “ Exportation ”

## Production: to maintain the competitiveness

- Selection of exportator sectors
- Innovation, formation according to the type of competitiveness

## Distribution: according the type of competitiveness

- Index linked to external competitiveness , included to no-exportator sectors

## Regulation: competitiveness/purchase power

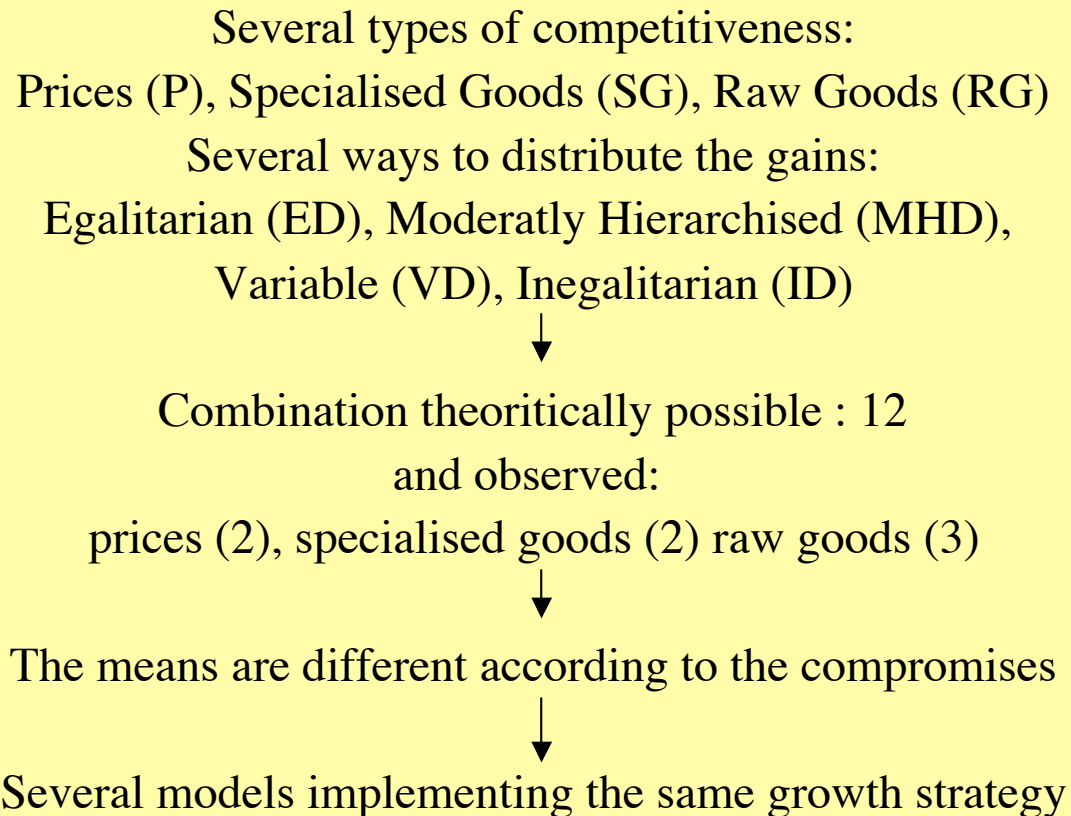
- Exchange rate under control
- opening of internal market in the limits of the maintaining of excedent

## Compromise

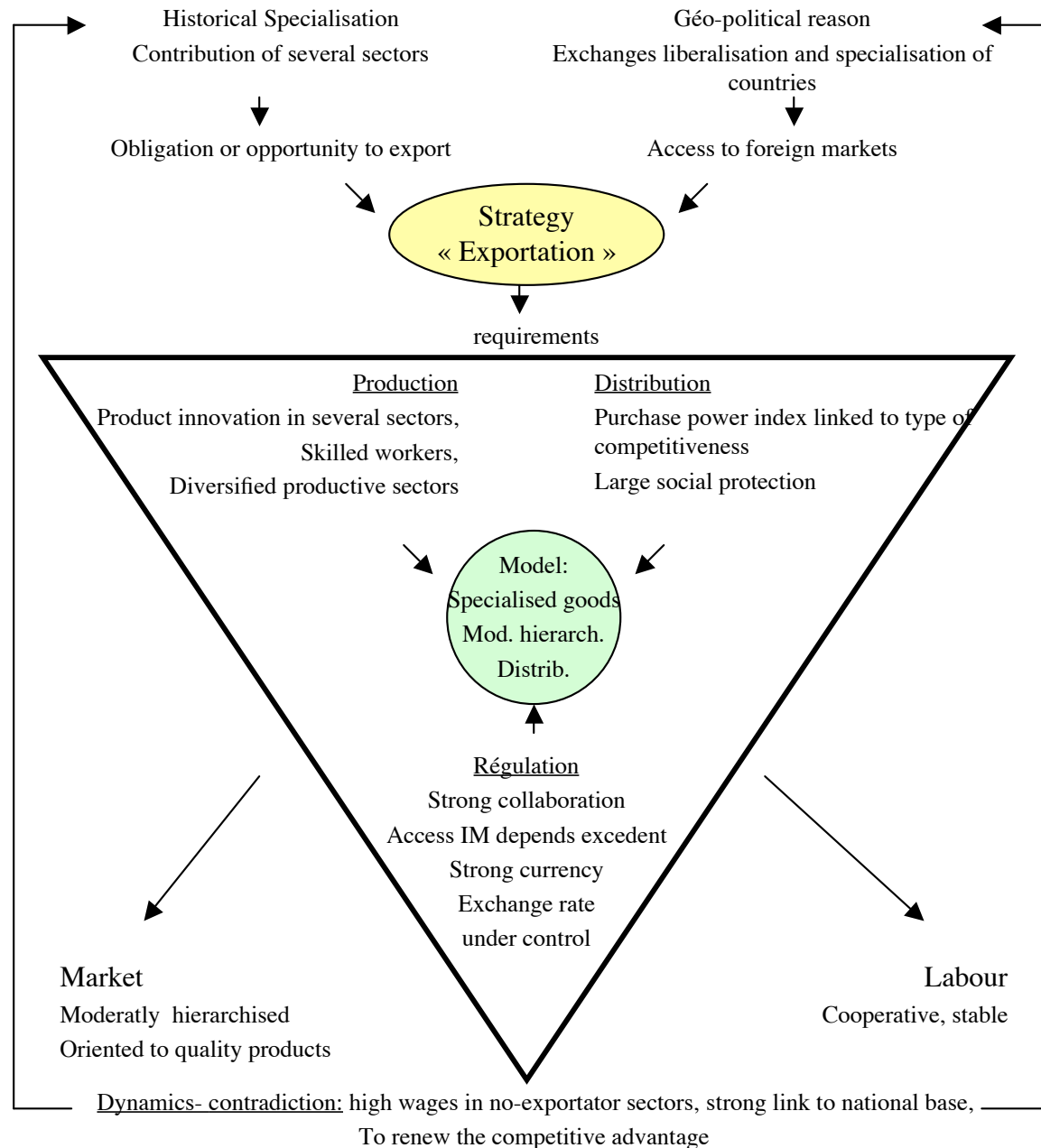
- Alliance between exportator sectors (executives and employees)-State to impose the compromise to other sectors



# The possible compromises: competitiveness/purchase power



# GROWTH STRATEGY « EXPORTATION » AND MODEL « SG/MHD »



## Analysis programme by country

- Growth by year
  - growth driving source by year
  - Internal and external conditions
    - type of compromise:  
forms of productivity increase  
and purchase power increase
  - verification of the coherency of means  
with the strategy
    - structure of market and labour
- means imposed or available for entreprise actors

# STRATEGY AND MODEL OF GROWTH

