

---

# Global Repositioning of Nations - Analyzing the Competitive Advantage of India and the UAE

*Faisal Ahmed\* & Shahzia Khan\*\**

## Abstract

Competitiveness is inevitably becoming an instrument for nations to measure their socio-economic prowess and subsequently to position and re-position their brand equity in a globalizing society. This paper duly investigates the actionable concept of competitive advantage for the fast developing landscapes of the globe. India and United Arab Emirates (UAE) are the two nations, which the paper considers to examine. The analysis is being undertaken considering various bases including the organizational frameworks within them, the existing business environment and the regional geopolitical stability prevalent thereof. Both the economies are now becoming a lucrative hub for global investors; and the paper therefore, evaluates their contemporary competitive advantage across socio-economic pursuits and the new strategies they are/ could be using to make a global repositioning of their brand. It must be noted that a nation's prosperity depends on its ability to compete strategically by enhancing its productivity to become still closer to self-sufficiency. A close observation and comparative analysis of both the countries, with reference to emerging industries, services sector, infrastructure development and other promising variables, are being duly made. Whereas services sector are on the boom in both countries, the infrastructure, ranging from cosmopolitan cities of Mumbai to Dubai, is also not lagging behind. The organizations should shift their strategic paradigms to become more advantage-oriented, so that they can contribute to the brand repositioning of their nation. The paper also reviews literatures of contemporary themes and relevance and suggest some of the measures that could be undertaken by these nations, as a whole, to strengthen their repositioning strategy in this dynamic business order. It may be duly ascertained that organizations within these countries should try to establish a cohesive interface amongst them, and manage the industry dynamics to further the global repositioning imperatives being undertaken by their respective countries.

## Introduction

Resources are scarce and opportunities limited; and within this diaspora lay the think-tank of the fast developing landscapes of the globe. Every nation has its own competitive advantage that it uses to get an edge over its competitor nation, and subsequently position them in the global marketplace. This competitive positioning keeps changing throughout the life history of a nation, meaning thereby that with the advent of any new strategic paradigm shift in its society, economy, politics or international relations, the nation revitalizes its competitive edge with a newer

**\* Faisal Ahmed**

*Faculty Member – International Business  
New Delhi Institute of Management  
60 & 61, Tughlakabad Institutional Area  
New Delhi-110062, India  
E-mail: faisal.academic@yahoo.co.in*

**\*\* Shahzia Khan**

*Sr. Lecturer – Management Studies  
MAHE Manipal Dubai Campus  
Block No.7, Academic City, P.O.Box: 500689  
Dubai, UAE  
Email: shahzia\_khan@mahedubai.com*

---

gem and then repositions itself on the globe. The paper discusses the various aspects of global repositioning and stresses its implications in the globalizing society. Competitive advantage has also got a newer renovative spirit in the sustainability factor. The paper outlines the different competitive advantages being enjoyed by India and the UAE, and also discusses how global repositioning of these nations could be attained through them.

### **The Global Repositioning of Nations**

Consider any nation and we trace that they have been witnessing changes in their socio-economic structures and political set-up. Each country follows a certain roadmap for enhancing its economic performance to meet the global standards. Investments in the field of science and technology, allocation of resources to reinforce growth and development, improving information systems and communication networking, upgrading of core business infrastructure or promoting education to ensure regional economic development are some of the steps that have been/ are being duly undertaken by nations to enhance their image on the global arena. Global Repositioning is not a single step to enhance national image but a phenomenon to ensure sustainable brand equity of the nation. Global Repositioning is simply a NEW reason for which a country could be known for globally. The transformation of India from being a non-aligned nation to becoming a nuclear power and being a supplier of IT talent to the globe, exemplifies the phenomena of repositioning to its actionable best. And to support this ideation... let us ponder as to what could the Al-Burj Hotel in Dubai reflect? ... A land of camels repositioning itself as a globally competitive landscape for investors!!!

But what leads the nation onto the path of global repositioning? Is it possible for each nation to reposition them in the highly competitive and ever dynamic global landscape? Of course, Yes... but certain parameters need to be peripherally ascertained. We outline following factors which helps a nation to reposition itself:

- Geopolitical Gravity
- Technological Prowess
- Socio-economic Inertia
- Resourcefulness and Entrepreneurial Leadership

- Transcultural Intelligence

**a) Geopolitical gravity:** The extent of global face, which a nation possesses, and its subsequent diplomatic pulls helps it to create a unique identity on the globe. Geopolitical gravity is concerned with how geographical factors, including territory, population, strategic location, technology and natural resource endowments, affect the relations between nations and the struggle for creating their own niche and dominating the world order. Countries which have come together for economic realignment like those under EU, ASEAN, SAARC, OPEC and other RTA's, have been able to create a repositioned identity owing to their affiliation to such associative groups or trading blocks. Besides that, several countries of the EU have also repositioned themselves on the globe by adopting the monetary integration process. Moreover, countries also tend to associate them with International organizations like the WTO, UNO, etc. to create a newer global identity for themselves. It must be noted that geopolitical gravity has been the oldest methodology being used by nations as a repositioning strategy and during the colonial and imperialist history and before. Whereas, India repositioned itself as a non-aligned country after the World War II, the merging geo-political gravity compelled it to further reposition itself as a nuclear power to cope up with the prevailing political instability in South Asia and across the global order. The geopolitical gravity also encourages the nation to breed competitive wavelengths of development and reposition itself on the global arena.

**b) Technological prowess:** The higher Information Technology usage and the pool of technical talent being created conductively in countries like India have helped in positioning and further repositioning these countries as a hub of technical synergies. Such technology-based transformations and the pertinent gyrations in international trade, spurred by liberal trade policies and globalization, has compelled India to adapt more quickly and efficiently to the changing economic globe and to keep up with the development of new and emerging technologies in order to maintain and enhance national competitiveness. Most countries invest heavily in R & D to support their innovation capacity to meet international competition. They give emphasis on related technological parameters, which would have impact on improving their competitiveness.

---

India does require the development of sustainable perspectives and insights to address issues, which includes, but is not limited to: research and development, adequate institutional set-ups, favorable environment for supporting organizational productivity, structure & strategy, modern management capacities, and ensuring and upgrading the competitiveness of the natural resources sector. Applying the concept of Techno-behavioral Knowledge (TbK) Matrix (Faisal Ahmed, 2006), to correlate with global repositioning, we can, and understandably so, derive that the enhanced level of technological inducement within a nation can entrust it with a competitive advantage that would inevitably be helpful in its global repositioning. It may be noted that the technological landscape of the world is witnessing significant transformations. This is being duly revealed by the dramatic growth of high technology products through substantial research and development. We can notice the periphery of international trade gradually shifting toward science and technology-based competitiveness, and henceforth, nations also ought to leverage global technical expertise to support their national pool of techno-savvy and development oriented talent.

**c) Socio-economic Inertia:** The socio-economic inertia relates to the dynamics of social well-being and the economic health of the nation. Developing countries witnesses a shift from agriculture to industries with a high productivity fuelled economic growth that mars inflation. Socio-economic trends are itself the reasons to explain as to why and how, many countries have been able to ensure a better living standard to its citizens and created a competitive positioning for them through it. Socio-economic inertia is one of the most prolific reasons for which a country strives for, in order to mobilize its resources to attain the desired level of competitiveness. The cultural factor plays a vital role in creating the socio-economic inertia. And both India and the UAE are privileged to have such a rich evolutionary culture which is formed by intermixing and intermingling of various cultural practices of the world. What positions India in the best way, on the world map today, is largely our cultural heritage, our society, family and the complete sociological setup, which is very much admired across the globe.

**d) Resourcefulness and Entrepreneurial Leadership:** The countries are endowed with a

plethora of natural resources, though such resources may not be equally distributed across the globe. Resourcefulness talks about the ways to harness natural resources and facilitate their utilization for the betterment of human kind. And, entrepreneurial leadership, on the other hand, focuses on strengthening human capacity building. Through entrepreneurial leadership many nations have been able to position well on the global map through building talent and creating organizations that improves supporting infrastructure, strengthens innovation for national development, pay attention to and utilize judiciously the new technologies, strengthen the public-private partnership thereby moderating the role of government, and many such issues alike. Well, the advent of knowledge-based society, toward which we are moving today, has hinted that the availability of natural resources alone is not enough for competitive positioning; and therefore, the paper stresses that a good mix of resourcefulness and entrepreneurial leadership is required for a competitive global repositioning of both India and the UAE.

**e) Transcultural Intelligence:** A country which is adaptive and accommodative to different cultures is the one which repositions itself very well on the world map. Transcultural Intelligence means that the country creates such an environment that combines cultural relativity with emotional intelligence practices. Why countries in Southeast Asia, especially Singapore, Malaysia and Indonesia, are becoming home to many foreign visitors, is a reason enough to understand the vital role of cross cultural acceptance within them and most importantly among their citizens. We can, and indeed must, learn to collaborate across cultural lines as individuals and as a society. And of course, understanding these deeper philosophies gives us a broader picture of what the world has in store for us. Each citizen must share the responsibility to co-create and practice the Transcultural intelligence in the much larger good of their country. This would help in further repositioning their country as a global hub of investors also.

### **India: Global Repositioning and the Competitive Landscape**

India is vast and populous and enjoys a mix of competitive edge over other nations of the world. Through times immemorial India's image has been

---

positioned and re-positioned on the globe, from being the land of ancient seat of learning at Nalanda, to being a British colony and then to becoming the largest democracy in the world. India has evolved and so is its culture. There are set of parameters mentioned hereunder, that we outline, to redefine India's competitive advantage for global repositioning and also how they could help India onto the roadmap for a better repositioning strategy.

- **Emerging Potential market (Size and Composition):** India is attracting investors because of the opportunities prevalent here and more so, because of the huge size of the market. The composition of the customers is also diversified which gives opportunity to several business to start their own forum in corporate India. It may be duly ascertained that Indian economy going liberal in 1991 has given an impeccable breakthrough to the process of globalization.
- **Knowledge Economy:** India is transforming itself into being a knowledge society wherein talent competes with technology. India has been provider of skilled manpower to the most of the industrialized nations of the world. The wave of BPO's in India is assumably taking a giant leap with the advent of KPO (Knowledge Process Outsourcing) and FPO (Finance Process Outsourcing). Emphasis should lie on spreading Indian BPO talents to other nations where this industry is either in the nascent or growing stage.
- **Co-opetitive Paradigm and Strong growth Momentum:** Collaboration and not competition is the order of business enterprise in the India economy. Several strategic ventures are undergoing to bring out a spirit of shared responsibilities and nation building by the corporate houses. The economy is on way to a strong growth momentum, though of course, the developmental issue is also not lagging behind.
- **Technological Entrepreneurship:** Merely adopting and using the technology is not enough; and of course, India has shown its prowess in developing technological to ensure low-cost productivity and accessibility to all. Technological

Entrepreneurship in India is still growing; though it needs to grow in numbers in arithmetic or geometric progression. With the amount of investment pouring into India, the people should venture to become entrepreneurs in the field of technical productions.

- **International Relations and Economic Diplomacy:** India's foreign relations with the countries continue well with its policy of non-alignment and nuclear disarmament. Being a huge democracy, India is gradually, though with an increased pace, positioning itself well on the global arena as one of the economic superpowers. India's economic diplomacy can be well witnessed in its stands as apparent in the economic realignments in the region and its relation with other trading blocks of which it is not a part.
- **Cultural Branding:** One of the most important positioning strategy and a leading competitive advantage, which India enjoys and should propagate, is the cultural branding of India itself. Indian culture is highly evolutionary in nature and has been the subject of admiration of many foreign travelers and settlers in India. From the dynamics of Yoga to the family melodrama of bollywood; these are few most sought after cultural syrups for the foreigners. The monuments which compels foreigners to peep into the history of India is marvelous and their grandeur, perfectly immense.

#### **UAE: Global Repositioning and the Competitive Landscape**

The United Arab Emirates, a consolidation of seven emirates: Abu Dhabi, Ajman, Dubai, Fujairah, Ras-al-Khaimah, Sharjah and Umm-al-Quwainn has established a distinct national identity since its federation in 1971. The ancient inhabitants of the U.A.E comprised of the skilled herders whose main pursuits were fishing and shell-fish gathering in the winters and pastoralism and horticulture during the summers. The earlier crucial state has repositioned itself from an inhospitable desert to a lucrative hub for investment and tourism. This part of planet has shown laudable and significant growth by establishing a successful economy within no time. U.A.E is eventually ranked

---

2<sup>nd</sup> among the MENA (Middle East and North Africa) countries and 32<sup>nd</sup> internationally by the World Economic Forum. The G.D.P. of the country increased to US \$37 b. in 2005 within half of the stimulated time period. This achievement is the repercussion of careful and optimum utilization of its competitive advantage through modernization of public services, institutional frameworks, legislation, regulation, infrastructure, the launch of strategic projects such as tourism ventures, Internet and Media Cities, the Dubai International Financial Centre, specialized zones, and other mega projects. In pursuance of its strategic plan of global repositioning, UAE took advantage of its competitive advantage that drove the economic growth across the nation:

- **Oil Sector:** UAE is rich in the oil resource that is not the case with India. The year 1960 is known as the turning point in the history of UAE when the field of the emirates was declared commercially viable by petroleum development (Trucial Coast). Oil sector has contributed significantly to the country's economy. The Emirates of Abu Dhabi has 94.3 percent of the UAE's total reserve and 9 per cent of the proven oil reserve. At the current rate of pumping the Abu Dhabi oil reserve will last for 129 years. (United Arab Emirates Yearbook 2006) Further, Abu Dhabi National Oil Company (ADNOC) was established in 1971. Abu Dhabi Company for Onshore Operations (ADCO), a part of ADNOC, is one of the 10 largest oil companies worldwide and the largest crude oil producer in the southern Arabian Gulf. The high price of the oil was the competitive advantage in the hand of UAE. Oil companies from Japan, France, Britain and other countries own up to 40 percent of the energy sector in Abu Dhabi.
- **Economic Restructuring:** Further what stimulated the growth of UAE was its witty plan to restructure its economy. The diversification of the country's economy brought with it the tidal waves of growth and change. UAE reduced its dependence on the oil sector and diversified the economy towards non-oil sectors that contributed 97 per cent to the GDP in 2006. Now the country is not dependent on oil alone. It has repositioned itself as multi-faceted economy. Different sectors have contributed to its growth;

among them is the service sector contributing 74 per cent to the GDP. Companies involved in marketing, renting and leasing, technical services (such as engineering, architectural services, and surveying) and professional services (such as consulting and accounting) dominate Dubai's services sector. This clearly depicts the diversification of the economy.

- **Liberal Policies:** One of the biggest competitive advantages of UAE is its liberalized policies that include 100 per cent foreign ownership, corporate tax holidays, no personal taxes, freedom to repatriate capital and profits, no import duties or currency restrictions. The liberalized policies provide substantial opportunities for trade. The UAE has ten free zones: Jebel Ali, Sharjah Airport International, Hamriyah, Fujairah, Saadyat, Ajman, Ras Al Khaimah, Jebel Ali Seaport, Dubai Airport International and the Dubai Technology, Electronic Commerce and Media Free Trade Zone. All the free zone allows 100 percent foreign ownership making the country an aesthetic investment platform across the globe.
- **Tourism:** The major driving force of the U.A.E. economy is tourism that exceeds the contribution of the oil sector. Tourism growth in emirates has impressed various commentators. Each emirate has its own enchantment. Dubai shopping festival, shopper's paradise, attracts several tourists every year generating great revenues. The country has undertaken remarkable measure to develop it as a top class tourist attraction. Dubai's first major off shore tourism development, the Palm Jumeirah, will have 30 to 40 hotels when completed. (United Arab Emirates Yearbook 2006). Each emirate has its own tourism development authority that takes care for the comfort and entertainment of the visitors that come to enjoy the cultural heritage, great shopping experience and a friendly environment, from every corner of the globe.
- **Financial Sector:** The country also has a strong share market owing to the confidence in the financial regulation. So many developments were undertaken in this pursuit. The Dubai

---

International Financial Exchange (DIFX) and Abu Dhabi Securities Market (ADSM) are breakthrough in the financial sector. The Dubai International Financial Exchange (DIFX) located in the Dubai International Financial Centre (DIFC) launched in September 2005 has many regional and foreign companies listed in it. Government has set various plans to ensure a smooth functioning of capital market in the country.

**Infrastructure:** Another competitive advantage that UAE enjoys over India is its sophisticated and modernized infrastructure. A good infrastructure is the back bone of every stable and growing economy. The basic strategic success of any nation lies in complimenting the infrastructure and the social growth with the economic growth. Magnificent road networks, good telecommunication facilities, hospitals, prompt and affordable electricity and water supply, modern housing facilities, seaport, airports, huge dazzling shopping malls, high class restaurants and hotels all contribute in providing a high quality of living standard to the residents and at the same time catalyzes the economic growth. Various projects like Burj Dubai, the upcoming highest tower, the palm Jumeirah, Dubailand, Dubai festival city are designed to further accelerate the infrastructure growth. In pursuance of providing quality education Knowledge Village, Academic City, Higher Colleges of Technology (HCT), The Centre Of Excellence for Applied Research And Training have been established. The Zayed University and University of Abu Dhabi have also design several literacy programs. In order to ensure sustainable development of the infrastructure the Government plans to undertake various strategic measures like optimizing the land use to meet the needs of the development, ensuring safety measure through emergency and accident management, ensuring a clean and eco-friendly environment and ensuring the residents personal, psychological, economic and political security.

### Conclusion

Global Repositioning is a much sought-after phenomenon by the nations who want a competitive positioning on the globe and to have a say in the global and economic diplomacy. Both India and the UAE are Asian countries with diverse culture and geographical

landscapes, but their increasing trade collaborations and political relations have brought them still closer. The paper focuses on the concept of global repositioning of nations and has presented the global repositioning parameters of both the countries and their respective competitive advantages also. The paper also opens new avenues of research on judging the global economic compatibility of both the nations.

### References

1. Ahmed, Faisal. "Co-creating the Knowledge Advantage", Technology Management (2006), Evergreen Publications (India) Ltd., Jalandhar, Pg. 86-93.
2. Day, George S.; Reibstein, David J.; Gunther, Robert E.; Wharton on dynamic Competitive Strategy; John Wiley & Sons, Inc.; New Delhi; 2006
3. Besanko, David; Dranove, David; Shanley, Mark; Schaefer, Scott; Economics of Strategy; Third Ed.; John Wiley & Sons, Inc.; 2004.
4. Thompson Jr, Authur A.; Strickland III, A J; Gamble, John E.; Jain, Arun K.; Crafting and Executing Strategy-The quest for competitive advantage, concepts and cases, 14th Ed., Tata McGraw-Hill Publishing Company Limited, New Delhi; 2006
5. United Arab Emirates Book 2006, Trident Press Ltd., Ibrahim Al Abed, Paula Vine, Peter Hellyer, Peter Vine
6. Websites of Khaleej Times and Gulf News
7. Web site: [www.uae.gov.ae](http://www.uae.gov.ae)
8. Web site: [www.uaeinteract.com](http://www.uaeinteract.com)
9. Web site: [www.menafn.com](http://www.menafn.com)
10. URL: <http://www.amsreview.org/articles/hoffman04-2000.pdf>
11. URL: [http://media.wiley.com/product\\_data/excerpt/78/07879571/0787957178.pdf](http://media.wiley.com/product_data/excerpt/78/07879571/0787957178.pdf)
12. URL: <http://www.h-net.org/~business/bhcweb/publications/BEHprint/v021/p0228-p0236.pdf>