

The New International Division of Labor , Modularity Economy and Comparative Strategy Development: An Empirical Study based on BRICs Industry

Li Yamin Dong Yinguo WangHao*

(Fudan University ; Shanghai University; ECNU;Shanghai:
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Abstract: Entering the new century, Brazil, Russia, India And China (BRICs) have varied economic histories and strategies for stimulating economic growth into the international division of labor. In accordance with the "comparative advantage" principle, the BRIC nations make use of natural resources into modular economy and focus on the international value chain related value chain, optimize the national or multinational companies production system to gaining international competitive edge and achieve economic growth. But what is the real performance of modular economy in BRICs? What is the final International Division of Labor Morphology? This is really an interesting question in international industry economics.

Yale University economist Paul Kennedy, has proposed a "gold bullions four countries" theory, and some public opinions aroused great concern advisory body, said the words used over a period of time to become the highest frequency of the special terms. This refers to the four countries? Brazil, Russia, India, China, the first four countries to write letters BRIC. Because it is four countries, it is necessary to add a plural, plus an S, the

* Li Yamin(1979—)Female,postdoctor of the Theoretical Economics Post-doctoral Mobile Station Fudan University, China Life Insurance Associate Actuary,Specialty:International Finance, Address: Room 102 No. 100 Lane 78 Wuchuan Road ,Shanghai City, Postal Code:200433,Mobil Phone Number:13636389621,Email: haoyamin1979@163.com.Dong Yinguo,Female, Ph.D. in Economics. Associate Professor,College of International Business and Management,Shanghai University. Wang Hao, Male, Ph.D. in Economics of ECNU.

four countries is not an ordinary country, the United States is the economic scholars believe that the gold bullions (Paul Kennedy, 2004). Several countries from which the English word constitute the first BRICS (Brazil, Russia, India, China) countries has grown more than the initial forecast of many scholars

Indeed, the recent growth performance BRICSs development experience and special attention, but from the point of view of international division of labor in re-examine, it is not difficult to find, the above does not mean that BRICSs achievements in the international division of labor Control Power have been in a favorable position (TN Srinivasan, 2006). This is the originator, from the viewpoint of the new modular study international division of labor can be found, BRICS module and the development of the economy is the emergence of the international division of labor on the traditional model of a structure and abandon it, as technology and the accelerated development of the organization evolution of the international capital through a modular value chain, the organizational functions recycling, then grab module efficiency, optimize the cost-benefit ratio, won module profits. BRICS countries enterprises in the current technology, management capability and the most developed countries in weaker cases, passive or active modular operating system into the development of space may marginalized, that is, lack of access to core competencies, only in the supply of raw materials, manufacturing and the low value-added sectors such as assembly has an advantage, comparative advantage will be locked in the value chain link minor (Kumar Narayanan, 2006). In short, the international capital market and the competitive position of BRICS asymmetry of the BRICS decision in this international market structures under the accumulation of technical capacity, management capacity and the achievement of sustainable development difficulty. These countries participate in the international

division of labor is still dominated by transnational corporations production networks in the global production system decided that they consciously or passive acceptance of international standards in accordance with the "comparative advantage" principle, a national natural resources, and actively use module paradigm, focusing on the central national or multinational companies gather production, with a view to winning international competitive advantage, achieve economic growth. Because of the modular value chain constraints, and the major developed countries, compared to BRICSs the economic and social welfare is very limited. Therefore, BRICSs function of the economic growth of the marginal existence of the greatest value, their development momentum is also difficult to determine a long-term, sustainable. How the scientific concept of development from the perspective of the economic growth mode BRICSs analysis? BRICSs understanding of how to understand the new international division of labor in the world in the status and role?The above questions are of great value proposition.

In this paper we introduce the BRICs case about state's industrial development to interpret the evolution of the new international division of labor, which involves module economic and national development strategies. From general characteristics of dynamic system, instead of internal evolutionary mechanics of global economy, the paper analysts three international divisions of labor and constructs a dynamic optimization model with modular industry chain from the new viewpoint. Finally, it uses transnational production or business enterprise data, in years 1987-2007 as qualitative tests and gives brief comments and policy suggestions to reform strategies as a whole.

Key words: Module; Transnational corporations; Global strategy