

INDUSTRIALIZATION IN DEVELOPING ASIA SINCE 1970
Why Technology, Learning, and Innovation Matter

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Abstract

The paper seeks to analyze the remarkable pace of industrialization in Asia during the past half century, even if its distribution was most unequal between countries, with a focus on selected countries described as the Asian-14. It argues that economic openness, while necessary was not sufficient. It was conducive to industrialization only when combined with sensible industrial policy that was implemented by effective governments. There was, of course, an enormous diversity in the nature of openness and the process of industrialization across countries. Yet, there were discernible patterns in the different paths to industrialization, pointing to determinants of success and factors underlying failure. The analysis highlights the importance of technological capabilities, learning and innovation, which were essential for the few countries that joined the league of industrialized nations. It concludes that this will be just as necessary for countries that follow in their footsteps or aspire to sustain their industrialization.

Keywords

Asian-14; industrialization; development; economic openness; industrial policy; trade policies; governments; diversity; technology; capabilities; learning; innovation.