

EXPORT EXPERIENCE AND TECHNOLOGICAL CAPABILITIES IN EAST AND SOUTHEAST ASIA: THEORY AND METHODOLOGY

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I. INTRODUCTION

For a number of years East Asia's big exporters became some of the most researched laboratories for understanding the dynamics of industrial competitiveness in the global economy. Rapid GDP growth and rising living standards on the back of unprecedented export expansion and structural change produced growth models in for drawing lessons for other developing economies. The nexus between export-oriented and GDP growth was considered standard script, albeit little agreement emerged on the diagnoses and paths taken by the individual economies. Bhagwati (1979, 1988), Balassa (1982) and Krueger (1983) contended that liberalization and proscriptive intervention helped the Republic of Korea, China, Taipei and Singapore record rapid export growth and improvements in GDP. Deyo (1987), Amsden (1989), Fransman (1985), Wade (1990), Chang (1994; 2000), Rasiah (1995) and Lall (1996; 2001) led the argument that selective and sometimes pervasive intervention helped overcome market failure and engender the conditions for sustained export growth and structural change, while nothing that each country has a different historical specificity. Compared to its past works, the World Bank (1993) took a somewhat different line, acknowledging some of the productive interventions in Korea, Thailand and Taipei, but maintained the superiority of markets. The efficacy of the East Asian models was only questioned by mainstream and heterodox economists when the financial crisis severely affected growth in Korea and Indonesia and slowed down the growth rates of Taipei and Singapore. The Philippines, not classified as a miracle economy by the World Bank (1993), was also absorbed into the financial whirlpool.