

TOWARDS A RETURN OF INDUSTRIAL POLICY? ARTNET SYMPOSIUM 25-26 JULY 2011 ESCAP, BANGKOK

Diversification versus Polarization: Role of industrial policy in Asia and the Pacific

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*The views expressed in this presentation are those of the author and do not necessarily reflect the views of the UNCTAD Secretariat or its members.

Outline

Industrial policy, trade and development

A comparative scale: World, Asia-Pacific and Sub-regions in manufacturing

Measuring Export Diversification and Polarization

Results and analysis

Way forward

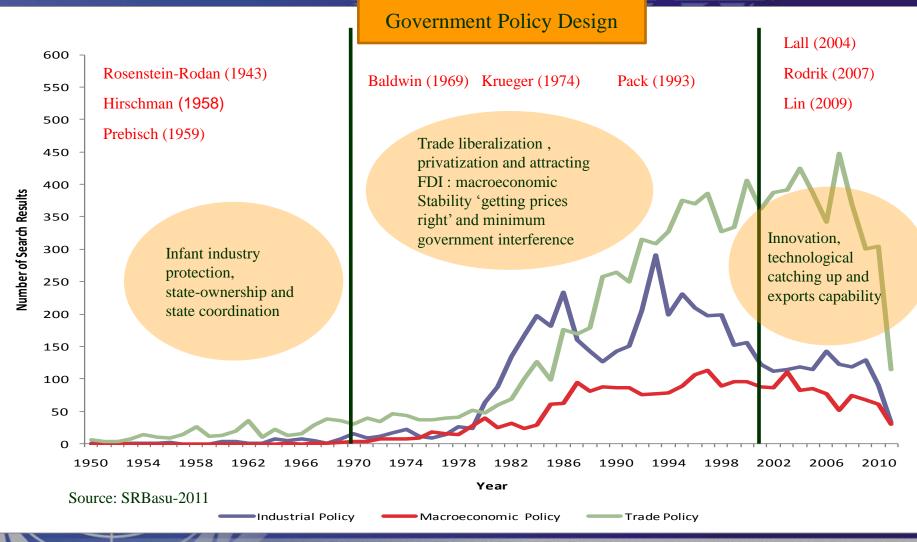
Industrial policy, trade and development

Searching for Industrial Policy (IP)

(web accessed as on 25 June 2011)

Google

Scholar



Components of IP

Policy intervention

Government

intervention

Productive capacity development

Enterprise development

Import tariffs, quotas & licences
Export subsidies, trade financing
Tax breaks
Special economic zones

Privatization of firms
Physical capital

- Human capital
 Labour training & skill formation
- -Innovation policies
- R&D investment
- Developing high-tech products, innovation
- FDI incentives

-Domestic financing -Public-private partnership -SME cluster formation -Management capacity development -Competition policy -Marketing and promotion

Theory and Empirics

Structural change and Export diversification

Welfare impacts: economic growth and employment creations
Sectoral implications: Depending on the institutional linkages and stages of development, welfare implications tend to be higher in high skilled/technology content industries, and new issues related to intensive and extensive margin
Domestic economic linkages: Forward and backward linkages with domestic firms leading to a productive capacity and expand structure

Recent papers

IP & Diversification

Lall (2000), *Wood and Mayer (2001)*, Lederman and Maloney (2003), Imbs and Wacziarg (2003), Hausman and Rodrik (2003), *Collier (2003) Sachs et al. (2004)*, Hausman, Hwang and Rodrik (2005), Melitz and Ottaviano(2005), Rodrik (2006), *UN Africa (2007)*Cadot, et al (2008), World Bank (2009), *UN DESA (2006, 2010) UNCTAD (2002, 2008, 2009 and 2010)*, Basu and Das (2010), Basu (2011)

UNCTAD TDI model Policy and Outcomes

