Preface

This book is the culmination of extensive research carried out in the continents of Africa, Asia and Latin America between February 2002 and August 2003. Using a methodology drawn from the technology capability framework, but adapting and simplifying it extensively to extract common cross-industry parameters for undertaking statistical analysis, the individual chapters examine differences in technological and performance indicators in Kenya, South Africa, Uganda, Indonesia, Malaysia and Brazil. The chapter on Costa Rica examines the development of firms linked to Intel. The former uses statistical analysis to compare technological, local sourcing and performance dynamics of foreign and local firms in selected industries, while the latter examines Intel’s impact on the development of small- and medium-scale suppliers in Costa Rica. The results offer a common synthesis. First, foreign firms tend to enjoy higher human resource and process technology capabilities in the most underdeveloped economies of Kenya, Indonesia and Uganda. Second, local firms enjoy similar human resource and process technology levels as foreign firms in the industries selected in Brazil, Costa Rica, Malaysia and South Africa. Third, institutional and systemic strength matters in explaining the relative strength of participation of foreign firms in R&D activities. Domestic and regional markets, infrastructure and incentives, natural resources and human capital have been important in stimulating significant R&D activities in foreign firms in selected industries of these economies.

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