Index

Abrami, R. 148
Africa 58, 97
  Chinese investments in 71
  and competitiveness 68
  and green policies 165
  manufacturing in 67
  and productivity 74
  see also Ethiopia; Mozambique;
  Namibia; Tunisia
agglomeration, and redistribution 22–6
agriculture 22, 66, 80, 81
  in Ethiopia 108–17
  in Mozambique 118, 119
  in Namibia 126, 127
  and sustainability 84–7
  in Tunisia 134
  in Vietnam 142–3, 148, 150
aid dependency
donors 98, 101, 119, 124–5, 135,
  150–51
foreign investments 58–9, 70–72,
  119, 144, 146
allocative efficiency 2, 10–11, 13, 16
  and productivity gains 75
  and selective policies 44
Altenburg, T. 44, 70, 83–5, 97, 111,
  112, 117, 136
Amsden, A. 2, 61
Asia
capability management 96–7
development strategies 57, 61
manufacturing 67
rising inequality 17
state interventions 44
see also China; Vietnam
Athreye, S. 39, 87
automation technologies 20, 71–2
automotive industry 45
autonomy 145
  embedded 50
  of service providers 61, 174
Auyt, R.M. 64
Bai, J. 149
Baliamaoune-Lutz, M. 139
Bangladesh Rural Advancement
  Committee 98
Battat, J., I. Frank and X. Shen 157
Bell, M. 74
Ben Ali regime 137, 140, 141
Bertelsmann Transformation Index
  (BTI) 92, 94, 172
Bhagwati, J. 78
Bigsten, A. 73
biofuels 35, 80, 165
Birdsall, N. 100
BMU 33
Boehm, F. 47
Boulding, K. 12
Bown, C.P. and B. Hoekman 103
Bratton, M. and N. van de Walle 91
Braun, K., F. Kaufmann and C.
  Simons-Kaufmann 119, 120
Bräutigam, D. 159, 169
Brazil 2, 9
Broome, J. 12
Brynjolfsson, E. 18, 71
Buur, L. 122
Byrne, R. 87
cap-and-trade systems 29–30
car-scraping schemes 45
carbon efficiency
  and decarbonisation 9, 29, 77, 142
  and innovation 32–5
  and pricing 29–31, 88, 165
unburnable carbon 36
Carbon Tracker Initiative 37
Industrial policy in developing countries

Carbone, G. 124
Chang, H.-J. 6, 7, 11, 44, 90, 96, 102, 103
Chenery, H. 13
China
compared to Vietnam 148
competitiveness 69
and inequality 17
investments 57, 71
and labour-intensity 21
manufacturing 66–7
state interventions 2
Chiu, S.W.K. 39
Cimoli, M. and G. Dosi 10–11, 74
climate change 28, 35
and carbon pricing 29–31
and discount rates 12
and green policies 85–7, 164–6
Long-Term Climate Risk Index 149
and technological innovation 32, 34
CO₂ emissions
and green policies 28–36, 85–7
regulation of 30
coffee production 144
Collier, P. 51, 66, 68, 87
competition
and market failures 8
openness to trade 58–9
and poverty 79
and productivity growth 55
and resource allocation 13, 44
and service providers 60, 182
competitiveness 1, 9, 21, 85, 168
and donors 100
Global Competitiveness Index 93–4
in latecomer development 67–9
in Mozambique 121
performance indicators for 153–5
and spatial redistribution 24–5
systemic 41–2
and technology 2
in Vietnam 144, 146
contract enforcement 52, 57
doing business index (DBI) 93, 94, 158, 173
coordination failure
in demand-supply constraints 7
of local externalities 178
corruption 47, 50, 92, 171
in Mozambique 120, 125
in Vietnam 149–50
Corruption Perception Index (CPI)
93–4, 173
Crespo, R. 13
Cunningham, S. 23
Curzon Price, V. 2
Daly, H. 13
Davis, K. 119
decarbonisation 9, 29, 77, 142
see also carbon efficiency
decentralisation 23–4
Deichmann, U. 24
demand-supply constraints 72–4
Desertec Project 142, 165
development strategies 53–4, 129–30, 168–75, 179–83
global competition 58–9
incentives to service providers 59–60
low-carbon 89
national projects 54–7
process monitoring 61
targeted interventions 57–8
see also latecomer development
developmental capitalism 111–12, 116, 125
Dewar, M.E. 23
Di Maio, M. 103
Dinh, H. 71, 77, 110, 117, 159
discount rates 12
diversification 65–6, 73–4
in Ethiopia 117
in Namibia 129
of rural economies 81
in Tunisia 135–6
Djankov, S. 92
DNEAP 119, 120
donors 98–101
in Mozambique 119, 124–5
in Tunisia 135
in Vietnam 150–51
see also foreign direct investments
Dossani, R. 68
dynamic scale economies 8, 39, 83, 177
EBRD 41

economic rents see rents

education 43, 45

in Ethiopia 110, 112

in Tunisia 141–2

efficiency

allocative 2, 10–11, 13, 16, 44, 75

and sustainability 15

Eifert, B. 75

Ellis, K., Baker, B. and A. Lemma 165

Emissions Trading System (ETS) 30, 35

employment 36, 55, 64, 102, 160, 161

development strategies 77–8, 81–2

in Ethiopia 110

and foreign investments 70–72

and green policies 87

and limited access orders 92

and micro-firms 74–5

in Mozambique 119, 122, 123

in Namibia 125–8, 131

and productivity increases 73–4

and promotion of SMEs 19–21

in Tunisia 137, 139–41, 140–42

endogenous growth 24–5

energy efficiency 26, 28–36, 84, 86–7, 89, 142, 164–6

Enterprise Laws 145

environment 28

and externalities 9, 29–31

and green policies 29–33, 84–90, 149

and spatial redistribution 26

and sustainability 13–16, 180–81

and technological innovation 31–3

equitisation 157–9

see also privatisation

Erdle, S. 134, 137, 139, 140, 161

Esser, K. 41

Ethiopia 166, 167, 170–71, 174

challenges 114–17

economic structure 108–11

Horticultural Development Agency 97

industrial policy 111–13

national projects 162–3

ODA inflows 101

performance indicators 154

and privatisation 156–7, 159

production sectors 113–14

Ethiopia People’s Revolutionary Democratic Front (EPRDF) 108

and developmental capitalism 111, 112, 115

European Regional Development Fund 23

Evans, P. 49, 65

Export Processing Zones (EPZs) 26, 130–32, 175

exports

Ethiopia 110–14, 117

and labour-intensive manufacturing 154–5

promotion of 163–4, 166–8

and trade liberalisation 58–9

Tunisia 135–6

Vietnam 144, 145

externalities 7, 22, 43, 68, 82

coordination failure 178–9

environmental 9, 29–31

informational 8, 177

Fagerberg, J. and M. Srholec 59

farming see agriculture

flower industry (Ethiopia) 114–15, 167

foreign direct investment (FDI) 58–9

and latecomer development 70–72

in Mozambique 119, 121, 123

restriction of 80

in Vietnam 144, 145, 146

see also donors

fossil fuel reserves 36–7

and sustainability 87, 164

see also carbon efficiency

Freeman, C. 41

FRELIMO (Mozambique Liberation Front) 117–18, 120, 121

functional policies 43–5, 58

garment industry 166–7

Gebre-Egziabher, T. 80

Gebreeyesus, M. 110, 111, 112, 113, 116

Geden, O. and S. Fischer 34

gender equality 10, 105

women entrepreneurship 81, 160

Gereffi, G. 69

Ghani, E. and S. O’Connell 72

Index
Industrial policy in developing countries

Gini coefficient 17
in Namibia 127
in Tunisia 136
in Vietnam 148
Global Competitiveness Index (GCI) 93–4, 173
global warming 9, 28, 85
see also climate change
globalisation
and latecomer development 67, 72
and rising inequality 17–19
Goel, V.K. and C. Dahlman 69
González, A. and R. Rosenberg 83
good governance 48–9, 93–4, 128, 172
Goto, K. 167
Grand Ethiopian Renaissance Dam 109–10
Green, F. 30
green policies 13–16, 28, 33, 88–90, 142
benefits 87–8
and climate change 84–87, 164–6
implementation issues 34–5
and pricing 29–31
and stranded assets 36–7
and technological innovation 31–2
GTZ 116
Guruswamy, L. 87
Hallegatte, S. and M. Fay 31, 36
Hanlon, J. and M. Mosse 125
Harmeling, S. and D. Eckstein 149
Harper, M. 82
Hausmann, R. 8, 9, 39
Hewitt, A. and I. Gillson 99
Hirschman, A.O. 13, 22
Hobday, M. 39, 97
Hong Kong 39
Hout, W. 97
Ibrahim Index of African Governance 133
Ilkpeze, N.I. 92
imports
bans/restrictions 88, 102
import-substitution policies 40, 58, 61, 136, 163
and resource allocation 44
taxes and duties 102, 123, 131, 155
inclusive policies
and competition 79–81
microfinance 83
opportunity costs 83–4
and pro-poor employment 81–2
via SMEs 19–21
via spatial redistribution 22–6
income distribution
inequality 14, 17–19
societal acceptance 9–10
India 94, 97
land-use regulation 80
manufacturing 67
software industry 39, 68
Indigenous Plant Task Team (IPTT) 167
inequality 13, 14
and gender 81, 105
and globalisation 17–19
see also Gini coefficient
information technology 20, 40, 97
informational externalities 8, 177
integration 25, 43, 59, 130, 167
and competitiveness 69, 180–81
regional 132–3, 182
and SMEs 156
and sustainability 14–15, 142
inter-firm specialisation 75, 181
International Energy Agency (IEA) 28, 30
International Finance Corporation (IFC) 99, 123
interventions, state 1–3, 38–41, 45–8, 64, 116, 139, 158
accountability of service providers 51
functional and selective 43–5, 164
and green policies 32–3
policy capabilities 51–3
process monitoring 61
and redistribution 23
state–business networks 50
and systemic competitiveness 41
targeted 46, 57–8, 83, 102, 119, 122, 138, 147
and trade liberalisation 59–60
see also development strategies; donors; investments
investment
orientation 7–11
restriction of 80
rules on 101–4
and spatial redistribution 23–6
and sustainability 31–7
see also donors; foreign direct investment; interventions

Kaplinsky, R. 69
Karray, Z. and S. Driss 136
Kelsall, T. and D. Booth 97
Khan, M.H. 96–7
Kim, L. 44
Klasen, S. 81
Klein, M. and B. Hadjimichael 21
Krack, S. and A. Rahman 100
knowledge spillovers 8, 39–40
Kramer, G.J. and M. Haigh 32
Krause, M. and F. Kauffmann 107, 120, 121
Krishnan, P. and I. Shaorshadze 112
Krueger, A.O. 50

labour
and micro-enterprises 74–5
outsourcing 71–2
productivity gaps 110–11
and SMEs 19–21
regulations 156, 159–62
Laffont, J. 47
Lagarde, C. 66
Lall, S. 53, 59, 176
land-locked countries 64, 68
land use 79, 80, 127
latecomer development 5, 38–9, 61, 65–6, 99
and competitiveness 67–9
and coordination failure 177–8
in Ethiopia 111
and foreign investment 70–72
see also development strategies
Latin America 40, 60, 67
leadership, political 52, 57, 90, 93, 148, 150–51, 161, 163, 169, 172, 180, 183

learning 26, 43, 53, 120, 183
learning-by-doing 8, 75–6
monitored 61
policy learning 40, 170, 174
technological 25, 31, 32, 55, 58–9, 89, 95
leather industry (Ethiopia) 113–14, 166–7
Levy, B. 121
liberalisation
and development strategies 55, 59–60, 181
and privatisation 157–60
Liedholm, C. 19, 75
limited access orders 90–92, 95, 105
and capability management 92–4, 96–8
Lin, J. 17, 55–6, 70
Liu, X. and C. Shu 21
lobbying 18, 30, 46, 47–8, 50, 51
local economic development (LED) 23–24
Lütkenhorst, W. 35, 70
Malaysia 44, 57
management capability 52–3, 92–4, 96–8, 170
manufacturing industry
in Ethiopia 109, 110–11, 114, 117
and latecomer development 66–7
in Namibia 126
in Tunisia 135
in Vietnam 143
manufacturing value added (MVA) 66–7
medium and high-tech activities 109, 118, 126, 134, 143
performance indicators 153–4
market failure
debates on 7–11
and poverty 176–8
and SMEs 20
and state interventions 1–3, 179
see also state failure
Mazzucato, M. 32, 40
McGlade, C. and P. Ekins 36
McMillan, M. and D. Rodrik 111
Mead, D.C. 19, 74
Industrial policy in developing countries

Meadows, D.H. 13
Meinshausen, M. 36
Melia, E. 95–6, 117
Mendoza, R.U. 82
Meyer-Stamer, J. 23, 49
micro-enterprises 3, 19, 43, 155
development of 82–3, 182
and employment 74–5, 76, 82
mining activities 71, 109, 118, 125–6, 134, 143
Mirodout, S. 67
mobility see transport
Monga, C. 55, 104
monitoring 21, 130, 132
industrial development 52–3
of interventions 61
of policies 90, 92, 99, 171
Moran, T.H. 102
Morch von der Fehr, N.-H. 75
Morris, M. 69
Mozambique 166, 170
economic structure 117–19
future challenges 124–5
governance and policies 119–22
MOZAL plant 122–4
national projects 163–4
performance indicators 154
and privatisation 157–8
Nadvi, K. and F. Wältring 82, 104
Namibia 166, 167, 170
economic structure 125–7
governance 128–9, 133
incentives in 130–31
industrial policy 129–30
and inequality 127–8
national projects 163
performance indicators 154
and privatisation 157–8
regional integration 131–3
National Association of Software
Services Companies (NASSCOM) 97
national projects 54–7, 162–4, 180
National Upgrading Programme 138–9
Nelson, R.R. 44, 53
non-profit 10, 65, 98
Nordhaus, W. 12, 13, 37
normative economics 13
North, D.C. 5, 91, 121
nuclear energy 35, 83
Nuvunga, M. 123
OECD countries 2
exports 67
rising inequality 17
Official Development Assistance (ODA) 70, 98–101, 119
Ohno, K. 57, 97, 147, 163, 169
oil resources, and sustainability 36–7
Olukoshi, A.O. 99
opportunity costs 20, 60, 75
and poverty reduction 83–4, 89
Ortiz, I. and M. Cummins 17
Oxfam 18
Pack, H. and K. Saggi 7, 39, 178
Pagés-Serra, C. 20, 74, 157
Paraskevopoulos, E. 68
Pareto optimality 10, 12
patronage 53, 91–2, 96, 116–17, 160, 162
Pegels, A. 35
Perkins, D. and T. Vu Than 159
philanthropy 65, 101
Picketty, T. 17
Pigouvian tax 29
policy networks 49–50
Porter, M.E. and C. van der Linde 33, 41, 73
poverty
and employment 81–2
and market failure 176–8
and productivity 1–3
reduction of 77–9, 108, 111, 112, 118–19, 142
Pratt, J. and R. Zeckhauser 51
principal–agent theory 51, 54
privatisation 46, 157–8
in Mozambique 120
and state–business relationships 50, 158–62
in Tunisia 138
productivity
distribution gap 74–7
Index

and inclusiveness 18–26
and national projects 55–6
and poverty 1–3
private sector fragmentation 155–7
sources 16
property rights 24, 44, 57, 101–2
Rama, M. 150
Ravallion, M. 75
Reardon, T. 80, 81
redistribution, spatial 22–6
reforms 96, 120, 144–5, 150, 169–70, 182
and liberalisation 160, 162
and limited access orders 90
and spatial redistribution 24
and state–business relationships 50
regional cooperation 132–3
regional policies 22–3, 61
regulation
of labour 159–60
and targeted interventions 58
renewables
promotion of 26, 28, 36, 87–8, 164–6
in Tunisia 142
rents
definition of 8
Ethiopian restrictions 113
and limited access orders 91–2, 95
and pricing 30
resource allocation 64
and inequality 13, 18
and redistribution 22–6
and selective policies 44
retail 80, 150, 178–9
reverse engineering 44, 57, 102
Rijkers, B. 140
Rio Declaration 15
Rockström, J. 13, 28
Rodríguez, D. 8, 9, 39, 50, 54, 77, 111
Rosendahl, C. 130, 131, 132, 163
Rosser, A. 64
Rozenberg, J. 36
Rücker, A. 24
rural areas 24, 145, 148
and employment 64, 81, 98, 110
and sustainability 86–7
Sandel, M. 11
Scharpf, F.W. 49
Schmitz, H. and P. Knorringa 25, 41, 82
Schröder, S. 86
Schumpeter, J.A. 79
selective policies 2, 40, 43–5, 53, 92, 162–4, 179
service provision 174, 182
accountability 51–3, 61
incentives 59–60
and investments 72
low tradability 67
Shaorshadze, I. 112
Singh, A. 39
Sleuwaegen, L. and M. Goedhuys 73
SMEs (Small and Medium Enterprises) 164, 174, 175
and inclusiveness 19–21
private sector fragmentation 156–7
software industry 39, 97
solar installations 32, 142, 165–6
Soludo, C. 90
South African Customs Union 131, 132
South Korea 9, 44, 56, 57, 63, 96, 125
South West Africa People’s Organization (SWAPO) 129, 157, 160
spatial redistribution 22–6
Special Economic Zones (SEZs) 26, 120
state failure 47–8, 168
see also market failure
Stern, N. 12
Stiglitz, J.E. 11, 104
stranded assets, and sustainability 36
Streeten, P. 13
subsidies
and green policies 165
rules 101, 103
and spatial redistribution 24
sugar industry (Mozambique) 121–2
sustainability 14–15, 180–81
and green policies 13–16, 28–36, 84–90
and rising inequality 19
and spatial redistribution 26
in Vietnam 148–9
see also carbon efficiency; solar installations

Taffesse, M. 171
Taiwan 44, 57, 96
Taleb, N. 34
targeted interventions 46, 57–8, 83, 102, 119, 122, 138, 147
taxes
carbon tax 29–31, 36, 88, 165
on exports 166–7
tax breaks 24
Tban, C. 39
technology
and automation 20, 71–2
and competitiveness 69
and green policies 28, 30–32, 35–6
information technology 20, 40, 97
and learning 25, 31, 32, 55, 58–9, 89, 95
and SMEs 20–21
and societal acceptance 10
Vietnam innovations 147–8
Tendler, J. and M.A. Amorim 82
tire, J. 47, 92
tourism sector
in Namibia 127, 133
in Tunisia 134, 137, 141–2
trade policies
export subsidies 101, 103
import restrictions 102
Trah, G. 24
transport 26, 29, 70, 73, 119
electric 35, 36
and regional cooperation 132–3
Tunisia 171, 174
economic structure 133–6
future challenges 141–2
governance and policies 136–8
and green policies 165–6
industrial policy 139–40
‘Jasmine Revolution’ 140–41
national projects 163
National Upgrading Programme 138–9
performance indicators 154, 155
and privatisation 157–9
Tybout, J.R. 75
UNCSD (United Nations Conference on Sustainable Development) 15
UNGA (United Nations General Assembly) 15
UNIDO (United Nations Industrial Development Organization) 26, 66, 144
United States, incentives 38–40
Utz, A. and C. Dahlman 85
value chains 25, 30, 67, 69, 84, 89, 166
and ODA inflows 101
in Tunisia 135
in Vietnam 144
Venables, T. 68
Vietnam 167, 171
economic structure 142–4
and equitisation 157–9
future challenges 146–51
industrial policy 144–6
national projects 163, 164
ODA inflows 101
performance indicators 154–5
Vogt-Schilb, A. 31, 36
Wade, R.H. 40, 44
Walker, I. 81
WBGU 31, 86
Weisbach, D. and C. Sunstein 12
welfare economics 12–13
and state intervention 47, 50–51
Whitfield, L. 97, 98, 122
Wilkinson, R. and K. Pickett 18
women entrepreneurship 81, 160
World Bank 51, 58, 61, 73, 82, 85, 92, 99, 147
and green policies 30
income-based classification 63, 107
and spatial redistribution 23–4
Worldwide Governance Indicators (WGI) 93, 94, 172
Index

World Bank Group 111, 119, 158
World Bank Privatisation Database 158
World Economic Forum (WEF) 18–19, 73, 93, 128

Yeo, H.-K. and G. Akinci 26
Zenawi, M. 108, 111
Zoellick, R. 66