

T16P22 / Industrial Development as Pathway for Achieving SDG 9: Retention and Deployment of 'Policy Space' in the Industrial Aspirant Countries (IACs) of Global South

Topic : T16 / Sustainable Development and Policy

Chair : Kazi Haque (Asia Research Centre (ARC), Murdoch University)

GENERAL OBJECTIVES, RESEARCH QUESTIONS AND SCIENTIFIC RELEVANCE

The UN Secretary General's recent progress report on Sustainable Development Goals (SDGs) discusses about the first year's progress. While discussing about SDG 9 – Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation – the report rightly points out that “industrialization drives economic growth, creates job opportunities and thereby reduce income poverty” (UN 2016: 13). In the next High Level Political Forum on SDGs to be held on 10-19 July 2017, the Goal 9 is one of the SDGs to be reviewed. It is therefore both important and timely to critically engage with policy dynamics of achieving SDG 9.

In order to meet the targets of SDG 9 within the stipulated 2030, the industrially less advanced countries of the global south will have to go through a 'big push' somewhat akin to the 'East Asian Miracle' economies. That calls for a huge public policy undertaking – industrial policy coupled with other relevant policies like trade, investment, fiscal, monetary, labour, education and technology – led by respective states' governments in partnership with businesses, labour, civil society and donors.

There has been continuous debate in the development thinking about respective roles of 'state' and 'market' with respect to economic policies and strategies. The orthodox neoliberal thinking advocates hands off approach by government and omnipotence of market in resource allocation. On the contrary, the heterodox structuralist thinking stipulates that markets are powerful forces but not perfect and government interventions are necessary to improve market outcomes (Lal 2004). Although neoliberal thinking is still forceful, there has been an increasingly weaker empirical manifestation for success of free market and failure of government intervention (Amsden 1994, Wade 2014 and Mazzucato 2013).

The industrial policy tools that were successfully deployed by Korea, Taiwan and NICs cannot be replicated by today's Industrial Aspirant Countries (IACs). This is largely due to the general erosion of 'policy space' that disproportionately affected the IACs of global south. Despite such policy constraints, the scope of policy space is not totally out of question for the IACs. As successively documented by DiCaprio and Amsden (2004), UNIDO and UNCTAD (2011) and Lee et al (2014), at least under WTO rules, there is still considerable scope to retain and deploy policy space for industrial development. However, realization and political commitment are lacking among many IACs to adjust or reconfigure their industrial policies (DiCaprio and Amsden 2004, Lee 2015). The targets of SDG 9 provide important rallying points for the IACs to shore up political commitment and mobilize adequate resources behind industrial policies and strategies.

Retention and deployment of policy space is crucial for the IACs. Because, in order to kick start their industrial development process, the IACs will have to be able to effectively use industrial policies, something not tenable if these countries cannot retain and deploy their policy spaces. Therefore, the guiding research question of the proposed panel is – whether and how IACs of the global south (especially Africa and Asia) are retaining and deploying industrial policies and strategies which are selective, proactive and strategic?

CALL FOR PAPERS

One of the Sustainable Development Goals (SDGs) to be reviewed by the next High Level Political Forum (HLPF) in 2017 is SDG 9 – Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. In order to meet the targets of SDG 9 within the stipulated 2030, the industrially less advanced countries of the global south will have to go through a 'big push' somewhat akin to the 'East Asian Miracle'.

The industrial policy tools that were successfully deployed by Korea, Taiwan and NICs cannot be replicated by today's Industrial Aspirant Countries (IACs) largely due to the general erosion of 'policy space' under WTO rules, Free Trade Agreements (FTAs) and Investment Agreements (IAs) (UNCTAD 2014: 14).

However, the scope of policy space is not totally out of question for the IACs, at least under WTO rules, a

fact often not realized and acted upon by many IACs (DiCaprio and Amsden 2004, Lee et al 2014). The targets of SDG 9 can provide important rallying points for the IACs.

The proposed panel therefore invites papers on recent practices and experiences of industrial policy in the IACs of global south. The panel is mainly interested in the least developed or developing countries (like Bangladesh, Uganda or Vietnam) of the global south which are yet to make the structural transformation despite potential to industrialise. It is necessary to see whether these countries are willing and able to exercise their industrial policy spaces with focus on their recent experiences. The current literature on industrial policy is often devoid of attention to the associated policy process and practices – the politics and the political economy underlying policy formulation and implementation – something this panel also aims to address. It welcomes papers from scholars with different social science backgrounds and methodological approaches.

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Session 1

Thursday, June 29th 08:15 to 10:15 (Block B 4 - 2)

Creative industry development and inclusion of regional economy

Motohiro Kurokawa (Takasaki City University of Economics)

Industrial policy formulation and implementation: A global south perspective

Kazi Haque (Asia Research Centre (ARC), Murdoch University)

A Firm-Centred Approach to Inclusive Industrial Growth

Nahee Kang (King's College London)

Lila Caballero Sosa (ActionAid UK)

Greening industrialization: Understanding how a technology's product architecture and use environment affect local low-carbon industry development

Tyeler Matsuo

Tobias Schmidt (ETH Zurich)

Abhishek Malhotra (ETH Zurich)

Overcoming Path Dependency for Sustainable Development:

Sung Gul Hong (Kookmin University)