

# Contents

List of Figures	<i>page</i> viii
List of Tables	ix
Preface	xi
List of Abbreviations	xvii
1 Introduction	1
1.1 De-Globalization and the Need for New Thinking	1
1.2 Innovation–Development Detours	4
1.3 Further Elaboration of Key Themes	14
1.4 Innovation–Development Detour in South Korea	20
1.5 The Roles of Government in Development Detours	22
1.6 Key Messages and Contributions of the Book	23
2 National Innovation Systems and Alternative Pathways for Latecomers	25
2.1 Introduction	25
2.2 Catching up, Forging ahead, and Falling behind of Nations	28
2.3 Varieties of NIS and their Linkages to Economic Growth	31
2.4 Contrasting Pathways of the Two Imbalanced NIS: Catching-up versus Trapped	42
2.5 The Balanced System and the Indian Pathway	48
2.6 A Pathway Out of the Trap: Resource-based Development in Chile and Malaysia	55
2.7 Summary and Concluding Remarks	59
3 From Global–Local Interfaces to Local Value Added, Knowledge, and Ownership	64
3.1 Introduction	64

3.2	Global–Local Interfaces and Industrial Policy in Chile and Malaysia	67
3.3	Global–Local Interfaces and Industrial Policy in Auto Sectors in Asia	76
3.4	Global–Local Interfaces in Innovation Systems of Taipei, Penang, and Shenzhen	90
3.5	Summary and Concluding Remarks	103
4	Coevolution of Firms with Sectoral, Regional, and National Systems	106
4.1	Introduction	106
4.2	Catching Up by Similar or Different Technologies	109
4.3	Local vs. Foreign Firms in their Coevolution with Surrounding Institutions in China	118
4.4	Core Firm Leading the Growth of a Region: TSMC in Hsinchu	126
4.5	Firm-level Convergence Matching the Macro-level Convergence: Korean Firms	135
4.6	Summary and Concluding Remarks	141
5	Innovation–Development Detour in South Korea	145
5.1	Introduction	145
5.2	A Very Brief History of Korea	147
5.3	The Myth of the “Korean Model”	151
5.4	Korea’s First Detour: Big Businesses First, SMEs Later	170
5.5	Korea’s Second Detour: From Short- to Long-cycle Specialization	188
5.6	The Korean Model as a Detour to Manage the Global–Local Interfaces	200
5.7	Summary and Concluding Remarks	205
6	The Roles of Government in Development Detours	207
6.1	Introduction	207

6.2	A Detour in the Role of Government: The Inverted U-Shape or “Less, More, and Less”	210
6.3	The Role of Government in Global–Local Interfaces	215
6.4	The Role of Government in the Detour from Big Businesses to SMEs	227
6.5	The Role of Government in the Detour from Short- to Long-cycle Technologies	240
6.6	Summary and Concluding Remarks	243
7	Summary and Concluding Remarks	246
7.1	The Three Themes of the Book	246
7.2	Korea’s Innovation–Development Detours and the Role of Government	249
7.3	Contributions, Limitations, and the Future	251
	References	254
	Index	279