



Competitiveness

Competition Policy vs. Industrial Policy as a Growth Strategy

ERIA Discussion Paper 2016-40

By Tatsuo Hatta

This paper examines the rationale behind industrial policy and competition policy as growth strategies, and shows that competition policy, rather than industrial policy, generated the rapid economic growth in post-war Japan. It also reveals that Japan's growth rate was lowered from the mid-1970s due to newly introduced industrial policies and paucity of further competition policy. The current Abe government recognises the need for competition policies for Japan to recover from the low-growth period. The paper describes the types of competition policy carried out under Abenomics, especially in strategic special economic zones.

Indonesia and China: Friends or Foes? Quality Competition and Firm Productivity

ERIA Discussion Paper 2016-29

By Lili Yan Ing, Miaojie Yu, and Rui Zhang

The paper defines and measures 'firm-product-destination-year-specific export quality' and investigates how quality competition from China affects the productivity of Indonesian firms in the domestic and export markets. The results suggest that an increase in the quality of China's exports by 10% will increase the productivity of (i) Indonesian firms by 0.4%–0.5% in Indonesia's domestic market, and (ii) of Indonesian exporters by 2% in the export market. While the sample is limited to exporters only, findings reveal that an increase in the quality of China's exports will increase the productivity of Indonesian firms in the export market, but not in the domestic market. These findings broaden the horizon through which firms could benefit from opening up to trade.

Mobility of Highly Skilled Retirees from Japan to the Republic of Korea and Taiwan

ERIA Discussion Paper 2016-31

By Byeongwoo Kang, Yukihiro Sato, and Yasushi Ueki

Attracting highly skilled workers is a major element in the economic development of many countries, especially developing ones. However, workers generally move from developing countries to developed ones. Historical evidence indicates that Korean and Taiwanese firms scout for highly skilled (retired or soon-to-retire) Japanese workers to accrue, and catch up on, knowledge. This paper investigates how these firms scout for highly skilled Japanese workers. Aiming to produce evidence rather than testing hypotheses, this paper gives practical information on how firms in developing countries attract highly skilled workers to drive future growth. It also provides insights into the international mobility of highly skilled workers from a developed country to developing countries, which has not been examined in the previous literature.