

Revisiting development theory: Alice H. Amsden's impact on the field

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...learning to develop requires a shift from relying on pure deductive theories to relying on inductive live experiences in real time. If emerging economies are to continue to surge, if less developed countries are to step-up their output, they need a mutinous mind, a soul of sedition and a revolution in reasoning about economic development. (Amsden, 2012)

Introduction: insights for our times

On 14 March 2012, we lost a great intellectual, Professor Alice H. Amsden. The relevance of her work in development economics and development theory more broadly rests on extensive research and policy engagement in developing countries across the world where she identified crucial, though controversial, insights into the theory and practice of development in a polarised global economy of rising income and wealth inequality. Most memorable, perhaps, are her contributions on the East Asian miracle and “Late Industrialization”, in which Alice Amsden derived rigorous case studies and unconventional reflections on the process of economic development. She posed serious challenges to orthodox economic theory and normative policymaking over more than two decades. Also critical, however, is her broader contribution in *The Rise of “The Rest”*

(Amsden, 2001), for which she is credited as one of the first scholars to predict and explain how diverse countries across the so-called “global south” had emerged as leading economic powers despite a lack of a competitive asset of proprietary, pioneering technology.

As the focus of Alice Amsden's work expanded geographically from Asia to Latin America, she consolidated her insights and findings to build up a theory of development that would be relevant across different development contexts. She intentionally went beyond formulaic attempts in developing sophisticated ideas and insights that could be transferred and adapted. From early on her sights dialled in on theory for transformation.

To celebrate the work of Alice Amsden, we adopt a contemporary and forward-looking perspective, explicitly not retrospective in sentiment. We find her most significant contributions evident in her spirited and sustained challenge of mainstream economics and development theory, deeply entrenched ideas that dominated the development discourse from the 1970s on, peaking in the “roaring” 1990s (Stiglitz, 2004), and crystallizing in the aptly coined name “Washington Consensus”. Alice Amsden overtly confronted the mainstream debates and methodologies published in top economic journals, whose authors dictated the occupants of the

professoriate, prescribed the curriculum taught in colleges around the world, and through stature and position decided who won Nobel Prizes in Economics. At the practical level, the Washington Consensus was a collection of free market ideas originally proposed in 1989, serving as the foundation of development policy practiced by major global development organisations including the IMF, the World Bank and the Organization for Economic Development and Cooperation (OECD). This “consensus” coalesced around 10 policy principles, including fiscal restraint, limits on subsidies, pro-poor services programmes, fiscal capacity development (taxation), market-based exchange and interest rates, trade liberalisation and low tariffs, privatisation of state-owned enterprises, deregulation of markets and legally binding property rights.¹ In contrast, Alice Amsden’s new theories of development were drawn from empirical experience and resulted in what was originally considered radically different, sometimes polar opposite, policy recommendations, utilising mechanisms, instruments and innovative tools that facilitated new conceptualisation and experimentation in economics. The test of time has validated Alice Amsden’s ideas, despite their cool reception from mainstream economists at the time of their birth.

Alice Amsden stated her work was “driven by injustice and hypocrisy rather than a two-sector model, although that’s always in the background” (interview by [van der Hoeven, 2008](#)). She refused to be a mere “armchair” researcher, following “trending” topics or approaches favoured by editors of top journals. Rather, she opted to be one who did the field work, burrowing inside the firms or sectors to shadow and engage with the actors. Amsden was a non-conforming empiricist, challenging dominant economic development orthodoxy by looking at the facts. She was more inductive than deductive. Over decades of work, her findings accumulated knowledge from the bottom-up and across the world—Africa in her PhD thesis, Eastern Europe in her first professional jobs, then on to East Asia, Transition Countries,

Latin America and finally the “Rest”, or the so-called “global South”.

Challenging well-entrenched economic orthodoxy, Alice Amsden’s success was attained through her power to see and predict the consequences of mechanisms overlooked or rejected by others. She was one of the first scholars to anticipate and explain how a diverse group of emerging countries had risen to become established economic powers in their own right. In *The Rise of “The Rest”*, she brought together her findings on state intervention in 12 late-industrialising countries, presenting her contributions as an alternative to those utilising recipes drawn from the Washington Consensus. Her insights established the success of their economies as arising not from adopting a one-size-fits-all policy template but from a complex process of social learning. Eschewing “state/market” dichotomies typifying other epistemologies, Alice Amsden adopted a nuanced analytical approach to policymaking that starkly contrasted with prevailing wisdom of the day and as reflected in a series of reports by the [World Bank \(1991\)](#).

Through her research, she identified and theorised the role of “reciprocal control mechanisms” that led to the successful development of countries such as South Korea. Her research identified institutions that acted as control mechanisms imposing discipline on economic behaviour:

The control mechanism of ‘the rest’ revolved around the principle of reciprocity. Subsidies (‘intermediate assets’) were allocated to make manufacturing profitable - to facilitate the flow of resources from primary product assets to knowledge-based assets - but did not become giveaways. Recipients of subsidies were subjected to monitorable performance standards that were redistributive in nature and results-oriented. (Amsden, 2001, 251)

Alice Amsden’s insistence on the need for selective, careful state intervention continues to be validated by real-world events. Justin [Lin \(2015\)](#) has recounted how strategic and

targeted state industrial policy played a decisive role in China's re-emergence. More recently, work by [Mazzucato and Penna \(2016\)](#) demonstrates that Development Banks do much more than merely addressing "market failures"; as mainstream economists would predict. Also, they actively create and shape the market. By implementing a reciprocal control mechanism through carefully orchestrated industrial policies, these institutions help to finance learning ([Kapadia, 2017](#)). Even the World Bank itself has recently, albeit grudgingly, admitted that it went too far by requiring the rollback of policies and programmes while promoting deregulation of the public sector through the unrelenting pursuit of privatisation. That these institutions are now supporting some state (re)interventions is evidence of the impact of her ideas ([Schneider, 2017](#)). Going against the mainstream, Amsden further argued that developing countries would be more competitive relying upon and supporting national (private) firms rather than being dominated by foreign multinational companies (MNCs).² From the late 2000s on, private national—and indeed state-owned—companies from the "Rest" now occupy key market positions. Having now matured, some of the world's largest MNCs in energy, minerals, oil, telecoms and automobiles are competing successfully, even with long-established MNCs from the West ([Sauvant et al., 2010](#)).

One might think that the "Rise of the South" and the depth of the 2008 financial and economic crisis, would have helped to spark a serious rethinking about key ideas underpinning conventional development theory. Indeed, Alice Amsden directly criticised mainstream economic thinking as a leading cause of the financial crisis, through its unrelenting support of deregulation of financial markets. True, there was an ongoing backlash against the orthodox economic pedagogy as evidenced by student discontent in places such as Harvard University, where instructors continued the uncritical teaching of neoclassical models (["Concerned students of Economics" 10, 2011](#)). Some university

departments even pioneered innovative economics programmes (Greenwich, London etc.) countering the status quo, whilst new journals associated with "Real World Economics" now capture discussions, as many scholars call for a new economics. Both Joseph Stiglitz and Justin Lin, consecutive Chief Economists at the World Bank, described their frustration at being surrounded by the mainstream approach in the job: conservative, universal prescriptions disembodied from the context at hand ([Lin, 2017](#); [Stiglitz, 2004](#)). At this juncture, we believe a reflection on Alice Amsden's insights and contemporary applications is particularly timely, relevant and incisive. Her empirically informed, theoretically rich contributions serve as building blocks for the practice of both policymakers and scholars—not just economists but also planners, political scientists, sociologists and others—interested in understanding how countries can and do develop successfully in a world where "The Rest" are finally rising

Amsden's insights inform this moment

Recent transformations of the international economy place the relevance of Alice Amsden's work in a new light. Irrefutable evidence exists from the rise of the (re-)emerging economies, especially China and India, to the growing importance of multinationals from the Global South and the rapid growth in South–North and South–South trade, which we see a rebalancing of global power and new challenges to conventional narratives of development.

The Great Recession and its aftermath, combined with the rescaling of governance away from the national level, are giving way to new urban and transnational geographies. Nevertheless, although the challenges and opportunities of development have expanded, the polarisation of development theory has restricted its significance in current debates. Most obvious is the division arising from the misdirected antagonisms between state-led

development strategies targeting national-scale productivity enhancing investments, and aspirational social movements' stressing small-scale "appropriate technologies" in support of poverty alleviation (Andreoni, 2017). Centralised decision-making, core to Alice Amsden's framing, is often missing from or opposed by those who engaged in development practice in relation to locally embedded roots of the anti-poverty movement. These perspectives misalign not because their purposes differ but because they embody different practices. Each theoretical viewpoint represents differences in effect based on the scale and target of interventions; each seeks transformation by mechanisms operating at distinctive levels. Pro-poor policies focus on the individual and in enhancing human capacity to reduce poverty. Alice Amsden's policy prescriptions recommend very different policies as they engage system scale targets with the intention to increase productivity and raise wages (Alexander, 2008).

Alice Amsden remained until the end of her life a pragmatist, sceptical of development framed solely regarding poverty alleviation and arguing instead that rising living standards result from goods production targeting increased productivity. Her research captured the trajectory of transformation from mastery of practices to embodiment of global-scale competencies. At the core, Amsden advocated that development depends on learning to make goods satisfactorily, utilising domestic markets as proving grounds at first, but ultimately with the objective target of performance achieving global standards. The articles in this issue demonstrate the enduring nature of her contributions to the field of development theory. Her insights continue to serve as valuable guides and as frames of reference in this period of sense-making among the expanding issues and dimensions that economic development theory is internalising, from human rights to new forms of corporatist alliances (Yeung, 2017) to the role of nature, climate change and environmental carrying capacity.

Alice Amsden: contributions and esteem

Amsden was a heterodox economist in the field of economic development. Her inspiration came from renowned economists including Albert Hirschman and W. Arthur Lewis, both known for their careful empirical research and wide-ranging intellectual interests. She received her undergraduate degree from Cornell University and her PhD from the London School of Economics. Her career as an economist began at the OECD. She taught at several institutions: University of California, Los Angeles, Barnard College at Columbia University, Harvard Business School and The New School for Social Research. In 1994, she was appointed professor in the Department of Urban Studies and Planning of the Massachusetts Institute of Technology (MIT). During her career, she held the Ellen Swallow Richards Institute Chair from 1994 to 1999 and later was named the Barton L. Weller (1940) Professor of Political Economy. Alice Amsden died suddenly on 14 March 2012 at her home in Cambridge. She was 68.

At MIT's public memorial, held shortly after Alice Amsden's passing, her sister Myra Strober, also a renowned economist and faculty member at Stanford University's Graduate School of Education and Graduate School of Business, offered insights about Amsden's life and career highlighting motive forces embodied in her tenacity and intellectual fervour. Strober's comments provide us with a window onto Alice Amsden's early life that helped shape who she was.

Alice Amsden (née Hoffenberg) was born in Brooklyn, New York, and attended New York City public schools in their heyday of excellence. She was an honor student at Midwood High School and one of her proudest moments was participating in the Model United Nations programme and meeting Eleanor Roosevelt. Neither of her parents was a practicing economist, but both were passionate about economic issues, and according to Myra Strober, dinner

table conversations frequently were about the Great Depression, unions, unemployment and the excesses of big business. Although they would not have used the word, “they were feminists—fervent in their view that both their daughters should be highly educated and not just rely on marriage for their financial support (Strober, 2012).”

Alice Amsden became an economist at a time when women held only 7% of the doctorates in that field (in the USA). She was a pioneer, fierce in her determination to succeed in a man’s world and untiring in her efforts to understand and promote economic development in less developed nations. She was fearless in speaking truth to power, whether that involved picketing against longshoremen who were shipping war materials to Vietnam, arguing against World Bank policies at high-level meetings or haranguing a university administrator she thought unfair to those with less clout than her own (paraphrased from Strober, 2012).

Beginning her professional career in 1971 as an economist with the OECD, fieldwork on industrial policy in Poland and Hungary contributed to her excellent technical knowledge of production technologies and industrial organisation across sectors. This technical expertise permeated her work, and her interrogative practice is evident in an early article on Taiwan’s machine tool industry. Her experience at the OECD also helped to lay the foundation for some of her subsequent academic publications on Eastern Europe (Van Der Meulen Rodgers and Cooley, 1999).

Alice Amsden was considered one of the most important institutional economists of the latter half of the 20th century. At a memorial sponsored by her Department, the Department of Urban Studies and Planning, held in Cambridge at the MIT Media Lab, Amsden’s admirers, former students, employers and colleagues paid tribute to her many contributions to the field of development economics and theory. One, in particular, Ajit Singh, a Fellow and Professor of Economics at University of Cambridge, and

long-time colleague and dear friend, provided a lengthy contribution about Alice Amsden’s impact on the field. Unfortunately, Ajit Singh passed away before this Special Issue achieved completion, although his paper was a part of the memorial proceedings. Here, we quote from his memorial contribution to enliven our understanding of her many heterodox contributions to the field of economics: “Alice was an outstanding American institutional economist of the last hundred years. In my view, she stands in company with J K Galbraith, Thorstein Veblen, J R Commons, Adolf Berle and Karl Polanyi, as being among the most original and influential political economists of that period” (Singh, 2012).

Central to Alice Amsden’s theory of late industrialisation was the assertion that a rise in living standards stems primarily from increased productivity. Her research sought to identify how firms could shift from primary commodity production to the production of more sophisticated and competitive goods. As Singh went on to say, “She argued that this trajectory required manufacturing experience. This prescription, in turn, reveals something very specific for late industrialisers, and that is the ability to borrow and apply technical knowledge.”

An essential ingredient of Alice Amsden’s theoretical framework was a recognition of the relationship between economic activity capable of lifting wages and the reciprocal rise in productivity following from that increase. She argued that higher, not lower, wages are needed to stimulate productivity growth and structural change. Another colleague and friend (and contributor to this issue), Stephanie Seguino, Professor of Economics at the University of Vermont, offered: “She argued that in South Korea’s case, swift productivity growth was in fact due to rapidly rising wages. I tested this hypothesis and found that Alice was right” Seguino highlighted Alice Amsden’s major concern that the role of poverty alleviation as the primary driver of economic development had been overemphasised. In her acceptance

speech for the Leontief Prize for Advancing the Frontiers of Economic Thought, Amsden (2012) stated, “Poverty reduction has become a cult, but it is no substitute for development. It does not alter structures of the economy that lead to poverty”. Similarly, she argued that “the expectation that more job seekers who are qualified will generate the demand to employ them, based on Say’s Law, is irrational in the presence of soaring unemployment and under-employment rates among people that already have schooling and access to modern infrastructure but cannot find remunerative work”. That is, she challenged the assumption in development practice that by just educating people, jobs would appear on their own. Seguino emphasised Amsden’s ability to approach problems independently of prevailing theory: citing well-known research, Seguino noted, “we only see what we expect to see and we selectively use real-world data to confirm our private, higher views and ignore information that does not fit. Alice Amsden went against the grain of these findings”.

Alice Amsden’s insights were multiscalar, starting at the firm and reaching upward to the state and ultimately global institutions. Simultaneously, her view was categorically inductive, unburdened by rigid expectations derived from deductive theory. Her recommendations did not lead to false hopes that encouraged replication; hers were not cookie-cutter considerations or prescriptions; she was careful to acknowledge that different countries’ starting conditions would dictate the paths best taken to achieve development. There were, though, abiding influences.

One factor central to her analysis was the role of the state as an agent promoting, steering and regulating the pathways of economic change. Her careful characterisation of the state as active agent shaping and directing national economic development is perhaps best expressed in her research on Korea. Her long-time colleague and former student Helen Shapiro offered a commentary about the dangers of presumed

effect of replicability and the importance of particularity of actors in the development process. In a paper contributed to the memorial, [Shapiro and Moreno-Brid \(2014\)](#) said:

[Alice Amsden] argued that East Asia’s export success could not be duplicated only by changing trade policy since it did not result from market incentives. Rather, it reflected a whole series of state-business relations and institutions, including performance standards and monitoring ... Just exporting proved to be too tough a first step for firms lacking the original know-how or connections to advanced country markets, no matter what the Enlightenment fathers and market theorists said. Subsidization of domestic capacity was the only sensible policy....

Liberalising trade, in the absence of the entire package, would subject local firms to an international competition that they could not survive because, “[a]t market prices, many poor countries had no comparative advantage at all” ([Amsden, 2001](#)).

From the beginning, Amsden’s ideas challenged the status quo. With a start in the 1970s, her multi-decadal contributions became the most persuasive explanation for industrialisation of East Asia. From the late 1990s, her rationalisation for the “Rise of the Rest” was begrudgingly accepted as part of the narrative offered by the likes of the World Bank and other conventional development institutions ([Schneider, 2017](#)).

Alice Amsden is probably best known for her book, *Asia’s Next Giant: South Korea and Late Industrialization* (Amsden, 1989). This much-cited book systematically denounced the conventional wisdom that Korea’s rapid growth resulted from the absence of significant price distortions in foreign trade and domestic factor markets. Amsden argued that the Korean government deliberately set prices “wrong”; through the extensive use of subsidies, tariffs, quotas, price controls and restrictions

on capital flows to actively guide and promote Korea's large business groups. Her examination of Korean industrialisation revealed that the state took a leading role in economic development, as befitted a developmental state. As [Singh \(2012\)](#) noted:

The government presided over a regime of subsidies, taxation and industrial policies to increase the rate of investment, to boost exports and to achieve planned industrialization. One of the notable characteristics of the South Korean narrative is that subsidies or special concessions that entrepreneurs and firms received only in response to meeting strict performance targets set by the government. Often these were export targets, involving new products that were subject to enormous uncertainty whether or not they would succeed. However, the firms produced them because they knew that if they followed the state's edicts, they would be rescued by the government. Thus, the entrepreneurial risk was socialized.

The role of the state would be recognised belatedly by the World Bank and others in 1993. Amsden's insights would become a significant adjustment to the otherwise conventional story of market-led development espoused by the Bank and other international development organizations.

In addition to her contributions to the theory of "state-led development of late industrializers", Alice Amsden is remembered for her "explicit theory of the third world firm". In an extended excerpt from Ajit Singh's comments contributed at the time of Alice's memorial, he offered the following insights describing her theory of the firm:

She started with the question of whether or not the nationality of an enterprise mattered for an industrializing economy ([Amsden, 1994](#)). The standard argument was that the nationality did not matter—a foreign firm is

capable of making as much of a contribution to national welfare as a similar sized national firm. However, Alice indicated that in cases of monopolistic markets the nationality of ownership does matter. Foreign-owned enterprises (FOEs) and private, nationally owned enterprises (POEs), she argued, make distinctly different contributions to economic development and under monopoly only one species survives. Alice was clear, in the high-tech and mid-tech sectors it did matter whether dominant firms were publicly owned enterprises (POE) or foreign-owned enterprises (FOE). POEs have the entrepreneurial advantage over the FOEs. The latter have long experience, but their management tends to be bureaucratic. A third world subsidiary of an FOE is inherently bureaucratic. Alice observes, "professional management is one side of the multinationals" coin, but bureaucracy and rule-bound decision-making is the other. The POE, by contrast, is likely to contribute Schumpeterian entrepreneurship to development, not to bureaucracy.

Alice Amsden ascribes the differences between entrepreneurship and POEs and FOEs to their different perspectives on risk-taking. She suggests that FOEs are risk averse and POEs risk-loving. In choosing their investment projects, the FOEs have the knowledge to set-up production or whatever economic activities they are engaged in anywhere in the world. To decide what investments to undertake the FOE has to go through rounds of bureaucratic committees. By contrast, the POE is a swifter decision maker, partly because it is working within a business group. POEs also have more knowledge of local institutional culture and values than FOEs. Alice Amsden concludes that it is time to rethink government industrial policy towards POEs because their positive progress has been unexpected and their skills-rated benefits are evident throughout the economy. She endorsed POE culture and performance in emerging countries in clear terms and regarded the older multinationals

operating in these countries as essentially being dinosaurs (Singh, 2012).

Many organisations and national governments acknowledge Alice Amsden's contributions to their insightful understanding of the process of development followed by late-industrialising countries. In 2002, she received the Leontief Prize for Advancing the Frontiers of Economic Thought. As her sister Myra Strober, offered during her memorial,

The prize, is given in the name of Wassily Leontief, who won the 1973 Nobel Prize for his invention of input–output analysis, and who served on the Tufts' Global Development and Environment Institute advisory board until his death in 1999. The prize was established “to recognize outstanding contributions to economic theory that address contemporary realities and support just and sustainable societies.” In her acceptance remarks for the Leontief Prize, Amsden stressed the importance of the close study of developing countries, because “there are a lot of people out there who are disappointed and desperately want improved living conditions and social standards.”

Her reputation grew throughout the end of her career, and in the December 2002 issue of *Scientific American* Alice Amsden was recognised as one of 50 “visionaries from the worlds of research, industry, and politics whose recent accomplishments point toward a brighter technological future for everyone.” They honoured Amsden for identifying strategies for economic development that could be of singular value to non-Western countries on the rise. According to *Scientific American*, her “current research interest lies in the theoretical and institutional processes of ‘late’ industrialization, especially about the role of the state, diversified business groups, and professional managers” (September 2003). Beyond her teaching and scholarship, Alice Amsden served as a consultant to the OECD, the World Bank and multiple programmes within

the United Nations. In 2009, she was appointed by then-UN Secretary General Ban Ki-moon to a 3-year seat on the UN Committee on Development Policy, part of the UN Economic and Social Council; the committee provides advice to the Council on a broad range of economic development issues.

In addition to her scholarship, professional practice and institutional impact, Alice Amsden will be remembered as a loving advisor. She was the supervisor of 60 Masters' and PhD theses and 52 academic advisees and Chair for 18 General Exam Committees. An advertisement that ran in the *Boston Globe* (n.d.) shortly after her death read as follows:

In loving memory of our colleague, mentor and friend Professor Alice Amsden (MIT). An iconoclast, a giant in your field, a role model, and inspiration, a confidant and friend to us all. We will always value and cherish the years we spent with you and your transformative influence in our lives. Your guidance and kindness will never be forgotten. Your influence on our work is invaluable. We will sorely miss you. Your body of work continues to inspire new generations of scholars and practitioners who care about development.

Building on Alice Amsden's contribution to development theory: this Special Issue

The articles in this collection build on, revisit and push Alice Amsden's original ideas and insights forward to grapple with the current moment in development theory. They fall into three broad groups, which have rough parallels to Amsden's work, geographically, chronologically and noted extensions of her core conceptual contributions. In sequence, the articles highlight Amsden's path-breaking contributions in theorising late industrialisation, utilising the lens of geography as her easel to elaborate and perfect her vision, thereby allowing her to continually refine the utility and endurance of her theoretical

contributions. These articles draw intellectual meaning and authority from ideas assembled over and drawn from Amsden's lifetime of work.

The first group of focuses on contemporary development trajectories, concerning the experience of the Asian context, which formed the primary site for Amsden's pioneering research. [Chu \(2017\)](#) explains how Alice Amsden's approach to development became consolidated over time, starting from an inductive approach based on micro-level studies in the 1970s and leading to a macro-level theory of late development in the 1990s, through the lens of the machine industry in Taiwan. [Gore \(2017\)](#) extracts further insights from Alice Amsden's work on technological and structural discontinuities to explain the emerging phenomenon of the "middle-income trap"; in this case, in urban Vietnam. As examined in four sectors in contemporary China, [Lee et al. \(2017\)](#) invoke Amsden's theory of industrial catch-up to explore the importance of indigenous—as opposed to foreign—firms and the need for contextualised approaches to state intervention. In referencing China's meteoric rise, [Lin \(2017\)](#) draws from Alice Amsden's work to show the relevant links between the processes of upgrading and "catching up." Deploying "state of the market" technology and practices fosters equivalency of competencies across stages of development supporting growth in output that in turn yields increasing productivity. Meanwhile, [Yeung \(2017\)](#) revisits and updates the still controversial question of the development success of the East Asian Tigers. He argues that the 1980s concept of the "developmental state" has been superseded in the age of globalisation, deregulation and liberalisation and points out a blueprint towards a new conceptualisation using current empirical data from three country case studies.

The second group of articles reflects how Alice Amsden's work travelled geographically to span both Asia and Latin America, but it also reflects her astute observations of mechanisms and individual and collective human behaviour. Without the means to act, none of the countries could quickly transform their circumstances. Amsden

put context in the foreground, in contrast to many mainstream development economists. She ensured that her work created enough transferable information and cues to enable their use by countries in Latin America while still defining their paths based on their political economy reality. In that way, Amsden's deep understanding of pattern and process went far beyond formulaic attempts to chronicle the options for action.

The authors in this group of articles, while developing new paradigms and approaches, build directly on Alice Amsden's insights. [Seguino \(2017\)](#) applies Amsden's insights on the role of wages in promoting growth and helping countries to climb the industrial ladder across selected Asian and Latin American countries. [Schneider \(2017\)](#) provides a comparative analysis of three core concepts from Amsden in Asian and Latin American contexts—reciprocity, the importance of domestic business groups and MNCs. He concludes that her work is still underutilised in the Latin American context and suggests policymakers in the region further draw from key ideas evident in her theorising as they pursue their path to development.

A central concern in Alice Amsden's work was the formation of knowledge within developing countries. As [Pipkin \(2017\)](#) makes clear, for Amsden, the creation of competitive knowledge-based assets was the ultimate end of development. He argues that her inquiry into the knowledge embodied in group capacities receives less recognition because her work challenged traditional models of development policy when in fact these specific policies were subordinate to the primacy of knowledge. The author interrogates what Amsden, in her later years, termed the critical difference between development "experimentation and experience", focusing on how to develop an "ownership of knowledge". Pipkin's comparative case study of two pairs of border cities along the USA–Mexican border provides an experimental setting for analysing institutional learning behaviours through an "experience–experiment spectrum". [Perez-Aleman and Alves \(2017\)](#)

argue that the conventional view of learning in developing countries—fundamentally copying and producing based on catch-up, no longer adequately captures how contemporary countries are reinventing industrial policy at the frontier. Using Amsden’s insights that governments often create “learning conditions” for firms to compete successfully, they demonstrate how the Brazilian government, along with other national institutions, are successfully promoting innovation in the field of biotechnology, where the technological frontier is often unknown.

The final group of articles revisits some of Alice Amsden’s analytical contributions to explore in more depth the blind spots in dominant approaches to economic development. One bias in neoclassical economics is an interpretation of markets “exclusively regarding exchange rather than production.” Building on Amsden’s critique, [Andreoni and Chang \(2017\)](#) highlight the contemporary trends in development orthodoxy that promote poverty reduction and individual empowerment, leaving economic growth largely to the market. Instead, they argue for the importance of production and employment and articulate a new theoretical synthesis seeing development as a process of productive transformation, led by the expansion of collective capabilities and resulting in the creation of decent quality jobs and sustainable structural change. The second article ([Kapadia, 2017](#)) in this section is a discussion of a less understood but fundamental “upstream” condition of development—namely, state borrowing. It provides a new, non-statist interpretation of Amsden’s contributions through her work on development banks and their control mechanism and builds a theoretical bridge connecting her work to renewed interest in the politics of development.

As we publish this Special Issue of the *Cambridge Journal of Regions, Economy and Society*, we want to thank the contributors, reviewers and Alice Amsden’s friends, her sister and her students, mentors and colleagues in joining us on this journey. No single issue can

encapsulate or elucidate the lifetime achievement of a scholar of Amsden’s import and influence. Here, we bring together a series of insights to anchor current discussions of development theory in a transformative intellectual intervention made by a single person, Alice Amsden. Changes under way in the global economy highlight the growing complexity of relations among states, firms, institutions and practices and workers. Amsden made many enduring contributions to our understanding of the processes of development. Her insights, however, are not just chronicles of pattern or practice but instead are a kind of currency that affords us the ability to exchange ideas that are striving toward the objective of defining a new body of theory capable of explaining the pathways to and processes of contemporary economic development.

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Endnotes

¹ See, for example, the World Bank and the International Monetary Fund (World Bank 1991, 1993) but also the OECD (Clifton and Díaz-Fuentes, 2014).

² The generic term “multinational corporation” is an enterprise that grows from an entity with a starting location “home country” and evolves into a multi-locational operation that replicates itself lock step in numerous locations. MNCs expand geographically to include multiple countries (Dicken, 2014).

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