

China and India in the Global Economy

Chair: Diran Apelian, WPI, Metal Processing Center

Panelists:

Martin Kenney, UC Davis, affiliate

Frank Levy, MIT, affiliate,

John Moavenzadeh, Univ of Pennsylvania, IMVP

Tom Rawski, Univ of Pittsburgh, affiliate

This panel will address two questions about the impact of China and India in the global economy. For each question, two panelists will make a short presentation (10 minutes for each panelist; 20 minutes total), and then the question will be discussed by the audience and panelists (20 minutes). The Chair will motivate the questions and will guide the discussion.

Question 1: What part of the R&D flow has been following manufacturing to China and India? What are the implications re fostering of innovation and entrepreneurship in USA?

Tom Rawski will discuss the growing R&D activity of Chinese manufacturing firms (domestic and foreign-linked) and suggest how this trend might affect technology and entrepreneurship in the U.S. and other advanced nations. This issue invites comparison with prior shifts in the relative standing of industrial nations: how did the rise of USA and Germany affect British industry? How did Japan's post-war boom affect US industry and entrepreneurship?

John Moavenzadeh will discuss the evolution of the automotive industry in India and China and the drivers behind the growth. Industry structure will be explored, including the relationships among local and multinational automotive firms and the degree of foreign investment in manufacturing, R&D centers, and design/engineering facilities. IMVP research exploring how location decisions are made for automotive suppliers will be discussed.

Question 1: What role do institutions, such as intellectual property regimes, privacy considerations, professional organizations, university education, financial markets, have in shaping patterns of offshoring?

Frank Levy will discuss the role of institutions in shaping patterns of offshoring; teleradiology will be used as a case study in terms of how privacy issues, IP issues etc. have affected offshoring in the U.S. and the U.K.

Martin Kenney will discuss the significance of IP, labor pools, venture capital etc. in the context of how investments in R&D in China and India differ. He will develop the hypothesis that India is attracting R&D investments for the global market, whereas China is attracting R&D for the domestic market and manufacturing (which in certain cases is important for the global market – i.e., low-cost cell phones, etc.).