

# Globalization & Growth <sup>2e</sup>

*Case Studies in National Economic Strategies*

Richard H.K. Vietor

## A C R O N Y M S

ANC	African National Congress
A*STAR	Agency for Science, Technology and Research
BIS	Bank of International Settlements
BJP	Bharatiya Janata Party
BMRC	Biomedical Research Council
BOJ	Bank of Japan
CBR	Central Bank of Russia
CCP	Chinese Communist Party
CET	Common External tariff
CFE	Federal Electricity Commission
CPAD	Corporate Planning and Administration Division
DC	Christian Democratic Party (Italy)
DPJ	Democratic Party of Japan
DS	Democratic Left (Italy)
EC	European Community
ECB	European Central Bank
ECSC	European Coal and Steel Community
EDB	Economic Development Board
EEC	European Economic Community
EMU	European Monetary Union
EMS	European Monetary System
ENEL	Ente Nazionale per l'Energia Elettrica
ENI	Ente Nazionale Idrocarburi
ERM	Exchange Rate Mechanism
ESCB	European System of Central Banks
EU	European Union
FDI	Foreign Direct Investment
FIE	Foreign-invested Enterprises
FTAA	Free-Trade Area of the Americas
FTC	Foreign Trade Corporation
GATT	General Agreements on Tariffs and Trade
GCC	Gulf Cooperation Council
GEAR	Growth, Employment and Redistribution
GKI	Goserdarstvenny Komitet Imushchestvo, State Property Committee
GLP	Great Leap Forward
GMD	Goumindang



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2nd Edition

Richard H. K. Vietor  
Harvard Business School

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## P R E F A C E

**G**lobalization is the historic process of economic integration that has occurred since World War II. Trade in goods and services, investments in equities and debt, tourism, development of intellectual property, and financial transactions have become thoroughly internationalized. This is the context for business. Thus, for those who would understand economic development, it is more important than ever to have a thorough, current knowledge of the political-economic strategies deployed in major areas of the world.

The cases in this book were developed for use in teaching international political economy at the Harvard Business School. They represent the major developmental trajectories that have defined the recent history of economic growth. These cases empirically describe the strategies of Singapore, China, India, Russia, Mexico, Brazil, South Africa, Saudi Arabia, Europe, Italy, Japan and the United States. As a group, these countries represent more than half the world's population and nearly two-thirds of its gross domestic product.

The cases are as much political and institutional as economic. This is intentional. At Harvard, we teach an analytical methodology for managers called "country analysis." This is a method of identifying the economic performance, social and political context, and national development strategy of a country (or region) and of assessing the strategy in terms of its effects on performance and its fit with context. Once mastered, this form of analysis allows managers to assess international environments and issues themselves and confidently draw conclusions about market growth, labor costs, inflation and exchange rate stability, and direct investment opportunities in the near-term future. We believe that all business and governmental managers should be able to perform this sort of analysis effectively.

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## A U T H O R

**Richard Vietor** is the Senator John Heinz Professor of Environmental Management at the Harvard Graduate School of Business Administration and Senior Associate Dean. He teaches courses on regulation of business, the environment, and the international political economy. He received a B.A. in economics from Union College (1967), an M.A. in history from Hofstra University (1971), and a Ph.D. in history from the University of Pittsburgh (1975).

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Professor Vietor's research on business and government has been published in more than seventy cases and in numerous journals and books. He has contributed chapters to *America versus Japan* (1986), *Wallstreet and Regulation* (1987), *Future Competition in Telecommunications* (1989), and *Beyond Free Trade* (1993). His books include *Environmental Politics and the Coal Coalition* (1980), *Energy Policy in America Since 1945* (1984), *Telecommunications in Transition* (1986), *Strategic Management in the Regulated Environment* (1989), *Contrived Competition: Regulation and Deregulation in America* (1994), and *Business Management and the Natural Environment* (1996).

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