

HOW ECONOMIES GROW: ALICE AMSDEN AND  
THE REAL WORLD ECONOMICS OF *LATE*  
*INDUSTRIALIZATION*

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Alice H. Amsden Memorial Lecture

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# THE BLACK QUEEN OF HEARTS?



# HOW DID SOUTH KOREA MOVE FROM “**BASKET CASE**” IN 1960 TO DEVELOPED COUNTRY BY 1995?



Free markets and free trade?

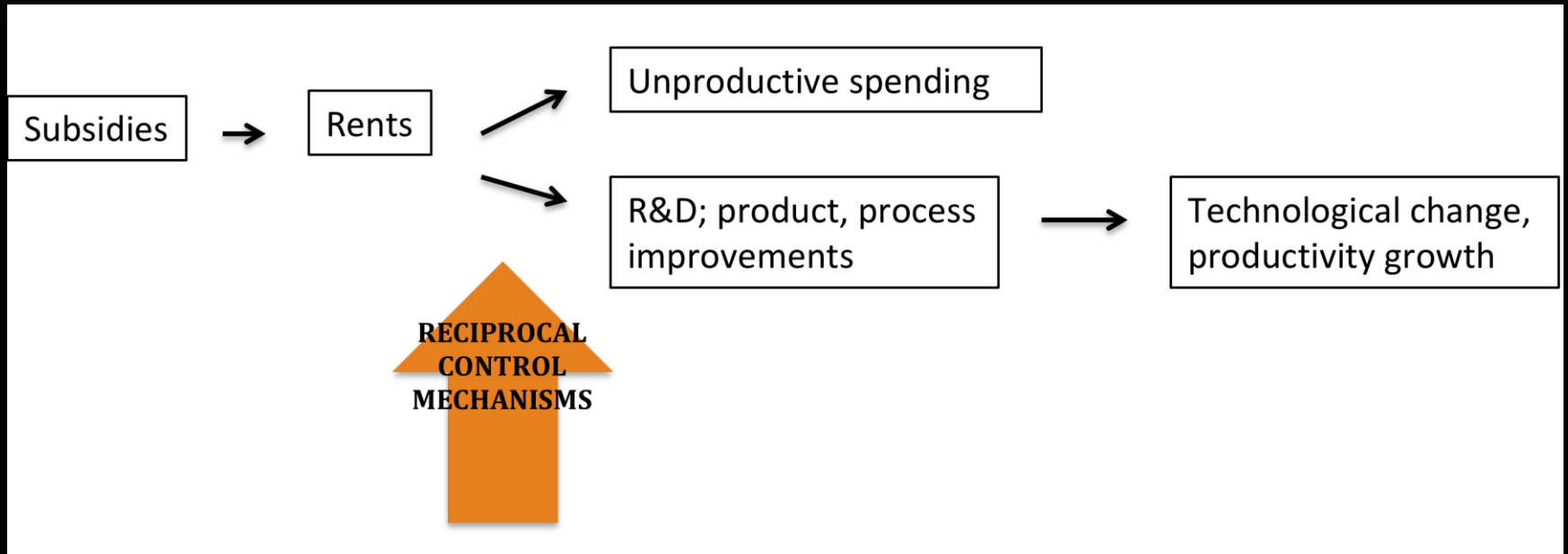


State-led development?

- “The impoverished factual content of our thought doesn’t embarrass us economists. We are used to it. But it is somewhat embarrassing to explain explicitly to non-economists that we find things out by sitting and thinking and mulling over a few factual crumbs, and that the systematic firsthand observation of economic functioning has no place whatever in economics.”

*Barbara Bergmann (1989)*

# THE STATE IN LATE INDUSTRIALIZATION



- “Only a crisis - actual or perceived - produces real change. When that crisis occurs, **the actions that are taken depend on the ideas that are lying around.** That, I believe, is our basic function: to develop alternatives to existing policies, to keep them alive and available **until the politically impossible becomes the politically inevitable.**”

Milton Friedman, *Capitalism and Freedom* (1962)

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