

ECONOMIC GROWTH CENTER

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ECONOMIC GROWTH, INTERNATIONAL TECHNOLOGICAL
SPILLOVERS AND PUBLIC POLICY:
THEORY AND EMPIRICAL EVIDENCE FROM ASIA

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Abstract

This paper examines, within the new growth theory framework, the contribution of international technological spillovers using panel data for eleven Asian countries over the period 1970-93. A country's productivity growth is shown to depend not only on its domestic R&D investment but also on the R&D investment of its trading partners. The evidence for such a positive international technological spillovers is strong. This paper also shows that the beneficial effects of international technological spillovers on productivity growth are stronger in South East Asian countries than that of South Asian countries.

KEY WORDS; Economic Growth, Technology Spillovers, Asia