Degree of Master's of International Studies

(International Area Studies)

KOREA INDUSTRIAL POLICY AND IMPLICATIONS FOR COTE D'IVOIRE

August 2020

Graduate School of International Studies
Seoul National University

Joseph Hermann Peguitha GOUZOU

KOREAN INDUSTRIAL POLICY AND POLICY IMPLICATIONS FOR COTE D'IVOIRE

A thesis presented

By

Joseph Hermann Péguitha GOUZOU

A dissertation submitted in partial fulfillment

Of the requirements dor the degree of

Master of International Studies

Graduate School of International Studies

Seoul National University

Seoul, Korea

ABSTRACT

Korean industrial policy and policy implications for Cote d'Ivoire

Joseph Hermann Peguitha GOUZOU
International Area Studies
Graduate School of International Studies
Seoul National University

Cote d'Ivoire has started its process of structural change since the early 1960s. It turns out that the policies used for this process are still not effective. In the meantime, Korea, which is sharing certain similar historical and economic characteristics with Cote d'Ivoire, implemented within three decades a successful industrial policy that shifted successfully its economy.

Whereas most of literature argued that the Korean Industrial Policy is following solely either the statist theory through developmental state either the product cycle theory through regulatory state, we are conducting this analysis by claiming that the dynamic of Korean Industrial policy is following a coalitional approach. Thus, this research is assuming that coalition theory is the pattern used to achieve the structural transformation by industrialization in the case of the Korean success story.

First, we analyze the main theoretical approaches of industrial policies that led those advanced countries. Secondly, we applied the coalition theory to examine the pattern of the policy formulated in Korean industrial policy. Ultimately, this paper draws appropriate strategy lessons to promote industrial policy for the development of the future national plan in Cote d'Ivoire.

The research found that a strong coalition theory with LEs, SMEs and HCIs, from 1960 to 1980, has led the industrial policy of Korea. The shifting within different types of enterprises is implying for Cote d’Ivoire the promotion of state-led companies and a strong government will to shift the policy towards more p productive sectors.

KEYWORDS: Industrial Policy, Structural Transformation, Developmental state; Coalition Theory.

Student number: 2018-26390

TABLE OF CONTENTS

ABSTRACT i
TABLE OF CONTENTS iii
LIST OF TABLES i
LIST OF FIGURES i
ACRONYMS AND ABREVIATIONS ii
CHAPTER ONE: GENERAL INTRODUCTION 1
1.0. Background of the study 1
1.1. Statement of the problem 2
1.2. Research objectives 5
1.3. Research questions and hypothesis 6
1.4. Scope of study and limitations 6
1.5. Research methodology 7
1.6. Significance of the study 9
CHAPTER TWO: LITERATURE REVIEW 11
2.0 Introduction 11
2.1. Definition of main concepts 11
2.1.1. Industrial Policy 11
2.1.2. Structural Transformation 14
2.1.3. Import substitution policy 15
2.1.4. Export-led policy 16
2.2. Theoretical frameworks of industrial policy 18
2.2.1. Developmental state 18
2.2.2. Regulatory State 24
2.2.3. Revisionist or Coalition Theory 27
2.2.4. Product Cycle Theory 33
2.3. Discussion on industrial policy 36
2.3.1. More requirements of industrial policy 36

2.3.2. Failure of european industrial policy 37
2.3.3. The non efficience of industrial policy for growth 38
CHAPTER THREE: ASSESSING ABOUT SOUTH KOREAN INDUSTRIAL POLICY FROM 1960 TO 1980 40
3.0. Introduction 40
3.1. Overview of Korean economic development 41
3.1.1. Per capita income rate from 1950 to 2015 43
3.1.2. Evolution of employement structure 45
3.1.3. Investment, domestic savings and foreign savings 46
3.2. Evolution of Korean industrial policy 47
3.2.1. Large Entreprises (LEs) from 1960 to 1970 49
3.2.2. Coalition with LEs from 60s to 70s 50
3.2.3. HCI from 70s 51
3.2.4. SMEs and LEs since 1980 53
3.2.5. Electronics Industry since 1990 54
3.3. Preliminar findings 56
CHAPTER FOUR : COTE D'IVOIRE INDUSTRIAL POLICY 59
4.0. Introduction 59
4.1. Evolution of ivorian Industrial policy 60
4.1.1 The phase of steady growth : 1960-1980 61
4.1.2. The cyclical growth phase: 1980-1999 63
4.1.3. The phase of socio-political crisis: 2000 to 2011 66
4.1.4. The phase of steady growth : 2012 to today 70
4.2. Comparison Cote d'Ivoire and South Korea 75
4.3. Conclusion and recommendations 81
CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS 84
5.0. Introduction 84
5.1. Findings from South Korean Industrial policy analysis 84

5.2. Policy implications for Cote d'ivoire industrial policy 85
5.3. Recomendations for further studies 86
5.4. General conclusion 87
REFERENCES 90
추상 94

LIST OF TABLES

Table 1: The traditional developmental state model agendas from Evans and others ..23
Table 2: Company type and criterias 28
Table 3 : Coalition formation 30
Table 4: Choice of industrial policy in a coalition environment.................................32
Table 5: Comparative evolution of GNP per capita of Korea, Taiwan, Japan, and US from 1971 to 1980 (US current 1996)...44
Table 6: Comparison TVs production by main producers (Millions of units)............45
Table 7: Evolution of manufacturing structure (Percentage of total actual price)........45
Table 8 : Capital Inflows to Korea 1945-1992 ($ million in current prices as a %)....47
Table 9 : Korean industrial progress via 5 key export items 54
Table 10: Evolution Coalition theory characteristics in Korean industrial policy........57
Table 11: Comparison of Developmental sate theory and Regulatory state 58
Table 12 : Main results of industrial policy from 1960-1980.....................................62
Table 13 : Evolution of manufacturing and exports in economy from 1960 to 1980 ...63
Table 14 : Comaprison between Korea and Cote d'Ivoire Economic Policy 76
Table 15: Comparative analysis of National Development plan with the UN criteria's 78

LIST OF FIGURES

Figure 1: Comparison of the periods of industrialization of 6 countries......................43
Figure 2: Per capita income rate from 1950 to 2015...44
Figure 3 : Evolution of Employment structure from 1963 to 2017.............................46
Figure 4 : Evolution of the growth rate of Industrial production from 1996 to 2007 ...67
Figure 5 : Evolution of GDP growth rates in Cote d'ivoire and Sub-Saharan Africa...72
Figure 6: Compared Evolution of Current account balances in Africa, Sub-Saharan Africa and Cote d'Ivoire...74
Figure 7: Evolution of the value added ratio in Cote d'Ivoire....................................81

ACRONYMS AND ABREVIATIONS

AUC	African Union Comission
CFAF	Community of Franco-Africa franc
CIP	Common Industrial Policy
DAC	Development Assistance Committee
EDP	Economic Development Plan
ETRI	Electronics and Telecommuniactions Research Institutes
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GRIs	Government-Sponsored Research Institutes
HCI	Heavy Chemical Industry
HDI	Human Development Index
ICTs	Information and Communication Technologies
IMF	International Monetary Fund
ISI	Import Substitution Industry
ISID	Inclusive and Sustainable Industrial Development
LEs	Large Enterprises
MEs	Medium Enterprises
MIs	Mediuim Industries
MITI :	Ministry of International Trade and Industry (Japan)
MOST	Ministry of Science and Technology (Korea)
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
R&D	Reseanch and Development
SDI	Roadmap Plan of Industrial Development
SME	Small and Medium Enterprise
SMEs	Small and Medium Enterprises
SMIs	Small and Medium Industries
UK	United Kingdom
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization
US	United states of America
US $	US dollar
WAMU	West African Monetary Union
WAEMU	West African Economic And Monetary Union

CHAPTER ONE: GENERAL INTRODUCTION

1.0. Background of the study

Korea's economic growth before the 1997 crisis has been described as the miracle of East Asia. Indeed, the country has experienced three decades of extraordinary growth that has led Korea's economy from the agricultural economy to a more export-oriented manufacturing economy. On 12 December 1966, the country even joined the Organization for Economic Co-operation and Development (OECD).

The catalysts for this growth are, in principle, very high savings and investment rates and a strong focus on education. Korea has the highest levels in the world in terms of young people enrolled in universities. Moreover, today, South Korea ranks among the best countries on several scales regarding to its population economic and social situation with a strong democracy. Recently a study published that inome per cita in korea has reached and passed 25,000 $US. The country is ranked at the second place on the highest level of HDI ranking in Asia, following Japan (Benjamin Pham, 2015).

Compared to the situation of this country fifty years ago, the present results can easily be appraised as an economic miracle. In 1960, its economy its per capita was less than 200 US$ dollars. South Korea succeeded to shift its economy from an exclusively foreign aid receiver into a member of the DAC country in 50 years.

Given that, almost all indicators of South Korea's economic performance in 1960 were red i.e. by the world's worst performers, our study offers a small answer to the major puzzle that Korea's success represents. Of the 29 countries of the OECD Committee, he was by far the poorest in 1960. How did South Korea succeed in its development where many have always failed?

1.1. Statement of the problem

Despite numerous declarations of intent and the desire expressed in recent years to overcome the important problems that hinder the implementation of an effective industrial policy on structural change, Africa has stalled. This study aims to analyze South Korea's industrial policy and to highlight the theoretical framework that is similar to it.

The analytical results will help make recommendations for developing countries in this case; Cote d'Ivoire. In fact, development seems to be the process in which changes in economic, social, political and cultural structures and institutions occur. To this end, governments have a duty to implement policies, through the stimulation and the promotion of legal and organizational framework, for structural transformations which is essential to the fulfillment of their objectives.

Most advanced economies have operated their structural transformation by implementing industrial policies. It is well known that the first industrialization model has processed in Britain. This model had unique characteristics that have never been replicated elsewhere. However, this process exerted an unmistakable power of attraction on his contemporaries because of his novelty and his impressive way of developing the forces of production to achieving a steady economic growth rate. It was, indeed, a model the characteristics of which can be defined and from which other countries have traced the path they should follow (Wyn Grant and Stephen Wilks, 2008).

Some countries still have a not-strong enough economic growth trajectory. Whereas some sectors are in excessive decline, others sectors play too much of a role in overall economic growth. As knowledge and capacity are irretrievably lost, manufacturing output is even declining for other countries. Indeed, in this situation, economic policies in favor of industrial policies must be carried out with the aim of strengthening specific sectors. These sectors could require either more capital; more labor or more skilled labor either fostering new sources of economic growth such as green economy.

The countries that are successful in the world, which have achieved structural transformation, are based on highly productive industrial and service sectors. They transferred resources from low-productivity to high-productivity sectors through industrial development. A fundamental element of structural transformation is the shift from the main rural activity to urban activities. Structural transformation has significantly increased income levels in poor countries (Haeran Lim, 1998).

The issue of structural transformation through the implementation of a dynamic and prudent industrial policy has become the leading leader everywhere. However, with the exception of Asian countries that have successfully maintained sustained economic growth rates since the 1980s. It should note that the widely defined increased interest in industrial policies comes at a time when global value chains have become more complex and important. Until recently, competition from emerging economies has increased, even in activities and markets claimed to be the main strengths of OECD countries (Arnold Toynbee, 2013).

Since 2008, governments have been facing budgetary constraints. Countries are looking for effective, selective and low-cost interventions to stimulate their economies. Priorities in areas where government action can make a difference is therefore of increasing political interest and it is clear. However, where action remains the historical experience with targeted interventions and industrial policies are at best mixed.

In Africa, Agenda 2063, member countries agreed on seven key and most relevant aspirations. Its priority is to liberate a whealthy African continent based on a growth and development that are respectively inclusive and sustainable (AUC, 2015). Perhaps it is from learning from global development experiences or from prosperous countries. Adapting significant experiences by countries to catalyze economic and social transformation can help to improve the trajectory of industrial policies in African economies. Then, of course, an endogenous industrial policy adapted to the specifics of African economies will be able to achieve structural transformation and thus overcome poverty.

In 2015, a study showed that the financial flows provided to African countries are not effective in promoting industrialization furthermore achieving structural transformation. This study concludes that the role of financial flows from abroad in promoting the economic transformation should be carefully analyzed in order to maximize the impact of these capital inflows (Steve Loris Gui-Diby and Mary-Françoise Renard, 2015). In fact, this study focuses on FDI, but it clearly shows that industrialization may not depend solely on foreign implications. This statement aligns with the idea that industrial transformation means an internal process that works by increasing or decreasing in industrial sectors.

To transform successfully an economy it requires timely transfer of resources to more competitive sectors. That said, the private sector or foreign donors should not stand this process alone because it requires a general policy and primary control. The government must manage the control of the implementation of industrial policy. As proof, a theoretical study that emerged in the 1980s has pointed out that a growth is the endogenous result of an economic system.

1.2. Research objectives

The present study is conducted to attain the following three objectives. First, this analysis will permit to highlights the core determinants of the success story of Korean industrial policy through literature according to theoretical approaches of industrial policy. The author will examine the pattern of the policy formulated for the structural transformation of the economy of Korea, accordantly to the coalition theory.

The second objective of this work is to examine the theoretical framework that matches with Korean experience.

Ultimately, this paper will draw lessons to promote industrial policy for drafting a future national plan in developing countries.

1.3. Research questions and hypothesis

This study aims to answer these questions:

1. How has Korea implemented the coalition theory in the industrial policy of Korean?
2. What is the path of Cote d'Ivoire according to the coalition theory of industrialization?
3. According to Korean experience, what kind of improvements could be proposed to Cote d'Ivoire?

To respond to these questions, we assert that industrial transformation was due to a coalition of both core theories of industrial transformation. In fact, we assume that, instead of solely following the product cycle theory or Statist theory, Korean industrial policy has worked dynamically by a coalition theory.

1.4. Scope of study and limitations

The International Monetary Fund database showed that both Cote d'Ivoire and Korea have faced structural adjustment since 1978. Meanwhile, Korea has achieved a steady growth rate and shifted its agricultural-based economy to be an industrialized economy today. The target country has gotten its independence in 1960 whereas South Korea got its indepencdence from japanese hegemony in 1948. Both countries start their sovereign economic develpmemnt policy early after their independence. Moreover, in the 1980s, Cote d'Ivoire encountered economical problems after successful growth in the

1970s, but its ability to adjust has been limited by the membership of the West African Monetary Union (WAMU).

For the period of study, we shall undertake that the most important recent period of the both countries economic development is covering the period from 1960 up to 1990. However, the period starting from 1990 up to today will be provide through the study to enlighten both countries current economic development. Then, this investigation plan to cover the period starting from 1960 to nowadays.

What could be limitaions of our study?. Indeed, as we aim to highlight the pattern of industrialization of Korea, a priori we could not expect any limitations concerning writings or data for the Korean economy. That said, it would remain to analyze the model of Cote d'Ivoire. The limitation of this work could be the availability of researches or accurate data of Cote d’Ivoire from 1960 to 1970.

1.5. Research methodology

Korea has shifted successfully its economy from a traditional economy to an industrialized one within a period of fewer than 30 years. This achievement is based on a strong government leadership. This study is not to expose the government implication in the successful experience of South Korea rather to show the determinant of Korean industrial policy but to describe the theoretical approach that matches better with the structural transformation process of Korea.

Indeed, there are several theories which govern the theoretical framework of industrial policy. This study has devoted the coalition theory in government policy to achieve industrial transformation. This paper will be led by a qualitative analysis. First, a brief introduction to the most important existing rationales framework followed by a discussion on the historical evolution on the topic of industrialization.

The core part of our research is beginning with an analysis of the steps, the structure of the policy and the organizational model. We aim to enlight the coalition theory that Korea used to fulfill his structural transformation through industrialization. This policy analysis will be used to propose policy implications for Cote d'Ivoire regarding the Korean case. The whole research will be based on the assemblage of illustrations considered in the existing works of literature. In short, the methodology to the answer of the research questions will be conducted with qualitative analysis based on the existing literature related to the topic and seek to draw applicable recommendations for Cote d'Ivoire. We will cover the period running from 1960 to recently. This Research will contain five chapters.

The first chapter comprises of Introduction, Research questions, Research objectives, Significance of the study, Thesis structure, and Statement of the problem, Research methodology and lastly, the Scope and limitations of the study.

The second chapter titled Literature Review is divided into six parts. It will comprise the Definition of key terms, Product cycle theory, Statist theory, Coalition theory, and a discussion.

Chapter three is composed of six parts. The first part is about to introduce Korea's industrial Structure, the Evolution of Korean industrial policy and Evidence of basic theories in the industrial pattern of Korea composed of three parts product cycle, statist theory, and coalition theory.

Chapter four is divided into seven parts; the first part discusses Introduction of Cote d'Ivoire, introduction, Industrial policy evolution, Industrial policy structure, rap-port of implementation of recent national policy, Theoretical analysis of Cote d'Ivoire Industrial policy in three theoretical approaches in three parts.

Chapter Five, which last this thesis, is divided into three parts, the first one is the summary of the thesis, followed by the recommendations and lastly a conclusion.

1.6. Significance of the study

There are numerous studies on Industrial policy since the rise of this topic in both developed countries and developing countries. Our research attempt to introduce a new matching, by a policy analysis of the experience of Korea and cross reading, with the current policy implemented in Cote d'Ivoire. This study will hold as a useful paper to understand more the specificities of both countries at glance.

Secondly, the qualitative analysis of Korea's successful experiences provides new insight into policy and strategy formulation for developing countries that are struggling on the path of development. It's known that South Korea, in the 1970s and 1980s, is an example of a country in which sustained growth has been achieved. This economic growth led to higher wage rates and a reduction in inequality (Bai Gao, 1998).

Third, this thesis will help policymakers to adopt effective policies and strategies formulation to foster not only industrial policy, but also the linkage with other policies.

Not only the government but also the private sector or other national economic leaders will better appreciate their rank and level of intervention in seeking a better policy. Definitely, the outcomes of this study will provide a useful contribution to the formulation of future development plans and policies.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

This chapter as for the objective to explain some concepts especially those repeatedly used in this research. It will also explore previous literature on industrial policy to introduce the past and present frameworks of industrial policy and discuss the new requirements.

Firstly, the most important theoretical approaches related to theme of this research, starting from the industrial revolution that took place in England on to recently, will be introduced. The different patterns of governance to achieve steady growth and structural transformation are presented in the second section. Lastly, the evolution of requirements in industrial policy worldwide will be discussed.

2.1. Definition of main concepts

2.1.1. Industrial Policy

At the arousing of the idea of government intervention to relieve the market failure, there was no standard definition of industrial policy. In the japan post-war, this policy was related to policymaking activities implemented by the Ministry of International Trade and Industry (MITI).

A country industrial policy is its strategy to encourage the development of economic sectors that for reasons of national sovereignty or insufficient private initiative require a public intervention.

In the literature, the industrial policy is regularly and interdependently named industrialization policy (S Lall, 1992). Industrial policy works horizontally and aims to provide suitable frameworks for the competition of manufacturing companies. Its executives, which build the policy elements of the companies concerned, should thus enable the best exploitation and the best profit of the alternatives. However, executives should be adapted to the carateristuics of the sectors in which they operate. Indeed, the industrial policy applies specifically to the sector concerned.

Today, we can define industrial policy as any type of intervention or government action toward the manufacturing sector. Those interventions are tasks, reforms or activities that aim either to improve or to alter economic growth or societal welfare. Either it is for the improvement, it is concerned with tasks that are expected to offer better prospects for economic growth or societal welfare. Whether it is for the alteration, it is related to reforms and actions expected to balance the structure of the economic environment or activity, toward sectors and technologies (Ken Warwick, 2013).

Recently, between 2008-2009, the economic situation at that time provided evidence of market inefficiency and, in fact, there was a broad consensus around strong government intervention. On the other hand, government intervention should lead to the creation of a solid framework for the functioning of businesses. This is what has been lacking to the market economies of the United States and Europe and led to their bankruptcy. Now, government-led industrial policy is the most accepted ideological formula. This ideological approach even finds the support of traditional economists and leaders. That said, market failure could be seen as a deficit of selective intervention aimed at shifting the sectoral allocation of production towards sectors that are expected to give a higher growth trajectory than would have occurred in a market balance (Stephen Haggard, 2014).

Indeed, by industrial policy, agreement is made on state intervention with the aim of impacting the current economic model. Before this ideological approach, the market was considered effective in endogenously rescinding the balance; whether it is the allocation of resources between sectors or the choice of procedures. Anything that prohibited government interference or any public policy. This idea even considered that if the markets did not balance themselves, governments would also not be able to recreate or help restore balances.

Finally, the industrial policy definition is combining with a target of the interventions. Those interventions are targeted and have to reach a goal settled by either central or local government. This goal has to come through the shifting of the sectoral allocation of factors towards the sectors that are believed to yield growth path than would have occurred under a market-led policy.

2.1.2. Structural Transformation

Many theories have been offered to explain the industrial transformation. In the literature, it is also called industrial transition. Industrial transformation appears as a process. The process when an economic structure is shifted to another new and better one that aims the improvement. Several studies also assumed that the previous agricultural economy does not able to achieve growth and devloppement, they assumed industrial transmation achievable by a strong and reformful, well organized, development led manufacturing industry.

A world bank report in July 1992, was emphasizing the mechanism of transmission of policy towards the standards of living, the structure of the economy or the results that occurred after implementing a policy. By comparison, the structural transformation is the way a structure could change trough in improvement due to the results of action or a policy.

The economic literature often assume that implementation of industrial policy is responsible for structural transformation. Industrial transformation in that extent refer to structural transformation. The latter is consider as an essential determinant of the economic development process (Kuznets 1966, Kaldor 1967, Chenery and Taylor 1968). Thus, it is recognized that different sectors and products can have different effects on the economy and that the economy can take an upward trajectory if it manages to position itself in certain sectors/products offering increasing returns of scale or with high income elasticity (Rodrik 2011). Given these factors, avoiding the middle-income trap and ensuring sustained growth in GDP per capita would necessarily require an acceleration of the structural transformation process from low-productivity to high-productivity. This means developing comparative advantages in sophisticated and well-connected products in the sense that the productive capacities they require allow them to diversify into even more sophisticated products (Hidalgo et al. 2007, Hidalgo and Hausmann 2009, Felipe et al. 2012).

The structural transformation then become the situation that ocuurs in a more complex economy during which the value added is increase from up the intermediary income to upper income. The economy at that time is more sophisticated, the goods are more capital and skilled abundant than labor. This process of structural tranfomration has been famous since the growth of Asian Countries. However recently, some studies are mitigating the power of manufacturing sector and innovation through R&D to trigger growth and install a complex economy.

2.1.3. Import substitution policy

In macroeconomic studies, Import is one of the most importatnt variables for the national income acoounting. It simply refer to he amount of purchase of foreign goods and services by citizens, businesses and government of a home country. Import Substitution Industrialization (ISI), which the result of import substitution policy, is a trade and economic policy. It proposes to replace foreign imports with domestic production. According to the literature, the ISI is based on the principle that an economy through local production will have to reduce its dependence on the outside world. It would be a matter of producing locally the goods that the economy needs instead of importing it from abroad.

2.1.4. Export-led policy

Fundamentally, export-oriented policy is a political process by which a country aims to accelerate its economic growth rate by building on an expansion of its exports. The main concern is to take more advantage of the value-added revenues that are incorporated into export products. Indeed, the expansion of exports contributes to creating jobs, a higher rate of capital accumulation, a gradation of technology through larger imports and rather a marked improvement in the quality of life. The theoretical framework that supports this idea indicates that a country's economic development can be stimulated by several factors. However, it is believed that the contribution of two major factors is the key to its success: increasing the quantity and quality of its productive resources and using them more productively.

This export centered growth strategy aims to strengthen both of these factors. In this strategy, a country tries to specialize in products in which its factor endowment gives it a comparative advantage. This means that the country is trying to increase the employment of its unemployed or underemployed. It is a strategy to allocate their more productive resources and thus accelerate their economic growth. It is also in the nature of things that international standards are a cost-effective channel for the transfer of technology between countries. The benefits of research and development in a country tend to be shared among its trading partners. International trade stimulates the growth of trading countries through the supply and demand mechanism.

This means that international trade continually interacts with demand and supply forces and helps them accelerate their growth rates. For example, trade increases the added value of using their resources. This increases the demand for products marketed and consumed domesticly. The resulting increase in production allows producers to take advantage of economies of scale, reduce costs and prices, and further stimulate demand. However, there is still no final debate as to whether a country can rely on an export-based growth strategy. International financial institutions such as the IMF, the World Bank and the Asian Development Bank, such as economists such as Sachs and Werner, have been strongly committed to export-oriented growth.

Their arguments are supported by cases in East Asian countries that have successfully followed this approach. On the other hand, there is also no back-to-back opinion that there is no guarantee that the export-based growth strategy will always be successful; it can only be useful if the framework conditions are favourable to this approach. Hla Myint, for example, believes that continuing to promote a country's export stow risks creating a "double economy"; that is, an economy characterized by certain economic growth enclaves surrounded by underdeveloped areas. Similarly, some economists believe that in an open and trade-friendly economy, consumers are at greater risk of a demonstration effect that can delay savings and capital accumulation rates.

According to some economists, the biggest failures of export promotion policy are evident in the models of developing countries. Indeed, exports from developing countries tend to suffer from the deterioration in terms of trade. This leads to a situation in which importing countries have a greater advantage than developing countries known as exporters.

2.2. Theoretical frameworks of industrial policy

In 2009, debating on conforming or defying the comparative advantage in industrial policy for developing countries, one has been arguing that "Once one starts to think about the questions of economic growth, it is hard to think about anything else than industrial policy (Justin Lin and Ha-joon Chang, 2009). We know that there are two main theories to explain industrial transformation: product cycle theory and statist theory. These theories were cited as the most important means of pursuing industrial policy. Since the 17th century, industrial policy has been at the heart of the analysis. Several researchers would find out how best to implement industrial policy. The core theoretical rationales that lead the thoughts of the industrial framework are regulatory state theory, developmental state theory, and revisionist or coalition theory.

2.2.1. Developmental state

A developmental state is a state in which the government is closely involved in macro and microeconomic planning to develop the economy, with the addition, trying to develop its resources in the development of a better life for the population. The state of development is a concept coined by Chalmers Johnson and used to describe states that follow a particular model of economic planning and administration. It was first used to describe Japan after 1945 and its rapid modernization and growth. A simple definition would be that "a developemental state is a state in which the government is closely involved in macro-economic planning to grow the economy", adding "while it seeks to use its resources for the development of a people's lives".

According to Haggard Stephen, the concept of developmental state was created to explain the rapid growth of a number of Post-War East Asian countries. With regard to the specifics of developing countries, their supporters stressed the role of state intervention and industrial policy, as well as the importance of strong states and some social coalitions. But cutting-edge literature also offered a theoretical approach to growth that was ethereal in terms of dominant approaches to economics and political science. (Stephen. Haggard, 2018). In fact, the concept was used by experts in international political economics to refer to the phenomenon of state-level macroeconomic planning in East Asia at the end of the 20th century. He introduced a definition of the new type of capitalism used in Asian countries. The entire policy of the Asian government to achieve structural changes differed from the capitalism proposed by European and American countries. The state has more independent or autonomous political power and greater control over the economy. Industrial policy involves the use of its powers and resources by the government to manage policies that increase the needs of certain sectors and industries and, if necessary, those companies for factor productivity (Daniel Okimoto,1989).

Bringing together most of the analyses of historical and economic literature, it has returned to the developing countries: China, Singapore, India, Thailand, Taiwan, Vietnam, Malaysia, South Korea, Philippines and Indonesia are all like a classified development. Most countries have made structural changes more rapidly than the United States of America or the United Kingdom. It took about 50 years for the US to double the size of its economy during its economic start-up in the late 19th century, and it is estimated that the UK took about 60 years to do the same. Several countries in East and South-East Asia now double their economies every ten years. The level of development is an integral part of the government's poverty reduction measures. China has driven 600 million people out of poverty over the past 30 years, almost entirely through this form of state-level economic planning. Progress towards the Millennium Development Goals is largely due to this form of governance.

However, the model goes beyond mere development and involves the creation of a competitive environment. While many countries simply privatize key activities, developing countries are actively creating competitive enterprises to increase efficiency, prices, services and employment. In a state of development system, the government has a duty to create a competitive Crown company with serious or minor interventions. Intensive interference would be classified as physically restrictive competition with a restrictive law. Easy interventions can result in effective corporate governance by attracting good management and implementing effective practices. There is no reason why a nationalised enterprise should be ineffective and why a private enterprise should be successful. The continuous increase in efficiency is driven by a real choice for the consumer.

While this does not provide a perfect form of governance, there are certainly many developing countries that could learn from developing countries' attitudes to long-term planning. Short-term planning usually hinders progress and limits growth. In a developmental state, the problem of money is set aside and the most efficient system is implemented. Often this is only possible through a one-party government and leads to a "gross agreement" of some people. Instead of multiple consultations and repairs, the goal is pursued because of its general benefit to society, even if it is at the expense of a minority.

Another way for countries to learn from developing countries is to put more emphasis on sovereign wealth funds. These funds are large sums of money that exist only for the benefit of future generations. A quick look at Asia shows that sovereign wealth funds are widespread. China has created two funds, as has Singapore. Hong Kong, Brunei, South Korea, Vietnam, Malaysia and Indonesia have one. Developing countries could learn to implement strategies to advance a long-term vision to support full-fledged development.

If you look at the traditional development model in detail, it seems that many basic ideas embedded in this need need to be highlighted. In fact, current thinking about the state of development has been strongly influenced by research into the experiences of East Asian tigers. Although there are some differences of opinion in the literature on the basic political issues that have enabled native Asian tigers to achieve a high level of development and economic growth, there is a general consensus on how to achieve Characteristics that have characterized these successful development states. At the same time, the traditional developing state has established its autonomy by creating a lean bureaucracy characterised by meritocracy and long-term career prospects. These traits make officials more professional and detached from powerful groups in search of pensions that seek to influence them. At the same time, the state cannot be too isolated from society, because it would risk becoming selfish, instead of meeting the needs and demands of Peter Evans' 1995 further development. It must therefore also be anchored in society, that is, linked to a concrete set of social links that bind the state to society and to institutionalised channels for the continuous negotiation and renegotiation of objectives and policies offer" (ibid.)

Two factors are believed to have enabled autonomy and direction of development in Asian cases: political leadership dedicated to the development and eradication of traditional elites. Both factors are considered relieved. The weakening of the land elites protected the state from conquest by powerful traditional interest groups at the beginning of the development process. While the uprooting of traditional elites played a role in the capitalist and Asian communist success stories, the coalitions that replaced them were postponed: state and economic elites in the case of South Korea and Taiwan; an elite state and disadvantaged peasants in the cases of China and Vietnam (Khan, 2005). In addition, most of the traditional developing states were authoritarian. The political economy was driven by what Herring (1999) described as an arm behind his back. In addition, in different contexts, the model allowed the exclusion of different groups in different ways for a longer period of time (Evans, 1995).

Table 1 shows an essay summarising the main characteristics of the traditional state of development. Of course, the various relatively successful case experiments suggest that there is no single model for a level of development. The binding characteristics, however, were relatively effective states and, at the political level, a firm commitment to transform the country, whether through nationalism, regional competition, communist ideology or a combination of all the issues economic benefits of a few individuals or small groups.

Table 1: The traditional developmental state model agendas from Evans and others

	Traditional developmental state main characteristics
Core aspect	Emphasis on state capacity and embedded autonomy
Political regime	No normative commitment to any particular type of political regime, though many examples of 'successful' developmental state are authoritarian.
State legitimacy	Derived from state achievements and performance.
Political will	Concern for national goals; commitment of core leadership is essential.
Role of state	State should actively foster economic development but avoid capture by particular groups.
Model of social representation	Exclusionary, based primarily on close relations between the state and selected business groups. Labor is controlled.
What to do on the Monday	Create meritocratic civil service in key areas, imbued by a strong esprit de corps and concern for national goals.

Source: (re)Building Developmental States: From Theory to Practice, V. Fritz and A. Rocha Menocal

Recent writings on developing countries have highlighted the importance of infrastructure forces and political engagement. According to Ghani et al. (2005), a "developmental-state" state project must have at least two essential characteristics. First, the state must be able to control most of its territory and have a number of basic capabilities that enable it to design and implement strategies. Second, the project must include a degree of scope and inclusion and have a long-term institutional perspective that goes beyond a particular personality or political leader. Leftwich emphasizes commitment; In his view, an ideal developmental state is a state that demonstrates a determination and ability to stimulate, direct, shape and cooperate with the domestic private sector and conduct mutually acceptable business with foreign interests. (Leftwich, 2000: 167-8).

Thus, a developmental state is widely understood as a state that demonstrates a clear commitment to a national development agenda that has a strong capacity and scope, with the aim of promoting growth, poverty reduction and provision of public services.

2.2.2. Regulatory State

The studies on regulatory concepts are diverse. Giandomenico Majonethe (2007) noted that the paradoxical result of the international debate on privatization and regulation is to draw the attention of European law-makers to regulatory science. To them, regulatory status is a clear form of political intervention in the economy and society. According to a legal scholar, regulation has become the new boundary between the state and the economy and the battlefield for ideas to operate the economy. A political scientist indicates that installation is a phenomenon everywhere and is accepted in all the advanced countries. According to one economist, the issue of regulation is in the heart of the compromise between the European Community and the Member States which has made the only market plan possible. The question that arises is always what, how and at what level the government needs to be regulated.

This concept requires a change in the way state power or the economy and society are disrupted. The study of the concept shows that the American invented a modern form of regulation. The United States is an important pioneer of administrative government technology, which is legally subsidized by specialized companies, not by public goods technology.

In this sense, Michael Moran clarified in 2002 what is the term "regulatory state": in Europe. Three main functions are assigned to the modern state: redistribution; stabilization, for example in Keynesian form or stimulating market failure. The rise of the regulatory state at the expense of the other two is the rise of this third function. Within nations, this is due to the exhaustion of Keynesianism and certain driving modes associated with those associated with those, including state properties. At EU level, the increase in regulation is due to weak control stocks. The EU is unable to increase the budget and the bureaucratic capacity to impose a policy on national members or private interests. The concerns decided for the beneficiaries of the legislation remain, with the aim of responding the following question : Does the regulation have a verifiable objective?

Within the Academy, this concern is linked to the essential political literature on non-implementation in the 1970s. Beyond scientific scrutiny, which is associated with disillusionment among the most important parts of the American elite, it is the kind of state in between that has evolved into a New Deal. The pessimistic literature on the implementation of the regulations identifies the regulatory crisis in the United States, sees deregulation as a symptom of the crisis, but traces of the roots of the crisis in the historical turning point through the system of the 1960s in In particular, the extension of the regulatory sector beyond sectors and industries, which is particularly clearly reflected in the wider regulation of activities affecting the economy, such as health and safety at work. comes; Protecting the environment. Another way to describe this change is to switch from "economic" to "social" regulation. many discussions about the state of regulation of the United States assume that it is too hierarchical and commanding. On the other hand, it was common in Britain and elsewhere in Europe to identify a regulatory state by dissolving the government into independent and self-governing decoupled systems.

In addition, the most important approach to this approach through literature argues that the government only needs to ensure a reliable legal framework, a stable macroeconomic environment, investment in human education, health.... (Arnold Toynbee, after his lectures in 1880, published the "Industrial Revolution" in 1884. Acemoglu and his fellow authors (2001) and others have argued that institutions are the main explanatory variable that explains why some countries become richer than others and more important than geography or trade. Opening. While Rodrik and others agree that geography can be of indirect importance in influencing economic production patterns and institutions based on them, in their view the quality of institutions is more important: "Reliable institutions for guarantee property rights, manage conflicts, maintain law and order, and align economic incentives with costs and benefits to support long-term growth." That's the clearest message that... Botswana, Mauritius and Australia " (Rodrik, 2002:11).

Recognition of the importance of institutions also promotes a reassessment of the economic role of the state. Acemoglu (2005) argues that poor and weak countries can also stifle investment, and oecd countries have developed a combination of politically weak but economically strong states, namely high taxes. This reminds Michael Mann (1993), who distinguishes between the tyrannical and infrastructure powers of the state. Despotic powers indicate that state-defined forces and infrastructure powers, such as "the state's ability to effectively implement civil society and implement political decisions," are able to provide logistics throughout the kingdom. " The extraction of the company's human or material resources is a key element of this infrastructure.

2.2.3. Revisionist or Coalition Theory

The coalitional approach emphasizes the idea that the issue of legitimation surrounds the state. The idea has raised from the failure of the market that implies the intervention of state in implementation of policy to better realized the objective of economic development. Earlier, before the coalition theory, government interventions on industrial policy were merely a revaluation of the foreign currency, limiting entry through licensing producers and imposing tariffs or quantitative tariffs. Restrictions on imports.

"The companies created are limited by a political dilemma between short-term political survival and the long-term goal of economic stability. Thus, the market is an arena and a mechanism for creating state-owned enterprises to build their political foundations, and industrial policy is a tool for state intervention in the market." (Haesran Lim, 1998).

The neo utilitarian argued that only the minimal role of the state in the market is necessary to avoid the capture of parts of the state apparatus by interests groups.

Table 2: Company type and criterias

Company type	Criterias
SMEs	Intensive in labor Small scale of entry Sophisticated production Intermediate products (part an components suppliers) Products in early phase cycle Flexibility
LEs	Capital intensive Large scale of entry Standardized, mass production Final product (assemblers Product in mature phase of cycle Inflexibility

Source: (from) Korea's growth an structural transformation, Hearan Lim 1998

The returns of this approach were non-productive activities in search of profits, lack of economic efficiency and declining dynamics. The neo-utilitarian vision is only about the acquisition of parts. In their view, current state organizations can distribute resources directly to their supporters or use their regulatory power to create rents for privileged groups and limit the ability to the market forces operate.

To some extent, state intervention is called economic nationalism, which represents a high control over the state in industrial policy. Come, which talks about Japanese industrial policy, stresses that the equitable distribution of economic wealth among social classes through industrial policy is essential to enable public support. (Bao, 1998)

The coalition is created when cooperation is a means of strengthening all the powerful actors involved or benefiting from the achievement of their objectives. Whether the government participates in the coalition with the LEs or the SMEs, depending on the useful way of the LEs or the SMEs to achieve the ultimate goal of political survival. The government considers a number of factors included in the following table.

It is easy to see that when you create a coalition, the government will agree more with a small number of larger companies than with a large number of small businesses. Properties are expected to prove that the constraints imposed by the property must be difficult to obtain. Dealing with a small number of large companies is much more economical and increases the chances of success due to a narrower range of administrative controls and escalating savings in the administration of loans or taxes. However, taking into account the probability and the part of the size-based coalition, the coalition with the LEs or the SMEs can be considered. Given the government's social and judicial objective, the selection method can be used to emphasize the form of the coalition.

Table 3 : Coalition formation

	Government priority		
	Growth		Equity
	Mass production base	Sophisticated production	
LEs	O	X	O
SMEs	X	O	O

Note : ‘O’ (‘X’) implies a coalition is (Not) formed between the government and the corresponding private group

Source: (from) Korea’s growth an structural transformation, Hearan Lim 1998

Take into account a government that needs to provide better industrial goods to meet overseas demand and locally at low costs and increase yields. The government is more prepared to create a coalition with the LEs that preserves such features. In a different state from a country that is ready to be competitive in demanding markets for industrial products. The production level can assume that the government can create a coalition with SMEs with these capabilities for rehearsals. Political priority also affects the election of the coalition partner.

The coalition explains the process of choosing an industrial policy, including focusing focus and overtime changes in the leading sector. When the government establishes the policy, it examines, first, if its interest in politics is the same as the partners in the industrial coalition, and secondly, whether the policy is implemented through the partners.

The interest rate adjustment can be affected by pressure from the private sector. Depending on the availability of resources and the calculation of interests, social groups such as industrial companies can engage in various strategies that include anti-compliance and even extortion for policy.

Therefore, if a coalition is created between the government and the SMEs, it will be more than preferred, and the sectors in which they are involved will be considered a target sector and supported by industrial policy. On the other hand, if the government adopts SMEs as a partner, it will present industrial policy for SMEs. A program to support Les will fail if the establishment of a large factory was to act against the interests of strong national groups in the industrial sector: SMEs. When politicians discover that the expansion of educational policy, the coalition is expanded into disadvantaged sectors in the past,

However, in East Asian countries, where the government had strong powers, the choice of industrial policy may be more dependent on how private players can complete the previous policy. In this case, the process of formulating and implementing industrial policy has to be handled separately. The implementation process is linked to the dynamics of the political interests involved in this process. Some policies have been applied efficiently, while others have not achieved the original destination. Because there are many formulations that have not been successfully applied, we must involve the process of implementing policy based on processes to explain the preferences of politicians and bureaucratic, whether the results are successful or unsuccessful. Two examples are taken as an explanation for what makes the failure to establish a policy to promote the automobile industry in Taiwan, or a high number of tests to implement a policy of SMEs in

Korea. This is because certain types of policies are lip services that are paid by politicians on specific topics. They have never been implemented in a serious way.

Which means that there was no force required to implement this policy. Secondly, even if the government wants to implement the policy formulated, in some circumstances they have.

In other words, the certain institutional settings must be setup before the implementation on any industrial policy. A Simple analyzing the success of certain policies shows the persistence of a special relation among industrial sectors, political leaders and bureaucrats. the agreement between interest of ministries and private sector made possible the implementation of the policies by the settlement of an organization. The case whereas that does not work need to be questioned if the government purpose were genuine. Thus, considering the interest of government, coalition partners and implementatbilty, it is possible to categorize the choice of industrial policy as in the table. The table is proposing the probable results of the chosen policy according the kind of policy and the involvement of shareholders.

Table 4: Choice of industrial policy in a coalition environment

Industrial policy	Government interest	Partners interest	Capacity to implement	Outcome
Lip service policy	No	No	Yes or no	Likely to fail
Non-interest policy	No	Yes	Yes or no	Likely to fail
Follow me policy	Yes	No	No	Likely to fail
Push back policy	Yes	No	Yes	Limited success
We can do policy	Yes	Yes	No	Dynamic success
Break-through policy	Yes	Yes	Yes	success

Source: Author

2.2.4. Product Cycle Theory

This theory implies that the market itself is in charge of the balance. It allows for low public sector participation in the balance of the market. The therioe of the product cycle is used to explain the structural transformation of economies through technology and industrialization. It gives pride of place to technological discovery and research and development. Evidence of this theory has been noted in most industrial policies carried by European countries and countries with capitalist economys. Proposed by Robert Vernon in the early 1960s, it postulates that the evolution of a product's sales can be broken down into four successive phases:

1. A launch phase in a local market;
2. A take-off phase, with increasing demand and the start of exporttoe to other developed markets;
3. A phase of maturity, with increased competition and standardized or even relocated production in developing countries
4. A phase of decline in the local market, which can be offset by the launch of the product, this time in developing countries, in order to find new markets.

The strength of this theory to carry growth reside exclusively in the fact that, the private sector is the master of the game through mechanism of the practical advantage introduced rather by classistic and neoclassical economists. According to Hiirsch 1967, this approach distinguishes three types of economies for which the structure of the economy and the dipsonibiltés of the factors of production are specific variables.

The most developed countries have a compartaive advantage to devote themselves to the production of the property in its launch phase, it exclusively owns the technology . Small economies, on the other hand, would have been interested in devoting the property in its second phase, the decollage phase. The weaker economies have, finally, a compartive advantage to develop this same well when production technology has become standard and stable. A cet etape, les coûts de production sont abordables pour les economies en development qui pourraient desormais en detenir la quasi totalité des revenus d'exportation vers les premiers pays.

This stratification directly means that countries that start the production of a good in its launch or decollage phase would lose interest in producing it when the production process becomes standard in the decline on the local market of these strong economies.

This theory is analogous to the recurrent situation, with the rise of the economies of East Asia, which the Japanese Akamastsu Kaname, in 1930, called the flying geese. The flying geese presents the product cycle model by distributing product market revenues according to the capabilities of countries to be either a prescriber, second exporter or last developed-maker that is in operation in the Asian group of countries. The flying geese is carried by the major companies of the economies of Japan, China, South Korea and Taiwan.

The theory of the product cycle provided is only an explanation for the industrial market model but also to the commodity exchange market. In addition, the relationship between foreign investment and technology transfer also finds an explanation. This theory presents the economic mechanisms and effects of FDI. It is clear from then on that leaving a good to the production of other low economies becomes more beneficial for the countries that are forerunners. The allocation of resources and factors of production to the forward sectors thus becomes more attractive for the latter. With this theory, it is at any time allowed the late economies to enter the market and dominate it by export revenues from the marketing of a product whose technology has been totally transferred by the leading economies.. Therefore, there is a positive impact on developing countries from dthe ocational shift of the production facilities because FDI generatses a package transfer of such scarce resources as capital, technology and anagement that could be regarded as an institutional device by which late developing countries can overcome obstacles for industrialization.

The weakness of this theory was highlighted by Gersschenkron in 1962, which shows that today's economies are linked to the time when they enter the industrialization. This weather can be cheap or cheap. For him, the timing of the industrialization process is influenced by the economic and political situation of each country. However, this situation solves the problem of reproduction and homogenisation of production processes and thus the structural transformation of the economies resulting from the transfer of technology. There are two problems with this, firstly, the spread of technology may vary from country to country; In cases, technological reproduction may be limited, while in others, the technology of developed countries may exceed. Secondly, the process of industrial transformation, namely the rise and fall of industrial sectors, must be done not only with economic mechanisms, but with internal policy, such as the coalition agreements between the existing States and the Industrial structures.

2.3. Discussion on industrial policy

The theoretic framework of industrial policy has known varied fortunes since the industrial revolution which occurred in Britain. This has been an infancy of construction of an industrial policy and the structure did not exist formally. More recently, in favour of the rise of the countries of East Asia, the industrial policy has been shaped. This has been favoured by the rise of the countries of East Asia that the industrial policy has been defined as a regime, an organisational model and the involvement of a web of action supported by the government.

The following section is the economy of the most important discusions existing in the literature on industrial policy.

2.3.1. More requirements of industrial policy

The economic or politic requirements for countries, which industrialized earlier, are different from those in late. This is because for the first they have few competitors and simple, low capital technology. for the last, competition is already settled and industry has become complex massive and expensive (Peter Gourevich, 1978). This statement is emphasizing that it is more difficult to achieve structural transformation by industrial policy nowadays. Issues of development is no more resembling at what it was five decades earlier. At this time, Britain textile industry was with as small-scale innovation, relatively individualistic, and dependent on artisans. Market forces were mobilizing low and easily the capital and organizational requirements. It had an abundant labor supply to be pulled off the land into factories. A commercially oriented aristocracy and middle class which could corral world markets using navy. In the twentieth century. Over a century later, those liabilities became advantages for moving toward the industrial revolution. From Textiles to iron and steel to chemicals, from putting-out small spinning Jennys and handlooms to gigantic factories, blast furnaces, mines and so on, capital requirements skyrocketed. For Germany and Japan, and to a lesser extent Italy, to catch up to Britain so rapidly were the legacies from a preindustrial, anti-constitutionalist era.

2.3.2. Failure of european industrial policy

Structural weaknesses in the British industrial economy are being discussed and argue that the political response is not in line with the scale of the crisis. Whether an industrial policy should be politically questionable. The aid is targeted at declining parts of the manufacturing sector. The policy adjustment was ad hoc, and decision-making in industrial policy and programme management was fragmented. The reform is difficult because there is a real political disagreement between the political parties. His inherent tendency to return to a cautious, medium-sized policy characterized by bureaucracy and a insistence on free transport can lead to institutional isolation of business and government. The inadequacy of UK industrial policy concerns factors deeply embedded in the political system that give a pessimistic view of the potential for profound change (Arnold Toynbee, 2013). The industrial policy of Britain has been revealed from now more than a century. But it is more recently that a renewed interest in this subject has been felt. No doubt caused by the extension of industrialization and in particular of the knowledge of its necessity for economic growth and the rise in living standards (Solow, 1988). His statement said that it would be successful to grow faster than it would have been and that it would grow faster for a while. However, it will not achieve a higher rate of growth of output. More precisely, the rate of growth of the economy and the rate of change in the economy.

2.3.3. The non efficience of industrial policy for growth

The success stories of the East Asian Tigers were achieved through industrialization. Most countries in Africa and other low-income countries that have implemented industrial policy remain marginalized. The marginalization of Africa at a time when the East Asian Tigers were developing rapidly has led to the question of whether low-income African countries are doomed. These countries have said they are trapped in poverty (Paul Collier, 2007). They have to wait their turn, while giant industrialists like China do not become rich and competitive in production. While these problems are bitter, ugly and well-positioned, the growth of low-income countries shows that production is not the only growing game in the city. Services can also be dynamic and contribute to growth and employment. Today, services contribute more than output growth and employment in low- and high-income countries. Technological changes have changed the production of greater capital and skills in abundance. This creates fewer jobs. Some form of pre-adult deindustrialization appears to have taken place (Rodrik, 2013, Subramanski 2014).

This could be due to the fact that, in developed countries, consumers and households now spend much less on manufactured goods than on services. This can limit the speed with which development delays can develop through industrialization. However, there is no such limit in these services. Indeed, the globalization service is the tip of the Iceberg (Blinder 2006). While jobs in the industrial sector are reducible globally, the supply of services continues to grow. There is still plenty of space for the benefit of a large service sector. This does not mean that industrialization must be liberated in development. We were able to observe both.

CHAPTER THREE: ASSESSING ABOUT SOUTH KOREAN INDUSTRIAL POLICY FROM 1960 TO 1980

3.0. Introduction

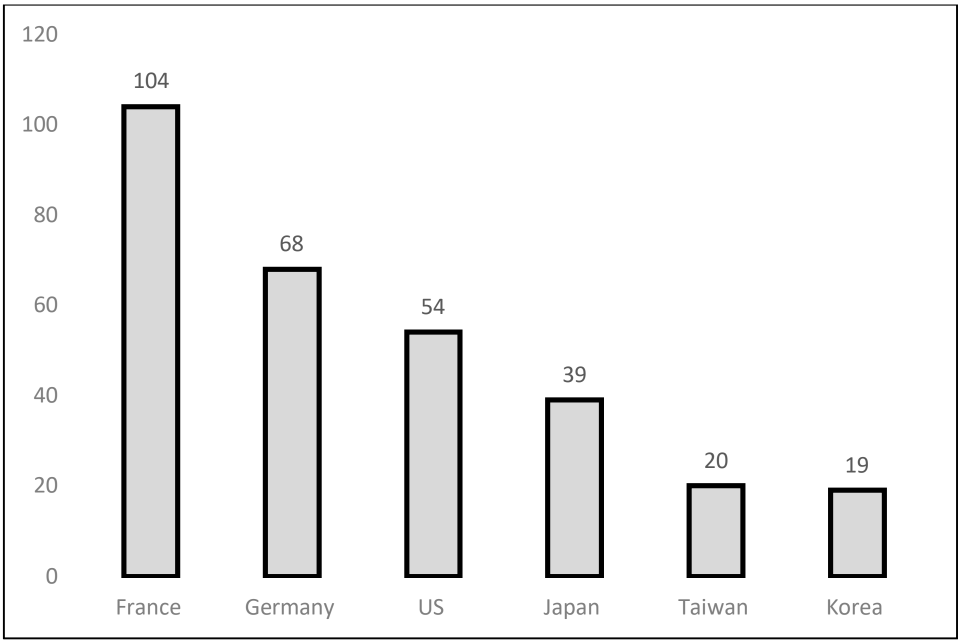
The right model of industrial policy is not that of an autonomous government that applies taxes or subsidies. This should be a strategic partnership between the private sector and the government to uncover the major obstacles to restructuring. It remains to be decided what kind of interventions are more likely to suppress them. Many theories have been proposed to explain the case of South Korea. These include product cycle theory, development theory, dependency or global theory of the system and Theory of the theory of the politags. Among them, the theory of the product cycle and the theory of the situation provided a useful way to understand the industrial transformation model in Korea. On the one hand, some researchers argue that the theory of the product cycle and the theory of the statings are more useful, even if they are incomplete to explain the industrial transformation of Korea. In addition, the coalition theory has been proposed to fill the area not covered by the two theories (Haeran Lim, 1998). So this is a great puzzle in which this chapter offers a little answer. This chapter provides, in its first section, for an overview of the key results achieved in two decades. The second section discusses the dynamic organizational structure How did South Korea grow so amazingly in the last half century? How did it succeed, and succeeded so dramatically, where other countries failed? Thus, the chapter responds to the question about the structure of the Korean industrial policy. The policy implementation by the Government took years, from 1960 to 1980. This chapter consists of three parts. The first section will outline the current state of economic development in Korea with figures from 1950 to the last years. The second section will include the analysis of the coalition theory in large enterprises before 1960 and 1970. The second part is the conduct of the analysis with the coalition theory that was transferred to the promotion of SMES and LEs from 1980. Thus, the third part before the results will be the introduction of the coalition theory into the electronics industry. This chapter has the conclusion to report the final conclusions on the analysis of the Korean industrial policy.

3.1. Overview of Korean economic development

Korea was in economic turmoil after getting its independence from Japanese rule in 1945 left. The complementary economic structure between the north and south of the peninsula has been broken. Most Japanese businessmen, managers and technicians have returned to Japan, leaving many companies without management or technical skills. Ties with the Japanese economy for a large market for broken Korean products. A wonderful increase in the supply of money during the liberation period led to hyperinflation. Among these difficulties, the new independent Korean government, established in 1948, immediately came out to rehabilitate the nation. The efforts were delayed by the Korean War between 1950 and 1953. However, the U.S. Army government, which was in charge of South Korea between 1945 and 1948, attempted to bring the modern economic system to market. However, Syngman Rhee, the first president of the young Republic, sought to rebuild the economy in a series of reconstruction programs. These programs are designed to expand economic infrastructure, build key industries such as cement, steel, etc. industries, and increase production capacity production (Sang-hu Choi, 2005). Syngman Rhee's desire to build an independent Korean economy with these programs was in direct contrast to the U.S. government's intention to rebuild the East Asian Economic Bloc with industrialized Japan at its center. America has called on Korea to make its market, stabilize the value of the Korean currency and expand cooperation with Japan. For Rhee, however, he was no longer involved in the rebirth of east Asian collaboration dance and the redesign of the Korean economy. Rhee made full use of Korea's geo-political value to counter America's efforts, while promoting import exchange industries through recovery programs.

According to a study carried out in 1994, incorporation is the process during which the employment of agricultural agriculture has been held by more than 50% to dilute 20% (Jungho, 1994). The period of industrialization Korea took less than two decades away from France which took more than 100 years or the United States spent 54 years. Only after three decades of politics leading to power does South Korea now rank a series of indices of economic and social well-being, and is one of the strongest democracies in Asia.

Figure 1: Comparison of the periods of industrialization of 6 countries



Source : Author

3.1.1. Per capita income rate from 1950 to 2015

Korea's per capita income has continued to grow since 1960. Indeed, the major historical economic facts that Korea has experienced have been either singular or due to global crises. The peaks recorded on the evolution of the per capita income curve are proof of this.

In 1979, the assasination of president Park Chung hee has led to a big slowdown of the economic. It has been the worse and unprecendeted situation in the current economic situation in Korea.

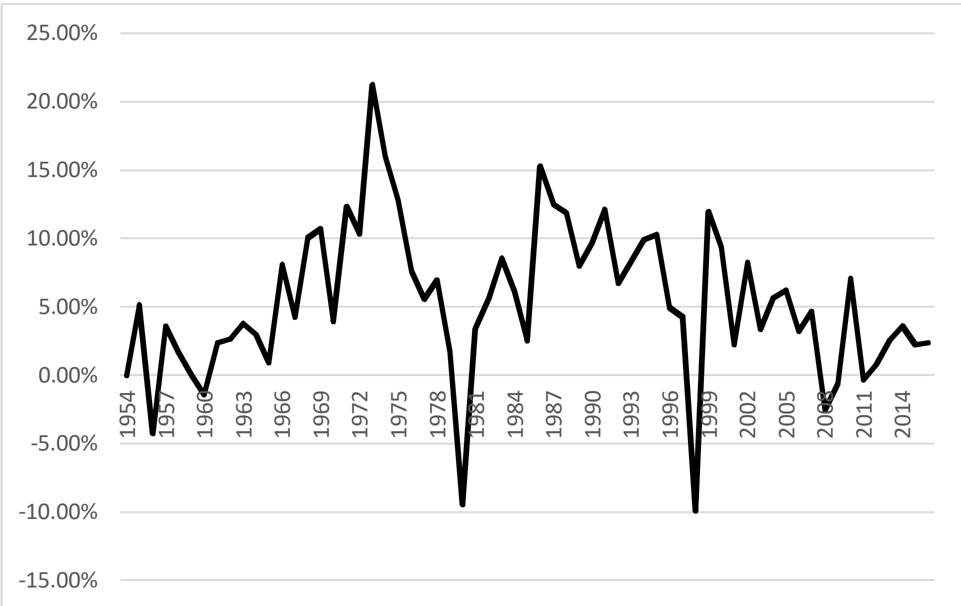
Table 5: Comparative evolution of GNP per capita of Korea, Taiwan, Japan, and US from 1971 to 1980 (US current 1996)

Country	1971	1980
Korea	289	1597
Taiwan	441	2310
Japan	2181	8907
US	5189	11560

Source : IMF

Between 1997-1998, the financial crisis that blow the global economy , touched also the stability odf Korean economy. Theis happened again in 2008 I n a second time. Nevertheless, the overall Korean economic situation satys increasing. The country is ranked amo,g the best economy in the world.

Figure 2: Per capita income rate from 1950 to 2015



Source : Maddison project database 2018

Korea achieved compressed industrialization from agriculture to heavy chemical based and secured an place in the top ten trading nations of the world. The tables below are showing the evolution of the ranking of Korea in manufacturing good between the top manufacturing countries in the world.

Table 6: Comparison TVs production by main producers (Millions of units)

	Korea	Japan	Taiwan	China	Britain	Iran
1975	1068 (3)	3152 (1)	2599 (2)	0.205 (6)	0.535 (4)	0.356 (5)
1979	5953 (1)	4239 (3)	4935 (2)	1230 (4)	0.787 (5)	0.570 (6)

Source: Samsung Electronics

From 1960 to 1990, the manufacturing was going increasingly leading the Korean economy. In threes decades the manufacturing sector become leader in fornt of secvices or agriculture. The table bellow is showing the main fugures by sector from 1960 to 1990.

Table 7: Evolution of manufacturing structure (Percentage of total actual price)

Sector	1960	1970	1980	1990
Agriculture	39.9	31.1	14.6	9.0
Manufacturing	18.6	28.4	41.4	44.7
Including				
▪ Mining	2.3	1.3	1.4	0.5
▪ Manufacturing industry	12.1	19.1	29.6	28.9
▪ Construction	3.5	6.4	8.2	13.2
▪ Public services	0.7	1.6	2.1	2.1
Private service	41.5	40.5	44.0	46.3

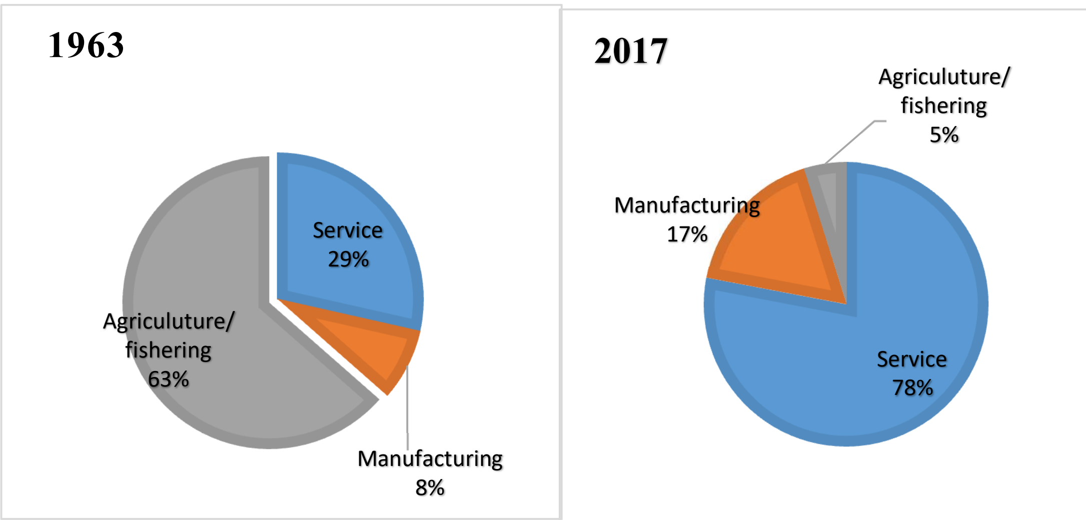
Source: National statistics

3.1.2. Evolution of employement structure

The Korean structure of employment has also shifted from agricunlture previously to services. In deed korea was deficient in natural resources; hence it could not depend on exporting items that were based on indogenous natural resources. Korea strategy consisted of importing raw mterials and semi finished goods and adding vaue efficiently trough well educated labor forces and exporting the final manufacturing products at a competitive exchange rate.

The process implies for korea to implement policy to increase the skills of workforce so that in short it mays be shitfted from the agricultural sector which is not sustaianable for korea to service related to importing and exportings activities.

Figure 3 : Evolution of Employment structure from 1963 to 2017



Source : National Statistic Office

3.1.3. Investment, domestic savings and foreign savings

To achieve its so called economic miracle Korea relied heavily to foreign savings in early of development . For instance, US aid was the single most important source of capital in the 1950s . That situation contrast to the comptetitor and neighbor countries of Korea.

Table 8 : Capital Inflows to Korea 1945-1992 ($ million in current prices as a %)

	1945-61	1962-65	1966-72	1973-78	1962-78	1979-85	1986-92	1979-92
Public Grants	3 117	739	763	-	1,502 (9.2)	-	-	-
Public loans	5	62	1 130	3 431	4,623 (28.3)	10 105	4 688	14,79 (22.6)
Commercial loans		71	1 950	5 858	7,866 (48.1)	7 937	5 206	13,143 (20.1)
Financial institutions borrowing			205	1 226	1,431 (8.7)	14 881	10 296	25,177 (38.6)
Private sector bonds						834	4 515	5,349 (8.2)
Fforeign Direct Investment		13	227	704	937 (5.7)	1 157	5 684	6,841 (10.5)
Total	3 122	886	4 275	11 219	16,359 (100)	34 914	30 389	65,303 (100)

Source : IMF

From 1945, the country had been utilizing public loans, public granbts, commercial loans, financial inatitutions borrowing, private sector bonds and foreign redirect investment although to achieve the vision of the sate. The table is presenting an overview from the data on the share of the determinants of the capital used by korea is proposed in the above table.

3.2. Evolution of Korean industrial policy

Over the past 60 years, South Korea has experienced unprecedented economic growth. We have just become a global economic player with a solid industrial base. Over the past 60 years, the enormous growth of the Korean economy has been accompanied by major changes in its industrial structure. Initially, the Korean economy was dominated by agriculture and other primary industries. Industrialization gained momentum in the 1960s, when labour-intensive manufacturing companies led to output growth by taking advantage of South Korea's comparative advantage. It was a relatively well-trained and rich supply with a diligent workforce. However, as wages increased in the 1970s and competition between low-wage economies intensified, capital-intensive manufacturing played a productive role in production-intensive labour force and low productivity (Koh Yongsun & Sakong Il, 2010).

Until the 1980s, private companies increased their investments in research and research and research center and other productivity. These efforts have gradually declined and productivity has continued to lag behind in developed countries, which declined significantly in the 1990s. In some industries, such as information and communication technologies (ICTs), South Korea has become a world leader. This trend continued in the 2000s, when many Korean companies in major industries such as electronics, steel, automotive and shipbuilding became global players. Progress towards higher value-added activities has been made possible not only by rapid capital formation based on increased domestic savings, but also by strong investments in investments technology at every level of development. Flexible transfer of resources to less productive sectors.

In this regard, foreign trade has played an important role in promoting innovation and accelerating the transfer of resources. In addition, Korea has learned from developed countries and has been able to take advantage of the rapid expansion of the global market.

Entrepreneurs have responded to developments, worked in new markets and pioneered the use of new products. The government has provided an institutional and physical infrastructure essential to its activities.

3.2.1. Large Entreprises (LEs) from 1960 to 1970

Although the Korean industrial transformation model during this period seems to follow the product cycle theory, Korean companies and the government have opted for HCI not only because they have been transported by countries developed, but because it corresponded in their interests. In the late 1960s, the depletion of labour reserves led to wage increases, which weakened Korea's competitiveness in the production of light structures. In addition, protectionism in OECD markets threatened Korean development based on light production. The Korean government and businesses have had to prepare to overcome the problem. The rationale for selecting and promoting CSIs reflected both economic security and national security. According to Kim, Chung-Yum (1994, pp. 52), there was an induced effect of exports that led to the development of HCI as economic logic. The majority of Korean exports were nothing but products, a processing industry. In general, when more than 8 final Oods are exported and more production products are imported, even the country reaches the actual minimum production scale, Wilch gives birth to the heavy and chemical industries that produce super-mediators and Equipment. The foreign currency thus saved will be invested in other production products.

3.2.2. Coalition with LEs from 60s to 70s

For the sake of legitimacy, Park Chung Hee's administration after getting in power targetted rural areas in by development of infrastructures and improvement of living standards. But this did not continue in the long run, as the importance of rural areas in the economy was increasingly low. The industrial policy then began to privilegile a group of actors who could influence and change the situation of chaos in which the country was plunged. The desire to increase export returns led to the choice of an export promotion strategy that put LEs first. The choice of this category of companies to participate on the front line of the country's industrialization policy was in the capacity of these latter to manufacture with low cost export goods

These firms were totally exempted off the indirect taxes such as personal or corporate taxes retrieved from income earned from export. This has been a result of the increase in the size of income and the amount of goods exported. In addition, low interest rates were introduced to support industries in the export-targeted sector. In summary, an unprecedentring double policy of incitement and support for exprort is being put in place. This is Credits has export and revenue exoneration for LEs. At the same time, the government protected the monopoly and ologopolis situation of the national industry in the market in favour of those sectors. Between 1960 and 1970, the government was continuously strengthen the coalition with a slmall group of LEs

Indeed, the colonial legaies of japan have been the seed of the industrial structure ans the government's coalition with LEs. Many japanese LEs inhertited after independence were representing about 80 % nation's total wealth. These asset were sold to private entrepreuneur, which were the seeds for later chaebol. U like new similar economy, korea lzacked the xperience of negative effect of capital concentration (Wade, 1990). In Korea technocrats were not steeped in anti big capitalist philosophy. And they faced no ethnic tension between themselves as outsiders and native business people. The conglomerates were not seen as a threat to the regime.

This economic policies was pushed with more emphasizes on growth than equity. Aisni the government has managed to set up a coaliition with the big companies. However, when the state requires the support of the latter to develop another sector or accompany a new policy, these companies are aligned.

3.2.3. HCI from 70s

In 1970, when external sources of financing, which accounted for more than two-thirds of total financing of investment in Korea, were counted, political loans served as an effective tool for government intervention. Between 1977 and 1980, most investment in the construction sector was in the form of political loans. Low interest rates were given as an incentive for private companies to invest in strategic industries.

Since this was different, the 1965 Treaty between Japan and Korea made it important to expand Japanese investment in technology transfer. Compared to American companies, a large part of Japan's online investment in Korea was made in the form of joint ventures. The Foreign Investment Act was introduced in 1966 to attract foreign investment. The free Masan export area of 1970 also attracted many Japanese online companies. Japanese investments were important for the initial development of the Korean electronics industry. Technology transfer can be related to reverse process, further development and similar techniques for product development

Although Korean-era industrial policy includes the theory of the product cycle, Korean companies and government companies chose it not only because they were transferred from developed countries, but because they were in keeping with the matter. At the end of 1960, the depletion of labour reserves led to an increase in wages and a weakening of Korean competitiveness in the light processing sector. In addition, protection in OECD markets threatened Korean development based on light production. The Korean government and companies were forced to prepare to overcome the problem.

The rationale for this option, which supported the further development of the strikes, was expressed in economic and national security. According to several studies, a result was included in the exports that led to the development of the whip as a financial justification.

Most Korean exports were nothing more than products from the manufacturing industry. When finished products are exported and additional production products are imported, they usually reach the actual minimum production scale by benefiting heavy industry and producing capital and intermediate assets. The foreign currency stored in this way can be invested in other production products and finally promote the heavy and chemical industries (Kim Chung-yum, 1994).

3.2.4. SMEs and LEs since 1980

There are questions about whether the characteristics of the coalition have changed radically since the years 1980. While some argued that there was a coalition of the Clandestar Drstic Allied, others ayrgue there was a continuous alliance of the coalition in other sectors, it would be SMEs and work.

By the end of 1970, the government could impose heavy adjustment costs for ES because it was economically Ital. According to statistics, during this period, textiles were still the largest exports from Korea with 29.1% of the total, and the shoes and clothing followed. As a result, the government has moved priroty to promote the production of small and medium-sized light.

In fact, the textile industry has begun to become obsolete and export products have shifted from light production to intensive qualifying sectors in the years 1980. The data showed that in 1986, 33.7% of total concentrated light production, 37.0 in high-skilled production and 29% in the production of HCI. The country industry showed that in 1988, the Elk industry was the largest export in the country.

3.2.5. Electronics Industry since 1990

The shift of industrial policy in the 1980s seems to signal the light of the state transformative role. Despite this shift from high risk sectoral targeting to braoder diffusion oriented policies , However states incumbents and bureautcarats are not really totally agree. The long period spent on promoting the SME might have bound them to refuse to change. In particular the high tech nature of the industrial sectors does not preclude effective stae involvement . This situation is remaining the same even in advanced countries in which government is wanting to develop information technology industry.

Table 9 : Korean industrial progress via 5 key export items

Rank	1960	1970	1980	1990	2000	2010	2017
1	Iron ore	Textiles	Textiles	Eletctronic goods	Semi conductors	Semi conductors	Semi conductors
2	Tungsten	Plywood	Eletctronic goods	Textiles	Computers	Ships	Automobiles
3	Silk	Wigs	Steel	Shoes	Automobiles	Automobiles	Petroleum products
4	Anthracite	Iron ore	Shoes	Steel	Petrochemicals	Displays	Ships
5	Squid	Eletctronic goods	Ships	Ships	Ships	Petroleum products	

Source : Author

In Korea, the state intervention focused on restructuring distressed industries such as electronis, telcomunications and information technology. The government were tremendously engaged to promote khigh technology industries by selecting them for a preferential treatment . the government ntrduced the semi conductor plan . In addition, a wide basket of incentives were provided to fulfil loans policy towards the activities related to the developmment of domestics semi conductors products.

R&D in this field was aslo comprised in the total amount of budget that the government allocated to the initiative to support technology development. The government was leading a policy of establishment and promotion of reseach and development centers in the sectors such as energy and resources,machinery, electronics , telecommunication and information and chemical. The national project for reseachr and development established in 1982 is the factual proof of the cgovernement turn over towards technology industry . The colational approach through a joint R&D promotion in the high technology fields has permit to raise the budget from public and private fundings. Further major GSRIs (government supported researches in,stitutes) is still in sue to fulsfil the government policy . Morevoer the GSRIs that was operated under differents dmibnistries has been subordonned to the MoST (Ministry of Science and Technology).

Indeed, there are lot of projects that the coalitional approach designed by state in favor of technology industry. For instance, the government involvment in the promotion of technology industry has led to the implementation of projescts such as NAIS project, which stands for National Administration Infromation System and 4MDDRAM standing for the electronic switch system development project. The latter was led by the ETRI

(Electronics and Telecommuniactions Research Institutes) that is at the top of the research organisations under the rule of Moc (ministry of Commerce). Moreover , the government lhelped to reduce both technical risk as well as commercial risk. for the first risk government subsuidiwzze the firm participation and for the second, government assured the inuitial market. In this period, the government provided generous interest rated loans to the private sector involve in technology to contribute effectively to achieve their goal and government vision for development.

3.3. Preliminar findings

The case of South Korea is more descriptive for the formation of a coalition. There were few capitalists in South Korea, and the government of Park Chung-Hee, founded by a military coup, was desperate to achieve rapid economic development in a short period of time in order to obtain legitimacy and political support .

A mass production system to produce standardized finished products through LEs using a lot of low-skilled work and little work was a viable way to achieve such rapid production growth, while at the same time Solve the huge amount of poverty. The table presents a summary of Korean industrial policy characterized by coalition theory.

Table 10: Evolution Coalition theory characteristics in Korean industrial policy

	1960	**1970s**	**1980**
Alternative	LEs	LEs	LEs, more risky yet
Costs	Economies of scale -- uncertainty decrease due to concentration of capi-tal	Remain the same as previous dec-ade	Too much government systemiza-tion of administration that donott much with private interest
Regime of alliance	Authoritative govern-ment and a weak pri-vate group of enter-prises	Authoritative government and big and strong enterprises	Because of democratization admin-istration is not sure to win with orga-nized SME'S and Social Environ-ment against LEs
State priority	Reduce poverty /Mass simple labour, lit-tle capital, low technol-ogy fit standardized pro-duction	Escaping poverty - low technology, big business, simple economic structure adapts to standardized production	Equity and growth: Higher senses or SMEs are better Demand for improvement of the quality of life in a demanding social structure Economic bottlenecks re-quire sophisticated production
Results	Coalition with LEs: -targeting light manu-facturing	Coalition with LEs:-targeting heavy industries	Expansion of Coalition to SME's and LEs -specific industrial policy to general (functional)

Source : Author

Indeed, the Korean industrial policy orientation is based on the premise that the incidence of market failures has been reduced in the process of development, and that direct intervenetion is no longer feasible or desirable in light of the economy's increasing sophistication. Korea industrial policy using the developmental state combined import substitution with export oriented. The analysis is draw in the following table.

Table 11: Comparison of Developmental sate theory and Regulatory state

Scale of Implementation	Microlevel	Macro level
Theory	Developemental state	Regulatory state
Model	Statist model	Product cycle theory model
Country sample	China, Japan, Korea	Us, Britain
Main stakeholders	1. LE/SME 2. Governement	1. Governement 2. Civil society
Market equilibrium	Exogenous	Endogenous
Medium of intervention	The gouvernment provides subsidies and support or policies to infant sector to release economic growth	Government Sets rules to regulate the market and provide support to human capital
Regime	Authoritarian	Democratic
State power	Middle Power	Great Power

Source : Author analysis

CHAPTER FOUR : COTE D'IVOIRE INDUSTRIAL POLICY

4.0. Introduction

Cote d'ivoire has shown from early after its independence in 1960, the desire to industrialize its economy. To this end, it has adopted various industrial policies with the main objective of processing agricultural and mining raw materials. The Ivorian industry grew rapidly from 1960 to 1980, a slowdown in activities from 1980 to 1994, followed by a recovery after the devaluation of the CFA franc in January 1994. From 1999 to 2002, a political crisis has plunged the industrial sector into a serious recession. This situation, which has degraded the business climate, accentuated by multiple constraints such as the high costs of certain factors of production such as 5% tax on imported inputs and a macroeconomic and institutional environment that is not conducive to investment. The period from 2002 to 2010 was also marked by a climate of instability led by the division of the country into two parts north and south that did not favor the implementation of effective policies for socio-economic development. The country is in the grip of armed insurrections and social demands that seriously damage the economic and social situation. The presidential elections of late 2010, which was supposed to bring stability to develop socio-economic programs, end with a two-way government and a post-election crisis that breaks down in mid-2011. The post-crisis period imposes the determination of economic policies that can make it possible to make up for the lost time and encourage a real takeoff of Cote d'ivoire towards industrialization, like the dragons of Southeast Asia and countries like India and Brazil.

Immediately after these crises, the Ivorian government has returned to the tradition of planning by placing its action under the seal of national development plans: 2012-2015 and 2016-2020. With a vision resolutely turned towards emergence through structural transformation, the actions of these plans envisaged respectively providing the necessary basic infrastructures and achieving structural change through industrialization.

Today, Cote d'ivoire is undoubtedly at a turning point in its history. It is preparing for new presidential elections next year in 2020. It has to turn the page of a very painful series of socio-political crises that have greatly disrupted the life of the Nation in recent decades. Economic growth and national accounts data are improving significantly. However, the figures of the industrial sector or the manufacturing in the economy of the Cote d'Ivoire are still weak. The industrialization model of the Cote d'Ivoire must prove itself. This chapter aims to analyze Cote d'Ivoire's industrial development policies and strategies since independence. The following section will be devoted to analyzing the industrial policies adopted in Cote d'Ivoire from independence to present day. The second section looks at the characteristics of the industry, particularly the structure of the industry. The third section deals with industrial performance. The fourth presents the framework for analyzing the constraints on industrial development, while the fifth deals with current perspectives and makes some recommendations emerging from the first analyzes.

4.1. Evolution of ivorian Industrial policy

This section highlights the different policies that have been applied through decades in Cote d'ivoire. We briefly highlight the strengths as well as the reasons that justify the strategic changes or the failure of these policies to make Cote d'ivoire, an industrial country in the world. like the new industrialized countries. These Ivorian industrial policies can be divided into four essential phases.

4.1.1 The phase of steady growth : 1960-1980

Since independence in 1960, Cote d'ivoire opted for liberalism, private initiative and the openness for its economy. From 1960 to 1980, it benefited from a stable economic and political context, an evolving and favorable fiscal and institutional environment. The country experienced rapid growth averaging 7% per annum, mainly driven by export agriculture that has supported infrastructure and industry investments.

The industrial policy, at that time, advocated the imports substitution, with the development of the production of basic goods from 1960 up to 1970 and the export led industries, to compete on foreign markets from 1970 up to 1980. This pattern led concretely on the intensification of the valorization of local resources, the creation of export-oriented industrial units, the beginning of an industry turned towards the sub-region, the development of sub regional cooperation and the promotion of nationalized control of capital in industrial sector, jobs and management. The investment code drawn up on the eve of independence from the law N059-134 of 3rd September 1959 had as objectives to favor the attraction of private capital, the reinforcement of the policy for nationalizing executives and the rising of manufacturing industry for more value added.

To achieve the objectives set, the government sets up a set of institutional structures. The purpose of these structures is to mobilize investment, finance industry and provide technical support to industrial enterprises. a strategy of mobilistation and a framework of consultation of the actors of the sector is set up. The Industrial policy during the first two decades of independence will yield satisfactory results. Thus, the number of companies created rose from 110 in 1960 to 705 in 1980, an increase of 9% per year. Industrial investment, which accounted for 34.2% of GDP in 1960, rose to 35% of GDP in 1980. There is strong state participation in the creation of industrial units. Total exports amounted to CFAF 752.5 billion in 1980, compared to CFAF 46.2 billion in 1960.

Table 12 : Main results of industrial policy from 1960-1980

Indicators	1960	1980
Exports of goods and services (% of GDP)	34,24	35,0
Number of Companies	110	705
Number of full time Jobs	13000	71400

Source : World bank data

Overall, the objectives pursued by the state from 1960 to 1980 in terms of growth of industrial activities were achieved. However, it should be noted that there is little diversification of the industrial system this time with the predominance of the agribusiness and textile sectors and a high concentration of activities (more than 75%) in Abidjan. National economic data indicate that the nationalized executives policy implemented during this period had the effect of encouraging Ivoirians to seek wage jobs at the expense of entrepreneurship.

This period is characterized by price controls (products, employment) and selective pricing policies, which, as noted by some researchers, may dilute the incentive to invest in capacity development, competitive knowledge and innovation. Conducted researches also questioned the role of industrial policies in the industrial success of this period by emphasizing the pre-eminence of international stability and rising commodity prices.

Table 13 : Evolution of manufacturing and exports in economy from 1960 to 1980

Percentage	1960	1965	1970	1980
Share of manufacturing output in GDP	11	15	21.3	19.7
Share of manufacturing total export	21.8	16.6	25.5	25.5
Growth of total p.a		9.6	12.4	11.8
Share of total export in GDP	32.4	31.3	36.6	35
Manufacturing export	12.3	15.6	35.6	43.3

Source :The National office of Statistics of Cote d'ivoire

4.1.2. The cyclical growth phase: 1980-1999

The industrial success of the 1960-1980s will be followed by a period of economic slowdown between 1980 and 1994, and a period of recovery from 1994 to 1999.

The first period is characterized by an external deficit linked to over-indebtedness and the global crisis, which has led in declining import demands and commodity prices, the rising dollar and the energy crisis. There is a collapse of the industrial system. This period of economic crisis will give way to the economic recovery following the devaluation of the CFAF in January 1994. From 1994 to 1999, the economic recovery will be accompanied by resorption of the deep economic and financial imbalances that appeared during the period 1980-1994, and improvement of the country's competitiveness.

At the level of the first phase or phase of slowdown, it should be noted that the financial crisis will favor the intervention of the international financial institutions through three structural adjustment programs proposed by the IMF in 1982, 1990, 1993. At the same time, the government initiates a 5-year plan for 1980-1985 focused on seeking maximum growth in value-added, improving competitiveness and the productivity and the nationalization of labor, employment, and capital. From 1990, the State will also initiate a policy of progressive disengagement of the productive system by the privatization of some thirty public enterprises.

The implementation of this plan has not yielded the expected results. The government then undertakes a second plan of industrialization from 1985 to 1993 to raise the industrial capacities of the country. For this plan, a Roadmap Plan for Industrial Development (SDI) was drawn up in 1984 thanks to technical assistance from UNIDO and UNDP. However, this program has unfortunately not been implemented due to lack of funding. Some accompanying measures have been taken, in this case the adoption of a new Investment Code in 1984 to provide incentives for the creation and nationalization of jobs, and to set up a restructuring loan for industrial development. This code thus introduced an export premium and a regional cooperation tax. The application of the revised Investment Code and various measures has allowed a slight increase in the level of investments from 1523.5 billion FCFA in 1985 to 1643.1 billion FCFA in 1993, the creation of 148 additional companies and the restructuring and modernization of 113 firms almost in bankrutpcy. But the level of employment in industry has deteriorated from 91,873 in 1985 to 64,801 in 1993. This result emphasizes, in particular, the insufficiency of the Structural Adjustment Programs and industrial policies of that time to respond effectively to the constraints imposed by the international environment. The long period of economic slowdown from 1980 to 1993 will require more vigorous policies for a revival and greater competitiveness of Ivorian industry.

The second phase called the phase of economic recovery (1994-1999) is marked by the monetary adjustment of January 1994. The 50% devaluation of the local currency positively and substantially affected the competitiveness of industrial activity, and offered new opportunities to exploit. An update of SDI to the new macroeconomic context led to the development of an Integrated Industrial Development Program of Cote d'ivoire in November 1996, with the technical support of UNIDO and UNDP. This program aimed to make Cote d'Ivoire a major industrialized country, producer and exporter of manufactured and semi-manufactured products, thanks to the increase of agricultural product transformation, mining and oil resources. The Industrial policy has relied mainly on the following strategies: the natural resources value addition, the strengthening of the competitiveness of enterprises, the promotion of exports, the restructuring and modernization of existing enterprises, the funding of national industry, the support of SMEs / SMIs, the promotion of entrepreneurship skills for the development of the private sector and private initiative, and the active promotion of investments.

A new Investment Code was drawn up in 1995, providing for two separate incentive schemes: a subsidy for SEs/SIs and the subsidy for MEs/MIs. This mechanism for supporting the productive sector has resulted in the privatization of all state-owned companies. During this phase, the economy recorded strong growth around 7% on average a year, giving the Ivorian industry renewed dynamism and competitiveness, particularly for export-oriented companies. The overall results were significantly improved as a result of the reforms initiated since 1994.

In 1997, the Ivorian industrial sector counted 400 modern industrial enterprises, with the largest share involved in agroindustry and the textile sub-sectors. The returns of the industry increased from CFAF 1,016.4 billion in 1993 to CFAF 1,950.2 billion in 1995 and reached CFAF 2,144.6 billion in 1997. The average value added increased from CFAF 354 million in 1993 to CFAF 652 million in 1995 and to CFAF 798.6 million in 1997. But this growth of industrial activities did not providing positive spillover on jobs creation because the number of workers in the sector reduced from 60,739 in 1993 to about 55,000 in 1998, a decrease of 9.44%.

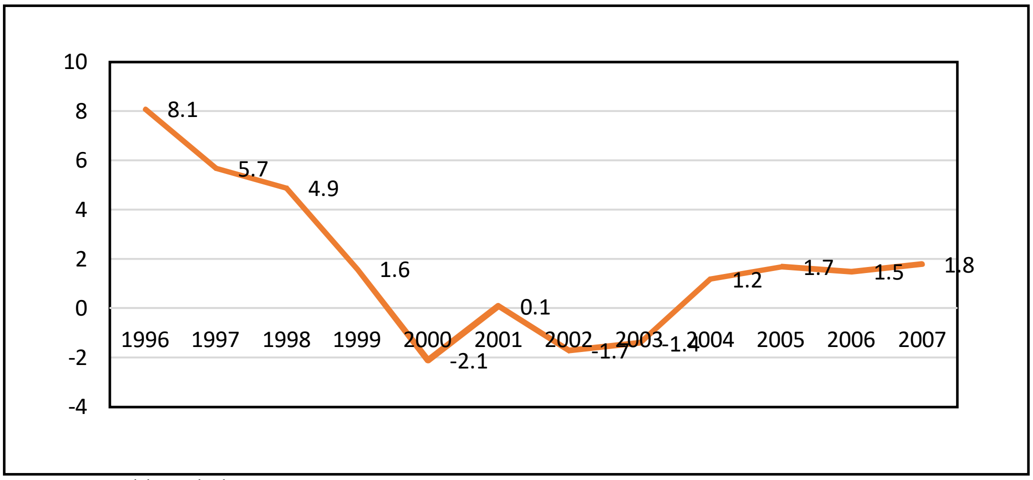
The industrial recovery is slowed by the coup of 24 December 1999 and the military-political crisis that Cote d'ivoire has experienced since 19 September 2002. The crisis will not, however, stop the desire for industrialization of Cote d'ivoire, which stay still tremendously engaged in the sub-regional industrial dynamic.

4.1.3. The phase of socio-political crisis: 2000 to 2011

The socio-political crisis that Cote d'Ivoire experienced since the end of 1999, particularly the armed conflict that began in September 2002, has worsened the business climate in Cote d'Ivoire and further weakened the industrial performance. This crisis has intensified the structural problems of Ivorian industry, including the inadequacy of the institutional and regulatory framework, low competitiveness, weak innovation and inadequate infrastructure. The industry faced ups and downs marked by the decline in production due to the relocation of various companies and the socio-political and economic environment. The positive growth of Industrial production from 27.6% between 1996 and 1999, decreased to 19.8% between 1999 and 2003 and to 19.6% between 2003 and 2007.

The sub-sectors most vulnerable by the the crisis are those of Textile and Footwear (-66.5% between 1999 and 2003 and -33.9% between 2003 and 2007), of Agri-food (-37.6% between 1999 and 2003 and -7.4 % between 2003 and 2007), the Wood industry (+ 3.6% between 1999 and 2003 but -89.3% between 2003 and 2007) then in the Automotive, Mechanical and Industrial Industries. Electricity (+ 1.7% between 1999 and 2003 but -44.4% between 2003 and 2007.

Figure 4 : Evolution of the growth rate of Industrial production from 1996 to 2007



Source : World Bank data

To support the industrial sector, the Ivorian government took a number of measures aimed at tax breaks, reform of customs clearance procedures, improved road traffic flow and the repayment of domestic debt. The tax annexes to the 2003 and 2004 Finance Act have made it possible to offer an exemption from the flat-rate minimum tax for loss-making enterprises located in the war zone for the years 2002 to 2005, and exceptional tax measures for companies and sectors in difficulty such as the textile sub sector.

In addition to internal measures, the governement is engaged in the vision of regional industrial development to boost its industrial sector which despite the crisis remains the most advanced and most diverse WEAMU country. These countries have agreed to become a significant player in globalization through the achievement of Inclusive and Sustainable Industrial Development (ISID)1. To do this, a Common Industrial Policy (CIP) was adopted. The principles of this policy are the strengthening of competition through the respect and enforcement of competition rules and the development of solidarity and cooperation within the union. The CIP is based on six programs:

1. The development of quality promotion structures and programs to promote products in line with international standards and the acquisition of labels.

[1] The United Nations Industrial Development Organization (UNIDO) is fully committed to contributing to the achievement of the SDGs, while delivering on its mandate to support Member States in achieving inclusive and sustainable industrial development (ISID). It has designed a web of actions related to each specific SDGs.

2. Upgrading companies and their environment to prepare them for the advent of the customs union and their integration into the global economy.
3. The promotion of information networks for the collection, processing, and dissemination of reliable information.
4. The promotion of investments and exports in order to give WEAMU the image of an emerging zone, attractive for international investments and to accelerate the transfer within it of technological know-how.
5. The development of SMEs-SMIs, in order to exploit the opportunities and densify the industrial fabric of WAEMU.
6. Strengthening of consultation at the sub-regional level, in order to promote the gradual establishment of an environment conducive to the development of the private sector and to accelerate the reform process in key sectors such as transport, energy, telecommunications, etc.

The Policies for industrial recovery combined to climate of stability prior of the crisis resolution in Cote d'ivoire, promoted the growth of industrial production from 2004. The Sub-sectors of Oil and Mining Extraction, Miscellaneous Industries, Materials, Construction and Chemicals experienced significant growth in production between 2003 and 2007. The industrial production index increased over the period by + 130.7%, 244.2%, 60.6% and 14.5% respectively in the industries mentioned.

The decline in production during the first years of crisis, will be followed by a general recovery from 2004 with growth in industrial production of + 3.2%, + 7.3%, and

+ 11.4% respectively in 2004, 2005 and 2006. However, this growth process was slowed down in 2007 with a 3.1% drop in industrial production compared to 2006. This slow-down is due, among other things, to a decline in previously dynamic sub-sectors such as Oil Extraction and Mining (-16.3% in 2007) and a stronger drop in production in the Wood Industry (-33.9% in 2007). It should be noted, however, that industrial production increased by 1.4% between May 2007 and May 2008, indicating a recovery of activities in 2008, which is supported by significant increases in the Wood Industry (+71.4%). %), in Auto, Mechanics, and Electricity (+ 6.4%) and a weak recovery in Extractive Industries (+ 0.9%). Unfortunately, this strong growth is stopped due to the upcoming presidential election. The year 2010 which is the peak of this process has recorded a decrease in all other ecnomy. The overall Economic activity picked down from 2010 to 2011.

Despite this results the industrial sector is again beaten by a new crisis. Prior to 2010, Economic activity bounced back in regard to the post-prsidential elections and worsened in 2010 during the post electoral crisis. Most of the industries were closed. Afterwards, the economy retstart with steady growth again during the last 5 years with a consistent vision onwards industrial policy.

4.1.4. The phase of steady growth : 2012 to today

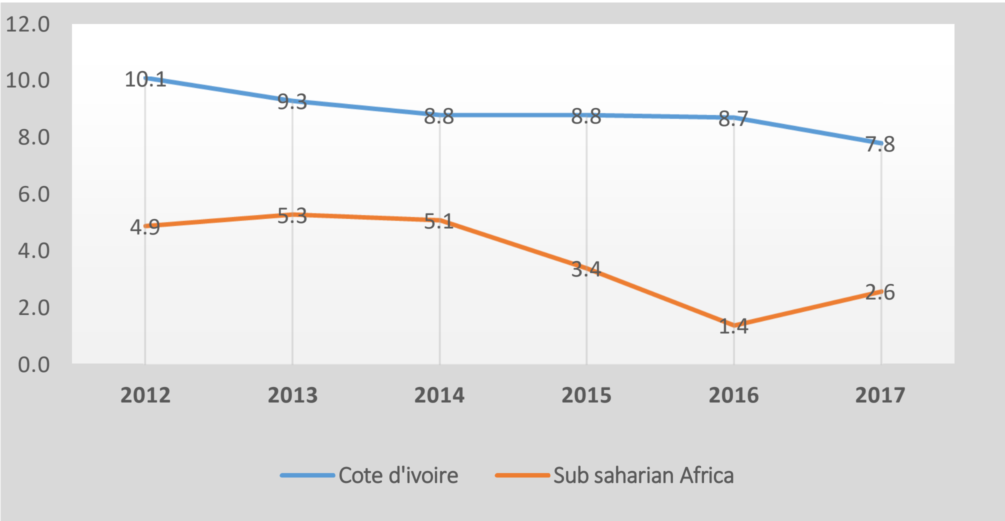
Côte d'Ivoire has made enormous progress since it has emerged from the crisis in 2012. This economic success with sustained growth of about 9% of GDP was driven by high cocoa prices and major investment projects such as infrastructure, energy, transport, etc. that were supposed to prepare a policy of industrialization. The Ivorian government's commitments are precise and the results are in the right direction. In the medium term, the outlook remains positive despite many challenges in terms of political stability, social inclusion, basic infrastructure and concrete structural reforms. The fall in the price of cocoa by one third of its value compared to 2015, expected to increase over time according to analyses carried out by the International Cocoa Organization, has negatively affected a large part of the country's economy as well as the finances of the country Public.

Indeed, the second-term challenge of the government in power was to lay the foundations of infrastructure and human resources and sustained and sustainable growth to carry an industrial policy with a view to structural change. According to the IMF, Côte d'Ivoire's performance was good in 2016. Economic growth has reached about 8% of GDP, despite the climate effects on agricultural production. The external current account deficit remained at a low level of about 1% of GDP. Inflation was contained around 1%, benefiting from price stability in the WAEMU region. The budget deficit of 4% of GDP is slightly above the government's targets. It should be noted that the shortfalls in tax revenues were largely offset by a reduction in public investment deemed non-priority.

That said, recent events related to social demands and military unrest and external shocks that have affected Côte d'Ivoire have led to a decline in results in 2017. The fall of more than 35% in world cocoa prices has reduced export revenues and government budgetary revenues. The rebound in oil prices has reduced the taxable base on fuels. Social demands have resulted in significant additional budgetary expenditure. However, economic growth remains strong in line with the IMF's projections for 2017 of 7.8% of GDP.

The authorities have announced their willingness to respond to recent negative shocks so that the economy remains on a strong and sustainable growth trajectory, that macroeconomic stability is maintained and that the current social environment is taken into account. The government's Programme aligned with international donor's motives has forecast a moderate increase in the budget deficit in 2017. Côte d'Ivoire's partners support efforts to raise national revenues to broaden the tax base, combat the informal.

Figure 5 : Evolution of GDP growth rates in Cote d'ivoire and Sub-Saharan Africa



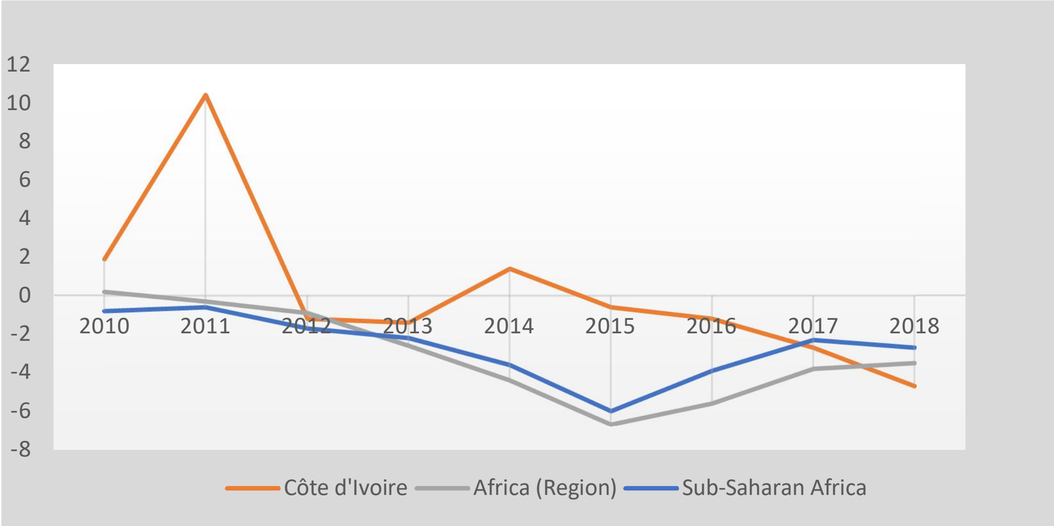
Source : World Bank data

For the second time in a row, the government is implementing a five-year plan to help the country maintain a sustained and sustainable growth trajectory. However, the second plan faces more difficulties of implementation given the socio-economic and political issues that have been exacerbated recently. While the business climate is improving, the rate of processing of raw materials, which is the gauge of the strength of the industrial sector, remains low. The private sector is still insufficient to meet the demand for goods and services. Cote d'Ivoire the figures show a dependence of the economy on the consumption of the product of import of competition sector. This situation is braking the start and the soar of a domestic manufactured sector.

Imported manufactured products dominate the Ivorian market. Raw materials and finished products do not produce enough returns to cover budget deficits. The import of substitution policy that had played a major role in the beginning of the start-up of the Ivorian economy is constantly in contraction. In the economy, technological innovations and R&D are not at the heart of public policy.

These results, which point to a better health of the Ivorian industry over the last five years, cannot hide the structural weaknesses on which this industry is based, which are observed through the characteristics of this sector.

Figure 6: Compared Evolution of Current account balances in Africa, Sub-Saharan Africa and Cote d'Ivoire



Source : International Monetary Fund data

Moreover, Cote d'Ivoire is at a very delicate junctive on the issue of social and political stability. Indeed, in the year 2020, it is planned to organize presidential elections. Economic Literature and numerous studies have succeeded in proving that elections in Africa are a cause of economic constraints and conflicts. The first certainly occurs, because politicians undertake less during the pre-election period of productive investment. The second is due to the management of electoral disputes that are involved in civil violence

4.2. Comparison Cote d’Ivoire and South Korea

The two countries Korea and Cote d'ivoire welcome the export strategy to develop their economic growth and implement the same strategies. Korea and Cote d’Ivoire implemented their policies through a five-year economic plan to advance economic growth goals. The current implementation plan in Cote d’Ivoire promotes industry. In almost both countries, the strategies seem to be similar, as all countries want to promote the development of their economies through industrial policy.

For the Korean side, in order to promote exports, the great focus has been on the construction sector. The government has invested a lot of incentives in both export and import companies, and the government has set up several banks to lend to companies operating in these sectors and all companies. assigned to a specific sector. In addition, companies were given goals to approach and support the government's vision. From this work and targeting mood has led to the cultivation of some companies in large companies such as SamSung, Hyundai and many others.

During the merger in Cote d’Ivoire, the development of traditional products was introduced into development from the initial phase of export. The import sector was weak due to low commodity productivity. Later, the government privatized public enterprises in private companies. The mining sector, which is made available to investors, is supported by exporters in solving certain challenges they face, such as the removal of barriers to trade in the countries of the intermediate countries and certain Transport duties, for loans and subsidies. Cote d’Ivoire is recently drawing 5-year planning policy projects to promote the industrial sector. The second plan is still in progress. The government is determined to increase the added value of traditional cocoa products, and coffee. The idea, here, is to improve the value chains of traditional goods.

Table 14 : Comaprison between Korea and Cote d'Ivoire Economic Policy

Onward Strategy applied	South Korea	Cote d' Ivoire
Institution contribution to developed industrial policy	State intervention	State intervention
Adoption of strategy	Import and export strategy	Import substitution and export promotion
Strategies and policies to eradicate poverty	Semaul undong	Fourniture systématique d'électricité et de l'eau potable aux village de plus 500 habitants
Industrial policy startup	1950s on wards	1960s on wards
Major commodities	New items were manufactured like clothing, foot wear, umbrella, artificial flowers	
Objectives	Self sufficient	Emerging country
Industrial incentives	Korea invested huge amount to support companies (subsidies and taxes exemptions)	Investment code with incentives to entrepreneurship and private sector
State leadership	Head of state	Head of state
Institutions established to implement the policy	Ministry of Commerce Industry -EPB Kotra –Kta Chonghapsongsa (Trading Companies Created By Government)	Promotional Center for industry in Cote d'Ivoire (CEPICI) Ministry of mining and Industry Ministry of agriculture, Ministry of forestry and Water resources Prime minister Chamber of Commerce and industries
Selection of priority and target sector	Korea private sector has contribute considerably	Private sector consultation is drawing the National development plan

Source : Author

The difference is that Korea was in much focused in promoting exports but with less attention in import. Whereas in Cote d'ivoire, because of the linkage with the colonial power, the focus is in import-export promotion. The import is more an import competition for direct consumption than an import substitution for production of finished goods to increase.

Table 15: Comparative analysis of National Development plan with the UN criteria's

Conditions of effective EDP	Cote d'Ivoire situation
1. Strengthening institutions and governance systems	Strengthening the quality of institutions and good governance
1.1. Establishing national vision and strategy, and legal status of plans	Vision and Priorities for Development Vision and Priorities for Development
1.2. Enhancing coherence and coordination across ministries, civil society, and private sector (partnership and communication)	Involving of civil society, Private sector in the drafting process of the NDP 2016-2020.
1.3. Securing political leadership and determination	
1.4. Establishing a planning institution with a legal mandate	Promulgation of the organization, operation and operationalization decree of the PND co-ordination structure
2. Evidence-based, empirically backed policy options	
2.1. Creating reliable and comprehensive data	Results channeling is comprised with 13 Impacts, 42 Effects, 189 Outputs, 1310 Actions Indicators : 49 for impacts and 185 effects indicators
2.2. Better information sharing with agencies, sectors, and civil society	A complete information Sharing System that involves all the stakeholders from down to top
2.3. Promoting participatory approaches for evidence-based policy making	Consultations started in 2013 brought together decentralized communities, decentralized communities, the private sector and the civil society. A permanent framework of concertation has been instituted since PND 2012-2015

Conditions of effective EDP	Cote d'Ivoire situation
2.4. Building capacity across government and specialized agencies in the broad range of tools (including statistics department)	Agreement and implementation of a program for capacity empowerment in Planning an evaluation with UN System led UNICEF
2.5. Using forecasting models and statistical tools to formulate specific targets.	A General Census of Population and Housing 2014 has been conducted in 2014. The preliminary findings has been the basis the formulation of specific target.
3. Development of budgeting and financial systems	Financing strategy is attached to the NDP 2016-2020 that includes the traditional partner, OECD donors countries and International partners
3.1. Connecting the development plan with budget	A Budget and macroeconomic framing for planning and Tri annual programming is aligned to the implementation of the plan. Budget Conferences are held each year with NDP as reference framework of budgeting. 2017 evaluation shows a 85% of alignment of the budget with the NDP
3.2. Effective financing mechanism to meet the costs	A Consultative Group held in Paris on May 16 and 17, 2016, recorded pledges of $ 15.4 billion, including $ 12.7 billion in new funding.
3.3. Creating incentives for the private sector	Total Investment of CFAF 30 000 billion, of which CFAF 11 284 billion for public sector and Private investments expected of CFAF 18,716 billion, or 62.4% of total investments.
4. Support for monitoring and evaluation	An updated, participative, iterative and balanced pattern of monitoring and evaluation
4.1. Establishing a tailored evaluation system	The institutional frame of implementation, monitoring and evaluation is comprised with a strict scheduled model of reporting and evaluation

Conditions of effective EDP	**Cote d'Ivoire situation**
4.2. Capacity building in statistics and data collection	Program of Workshops for Capacity building for the ministries technical department in charge of Planning, monitoring and evaluation in partnership with UNICEF
4.3. Coordinating with line ministries (especially statistics department)	The Ministry of planning and development through The general Directorate of Planning is coordinating
4.4. Establishing an iterative feedback process	The pattern and process of monitoring and evaluation is participative and iterative.
5. Capacity development	
5.1. Better understanding of the necessity of planning, coordination, and appraisal	Low level of mastering planning and evaluation process
5.2. Greater support to subnational government agencies and increased coordination with them	A weak support from subnational government.
5.3. Greater awareness of the benefits and opportunities for the private sector	The private sector and the civil society is more involved in whole drafting and implementation of the NDP
5.4. Greater awareness of the right to participate and build capacity in civil society	N/A

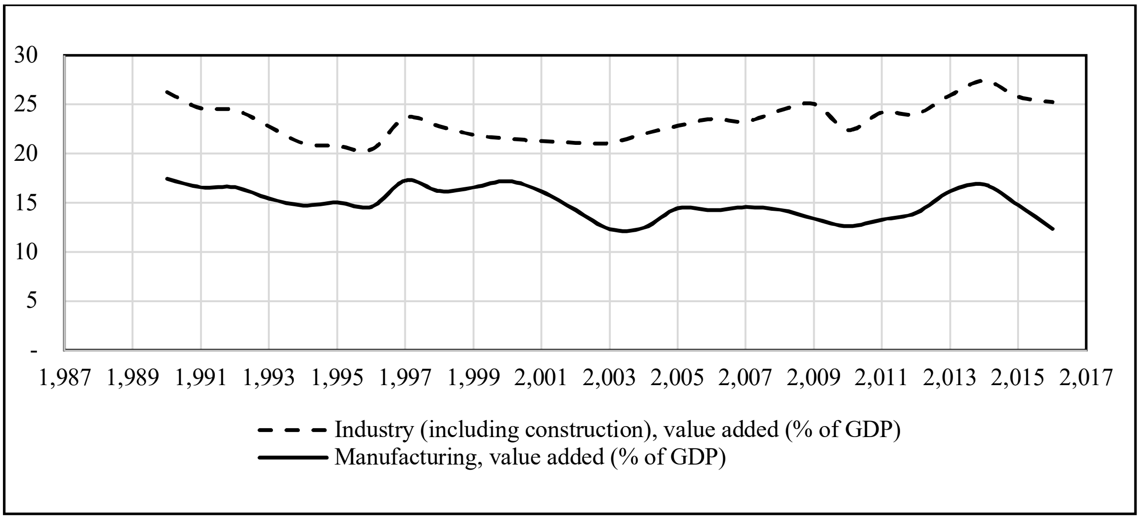
Source: Author analysis based on UN criterias for effective Economic Development Plan

4.3. Conclusion and recommendations

Cote d'ivoire has started its process of structural change since the early 1960s, decades after getting its independence from French hegemony. It turns out that the policies used for this process are not effective (Dani Rodrik, 2015). Two decades early after independence, the traditional European approach for structural transformation that has been implemented had not worked either even bettered the situation.

Since the independence, the export-led driven industrial policy of Cote d'Ivoire is based on natural resources produticity. Three decades later, the take-off is not yet achieved. It is noticeable that the productivity of the agricultural sector through cocoa and coffee has not been able to maintain steady growth.

Figure 7: Evolution of the value added ratio in Cote d'Ivoire



Source: World Bank data

According to a study conducted in 1998, generating and sustaining economic growth can be a prerequisite for "better and better" distribution and hence inclusive growth. If you maintain growth not only for a decade but also for more than two decades, this growth will surely lead to greater equity as it will push wage rates to higher levels (Bai Gao, 1998).

Due to the boom in the cocoa and coffee sectors that began in the 1950s, Cote d'ivoire has become the second largest economy in West Africa. The country has been facing difficulties on the 70s due the low term of trade of its most important trade commodities. In deed, since the independence, the Cote d'ivoire economy is largely agrarian economy. More than a quarter of GDP till today corresponds to food and export agriculture. This profile, combined with the importance of exports in national income, makes Cote d'Ivoire highly dependent on external factors such as climate, demand and world prices. Over the period 1994-2000, the production and marketing of cocoa, of which Cote d'Ivoire accounts for about 40 per cent of total world production, fluctuates considerably, with a deterioration of the terms of trade in 1998. Its economy is still stagnant with most of population in rural area. A poverty rate still up to 47%. Recently for the seventh consecutive year, economic growth in Cote d'Ivoire was projected to exceed 7% and reached 7.4% in 2018, despite the country's vulnerability to external shocks and political uncertainty in the run up to the presidential elections in 2020 (World Bank, 2019)

After five decades, the Ivorian economy, regularly subject to political instability, has not taken off. Moreover, the current national development plan aimed at a structural transformation by the end of 2020, but about the situation one year before the deadline, this goal is utopian.

The analysis of the pattern used in Cote d'ivoire shows some of weaknesses. The vulnerability to the external shocks of Ivoirian economy due to its dependence to natural ressources exports. The situation of the current account balance does not allow the economy to afford important investments without an increase of indebtment rate. The employment of national has never follow in the manufactured sector due to the low skilled labor. Innovation and new technologies could not been promote in regard of the huge investment required. The elites, bureaucrats, and the public sector is not controlling the economy. The foreign multinational companies own most of the large enterprises. The sector is not developed to back up the industrialized due to lack of investment to purchase patents by public sector.

CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.0. Introduction

This part is aiming to present the results of the analysis. Form the Korean pattern, the author assesses the fulfillment of the preliminary results and the hypothesis. Some policy implications are drawn for Cote d'Ivoire industrial policy. Finally, this study proposes some recommendations for further studies..

5.1. Findings from South Korean Industrial policy analysis

As we seen through the analysis above, product cycle theory could not solely explain the industrial transformation of Korean economy. Our opinion is based on the fact that the theory of the product cycle would have led the model of industrial policy from South Korea, through a process of homogeneization, to that of Japan. If, however, we agree that the textile industry that has underpinned the industrial model we anlyce, the process and tsructure that has been given to this industry to be a success has profited substantially from domestic policy instilled by the Government. the choices made to invest financial support rejected since the 1950s in certain specific sectors and the promotion of a certain type of large companies is a major fact that has seen the Korean model. The political factors thus explains the part of the development that the industrial basis inherited from independence is not able to explain on its own. Moreover, the process of industrialization of South Korea is not totally similar to that of Japan contrary to what this model predicts. Finally, our conclusion is that the dynamics of alliances introduced by the government, over the years, through alliances between the private sector, bureaucracy and industrial capitalists played a role that could explain that big difference. Industrial policy government led and interventions in financial markets are not easily reconciled within the neoclassical framework which is assumed to be responsible of structural transformation of Korean economy. The policy mixes used by the Korean government were diverse and flexible.

5.2. Policy implications for Cote d'ivoire industrial policy

Our study permit to draw some lessons. Those lessons lead incontestably to the following policy implications :

- Shifting the factors from the unproductive sectors to the more productive sectors. This shifting is possible by an empowered R&D or innovation.
- A more government led industrial policy is the key of the success of Asian countries. Korean government led policy has permit to shift the agrarian economy to an industrialized economy within a period of two decades.
- The government must promote the large national enterprises in the center of the policy to enforce the industrial system by a settlement of a new private sector led by government.
- Coalition theory dynamism must lead the state intervention mostly on the pathway to fully involve the stakeholders in the state develomemt policy to implement

- Combining an export led policy pattern to an import substitution model is wasting of resources. The industrial policy based on an export led promotion model need the factor or the low cost factors to maintain its export at a high level.
- The Ivoirian industrial policy invest more in promoting must promote on LEs than supporting the rural areas.

5.3. Recomendations for further studies

Our study might provide three ways of recommendations for future studies. The first is to advocate a a greater consideration of non-market sector analyses in developing economies. Indeed, recent data from some developing countries show strong growth in the non-market services anda raising of an import competition sector. In some economies those latter are ranking as leading sectors.

The second recommendation is required an attention at the characteristics of the country of reference in the analysis. Certainly, South Korea's industrial policy performance is exemplary. However, the political regime in Korea and the economic development context are differing with the West African countries in this case the Cote d'Ivoire. In addition, our studies attempt to highlight an economic model based on the performance of industrial policy to achieve growth for development. Nevertheless, recent data show that economic growth can be carried by other aggregates that are not derived from the direct domestic manufacture of the country concerned.

The third one is related to funding. In the case of Korea industrial, huge amount of FDI and ODA have invest for the creation and the promotion of some new industrial sector. Further studies in the same filed might also introduce the part of foreign funding in the explanation of the Korean success story to render more accurate implication. Ultimately, for future research, taking in to account the facts above and any else economic and political concern will help to deepen the explanatory skill and the accuracy of the results of our study. This study was cndct only with the main objectives to confirm the huge importance of domestic caloition to fulfil a better industrial policy. model for developing countries.

5.4. General conclusion

This study has permit to convey to the all the objectives. The Industrial policy of Korea has been conducted with a dynamism that required a tremendous participation of government. Cote d'Ivoire has real capabilities to achieve good industrial performance. The Government of Cote d'ivoire, from 1960 to the present, has shown its willingness to achieve the local transformation of agricultural and mining raw materials into finished and semi-finished products. The evolution of the Ivorian industry is a reflection of the country's economic performance and the industrial policies implemented. The country has experienced a significant industrial boom, which has allowed it to have the largest and most diversified industrial fabric in the sub-region. From 1960 to 1980, the objectives set by the various industrial policies put in place were achieved. However, the competitiveness of industries has deteriorated during the various recessions (1980-1993, 1999-2004) due to the deterioration of the macroeconomic and institutional environment, and on the other hand, the deficiencies organisation and management of Ivorian companies.

Similarly, the constraints related to taxation, the effects of domestic and external debt, growing poverty, competitiveness and weak sub-regional trade have been a hindrance to the evolution of the industrialization of Cote d'Ivoire and even the sub-region. The repeated military-political crises experienced in Cote d'Ivoire, especially that of 19 September 2002, have weakened the entire secondary sector.

The textile and agri-food sectors have suffered enormous damage as a result of this war. It emerges from the descriptive and econometric analyses (dynamic panel) that the sectors that are now booming, in terms of performance over the period 2003-2006, in terms of growth in value added, employment and turnover are Extractive Industries and Refinery, Chemistry and Construction Materials.

In addition to the sub-sectors cited, we noted that the Textile and Shoes, Auto Parts Manufacturing, Electrical Machinery and Materials, Water and Electricity and Miscellaneous Industries, branches expanded in 2006-2007.

These different industries need support. Although the wood sector is experiencing a decline in activity, it is noted that for the same level of capital, the companies in this sector offer the most employment opportunities.

Finally, the productivity of promising agricultural sectors does not really follow the expectations of the Ivorian economy. Contrary to South Korea which strategically, over time, turns all the factors of production and public levers towards sectors with high productivity, the industrial sector of Cote d'Ivoire has not ever benefited from policy to shift towards more productive sectors. Indeed, since independence, the economy is unchanged under the dependence on raw materials such as coffee and cacoa. The low productivity of the Ivorian economy has not been able to survive international shocks, local deficits and recurrent instability due to the crises.

However, this growth in demand for work in this sector seems to be geared towards low-skilled jobs. It thus appears necessary for the Ivorian government to support the expanding industrial sectors without neglecting the ailing sub-sectors. Any policy aimed at energizing the industrial sector will therefore have to take sufficient care of the revitalization of the Wood and Agri-Food industries. Today, given the irreversibility of globalization, Cote d'Ivoire inclusion in this process risks being undermined by the long-term effects of the 19 September 2002 crisis, in the sense that it could permanently affect the competitiveness of Ivorian companies.

It would, therefore, be desirable to consider, in collaboration with development partners and the member countries of the OECD countries, a comprehensive program of restructuring and upgrading of companies, in order to face the challenges of opening up to the global market. With the return of peace, the Ivorian state must take concrete steps to support the productive sector, in order to clean up and restore vitality to the industrial sector, so that it can fully play its role as the engine of growth and economic development.

REFERENCES

Alban, Ahoure and Tano Paulin. 2008. "Industrialisation En Cote D'ivoire." *Economic policy and Development*, Department of Economic Policies Analysis(PED N° 03/2008) - Economic and Social Ivorian Center of Researches (CIRES).

Asheim, Bj∅rn T. 1996. "Industrial Districts as 'Learning Regions': A Condition for Prosperity." *European Planning Studies*, 4(4), 379-400.

Ayelazuno, Jasper Abembia. 2013. "Neoliberalism and Growth without Development in Ghana: A Case for State-Led Industrialization." *Journal of Asian and African Studies*, 49(1), 80-99.

Bank, World. 2019. "Resolving Mobility Challenges in Abidjan to Transform Strong Urban Growth into a Development Asset."

Cha, Taesuh. 2016. "The Return of Jacksonianism: The International Implications of the Trump Phenomenon." *The Washington Quarterly*, 39(4), 83-97.

Chang, Justin Lin and Ha-joon. 2009. "Industrial Policy of Developping Countries.Pdf>." *developpment policy review*, 27(DPR debate).

Collier, Paul. 2007. "The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It. New York: Oxford University Press."

Dintenfass, Michael. 2006. *The Decline of Industrial Britain: 1870-1980*. Routledge.

Gao, Bai. 1998. "The Search for National Identity and Japanese Industrial Policy, 1950–1969." *Nations and Nationalism*, 4(2), 227-45.

Gourevitch, Peter. 1978. "The Second Image Reversed: The International Sources of Domestic Politics." *International organization*, 32(4), 881-912.

Grant, Wyn and Stephen Wilks. 2008. "British Industrial Policy: Structural Change, Policy Inertia." *Journal of Public Policy*, 3(01).

Gui-Diby, Steve Loris and Mary-Françoise Renard. 2015. "Foreign Direct Investment Inflows and the Industrialization of African Countries." *World Development*, 74, 43-57.

Haggard, Stephen. . 2018. "Developmental States (Elements in the Politics of Development)." *Cambridge: Cambridge University Press.*

Kirkpatrick, Colin and Ziya Onis. 2007. "Industrialisation as a Structural Determinant of Inflation Performance in Imf Stabilisation Programmes in Less Developed Countries." *The Journal of Development Studies*, 21(3), 347-61.

Kouakou, Auguste K. 2011. "Economic Growth and Electricity Consumption in Cote D'ivoire: Evidence from Time Series Analysis." *Energy policy*, 39(6), 3638-44.

Lall, S. 1992. "Technological Capabilities and Industrialization." *World Development*, 20(2), 165-86.

Leavitt, Robert F. 2010. "A Review of "Paul Ricoeur: The Promise and Risk of Politics"." *Perspectives on Political Science*, 39(2), 120-20.

Lim, Haeran. 1998. *Korea's Growth and Industrial Transformation*. Springer.**.** "Korea's Growth and Industrial Transformation."**.** 2010. "The Transformation of the Developmental State and Economic Reform in Korea." *Journal of Contemporary Asia*, 40(2), 188-210.

Mattoo, Aaditya and Randeep Rathindran. 2001. "Arvind Subramanian."." *Measuring Services Trade Liberalization and Its Impact on Economic Growth: An Illustration." August.*

Mawar, Murni Yunus; Mohd Adib Ismail and Siti Hawa Muhamad. 2016. "Determinant Factors of Korean Economic Growth " *Journal of Management & Muamalah,* , Vol. 6, (No. 1, 2016).

Monga, Joseph E. Stiglitz Justin Yifu Lin Célestin. *The Rejuvenation of Industrial Policy*.

Okimoto, Daniel 1989. *Between Miti and the Market: Japanese Industrial Policy for High Technology*. Stanford University Press.

Pham, Benjamin. 2015. "How and Why Did South Korea Transition to an Economic Model of Export-Led Industrialization? ." *Political Science 211: Political Economy of East Asia*, Writing in Korean Studies (Korean Studies Program Prize).

Piazolo, Marc. 1995. "Determinants of South Korean Economic Growth, 1955–1990." *International Economic Journal*, 9(4), 109-33.

Ross, Robert S. 2000. "The 1995–96 Taiwan Strait Confrontation: Coercion, Credibility, and the Use of Force." *International Security*, 25(2), 87-123.**.** 2002. "Navigating the Taiwan Strait: Deterrence, Escalation Dominance, and U.S.-China Relations." *International Security*, 27(2), 48-85.

SaKong, Il and Youngsun Koh. 2010. "The Korean Economy: Six Decades of Growth and Development."

Sewell, William H. 1992. "A Theory of Structure: Duality, Agency, and Transformation." *American Journal of Sociology*, 98(1), 1-29.

Solingen, Etel and Peter Gourevitch. "Domestic Coalitions: International Sources and Effects."

Subramanian, Arvind. 2014. "Ideas and Power in Contemporary Trade Development." *Adelphi Series*, 54(450), 39-60.

Sunkel, Osvaldo. 1969. "National Development Policy and External Dependence in Latin America." *Journal of Development Studies*, 6(1), 23-48.

Telbami, S. 2002. "Kenneth Waltz, Neorealism, and Foreign Policy." *Security Studies*, 11(3), 158-70.

Tipps, Dean C. 2009. "Modernization Theory and the Comparative Study of National Societies: A Critical Perspective." *Comparative Studies in Society and History*, 15(2), 199-226.

Toynbee, Arnold. 2013. *The Industrial Revolution*. Read Books Ltd.

Warwick, Ken. 2013. "Beyond Industrial Policy."2013 "Beyond Industrial Policy:Emerging Issues and New Trends." *OECD Science*, No. 2(OECD Publishing, Paris).

Zheng, Yu and Regina Abrami. 2011. "The New Face of Chinese Industrial Policy: Making Sense of Antidumping Cases in the Petrochemical and Steel Industries." *Journal of East Asian Studies*, 11(3), 373-406.

추상

코트디부아르에 대한 한국의 산업정책 및 정책적 시사점

Joseph Hermann Peguitha GOUZOU

국제 지역 연구

국제대학원

서울대학교

코트디부아르는 1960년대 초부터 구조적 변화 과정을 시작했습니다. 이 프로세스에 사용되는 정책은 여전히 효과적이지 않은 것으로 나타났습니다. 그동안 코트디부아르와 비슷한 역사적, 경제적 특성을 공유하고 있는 한국은 3년만에 경제를 성공적으로 이관한 성공적인 산업정책을 이행했다.

대부분의 문헌은 한국산업정책이 규제국가를 통한 제품순환이론의 개발상태를 통해서만 이같은 이론을 따르고 있다고 주장했지만, 우리는 한국의 역동적인 이론을 주장하고 있다. 한국의 산업정책은 연합적 접근을 따르고 있다. 따라서 이 연구는 한국의 성공사례의 경우 산업화에 의한 구조적 변화를 이루기 위해 연합론이 사용되는 패턴이라고 가정하고 있다.

첫째, 선진국을 이끈 산업 정책의 주요 이론적 접근방식을 분석합니다. 둘째, 연합이론을 적용해 한국산업정책에서 수립된 정책의 패턴을 검토했다. 궁극적으로, 이 논문은 코트디부아르의 미래 국가 계획 개발을 위한 산업 정책을 촉진하기 위한 적절한 전략 교훈을 그립니다.

이 연구에 따르면 1960년부터 1980년까지 LE, SME, HCI와의 강력한 연합 이론이 한국의 산업 정책을 주도해 왔다는 사실이 밝혀졌습니다. 다양한 유형의 기업 내에서의 변화는 Cote d'Ivoire가 국가 주도 기업의 승진을 암시하고 강력한 정부는 더 많은 p 생산 적 부문으로 정책을 전환 할 것입니다.

키워드 : 산업 정책, 구조 적 변화, 개발 상태; 연합 이론.
학생 수: 2018-26390