

Innovative Economy: An Institutional Prerequisites Perspective

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Abstract

Today, most people agree that the “communication revolution” coupled with the invention of Internet has propelled the process of globalization. The advent of real as well as virtual “technology” such as Cloud Calculation, Big Data, 3D Printing, IoT, Pilotless Airplane/Cars/Motorcycles, VR, AR, Online education, Uber, Airbnb, Fintech, Smart City, 5G, etc. over the past 10 years has once again revealed that technology has indeed permeated into all aspects of our life in an unprecedented way and in an extremely short period of time.

Many countries, including many Asian societies, have in recent years adopted plans to promote the so-called new/innovative economy. However, it is very clear that not all countries possess the conditions to develop such an economy except perhaps those located in North America, North Europe, West Europe (Germany, UK, and France), Japan, Singapore, South Korea, Taiwan, China, and India. In other words, the landscape of the new/innovative economy is unevenly distributed worldwide due to the sheer fact that capital, technology, and most importantly, talents exist in some countries more than others. The rest of Asia, Latin America, and Africa are yet to join the club. In short, due to capital and technology constraints, new/innovative economies tend to concentrate or tilt toward the advanced countries. Thus, the income disparity among individuals and countries is doomed to be widening because of the lack of "technology capital" in developing countries.

Given the far-reaching influences is injected by the technology-based economy, the ultimate question is perhaps whether one day human beings will be controlled/dominated completely by machines or if there is still room for humankind’s maneuver. This lecture intends to explore the “institutional prerequisites” from several countries' experiences in developing their innovative economy, as well as the likely consequences which may appear in the process of developing new/innovative economy. Specifically, the lecture will address the likely impacts of new technological developments which already can be witnessed from the general trend of developing so-called new/innovative industries; i.e., the impacts on education, the impacts on the labor market, and the impacts on the social structure. Issues as how to balance the traditional industries and the new industries, how to strike a balance between job creation and innovation, how to keep high-caliber talents under highly mobile international migration, the role of the central government, local government and the private sector, and above all, the mind-set/re-set with regard to new technological change will be addressed.