The paper presented by Mr. Rob McKeon and Dr. Tony Weir from Australia is well received by the audience. It provided a solid conceptual framework and addresses a number of sufficient preconditions easily applicable to the conditions of many economies.

Need for Incorporating Uniqueness of Individual Economies in Future Research

In her comments to the above paper, Dr. Latifer from Malaysia noted that there are a few issues that should be factored in the analysis for preconditions – technology capability, innovative funding mechanism, smart partnership ethos. For instance, the amount of technology transfer in Malaysia has not been as expected. In light of the fact that technology is a necessary precondition for transition towards the KBE, more advanced economies can form strategic alliances to Malaysian companies and help train the workforce. Malaysia’s weak point does not lie in the ‘thinking part’ but in the actual ‘doing part’. Only by ‘learning by doing’ can Malaysia upgrade her skills at faster speed. As to innovative funding and the flow of venture capital, good ideas need funding without collateral and so financial markets should take more risk in funding projects. In the meanwhile, the enhancement of smart partnership ethos between the government and the private sector needs to be put into action. It is emphasized that there must be a synergy between government and business plans towards the transition to the KBE led by collaborative efforts. In making improvements in the factors mentioned above, Dr. Latifer argued that Malaysia should enhance entrepreneurship and leverage on existing natural resources, people and good environment while transitioning to the KBE. Networking should be prioritized while definite emphasis should be placed on human resource development.

Also, valuable feedback on the issues of KBE preconditions was provided by Dr. Phasina Tangchuang from Thailand. He noted that in regard to the categorization of Thailand as an Asian Fast Follower, Thailand is indeed a follower in some aspects while a leader in others. He viewed that intangible factors are increasingly the variables that matter the most as factors of growth potential. He agreed with the four dimensions of growth presented by Mr. Rob McKeon.

With respect to the conditions specific to Thailand, Dr. Tangchuang summarized as follows. Thailand, as everyone knows, was faced with financial turmoil in 1997 and is recuperating from its effects. Currently, the government is initiating the first economic and social development plan since 1961 regarding innovation and technology. With limitations of R&D, Foreign Direct Investment was welcomed under Thai policy, and there are some changes in innovation and technology regarding most large industries and business firms from foreign direct investment since the last decade. With an agriculturally oriented culture, 70% of the Thai population live in rural areas. However, with regard to Human Resource Development, there are currently many students at various educational levels. In order to promote further education, money for education loans have been allocated. Also, most Thai workers are blue-collar due to market needs.
of cheap labor leading to the need for training and retraining. The Thai Ministry of Industry has launched 10 institutions for training high-skilled laborers and education institutions are also promoting the training of teachers, officers, and entrepreneurs. Education reform and curriculum reengineering is widely need and on the way. Bureaucracy reform is expected in 2002 as well, while international cooperation in education and industrial sectors is increasing to promote international competitiveness.

In terms of ICT, investment in ICT infrastructure is increasing in Thailand and the government is trying to promote the use of internet for educational purposes. In order to improve business environment, the Thai government has introduced various laws to facilitate international trade and foreign entrepreneurs. Human rights and copyright laws are prioritized to facilitate more investment and cooperation. Transparency laws and regulations are also being promoted to meet international standards.

In sum, Dr. Tangchuang emphasized the need for incorporating in the future analysis the above unique experiences of Thailand as well as other economies.

Need for a Theoretical Framework for KBE Preconditions in the Future Research

Dr. Yoo Soo Hong from Korea provided further comments on the paper by Mr. Dr. McKeon and Weir. Key points are as follows.

The identification and categorization of a KBE is a very difficult task, and the authors must be commended for their efforts. The main characteristics of an idealized KBE were especially well selected. However, the paper needs further refinement in some aspects. First, the authors presented four categories and characteristics without stating the reason for the selection. Papers by other authors were quoted, but further explanation is needed as to why those characteristics were recommended and the presenter’s own explanation should be added as well. Dr. Hong also felt that mere listing of characteristics is not sufficient. The relative importance of each item and category is needed. For example, whether more importance should be placed on innovation than on Human Resource Development or vice versa. A historical path, development or interrelationship between factors should be clarified as well.

Dr. Hong continued that the preconditions stated by the authors were based on these characterizations without thorough justification or theorization, suggesting the need for more thorough discussion on why there were chosen. With regard to suggestions for improving the paper, Dr. Hong suggested that more analytical aspects should be added. A conceptual and operational distinction is needed in order to differentiate short-term and mid to long-term conditions for more discussion on strategy and policy. Another point to consider is how much the generalization can be generalized in light of the different endowments in each economy. Finally, there was no mention of the U.S. or Japan in the paper. While those countries are indeed different, it might be helpful to see them as examples.