

Seminar on the New Economy in Lund:

The New Economy in Development: ICT Challenges and Opportunities

Seminar with *Professor Anthony P. D'Costa* from the University of Washington, Tacoma

22 September 2006, 11.00-13.00

Centre for East and South-East Asian Studies, Lund University

Abstract of the presentation

During the last three decades both quantitatively and qualitatively the OECD and a handful of newly industrializing economies have been transformed by global flows of trade, foreign direct investment, technology, and technical talent. Within national economies the relative decline of the industrial sector, the rise of the services economy, and the growing ubiquitousness of information and communications technologies (ICT) such as computers, software, satellite communications, e-mail, and the internet in the wider society have speeded up. The emerging "new economy" is considered integral to a "knowledge-based, information society." This poses a fundamental question: what are the implications of the new economy for developing countries? This presentation argues that the new economy and associated ICT opens up e-based development opportunities for poor countries such as e-learning, e-services, and e-business. Bypassing technological and infrastructural legacies, e-development appears to be promising. However, there is a catch as well. To take full advantage of e-development, a related argument is that without attending to old economy challenges such as basic education, literacy, health, income distribution, and physical infrastructure exploiting new economy opportunities is fraught with difficulties. Empirical evidence from developing countries, mainly India, which has made significant strides in the exports of ICT-related services, show they are now faced with the dual demands of meeting of old economy needs and new economy challenges. The paper concludes with some policy recommendations for coping with the challenges of the new and old economy in poor countries such as India, which is increasingly integrated in the world economy.

Anthony D'Costa is Professor in Comparative International Development. He teaches political economy of development, industrialization, and innovations. As a comparativist his work focuses on India and Asia and he has written on the steel, auto, and information technology industries.

Selected publications:

- *The New Economy in Development: ICT Challenges and Opportunities* (2006)
- *The Long March to Capitalism: Embourgeoisment, Internationalisation and Industrial Transformation in India* (2005)
- *India in the Global Software Industry: Innovation, Firm Strategies and Development* (2003)

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