New perspectives on economic development
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A human agency approach

Fu-Lai Tony Yu
Preface and acknowledgments

This book puts together 10 papers in human agency economics while the author taught economic development and entrepreneurship at Feng Chia University (Taiwan) and Shue Yan University (Hong Kong). Chapter 1 reviews theories of economic development in history of Austrian economics, with the intention of extending the contributions of major Austrian economists to development phenomena. After pointing out the weaknesses in the orthodox neoclassical approach to economic growth, Chapter 2 introduces a subjectivist approach to understand issues in economic development. Specifically, it utilizes theories of human agency to interpret economic phenomena and policies. It also serves as a methodological foundation for arguments elaborated in the next seven chapters. Chapters 3 to 9 respectively discuss important issues in economic development, namely, entrepreneurial process, national capabilities, innovation, trade, government, transition and catching up strategies for firms in latecomer economies. Chapter 10 provides a concluding remark and proposes a new agenda for research in economic development. Earlier versions of some chapters in this book were previously presented at international conferences and/or published in academic journals. I thank conference participants for their comments and acknowledge the publishers of the following journals for permission to reproduce some materials in this volume.


Chapter 4 is based on ‘National capabilities and economic development: a subjectivist view,’ paper presented at the conference: ‘Knowledge and economic and social change: new challenges to innovation studies,’ 7-9 April 2003, organized by Advances in the Economic and Social Analysis of Technology and the Institute of Innovation Research held in Manchester School of Management Building, Manchester, United Kingdom. The article is published in Forum for Development Studies, volume 3 (2), 2003, pp. 247-267.

Chapter 5 (Innovation and communication) is adapted from ‘Novelty and its acceptance: an inter-subjective perspective,’ International Journal of Arts and Technology, volume 1 (1), 2008, pp. 119-130. An earlier version of this paper was presented at the International Conference on ‘Knowledge-based economy and global management’ held on 6-7 December 2007, College of Management, Southern Taiwan University of Technology (Taiwan). It also receives ‘The Best Conference Paper Award’ in the 5th multi-disciplinary management conference on ‘Creativity and enterprising’ organized by Department of Business Administration, Tung Hai University (Taiwan), 26 April 2008.


Part of material in Chapter 10 is based on my work with Dr. Gary Moon Cheung Shiu (2009), ‘The Austrian school of economics,’ unpublished working paper.

As mentioned, this volume is a collection of papers written over the past several years. Each of the individual papers has consistently applied the Austrian subjectivist framework to economic and development issues. Since
a new idea does not arise from a vacuum, but builds upon previous ideas, when individual papers are gathered into a book form, some materials/ arguments will be unavoidably repeated. In preparing this volume, every effort is made to avoid repetition while at the same time ensuring that the arguments in each chapter flow smoothly without a loss of continuity. I extend my apology for some repetition of materials, if any. I have enjoyed and benefited from stimulating discussion with my academic friends, Teresa Shan-Yu Chen, Simon Chien-Yuan Chen, Dian Kwan, Gary Moon-Cheung Shiu, Ho-don Yan, and scholars from the Chinese Hayek Society over the past years. I am very grateful to Dian Kwan for her proofreading of the earlier drafts of individual papers. Of course, none of them bears any responsibility for the errors or shortcomings in this volume.

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