

Preface

In July 2001, I was standing alone in Cho Lon (Chinatown) in Ho Chi Minh City, trying to figure out how I could possibly cross the street to the other side. The streets were filled with loads of cheap “Chinese motorcycles” running right and left. Recalling my previous visit in December 1999, when the streets were still quiet, I realised the city’s landscape had been completely transformed in a matter of a few years.

It was not only the urban landscape that had changed so dramatically. What intrigued me even further was the remarkable transformation taking place on the production side. Contrary to the widely received view in the 1990s that industries in Vietnam were largely stagnant, massive inflows of cheap Chinese motorcycle components in the early 2000s had initiated chains of dynamic development—entry of numerous Vietnamese motorcycle assemblers, counter-attacks by incumbent Japanese motorcycle manufacturers launching low-priced models and the rise of local suppliers. A year later, I returned to Vietnam for a two-week fieldwork to study about this industry. And somewhat unexpectedly, my exploration of this industry went on for a decade—including the five years (2007–2012) it took me to develop this research into a PhD thesis at the University of Sussex.

This book is a product of my decade-long exploration of this industry. It tells the story of how small-scale developing country suppliers of parts and components starting at the bottom of the technological ladder upgrade their technological capabilities over time. The key to understanding such processes and mechanisms lies in the dynamics of industrial transformation discussed above—entry of new manufacturers and assemblers as lead firms and their strategic responses to the changing competitive and policy environment, combined with the active entrepreneurship and endeavours of the suppliers themselves. On the basis of historical evidence and recent empirical data collected through repeated rounds of in-depth fieldwork, this book not only provides dynamic and insightful accounts of supplier learning in a developing country context but also makes key theoretical and methodological contributions to the research on value chain participation and supplier learning.

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