

Preface

Asia is an exciting example of the rapid transformation of a poor and backward region into a region of prosperity and modernization. Sixty years ago, when Asia was burdened by wars, ideological struggles, and severe poverty, no one could imagine its current development success, which is characterized by prevailing peace, openness, and remarkable economic achievements. Although it remains difficult to predict what Asia will look like in sixty years, it is possible to propose a scenario in which the lower-income countries in the region will follow the development model that has brought many countries to remarkable successes. If this scenario materializes, Asia's prospects will be brilliant. There will be hundreds of cities like Singapore across Asia, from China to India, from Indonesia to Pakistan, and from Vietnam to Bangladesh. In this imaginative picture, although it is not perfect, Singapore can be used as a symbol of Asia's future prospect because it has the three prominent features that characterize the development trends of the world in the twenty-first century. The first feature is embracement of globalization. Singapore is a global city that is highly international in culture and deep in economic integration with the region and the world. Second, Singapore's development is sustainable because of its good governance based on the excellent combination between the effectiveness of government and the efficiency of market forces. Third, Singapore has developed a robust learning capability that fosters learning through four typical channels of organizational learning: competency acquisition, experimentation, benchmarking against the best models, and continuous improvement.

In offering this prediction of the future of Asia in the next sixty years, one should consider the prospects of both struggling countries and successful nations. For struggling countries, it is worth recalling the remark that was offered sixty years ago by Arthur Lewis, an economics Nobel laureate and a leading economist in the field of economic development, with respect to the crucial role of national leadership and aspiration:

It is possible for a nation to take a new turn if it is fortunate enough to have the right leadership at the right time [. . .] All nations have opportunities which they may grasp if only they can summon up the courage and the will. (Lewis, 1955, p.418)

With regard to successful nations, one should appreciate the saying by Mencius more than 2000 years ago: 'We survive in adversity and perish in ease and comfort.' This coincides with the observation of Victor Hugo, one of the greatest French writers of the nineteenth century: 'Adversity makes men, and prosperity makes monsters.' The statements as such indicate that currently successful countries will also be confronting formidable challenges that may pose obstacles to their prosperity in the next sixty years. Therefore, it is essential for policy makers in all countries, regardless of how successful or struggling today, to be most thoughtful, knowledgeable, and devoted in carrying out their duty to create the future of their nations.

Economic development is a profound transformational process that requires many decades to bear its true fruits. Economic growth and governance quality are important indicators that can be used to capture the progress in the economic development process. As a transformational process, the development of a nation is driven by two forces: emotion and enlightenment. Emotion is shaped by aspiration, anxiety, and a sense of responsibility that a country's leadership can summon for the nation. Enlightenment is ensured by an open mindset that is free of dogmatism, an eagerness to learn, and a strong outward orientation to understand the world better. Emotion and enlightenment are akin to the two wings of a bird. A nation can be as mighty as an eagle in its economic development if it is strong in both wings: emotion and enlightenment. However, in reality, most countries are weak in at least one wing, frequently in the enlightenment wing. The absence of enlightenment can cost a nation dearly, especially when its emotion is strong. The cases of pre-reform China, pre-reform Vietnam, and North Korea can serve as vivid examples.

Asia is not only a great story of economic development, but also a convincing model of the belief that lower-income countries can learn a great deal to accelerate their catching-up endeavors. Asia is not only a valuable case derived from the past but also an exciting example of how nations blaze their own paths into the future. It is important to study Asia's development experiences both because it provides valuable insights and because the region is a major force that is shaping the future of the world economy.

This book is written with the motivation of providing essential insights into economic development in Asia and its growth model. The book provides a comprehensive and in-depth examination of economic growth in Developing Asia during the last two decades (1990–2010). With the insights from this investigation, the book sketches a strategic policy framework for the development strategies that successful Asian economies have adopted to realize remarkable achievements in their economic catch-up endeavors. The book will be a helpful resource for policy makers in

developing countries, especially in Asia, and for students and researchers who want to develop true comprehension of the nature and dynamics of economic development in the region.

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