Undoubtedly, the rapid transformation of a band of four Northeast Asian economies (South Korea, Taiwan, Singapore and Hong Kong) since the mid-1960s has been unprecedented in economic history. Their experience has surpassed the earlier experience of Japan’s transformation into an industrial economy, and that of the former USSR. Although some similarities between the development strategies of these economies and that of Japan exist, there are significant differences between them, as well as among the four economies themselves, especially in the role of the state. Thus grew a voluminous literature trying to understand the so-called ‘Northeast Asian development model’. The literature has become much more extensive with the rise of second-generation, newly industrializing economies in Southeast Asia, and lately, of China and other transition economies such as Viet Nam.

Just when a broad consensus about the basic ingredients for rapid growth appeared to have been reached, the sudden coming of the Asian crisis caught most observers by surprise. Vigorous debates about the causes of the crisis, appropriate policy mix and the institutional arrangement for rapid and sustained growth re-emerged. In other words, the validity of the Northeast Asian development model has been called into question. Observers are also examining the cost of such a rapid transformation and likely future challenges in a fast-changing world.

Thus, Northeast and Southeast Asia provide a fertile ground for contesting hypotheses about development strategies. The introductory chapter provides a comprehensive survey of paradigm shifts in development economics, influenced by the experience of Northeast and Southeast Asia. It also focuses on the debates surrounding the rise of China, its future prospects and the challenges it poses to the other economies in the region. Of particular importance is the issue of political reforms and the democratization of China’s polity.

The country chapters provide a broad overview of economic and social developments in each of them. The analytical narratives on the economic transformation of these economies are based on the extant literature, and highlight the interactions of socio-political factors. They examine the role of economic policies that were influenced by the historical and political circumstances of individual countries. Each chapter, written by country experts, begins with a brief discussion of the political history of the country and ends with a discussion of future prospects and challenges.

The country chapters are organized in chronological order of their transformation. Thus, the introductory chapter is followed by the chapters on Japan and the first-generation, newly industrialized economies. The chapters on the emerging economies of Southeast Asia are presented next. China heads the list of transition economies, and the volume ends with the chapter on North Korea. The organization of the volume highlights the regional interactions and pull-factors, as well as the evolution of development strategies in light of each country’s specific circumstances and the experience of the early starters.

We dedicate this volume to the achievements of the people of Northeast and Southeast Asia.