

Foreword

Professor Terutomo Ozawa again breaks new ground in reformulating the flying-geese theory of economic development. He follows up on his previous publication, *Institutions, Industrial Upgrading, and Economic Performance in Japan: The 'Flying-Geese' Paradigm of Catch-up Growth* (2005), by shifting from the topic of catch-up economic development in a given individual country to that of 'regionalized growth' in his new book, *The Rise of Asia*. He boldly translates the conventional FG theory of national economic development into the realm of *supra-national* regional growth. This focal shift is well mirrored in the subtitles of these two sister monographs: *Catch-up Growth* (in a given economy) for the previous volume and *Tandem Growth* ('interactive growth' within Asia's hierarchy of economies) for the present one.

Ozawa asks why growth has been so successfully regionalized in Asia. He interprets Asia's catch-up as an outcome of what he calls 'US-led growth clustering'. And the forces of such clustering are examined in terms of the economics of flying-geese formation. He makes us rethink how to examine economic development – not so much in separate individual countries as in integrative terms on a regional basis. In other words, what he advocates is a region, not a country, as the basic unit of analysis.

Ozawa's analysis now covers a wide spectrum of phenomena related to regionalized growth. He introduces FG-style stage models for infrastructure development, development finance, and business finance, thereby encompassing both the real- and the money-dimensions of economic growth. The interesting notions of 'stages co-mingling, reconstructing and skipping' and 'time and space compression' capture some salient features of Asia's catch-up growth, FG-style. He thus shows us how extensively the way we 'think in flying-geese terms' – that is, 'think in dialectical, evolutionary, hierarchical, and interactive terms', as he puts it, can be applied to the wide-ranging features of catch-up growth at the regional level. As demonstrated throughout the book, this 'FG way of thinking' takes a long-term, holistic, and dynamic vision, 'connecting the dots' (that is, looking at major economic events/upheavals as concomitant, related phenomena deriving from the common underlying forces of the global economy) rather than taking a reductionist, short-term, and static perspective.

In short, Ozawa's new work marks another significant advance in elaborating and extending – as he does in his own iconoclastic way of interpretation – the original ideas set forth by Professor Kaname Akamatsu of Hitotsubashi University. He thinks outside the box. This thought-provocative book is a must-read, together with the previous one, for anyone who adopts the FG frame of reference for understanding of – and research on – the topic of economic development in an age of ever-deepening integration.

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