
Asia's Journey to Prosperity: Policy, Market, and Technology over 50 Years.
Manila: Asian Development Bank, 2020. Pp. 614. Paperback: \$49.

Asia's Journey to Prosperity seeks to provide 'a historical overview of developing Asia's multifaceted journey to prosperity in the past half century' while distilling 'policy lessons and their implications for the future' (page 1). Published by the second-largest institution in the field of Asian development, this big book deserves attention. Its fourteen chapters are to the point in outlining the achievements and challenges of Asia, and will be found useful, especially by those not familiar with the region's many parts. The policy implications on future courses and outcomes, however, are left fairly vague, and readers will be hard-pressed to find a clear position.

Chapters 1–3 discuss the evolution of Asia's development, from being a poor region facing the classical problem of capital shortage to being a centre of global dynamism. The diversity of Asia is acknowledged, though not well explained. Early on, Japan, Korea, Taiwan and Hong Kong were the high performers, followed by a few countries in the ASEAN region, and later by China and India. For the rest of Asia, however, progress has not differed much from that of other developing economies. Over the years, countries gradually built absorptive capacity, some with the help of external parties, including multilateral organisations such as the ADB. This aspect could have been better related to the discussion of the role of bilateral and multilateral development finance in chapter 14.

The rest of the book discusses the challenges and achievements of Asia. Chapter 4 (on agriculture and rural development) highlights the green revolution, productivity growth, trade and value chains, and the rural non-farm sector. Chapter 5 (on technological progress) emphasises trade, foreign direct investment (FDI), industrial agglomeration, urbanisation and competition. Total factor productivity (TFP) is rightly given attention, but the challenge of maintaining TFP growth to avoid the middle-income trap deserves more discussion.

For those who believe that people must be at the centre of development, chapter 6 may be the most important. After outlining the region's achievements in education and health, the chapter identifies gaps by comparing indicators in advanced countries with those in less advanced countries. Unsurprisingly, the book suggests investing more public money in schools, teachers and health-related infrastructure. A long list of 'shoulds' is given to help ensure that steady growth of labour productivity avoids demographic dividends turning into demographic burdens. Nevertheless, in a diverse Asia, efforts to improve human capital must also relate to the local context if, as economist Amartya Sen (1999) urges, development is to expand freedoms to live a good life as something more than 'resourcism' and 'utilitarianism'.

Infrastructure is the ADB's traditional focus and is covered in chapters 7 and 8. High-saving countries such as China are better able to improve infrastructure from their own resources, while low-saving countries can supplement funding with FDI and other external sources if there is sufficient openness. Like other development banks, ADB favours the public-private partnership (PPP) approach, which does not have a good track record in Asia (Romero and Ravenscroft 2018). The book should have considered why. ADB also urges for more public money to be invested in infrastructure, without weighing the risk that people may not get what they want. Because projects are often highly technical, people and civic groups are asked to trust policymakers, engineers and experts to manage things from the top down. Transparency, democratic participation and accountability in setting investment priorities and carrying through programs are some of the biggest challenges for Asian governments as well as being fundamental to human rights and well-being. These matters should have been addressed, not least in the 'Looking Ahead' section.

Chapter 9 (on trade, investment and openness) predictably discusses the role of global value chains, trade in services and regional trade arrangements, and sensibly calls for the region to support the multilateral trading system. Chapter 10 (on macroeconomic performance) presents a bird's-eye view of the region's good record in terms of macro indicators. It discusses how Asia weathered the global financial crisis (GFC) compared with how it experienced the Asian financial crisis (AFC). However, it does so without assessing the IMF's misguided policies during the AFC, and the differences in how the AFC and GFC affected Asia. This chapter also calls for regional cooperation, without mention of specific mechanisms and examples.

Chapter 11 outlines Asia's remarkable achievements in reducing poverty, though its income distribution is less impressive. The chapter makes the obvious point that poverty reduction remains unfinished. The chapter would be more useful if it addressed the difficulties in reducing poverty. Similarly, the discussions of Asia's achievements and challenges in improving gender equality and development outcomes (chapter 12) do not propose any breakthrough strategies or policies.

Given Asia's poor record on environmental protection, the most important message in chapter 13 is aptly summarised on page 440: 'If trends continue, the region will not be able to sustain the economic progress achieved over the past 50 years far into the 21st century, as resources will be too depleted and degraded and ecological systems too disrupted'. Here, too, the book acknowledges that cooperation between countries is important because the most pressing environmental challenges are transborder ones.

Article 1 of the 1966 ADB Charter states that regional cooperation is one of the aims for establishing the ADB. The book's last chapter is supposedly about strengthening such regional cooperation and integration (RCI). Yet this is the shortest chapter (just 10 pages) and offers little more than the cliché of highlighting the importance of private sector and market-led actions. The historical review of Asia's RCI journey is too short and rather unsystematic. The discussion highlights the expected gains from greater integration of trade, investment and services, but has very little to say about financial integration. Notably, the chapter does not discuss the downside risks of integration that are now causing public concern in a reactive Covid-19 world. Nor does it make any distinction between integration and cooperation, as if suggesting the two processes are identical. They are not.

Because the risk of financial crisis is influenced so much by the nature of financial integration, regional cooperation is crucial. Surprisingly, the book does not treat this as an important part of Asia's journey that deserves a separate discussion. Asia's reliance on outside financing during crises points to a lack of RCI in finance that exists despite initiatives with which the ADB has been involved. The ongoing Covid-19 episode shows how easily a crisis can threaten financial stability, how Asian countries continue to rely on external sources and why the importance of regional cooperation is second to none (Azis, Virananda and Estiko 2021).

Although Asia as a whole has done very well in the past 50 years, as the book shows, performance across Asian countries has varied widely. Why did some countries do well but not others? The typical answer is that policies differed on external trade, FDI and markets. However, to establish this argument as more than an ideological position, one should be able to show a lack of any Asian country in which policies supporting these areas were applied without achieving the intended outcome. One should also prove it impossible to identify any Asian country that did well without applying such policies. The book lacks rigor in both respects, which rather detracts from its aim of distilling 'policy lessons and their implications for the future'.

Discussion of politics and political institutions is a notable omission. On page xv, the book argues that 'Asia's postwar economic success owes much to creating better policies and institutions'. Each chapter does discuss policies, but overall the book gives very little thought to political institutions. Perhaps the latter is too sensitive a matter for an organisation such as the ADB that is owned by member countries. The most the book is willing to propose is that 'most countries have room to strengthen competition policy, intellectual property protection, contract enforcement and corporate governance' (page 83). It stops short of explaining why these policies are lacking in some countries. It is simplistic to propose that policies on trade, FDI and markets are the answer, without identifying the constraints that make those policies hard or impossible to implement. Analysis is needed on the influence of history, culture, politics and geography on the quality of institutions

and the capacity for reform. How these overlooked institutional and political constraints play out in different Asian countries will continue to shape Asia's journey, regardless of technology.

Overall, *Asia's Journey to Prosperity* is a good contribution to the understanding of Asia's past development. Nevertheless, given the recent Covid-19 shock, the timing of the book is rather unfortunate and its limited discussion of 'implications for the future' is already dated. Writing is said to have started in 2017, with publication in January 2020, the same month that the first recorded case of Covid-19 outside of China was confirmed in Thailand and two months before the World Health Organization classified the virus breakout as a pandemic. Cooperation between countries is required now more than ever. At the same time, Covid-19 is changing the way countries prioritise and address public health, social safety nets, governance, the environment, financial vulnerability and public trust, and therefore regional cooperation. Given that populist backlash is likely to grow owing to the failure of sharing development gains across populations, and given the impact of Covid-19 (IMF 2020; World Bank 2020), Asia's progress and prognoses may now be portrayed somewhat differently. That said, the book does provide a starting point for some necessary rethinking.

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