

## BOOK REVIEWS

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***The Key to Asian Miracle: Making Shared Growth Credible.* Jose Edgardo Campos and Hilton L. Root.** Washington, D.C.: Brookings Institution Press, 1996. 198 pp plus index.

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This book examines the East Asian high-performing economies from the perspective of the rational behaviour paradigm. It credits the rulers in these developmental states with the foresight and wisdom in designing special institutions and applying enabling policies deliberately to promote not only rapid growth but to ensure from the start that the benefits of such growth was widely shared. Hence the subtitle of the book: *Making Shared Growth Credible*. Few developing countries have been able to succeed in this way and as rapidly as the Asian Tigers.

What is the key factor behind this unique success story? Campos and Root see it in political leadership committed to the Principle of Shared Growth (Chapter 2). Given this political will, *The Key to Asian Miracle* proceeds to detail its principal argument in Chapter 3. Here the authors focus attention on domestic policy, specifically enabling policies designed and implemented by these development-minded leaders. From the beginning, these Asian leaders emphasized a Growth with Equity (GwE) strategy, unlike the neo-classical view of "growth first, distribution later".

Of course, there were extenuating circumstances as well in East Asia. Thus, in the initial stages, these countries were fragile regimes; many faced a Communist threat. Therefore, the rulers had to win the hearts and minds of the masses to

gain legitimacy and achieve regime stability. Consequently, a wide range of wealth-sharing mechanisms and policies were designed and applied to promote GwE. Notable in this policy menu was the priority accorded to asset redistribution: land reform and rural development particularly in Taiwan and South Korea (pp. 50–56), human capital formation via education and training for labour-intensive manufacturing (pp. 56–60), developing rural infrastructure (pp. 64–67), extensive equity restructuring as in Malaysia (pp. 67–68), effective tripartism and worker cooperatives (pp. 68–71), and subsidized public housing programmes as in Hong Kong and Singapore (pp. 74–75).

"To achieve their economic goals, leaders in the high-performing Asian economies needed to win the support and cooperation of economic elites." (p. 76). The modernizing rulers in the Asian Tigers wooed and welcomed the private sector as active partners in the task of economic development. The role which private business played was comprehensively controlled top-down by the state. Democracy or civil society was put in the back seat. In other words, this was not growth by the free enterprise spirit of a decentralized economy; rather it was state-led development in which the modernizing leaders harnessed and mobilized the aid of a willing private sector to achieve national objectives.

In this national development process, all segments of society had their specific role to play, viz. the technocrats, labour unions, the army as well as the business élites. The modernizing leaders were there to co-ordinate it, to make it all

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happen, to ensure that all contributed to rapid growth and all shared some of the benefits. Development became the logic and the central objective of domestic policy.

Campos and Root are right in crediting domestic factors and made-at-home policies for the economic success of the Asian Tigers. This sets them apart, for example, from the World Bank's 1993 study, *The East Asian Miracle*, which credits neo-classical market force as the determinant of miracle growth in East Asia. While Campos and Root look for enlightened and effective leadership to trigger GwE, the WB prescription, as is well-known, puts the emphasis on the standard neo-classical medicine of structural adjustment with virtually no concern (until very recently) for political institutions, leadership and the cultural determinants of development.

In their concluding chapter, Campos and Root briefly discuss the rise of East Asia in a comparative perspective. Their admiration for the East Asian success story is slightly tempered by the realization that in future the Asian high performers will face increasing political challenges. Having conquered the economic challenge of replacing poverty with prosperity, these countries will have to "accommodate a policy dialogue" (p. 177) amongst divergent interest groups often cutting across multi-ethnic identities.

What are the subjects of this dialogue? On these matters *The Key to Asian Miracle* is largely silent. There is hardly any discussion of the future of Overseas Chinese in Southeast Asia, in particular in Malaysia and Indonesia, where ethnicity remains a sensitive, taboo issue. Similarly, the issue of how to balance worker rights and labour standards in an increasingly affluent society is also ignored. The role of the army in economic development and in politics is not discussed. The question of gender equality is also put aside. While there is a passing reference to rent-seeking behaviour, the topic deserves much more serious attention. Rather surprisingly, the rapid emergence of China, and the implications of this fact on the rest of the East Asian economies as well as globally, are avoided. Quite surprisingly, the book

relies too heavily on Western sources; for example, in the case of Malaysia and Indonesia hardly any local scholars (for example Syed Husin Ali, Ungku Aziz, Jomo to name but a few) are cited. This omission is especially awkward in a work intended to stress the importance of domestic policy; after all, much of the credit for redistributive policies in these countries belongs to local scholarship, which provided solid empirical and analytical support for GwE strategy. It is about time that Western scholarship freed itself from Eurocentric tendencies, explicit or implicit.

These limitations aside, the authors have produced a well-written, well-presented work which should be of great benefit to any serious student of development. *The Key to Asian Miracle: Making Shared Growth Creditable*, is a welcome addition to the literature on the subject.

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**Population in Asia.** By Warren C Sanderson and Jee-Peng Tan. World Bank Regional and Sectoral Studies. Washington DC: IBRD/World Bank, 1995. Pp. 243.

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Although the commendably simple title of this book sounds impossibly ambitious, the content is more modest: a description and appraisal of selected aspects of family planning policy and services delivery for selected countries of Asia. While the topic is clearly that of population, it is not a book by demographers or for demographers. "The primary audience is policymakers with a general and broad interest in population matters" (p. 1) "... policymakers with a broad rather than a specialized interest in population problems" (p. 5).

The book is well written, clearly presented, and strongly supported by some 60 tables and 29 figures with the authors providing their own brief guide to the contents (p. 4). There are eight