Hilton L. Root. **Small Countries, Big Lessons: Governance and the Rise of East Asia.** Hong Kong and New York: Oxford University Press, 1996. Pp. xi+246.

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This book is the product of a worthy endeavor by the Asian Development Bank (ADB) to determine the role of government in creating the East Asian economic ''miracles.'' The enterprise began with a series of dialogues between ADB officials and representatives of government and business from the East Asian countries. Hilton Root, a senior fellow at the Hoover Institute at Stanford, was then commissioned to write this summary book, which consists of seven country studies—South Korea, Taiwan (''Taipei, China''), Singapore, Hong Kong, Malaysia, Indonesia, and the Philippines—followed by two general chapters, ''The State's Role in East Asian Development'' and ''The Search for Good Governance,'' and a long appendix on institution building for development. The search for explanations covers considerable ground, but systematic attention is given to three topics: bureaucratic capabilities, government-business interface, and the importance of income equity during economic growth.

It is entirely appropriate, indeed, one might think almost a fiducial obligation, for an institution such as the ADB to try to identify any useful lessons that the East Asian success stories might hold for increasing general knowledge about the development process. Unfortunately, the search for general lessons confronted two huge problems. First, the differences in the experiences of the seven countries were so great that any least common denominator conclusions can consist of little more than truisms and banal generalizations. Second, and paradoxically, it is not the most successful cases but, rather, the less successful ones that provide the most useful lessons. In the truly successful cases all the relevant variables seem to have fitted smoothly together to produce the ''miracles,'' and there is no way to judge the relative importance of any particular factor. In contrast, the less successful cases vividly illuminate a variety of specific obstacles to success. When a country has wise leaders, a disciplined and professional civil service, an educated population, and a high degree of equity, it clearly has the ingredients for success, but it is hard to weigh the relative importance of these different factors or to say what a country should do if it lacks any one of them.

The Great Man theory of history is restored to robust life in the country studies. Thus, although the ADB officials wisely rejected the inclination of the business participants to give major credit for success to authoritarian rule, they did end up making leadership a dominant factor. Park Chung Hee was critical for Korea, Chiang Ching-kuo for ''Taipei, China'' as the ADB is compelled to call Taiwan, and Lee Kuan Yew for Singapore. In contrast to these "developmental authoritarians," the equally autocratic Marcos was an "institution wrecker" who set Philippine development back several decades. Root seems to be somewhat ambivalent about how to classify Mahathir in Malaysia and Suharto in Indonesia because both get high marks for their commitment to development—Mahathir for recognizing the need to change Malay cultural predispositions and Suharto for respecting the advice of his technocrats—but both allowed a troublesome amount of patrimonialism and outright cronyism to flourish. Leadership, however, totally disappears in the case of Hong Kong, whose story is told without the mention of a single name. There it is the civil service and the rule of law that become all-important in explaining success.

The chapters of general analysis effectively puncture holes in the theory that authoritarian rule has significant advantages over democratic government in furthering economic growth. Indeed, Root makes it abundantly clear that the categories of democratic and authoritarian are much too gross for explaining rapid economic growth, and that "it is the quality of governance, not regime-type, that seems to be associated with the differences in economic performance" (p. 181). World history is filled with examples of authoritarian governments that failed to produce economic growth, and rich countries are predominantly democratic. With respect to the East Asian cases, the Philippines under Marcos belongs in the authoritarian column, not the democratic one.

Good governance involves more than just good policies and good institutional design. It must also include accountability, professionalism, predictability, and, above all, a well-trained and disciplined civil service. In a separate chapter, written with the collaboration of Barry Weingast, the merits and liabilities of "strong" and "weak" governments are analyzed, and the conclusion is that the ideal should be "strong but limited government." Governments need to be strong enough to protect property rights, uphold the rule of law, give predictability to policy, give order to public life, and insure stability, while at the same time remaining limited with respect to interventions into the private sector.

Good governance also means controlling corruption, a troublesome problem in nearly all the countries. Singapore largely mastered the problem not just by legal regulations but by paying civil servants salaries commensurate with the private sector—"Pay them peanuts and they will behave like monkeys" was Lee Kuan Yew's theory (p. 47). The prime minister gets a salary that is always higher than that of the highest-paid CEO in the country. The problem of extensive rent-seeking opportunities is seen as a major liability in Indonesian development. Root is not entirely convincing in his attempt to dismiss Korean corruption as a quaint "paradox," saying that money politics there was used to finance politics and did not distort comparative market advantages. Today few Koreans believe that the huge slush funds accumulated by Park's successors, Roh Tae Woo and Chun Doo Hwan, did not bring benefits to the businessmen who paid the most.

Closely associated with the issue of corruption in the government-business interface is the matter of the economic role of the Overseas Chinese. Root makes the interesting, but open to question, generalization that in Indonesia the domination of capital by the Chinese does not challenge the political authority of the military, while it does in Thailand. Historically, Indonesia, of course, had repeated race riots, while in Thailand the Chinese have smoothly blended into the country's life. It is true that Suharto and the first family had close ties with some of the wealthiest Chinese. Root, however, makes the argument that the nonassimilation of the Chinese into the Muslim majority society in Indonesia has forced the Chinese to rely very heavily on their ethnic ties and to be very careful in dealings with the others, while in Thailand it is easier for the Chinese to move out of their enclaves. The ironic result is that in Indonesia the Chinese, with their more secure networks, have greater business advantages than the more assimilated Sino-Thais have.

The question of growth with equity of incomes and wealth seems to have been very much on the minds of the ADB dialogue participants, but, unfortunately, the book fails to go beyond stating the obvious advantages of such a pattern of growth. Why is it that Singapore, Korea, and Taiwan had growth with equity, while Thailand's recent spectacular growth has only widened the gap so that today Thailand has the fifth most skewed distribution of income in the world, the worst outside of Latin America, and it has become a country where one out of every 15 cars sold is a Mercedes-Benz?

Although the book is rich in details and lively insights, it is also disappointing in terms of broad conclusions. No doubt in part because of the sponsorship of the project, the book seems at some points to skirt around delicate political issues, yet at times it also calls a spade a spade in most undiplomatic ways. (When talking about the role of family ties in Indonesia it boldly states, "In a society where family comes first, the first family comes before all others" [p. 108].) At a more fundamental level the book, as hard as it tries, is unable to come up with many lessons that might be applied elsewhere. Strong and wise leaders, a professional bureaucracy, and a high degree of equality in incomes may have been the keys to the East Asian "miracles," but how might they be replicated in South America or Africa?

The most positive contribution of the book is, first, that it lays to rest the debate about the comparative advantages of authoritarianism and democracy in achieving economic growth by making the critical point that what really counts is the quality of governance and, more specifically, the need for strong but also limited government. Second, it makes clear that the East Asian success stories, to a surprising degree, adhered very closely to the script authored by conventional development theory and did not depend on any unique or mysterious Asian elements.

Vijay Krishna, ed. **Raj Krishna: Selected Writings.** Delhi: Oxford University Press, 1995. Pp. x+484. $13.00 (cloth).

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Raj Krishna: Selected Writings brings together a collection of the writings of one of India's most distinguished economists. Edited by his son, Vijay Krishna, the volume includes many of Raj Krishna's most important academic and policy-oriented writings concerning the political economy of India.

The writings are divided into two broad themes: one emphasizes Raj Krishna's work in the field of agricultural economics and the other his concern about poverty and unemployment issues in rural and urban India. These two themes, as his son notes in the volume's preface, are illustrative of what were Raj Krishna's intellectual and practical concerns throughout his life. Although the stated intention is to present Raj Krishna's best work as an academic economist (highlighting, e.g., his methodological innovations in measuring rural unemployment in India), the writings also contain glimpses of the social activist and advocate. Indeed, to know Raj Krishna was to know a man whose persistent, passionate interest was in establishing economic arguments, methodologies of analysis, and policies designed to address and improve the economic conditions of the poorest of the Indian people, both rural and urban. It is clear that he lived by the maxim that economic growth was a necessary but not sufficient condition for economic development in India. Though he was greatly influenced by the scholarly contributions of mentors (notably Theodore Schultz) who exposed him to econometric and other methodologies of economic analysis, what might be called his "system of belief" in economics always pushed him in the direction of development policies with political and institutional, as well as economic, dimensions. Raj Krishna's writings, including those selected for this volume, reflect not only the capacity he had for rigorous economic analysis but also his willingness to stand by controversial positions, such as his belief that peasant organizations should be fostered by political and social workers to give meaningful impetus to land reform. Before and after he completed his Ph.D. at the University of Chicago, Raj Krishna allied himself conspicuously with disparate persons in India (e.g., academic economists such as M. L. Dantwala and political leaders of the democratic left, including the late Jaya Prakash Narayan) who were committed