Notwithstanding its issues, *Entrepreneurship in Singapore* is worth a read because of its treatment of an interesting and under-researched area. Chapters 2 and 3 are worthy resources in their own right.

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Industrial Policy for Development: Approaches in the 21st Century **by Ana Margarida Fernandes and Tristan Reed.** World Bank, 2026. Pp. 242

For more than two decades, the World Bank's (WB) loan operations and the IMF's structural adjustment programmes were conditioned on economic and financial reforms, with opposition to industrial policy interventions. This neoliberal wave is known as the Washington Consensus, a term coined by the late John Williamson in 1989.

The World Bank has significantly reversed its stance on industrial policy in its recent report, *Industrial Policy for Development* (WB 2026a). The report argues that industrial policies are replicable and should serve as a guiding toolkit for national policy across all countries. Three decades ago, in the *East Asian Miracle*, the WB discouraged the use of industrial policy, deeming it a costly failure (WB 1993). The report is a welcome, overdue correction and makes broad contributions, but it underplays both the long-standing work of UNIDO, UNCTAD and the UN Regional Economic Commissions on industrial policy and the heterogeneity of regional approaches, not only in Southeast Asia but elsewhere.

Industrial policy is defined in Chapter 1 as "*a government action expected to increase a strategic business activity*". It says that 80 per cent of WB's clients consider industrial policies useful and that, in developing economies, job creation and investment are prioritized over national security and climate change. The first four chapters provide a taxonomy of policies, tools and applications, relying on rigorous quantitative analysis and related case studies.

The governance and implementation of industrial policy are covered in Chapters 5 and 6. The roles of country agencies, national development banks, innovation agencies, and investment and export promotion bodies are analyzed within the industrial policy ecosystem. These are essential topics, as institutions and development have been broadly discussed by the development community, and clearly East Asia and other countries in the Asia-Pacific that have successfully industrialized have counted on an efficient bureaucracy.

The policy brief in Chapter 9 must be closely read, as it emphasizes that "Industrial policies for development can be effective only when embedded in strong fundamentals, including prudent investments in education, health and shared infrastructure". This is a warning for developing countries: industrial policies are not a panacea for all problems and must be closely grounded in macroeconomic stability, infrastructure delivery and institutional frameworks led by a technically capable government.

When it comes to contextualizing industrial policies, however, it remains unclear which industrial policy approaches and tools should receive the main emphasis, as the recommendations do not necessarily align with those of the flagship report. The Bank's *2026 Regional Economic Updates* addresses industrial policy on a region-by-region basis. For Latin America, it recommends strengthening governance to capitalize on critical minerals and asks the private sector to manage risks. For Africa, it urges the region to advance structural diversification and expand soft and hard infrastructure to leverage industrial parks and market access. For East Asia, it adopts a cautious view, recommending advancing reforms and embracing

AI and digital transformation to offset the negative effects of geopolitical frictions; for Europe and Central Asia, it recommends relying on Special Economic Zones, subsidies and non-tariff measures.

For Southeast Asia, industrial policy cannot be a one-size-fits-all prescription, as the region's diversity is a defining feature. Singapore is deepening its position in advanced technologies and R&D; Vietnam is scaling up electronics diversification; and Indonesia is betting on nickel downstreaming to capture more value from its resource wealth. The Philippines is navigating the transition from Business Process Outsourcing to AI, while Malaysia aims to consolidate productive clusters. A question is how resource-based strategies in Latin America or Indonesia align with the report's preference for low-distortion tools. Also, note that on governance and institutions, successful Asian experiences suggest disciplined, insulated bureaucracies that are not easily replicated.

These are not merely different priorities; they reflect fundamentally different positions in the global production hierarchy. Middle-income countries focus on technological upgrading to overcome the middle-income trap, while least developed countries, such as Timor-Leste, face the imperative to generate income and jobs to support structural change. Note that WB's cautious advice contrasts with the more interventionist strategies in Vietnam and Indonesia, and whereas the report itself recognizes different goals and constraints across income groups, industrial policy must be calibrated to the context.

The WB report also states that industrial policy is not only for manufacturing but must also encompass other productive activities, such as services, agro-processing and even tourism. The report identifies the lowest-distortion tools as industrial parks, skills development, market access assistance and quality infrastructure—areas that the development community has long emphasized and that constitute much of the work of global technical cooperation.

One caution should be noted: the WB report does not advocate for indiscriminate use of industrial policies; context and capabilities should be considered. Additionally, this is not a new approach, as industrial policies have long been a key focus of UN agencies (e.g., UNIDO 2026). Ignoring this work and the wider academic discussion would be a mistake.

The primary role of a development bank is to finance physical infrastructure, so it is likely that loans and countries' strategies will be tied to industrial policies (as long as the current policy momentum persists). Whether other development banks will fully embed industrial policy into their lending programmes remains to be seen. The playbook, however, has not changed. What has changed is the external environment: a global wave of renewed legitimacy for industrial policy expands the political space for governments to act without being penalized by donors or markets. That is an advantage that Southeast Asian countries should not waste.

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