

The edited volume is focused on policy lessons both positively in terms of handling the globalized world better and somewhat regrettably in the end of a model with the financial crisis disruptive effects both cyclically and structurally. One way to review it more creatively is to imagine a policy-maker using the book in a proactive way if the next financial crisis is to be averted. Whatever is the controversy about state's sovereignty in the era of globalization and technology, some effort to understand the resultant global landscape and to learn how to navigate in new uncharted waters is a must. Various put as being globalization-ready, the institutional and policy choices in the context of path-dependent irreversibilities in the national developmental require some macroeconomics and microeconomics as well as international relations ranging from trade and exchange to political economy of such transactions. Economies are increasingly open with the symbiotic revolution of globalization and information communications technology. Beyond trade in goods, financial services and the *de facto* financial integration via capital markets have shaken Asian and Latin American economies badly when their institutional processes, capacity, and governance are not all as above-board to be globalization-ready.

Whether the two crises in Asia and Latin America are as different as reviewed or the IMF as the neoliberal agent made worse with intuitionists' views as blamed in Thailand and Indonesia, averted by Malaysia's own brand of capital controls, the divergence among Asian miracle economies is very stark. It seems beyond the developmental state and policy explanations on one hand, and neither does a universal model fit. It is neither satisfying nor particularly adding much to extant literature if the edited volume simply concludes industrialization type distinguished into first-tier type through the domestic market then going global and the second-tier type with open-market industrialization from the start are better than the traditional miracle explanations.

One can ask one more question or go a step deeper why both the first- and second-tier industrialization type did not make it in the face of the Asian crisis. Can one surmise then that neither

industrialization type is particularly enduring and resilient? Even Japan, Korea, Taiwan, and Singapore do not seem to have the wherewithal or transformative capacity for their developmental states to make the successful crossover to be truly first world industrial economies, societies and politics like those in the Western Organization for Economic Co-operation and Development. Rather than simply pronouncing the miracle explanations as dead and should rest in peace, the editors could have hinted or developed some agenda for future research how neither of the two types were entirely foolproof. Western neoliberals would like to put the blame on the state of political economy and true democratization as they see it. Has Asia any defence even if Asia's high savings and attention in time and money on human resources development have been so distinctively prudent and virtuous. The new regional division of labour since the demise of the Japanese flying geese model especially when inserted itself into the scene is still not quite the alternative strut of the Asian developmental model, but an interesting poser which may complement and supplement other literature based on new technological trends and networked production bases and behavioural networks of communication and co-operation.

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***The Asian Development Experience: Overcoming Crises and Adjusting to Change.* By Seiji F. Naya.** Hong Kong: Asian Development Bank, 2002. Pp. 212.

Professor Naya's book is written mainly for the Asian Development Bank (ADB) and its professional staff. The author's primary intent is to suggest ways that the ADB "can best use its limited resource to address the diverse and changing development needs of its developing member countries" (p. iii). He prefaces his volume by noting that members have two primary needs: finding ways to achieve sustainable development *and* to

eradicate and alleviate poverty. He argues persuasively that these needs can be best met by strengthening the building blocks of governance, information and communications technology, human resource development, financial development and regional cooperation (p. iv).

The author's preface sets the stage for the remainder of his book. Naya begins his analysis by introducing readers to an overview of Asian countries' development experiences while noting some factors that have been common to their growth and development and their persistent problems. Within his first two chapters, he points out that while rapid growth occurred within the region, the recent financial crisis revealed serious structural weaknesses in many member countries' financial institution and decision-making structures and processes.

The principles contained in the introductory chapters are carefully drawn from the corpus of the theory of economic development. Naya's use of these principles set the stage for the remainder of his book in which the author points out that while progress has taken place, a great deal of serious policy and programme development and implementation remains to be done. For example, confronting environmental and social welfare challenges that face Asian countries requires raising factor productivity and sustaining development in the post financial crisis. Once these points have been made, the author devotes four chapters to analysing factors that are crucial to meeting the challenges: develop sound information and communications technology (ICT); create a nexus linking growth to poverty reduction; design adequate financial reform; and bring about sound regional co-operation. Naya's concluding chapter suggests ways in which the ADB can play an important role by focusing on the factors that he analyses.

A key factor to which the author draws special attention is the ICT sector wherein "the focus of attention in the production sector needs to shift gradually toward the development of high value-added, knowledge-intensive support services. Such services encompass software engineering, product design and engineering, and organizational

innovations such as quality control and inventory and supply chain management." (p. 63). In order to meet the needs, the ADB could assist in the development of specialized skills and continuing higher education as a part of its human resource development mission. Also, because Asian countries differ so profoundly in the area of ICT, closing "the digital divides (among Asian countries) will require an approach that addresses access in the forms of infrastructure, costs, competition and deregulation ... and the engagement and commitment of all elements of civil society." (p. 65).

Prior to moving to the concluding chapter on the role of the ADB and member governments' roles in Asian development, Professor Naya discusses the rising inter-dependence and openness among Asian countries. He traces the rise of regional co-operation involving such institutions as ASEAN, the Asia-Pacific Economic Co-operation (APEC) and the Pacific Economic Co-operation Council (PECC). For many readers this will be fairly old territory. However, the author offers an extremely interesting discussion of natural economic territories. Professor Naya notes that successful ventures have taken advantage of "complementarity through investment and technology transfers, and this stimulates production and trade ... (and) taking advantage of cultural and private business connections, in capitalizing on local comparative advantage, and in tapping into regional dynamism" (p. 115).

Naya points out that regional co-operation can assist in the process of financial reform. In this context, the author reiterates and summarizes succinctly the issues that have been widely treated in the professional literature. He argues persuasively that the ADB has an important role to play in the effort to mitigate against the re-occurrence of future financial crisis. Against this background, the author concludes his volume with an inclusive agenda for action on the part of the Bank. The primary agenda policy initiatives' foci are on meeting environmental and social welfare challenges, focusing on growth that provides a nexus for poverty reduction prompted and facilitating financial development — particularly among poorer Asian economic structures. He stresses the

importance of improving access to knowledge and technical information and making knowledge more useful in production and distribution processes.

Professor Naya concludes his work by acknowledging that in the past the Asian Development Bank has adhered to its founding mission and responded and adjusted to changing circumstances. Nevertheless, its directors, staff and clients must recognize “that further response and adjustment will be called for in order to adapt to changing conditions and new challenges” (p. 143). However, while the book is written primarily for the ADB and its professional and administrative staff, it is also relevant to a much broader reading audience. Naya’s superb and tightly woven work will clearly interest scholars and public officials whose primary interest is in promoting Asia’s long-term sustainable development with poverty reduction. Its contents will also provide a valuable component to university classes that focus on Asia and/or economic and social development.

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Vietnam: A Transition Tiger? By Brian Van Arkadie and Raymond Mallon. Canberra: Asia Pacific Press, 2003. Pp. 306.

The Vietnamese Economy: Awakening the Dormant Dragon. Edited by Binh Tran-Nam and Chi Do Pham. London: RoutledgeCurzon, 2003. Pp. 372.

Prior to the Asian crisis of the late 1990s, East Asia seemed to be heavily populated with tigers and dragons, all performing economic miracles of one kind or another. The principal miracle was that of maintaining a high economic growth rate over a relatively substantial period, commonly fuelled by substantial capital inflows. But after mid-1997, sightings of tigers and dragons became rare events. Indeed, it was feared they might have become as extinct as the dodo bird. But one country that appeared to come through the Asian crisis

relatively unscathed, and where tigers and dragons have again been spotted, is Vietnam. Seemingly tucked inside China’s high-velocity slipstream, Vietnam’s economy has been growing by around 7 per cent in recent years, and whetting the appetite of foreign investors. Vietnam has also become one of the darlings of the international donor community, despite its propensity to carefully — and quite sensibly — select which bits of advice proffered by these same donors to adopt. Two new books seek to shed light on the factors behind Vietnam’s robust economic performance, and each makes alliterative reference to either “transition tigers” or “dormant dragons” in their respective titles.

In *Vietnam: A Transition Tiger?*, Arkadie and Mallon depict and analyse the *doi moi* economic reform process, from its origins in the early 1980s, through to the present. And they do this in a cogent, considered, and insightful manner. In seeking to explain why Vietnam’s economic reform process has been so successful, they rightly focus on the important roles played by state institutions and human capital. “The pragmatic willingness to adopt market-oriented reforms [has been] combined with an institutional framework and a population which [has been] able to respond to the opportunities provided by the market ... institutions [have] performed well because of the use Vietnamese have made of them. The high quality of human capital and its importance is readily observable in Vietnam in the facility with which so many actors in the economy — from farmers, to businessmen and state officials — have demonstrated entrepreneurial flair in grasping economic opportunities.” Crucially, the economic reform process has comprised in part of gradually removing a plethora of barriers that had previously thwarted latent abilities in entrepreneurship and innovation. Nowhere has this been more evident than in the expansion of the private sector in Vietnam since the passing of the epochal Enterprise Law in 2000, which radically improved the enabling environment for new, non-state firms.

Arkadie and Mallon’s study provides a number of interesting conclusions for other developing and transitional economies, based on the experience of