

Resurgent Asia: The story of the Asian economic miracle

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In economics, it is often fashionable to be unfashionable. And it is most unfashionable when you challenge prognosis of great men. In *Resurgent Asia*, Deepak Nayyar has not only proved wrong Gunnar Myrdal's pessimism about Asia's economic prospects, but also delivered a dazzling promenade performance of an epic 'Asian drama'. After reading Deepak Nayyar's riveting tale of the rise of Asia, I am sure you would find *Asian Drama* a very pessimistic book, "long on analysis and short on hope". No doubt, *Asian Drama* will continue to remain on the shelves of my starry-eyed colleagues in development studies, but few works in economics generate enough power to transform their characters, and very few works are experienced. *Resurgent Asia* does both. With

lyrical poise and measured grace of non-ideological prose, Deepak Nayyar tells a complex, mysterious and flawed story of diversities of economic miracle in Resurgent Asia.

In a biographical literary trope, Nayyar reminisces as a young graduate student at Balliol College about the deeply seductive avant-gardist success of Asian Drama in the discipline of economics, when Gunnar Myrdal published his three-volume, 2,300-page magnum opus in 1968. Rooted in a largely European and ethnocentric perspective, even if it was through a Nordic lens, Asian Drama was so starkly negative about Asia that Gunnar Myrdal, despite his fabled polymath genius, and sympathetic outlook for subalterns in Asian economics, failed to predict the astonishing transformation of Asia since the 1950s. Here enters Resurgent Asia.

In a spook-reminiscence of philosopher Hegel, who famously said that “The Sun — the Light — rises in the East”, Nayyar reveals the surprising (re-) rise of Asia since the 1950s in such a magisterial and oracular voice that we are left awe-struck wondering about the imminence of the so-called ‘Asian Century’. If Gunnar Myrdal were around today, he would have been unbelievably chuffed and deeply flattered by Nayyar’s exquisite, reality-busting of dominant myths about Asian Drama. In short, written with a glancing lightness of non-fiction and anti-illusionist technique of drama, Resurgent Asia is a supremely picturesque fable of historical and analytical economics.

Nayyar, in his most ambitious and exciting work, convincingly challenges the mythical representation of Asia as the ‘same majestic ruin’ of the West in conventional economic history and theory. Like the original drama published 50 years ago by Myrdal, Nayyar presents the conventional storyline with the same ensemble, but with an entirely radical twist in the final act of the drama in Resurgent Asia. The result is a strikingly unusual pyrotechnical feat in the field of development economics that combines Brechtian pastiche and a Joycean web of historical illusions. No wonder, while watching this drama, we are led to the most enchanting and sublime stage performance of economic miracle in Asia, which has restored its historic significance in world economics to where it was in the mid-nineteenth century.

Marshalling a wide range of historical statistics, analytical insights and sensitivity to diversities of development trajectories in what Nayyar calls Asia-14 — 14 select economies of Asia that include China, South Korea, and Taiwan in east Asia; Indonesia, Malaysia, Philippines, Singapore,

Thailand and Vietnam in south-east Asia; Bangladesh, India, Pakistan, and Sri Lanka in south Asia; and Turkey in west Asia, Nayyar does justice to the unfolding of fortunes in the Asian development experience.

In other words, *Resurgent Asia* is far more heterodox, eclectic and broader in its analytical and geographical sweep than *Asian Drama*, which sought to focus primarily on India, Pakistan and Sri Lanka. In contrast with misleading neo-liberal market fundamentalism, Nayyar argues with a primal boldness that Asia's economic miracle was not a result of passive integration into the world economy, but contrary to the expectations of Myrdal, states performed a critical and strategic role in the economic transformation of Asia. In short, neither soft states nor strong states, but varieties of developmental states and political democracies with their flaws and warts, which can't be replicated elsewhere, have contributed to the diversity of the economic miracle in Asia, with "unequal outcomes for countries and people" in the region.

Nayyar argues perceptively that "Until around 1750, Asia accounted for almost three-fifths of world population and world income, while China and India together accounted for about one-half of world population and world income. These two Asian giants also contributed 57% of manufacturing production and an even larger proportion of manufactured exports in the world.

The Industrial Revolution in Britain brought about a radical transformation of the situation over the next two centuries culminating in the decline and fall of Asia during the period from 1820 to 1950. The solitary exception was Japan after the Meiji Restoration in 1868. The second half of the twentieth century witnessed the beginnings of change once again. It began with the East Asian Tigers — South Korea, Taiwan, Hong Kong, and Singapore — in the early 1970s. Some Southeast Asian countries — Malaysia, Thailand, and Indonesia — followed in their footsteps in the late 1980s. China and India came next."

In other words, *Resurgent Asia* is about the miraculous and mysterious rise of Asia that has defied the 'Great Divergence' model of economic growth through which western Europe and parts of the new world became the most wealthy and powerful civilisations in the 19th century.

In the meticulously researched eight chapters, Nayyar unpacks differences in initial conditions, highlights turning points in economic performances, assesses how processes of change were managed or mismanaged, discusses openness and industrialisation in Asia 14, considers the role of crucial economic and political roles of governments, analyses relationship between markets and governments through politics, and concludes with the evolution of the economic and political relationship between Asia and the world, as he says, "In retrospect and prospect to consider the economic implications of their engagement with each other for Asian development and the world economy".

The best parts are those in which conventional approaches are demolished and heterodox analyses advanced; in particular the chapters on 'Markets, governments, and politics' and 'Unequal outcomes for countries and people'.

Nayyar convincingly argues that 'inclusive economics institutions' evolve over time and they are a consequence rather than a cause of progress. And in a related tone, he provocatively sums up that "Asian century is a hyperbole" but there can't be a doubt that "Asian countries would emerge as world powers without the income levels of rich countries. China will be large and influential. And so, might India. But, as a continent, Asia will not have dominance that Britain had in the past or the United States has even now".

In the same breath, Nayyar warns us about the 'tyranny of majorities' in democracies, especially in places where resurgent nationalism rides on populist and xenophobic sentiments, and also cautions us about the 'tyranny of minorities' in market-led societies. Hope, liberals and radicals of various kinds are listening to him.

Though I agonised over the unconvincing exclusion of central Asia from the rise of Asia and also silence over 'victims of development' in Asia, I must confess, at the risk of being unfashionable, that I read Resurgent Asia with a pulsating joy and a lingering feeling that something momentous is at stake in Asia. As Santa Claus knocks at the door in this festive season of discontent, with extravagantly flashing lights and claps of thunder and blunder, I am left with a strange chuckle for being complicit in staging this play called Resurgent India!

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