

RESURGENT ASIA
Diversity in Development

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II. FINDINGS

- Rapid economic growth led the development process in Asia and was responsible for its spectacular rise in the world economy
- Asia was characterized by significant diversity in paths to, and outcomes in, development, which were shaped by the national context
- Governments performed a critical role, ranging from leader to catalyst or supporter, in the economic transformation of Asia
- Success at industrialization in Asia was shaped by sensible industrial policy implemented by effective governments
- Economic openness performed a critical supportive role wherever it was in the form of strategic integration, rather than passive insertion, into the world economy
- Inequality between people within countries rose rapidly almost everywhere, while the wide gap between rich and poor countries remained awesome
- There was a massive reduction in absolute poverty that could have been even greater but for the rising inequality

III. ANALYTICAL CONCLUSIONS

- Coordinate economic policies in pursuit of development objectives, while learning and unlearning from experience, for policies are means not ends
- For latecomers to development, heterodox or unorthodox economic policies – in trade, industry and macro-management – are more effective than orthodox policies
- Efficient markets and effective governments, together, adapting to each other as time and circumstances change, provide the way forward in development
- Economic openness, while necessary, is not sufficient, and is conducive to development only when combined with industrial policy
- Social opportunities for people, through public provision of education and healthcare which improve wellbeing, and economic development of countries reinforce each other in a virtuous circle
- Economic policies must be conducive to inclusive outcomes for growth to be sustainable and for development to be transformative