Asian questions

When Gunnar Myrdal was writing his three-volume *Asian Drama* in the late 1960s, no one would have dreamt that a Bangladesh, which was shortly to suffer from the deadliest tropical cyclone ever recorded, and then a liberation war, would emerge as a star economic performer 50 years later. The country that was dismissed by Henry Kissinger as an international basket case has now beaten its South Asian neighbours on both human development indicators and economic growth rates. Its per capita income of $1,905 compares with Pakistan’s $1,388, and is not far behind India’s $2,171.

Myrdal’s book is often referred to as monumental, being all of 2,300 pages. But he got many things wrong, including whether population would be a deadweight (today China and India owe their large internal markets to population growth), but he also got some things right (like, initial conditions matter). And some passages in *Asian Drama* read like little better than journalism. Still, Deepak Nayyar has chosen the book’s 50th anniversary to revisit Asia (Resurgent Asia: Diversity in Development).

Mr Nayyar’s story is nuanced, pointing to the different paths that countries in the region followed, often as a consequence of colonialism’s role in opening up closed markets. Shashi Tharoor in *An Era of Darkness* has speculated on whether India could have made it if it had not been colonised and given the railways and a modern administration (he thinks it would have), but it is certainly true that without external influence many countries of the region would not have introduced land reforms. Nor were Taiwan and South Korea countries that took to exports like ducks to water; they experimented with import substitution before they realised that their home markets were too small.

How much of the “Asian miracle” owes its success to autocratic rulers, and how were those rulers different from today’s Erdogan, on whose watch Turkey’s economy has tanked? Or other autocrats like Putin, whose Russia survives by exporting oil, gold, coal, timber, and armaments, while that other Bric economy, Brazil, still flatters to deceive with its modest growth rates? How were Asia’s leaders of yore different from our own Narendra Modi in their understanding of what it takes to get an economy on to a higher plane?

While refusing to get into the democracy vs authoritarianism argument, other than to say that democracy is an end in itself, and that it is more conducive to checks and balances, Mr Nayyar concedes that political democracy is neither necessary nor sufficient for economic development. He suggests that a Weberian bureaucracy was as much responsible for the success of the leading economies of Asia. Given that the economies of Asia range from communist to capitalist, and Myrdal’s observation that the same solutions in different countries seem to produce different outcomes, should India be willing to experiment more with administrative arrangements — which necessarily imply greater decentralisation?

Will this be an Asian century? Mr Nayyar thinks not, perhaps because only two or three countries in the region have reached high-income status. But if one looks through the Brics prism, the shift in the balance of power seems a foregone conclusion. The four Brics countries were supposed to account for half the GDP of the six leading western economies by 2025; they are already past that landmark — having got there from 15 per cent in 2003. The reason is how well the two Asian giants have done — but their natural rivalry will prevent them from acting together in pursuit of common objectives.

In the half-century since *Asian Drama* was written, India has missed the bus more than once. If we now want to avoid being dragged into a Hobbesian world dominated by one or two Leviathans, India needs to figure out whether it pays to be rule-takers or seek to be rule-setters (for instance, in a regional trading arrangement). Or, do we really have an answer to China’s strategic challenge? If not, what are our options? At the cusp of the century’s third decade, these and other questions flowing from Asia’s history of the last 50 years need urgent answers.