What Future for The Factory?

The New Industrial Revolution: Consumers, Globalization and the End of Mass Production
By Peter Marsh
Yale University Press, 2012, 320 pages, $23.32 (Hardcover)

Are we witnessing another industrial revolution unfolding in the early 21st century, one equivalent in scale and scope to that which took place in Britain 250 years ago? Peter Marsh, former manufacturing editor for the Financial Times, forcefully argues so.

He traces the new industrial revolution’s increasingly intertwined “revolutionary” features in six areas of global manufacturing: 1) computer-aided manufacturing and technology as a systemic resource; 2) huge consumer choice due to mass customization and personalization of production; 3) global value chains encompassing development, production and services; 4) the emergence of global niche production and markets; 5) the consideration of environmental issues in manufacturing; and 6) industrial democracy in which mass entrepreneurship directly connects invention and production.

Transform, Disrupt and Conquer

Is the 21st century still a century of industrialization? If so, what is to be done for those countries facing a new or re-industrialization in the coming years? This book, an outcome of close collaboration between three UN organizations, reviews crucial aspects of industrialization. Included are historical patterns; the proactive role policy has played in successful industrialization; the more recent context of global climate change; and the relationship between the state and entrepreneurs in the fast-changing circumstances faced by manufacturing sectors.

Lessons drawn can be summarized in three points:
1) Newly industrializing economies should follow the disruptive shift in manufacturing technologies from subtractive towards additive production, as in 3D printing. 2) They should locate themselves in the transformative global value and supply chains. China, by example, is striving to change from an investment-driven, export-oriented development model towards freer markets and a closer focus on near-term profits. 3) State industrial policy needs fundamental change from a top-down approach to one relying on a reciprocal relationship between state and entrepreneurs.

Rich in historical cases and theoretical reflections, this book is strongly recommended as a guide for practitioners of industrial policy and as a reference for students of industrialization.

Reviewed by Taehwan Kim

Pathways to Industrialization in the 21st Century: New Challenges and Emerging Paradigms
By Adam Szirmai, Wim Naude & Ludovico Alcorta
Oxford University Press, 2013, 472 pages, $96.25 (Hardcover)

Despite its title, Joe Studwell’s latest book is not a refusl of the debate in the 1990s, the heyday of neoliberalism, over the East Asian “economic miracle” — whether it was down to the workings of markets or the intervention and guidance of the state.

Studwell, who spent two decades as a reporter in the region, rails against the “intellectual tyranny of neoclassical efficiency economics” and argues that there are two distinctive kinds of economics applicable to countries in different stages of growth. One is the economics of development, which requires nurture, protection and interventionist policies necessary to become rich in the first place. The second is the economics of efficiency, which is applicable to a later stage of development and requires less state intervention, more deregulation, freer markets and a closer focus on near-term profits.

In the context of development economics, the author describes three ingredients for the East Asian miracle: reform of household farming to raise agrarian productivity and release labor forces; growth of export-oriented manufacturing; and closely controlled finance to support these sectors. Studwell contrasts East Asian economies with Southeast Asia’s, and says the latter were relatively less successful as they didn’t engage in sufficient agrarian reforms and focused on free-trade agreements over exports. He also argues that Southeast Asian countries’ financial sectors are being prematurely deregulated.

Going forward, the challenge for East Asia and Southeast Asia alike is to set in motion the efficiency economics necessary for the next stage of growth.

Reviewed by Taehwan Kim

The Recipe for Economic Success

How Asia Works: Success and Failure in the World’s Most Dynamic Region
By Joe Studwell
Grove Press, 2013, 320 pages, $18.69 (Hardcover)

Predictions that America is in decline wax and wane, but are on the rise again, particularly with China’s ascent. This book offers historical and theoretical counterarguments to such pessimistic views.

Drawing lessons from historical cases including Imperial Rome and China, Spain, the Ottoman Empire, Japan and Great Britain, Columbia University economist Glenn Hubbard and Hudson Institute chief economist Tim Kane provide a convincing theory on the subject based on a new measure of economic power. They argue that Great Power decline is fundamentally economic in nature, concurring, in part, with Paul Kennedy in his influential thesis on imperial military overreach. But Hubbard and Kane diverge from Kennedy in identifying the root cause of economic imbalance as stagnant political institutions biased toward status quo inaction. Their message is clear: Once the US rectifies its political institutional stagnation, it will resume being a rising sun.

To sustain growth past the catch-up phase requires a different mix of political institutions.

Reviewed by Taehwan Kim

Balance: The Economics of Great Powers from Ancient Rome to Modern America
By Glenn Hubbard & Tim Kane
Simon & Schuster, 2013, 368 pages, $19.99 (Hardcover)

Global Asia Book Reviews

GLOBAL ASIA Vol. 8, No. 3, Fall 2013
Is There Merit in Rule of the Worthy?

The East Asian Challenge for Democracy: Political Meritocracy in Comparative Perspective
Edited by Daniel A. Bell and Chenyang Li
Cambridge University Press, 2013, 392 pages, $16.99 (Paperback)

In the 1990s, “Asian values” advocates staged a bold challenge to triumphant Western notions of liberal, individualistic democracy. Asian exceptionalism lost currency with the 1997-98 financial crisis, but today, as the US and Europe struggle out of economic crisis, political paralysis and foreign policy quagmires, new challenges to the Western formula are emerging in the resurgent East, where China’s rise is lifting many boats along with it. One of the more philosophically interesting is the idea of “political meritocracy,” or rule of the worthy, as a unique legacy of East Asia’s Confucian origins and key to Asia’s current success.

Political philosopher Daniel Bell, a professor at Beijing’s prestigious Tsinghua University, teamed up with Singaporean scholar Chenyang Li to assemble works by leading thinkers to renew the old debate between the ideas of “one man, one vote” and “government by the worthy.” Their eclectic volume includes a rather optimistic spin on the Chinese Communist Party’s system of promotion, shows cracks in Singapore’s “macho-meritocracy,” and challenges to the Western formula are emerging in currency with the 1997-98 financial crisis, but today, as the US and Europe struggle out of economic crisis, political paralysis and foreign policy quagmires, new challenges to the Western formula are emerging in the resurgent East, where China’s rise is lifting many boats along with it. One of the more philosophically interesting is the idea of “political meritocracy,” or rule of the worthy, as a unique legacy of East Asia’s Confucian origins and key to Asia’s current success.

Kim Il Sung, Speedboat Pilot

Columbia University professor Charles Armstrong’s meticulously researched history of North Korea’s foreign relations explores the mythology of an isolated, unchanging “Hermit Kingdom.” He likens North Korea’s path to a speedboat in stormy waters negotiating hulking super-carriers (Russia, China, the US) and hostile destroyers (South Korea and Japan). By mining diplomatic cables preserved in former Soviet and East European archives, Armstrong re-creates North Korea’s foreign policy for Kim Il Sung’s five decades as leader. Kim never wavered in his primary goals: to maintain his nation’s sovereignty and independence and to keep rightists lured the need for US assistance at all costs. Instead, the divided opinions of center, left and right learned to reframe their positions in light of 3.11, without fundamentally rethinking their ideas, let alone bridging the gaps that separate them.

For example, centrists argued that the US government relief program reaffirmed the strength and importance of the US-Japan alliance, whereas rightists lamented the need for US assistance at all and called for complete “normalization” of Japan’s Self Defense Forces into a full-fledged military that would eventually have no need for the alliance. Leftists saw US assistance as part of a plot to maintain Japan’s status as a base for US hegemony in the Pacific and would curtail the alliance. None of these arguments are new, and none seem to be winning the people’s hearts and minds as a whole. Instead, Samuels’ search for change or an urgency about the need for change itself. Instead, the divided opinions of center, left and right learned to reframe their positions in light of 3.11, without fundamentally rethinking their ideas, let alone bridging the gaps that separate them.

Tyranny of the Weak: North Korea and the World, 1950-1992
By Charles K. Armstrong
Cornell University Press, 2013, $35.00 (Hardcover)

As an advisor to US President Barack Obama once put it, “never let a good crisis go to waste.” Yet that seems to be what has happened in Japan in the wake of the 2009 earthquake and tsunami meltdown. MIT professor Richard Samuels says in this probing study. Samuels, a distinguished Japan expert, spent six months talking to his contacts and listening to Japan’s national conversation, and while he did hear “dueling narratives” over Japan’s future, to his surprise he did not find a new national consensus about how to change or an urgency about the need for change itself. Instead, the divided opinions of center, left and right learned to reframe their positions in light of 3.11, without fundamentally rethinking their ideas, let alone bridging the gaps that separate them.

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Why Has Japan Failed to Change?

3.11: Disaster and Change in Japan
By Richard J. Samuels
Cornell University Press, 2013, 296 pages, $29.95 (Hardcover)

As an advisor to US President Barack Obama once put it, “never let a good crisis go to waste.” Yet that seems to be what has happened in Japan in the wake of the 2009 earthquake and tsunami meltdown. MIT professor Richard Samuels says in this probing study. Samuels, a distinguished Japan expert, spent six months talking to his contacts and listening to Japan’s national conversation, and while he did hear “dueling narratives” over Japan’s future, to his surprise he did not find a new national consensus about how to change or an urgency about the need for change itself. Instead, the divided opinions of center, left and right learned to reframe their positions in light of 3.11, without fundamentally rethinking their ideas, let alone bridging the gaps that separate them.

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Bitter Pills for China and the US

Will This Be China’s Century? A Skeptic’s View
By Mel Gurtov
Lyneen Rienner Publishers, 2013, 180 pages, $19.95 (Paperback)

A political scientist and seasoned observer of US-China relations, Mel Gurtov offers a crisp and insightful meditation on the implications of a rising China. In his view, the Chinese giant stands on feet of clay, and myriad challenges at home limit Beijing from playing a more active role abroad. Yes, China is trying to fashion an “international identity” suited to its wealthier, more powerful self, but Gurtov sees no evidence of a “grand strategy” at work.

He sees China and the US as the yin and yang of the international political order. Nationalism in the US is expansive and ideological, while Chinese nationalism is pragmatic and defensive, seeking to restore the nation to a position of equality, not to topple liberal democratic regimes worldwide.

Gurtov not only raises fundamental doubts about how China can sustain its ascent, he then turns his gaze back on the US, dissecting the pathologies in the US economy and political system: ingrained inequality, politics corrupted by campaign contributions and the like. China and the US are trapped in unsustainable models of development (Beijing) and dominance (Washington), he concludes, and the 21st century will belong to neither. This slim volume should be of interest to anyone thinking through what the future of the pivotal US-China relationship portends. Reviewed by John Delury

Reviewed by John Delury
**From the Elite to the Electorate**

**Revolution from Above: India’s Future and the Citizen Elite**
By Dipankar Gupta
Rupa, 2013, 225 pages, 495 Rupees (Hardcover)

In this provocative book, Dipankar Gupta, a leading Indian sociologist, challenges the idea that democracy is driven by ordinary people. They may go to the polls to elect a government, but true democracy can emerge only when there is genuine fraternity among citizens. And this can only be when all have equal rights and opportunities.

The two principal policies to create fraternity are universal education and health care. But the initiative will have to come from what Gupta calls the country’s “citizen elite” — enlightened and visionary intellectuals and political leaders who rise above their class interest to strive for these goals, even if ordinary citizens are unaware of the equality of opportunity they will create. Mahatma Gandhi and Jawaharlal Nehru were two such citizen elite who pushed non-violence, fought untouchability, promoted secular policies and built much infrastructure, and not because the masses demanded this, but in order to lay foundations for a fraternal, modern India.

Gupta surveys the history of European democracy, including the Basque region where he was a visiting professor, to find examples of how democracy took root and prosperity was created in the middle classes through initiatives of citizen elites. Gupta does not hide his disappointment that economist Manmohan Singh, who could as prime minister possibly have been a citizen elite, turned out to be a mere politician. Written with passion and verve, this is thought-provoking book, holding out a glimmer of hope even in today’s dysfunctional Indian democracy.

Reviewed by Nayan Chanda, a Global Asia editorial board member and the Editor of YaleGlobal Online.

**Stumbling Giant: The Threats to China’s Future**
By Timothy Beardson
Yale University Press, 2013, 517 pages, £25.00/$35.00

After a wave of books predicting China’s inexorable rise to rule the world, more skeptical writers have now begun to appear, their books timed coincidentally with the slowdown of the Chinese economy.

Joining the new trend is a veteran investment banker with 35 years experience in Asia and a keen interest in China. Timothy Beardson has written an ambitious book encompassing virtually every aspect of Chinese life today. He expresses admiration for what the Communist leaders of this millennial civilization have achieved, but paints a picture of the challenges ahead. He points out that China’s export-led growth model is broken. And this at a time when a rapidly aging population and rising cost of environmental degradation are creating huge burdens, and as unemployment and growing inequality threaten social stability. If this goes on, China will be an aspirant First-World power that gets old before it gets rich.

If this goes on, China will be an aspirant First World power that gets old before it gets rich. In his non-ideological and nuanced rendering of China’s complex problems, Beardson does not rule out it defying the odds and pulling through. But managing to preserve the regime may not lead to China rising to replace the US as the world’s leading power.

Beardson’s research is impressive and his writing style light. His near encyclopedic coverage of modern China makes it the “go to” book for readers who don’t have the time to read many books on China.

Reviewed by Nayan Chanda