

The Economics of Peace and Security Journal

© www.epsjournal.org.uk, ISSN 1749-852X

Book Review

Stubbs, Richard. 2005. *Rethinking Asia's Economic Miracle: The Political Economy of War, Prosperity and Crisis*. Rethinking World Politics Series, Houndmills, Basingstoke: Palgrave Macmillan. xii + 276 pp. ISBN 0-333-96461-6 (paperback). Price: £19.99.

by Bjørn Møller (29 November 2006)

This book is an original analysis of the development of the “miracle economies” of East Asia, in particular Japan, South Korea, Taiwan, Hong Kong, Singapore, Malaysia, and Thailand. The author’s thesis is that their remarkable performance until the 1997-98 crisis was due, to a large extent, to geopolitical developments in general and to the hot and cold wars in particular which have affected the region ever since Japan’s Meiji restoration. Preparations for the Second World War, especially in Japan, but with reverberations in Korea and Taiwan, aided the foundation for economic development based on a central role for a strong state. The war ravaged the entire region, not least Japan, and the immediate aftermath featured occupation by the United States and the stripping of many factories for funds to pay reparations. Nonetheless, it left the institutional foundations for growth intact, even in defeated Japan. Moreover, the ensuing Cold War affected the region almost immediately (and in a big way), and ensured the entire region important trading privileges granted by the United States along with aid and investments lest the region should succumb to communist pressure. Even the hot wars in Korea and Vietnam, according to the author, were generally beneficial for economic growth in the countries not directly involved. Not only did the economies benefit from U.S. investments and aid, but their central position as “dominoes” that just might fall also gave incumbent regimes considerable leeway to conduct policies that might otherwise not have been seen as acceptable: statist, authoritarian (but stalwartly anticommunist), nationalistic, and protectionist.

With the end of the Cold War, the region lost a good part of its geopolitical centrality, bringing the same kinds of pressures for liberalization and democratization to bear upon it as the rest of the world had long been subjected to. That these pressures forced the removal of some of the previous institutional foundations for economic growth without replacing them with viable substitutes made the economic crisis well nigh inevitable. But that the crisis was not even more profound, and that most countries soon recovered testifies, according to Stubbs, to the considerable “staying power of [the countries’] institutions.”

Stubbs’ analysis is considerably more nuanced than this summary indicates, highlighting the differential effects of war on different countries at various historical junctures. In some instances, the consequences of war were destructive and disintegrative, whereas in others they were formative and reformative. The author does not lend support to arguments sometimes encountered that “Asians work harder than Africans,” but attributes East Asian’s comparably greater success to what is effectively a historical coincidence: “For no other country in the world was the sequence of geopolitical events so advantageous during the second half of the twentieth century as they were for the seven successful Asian economies ... In neither Africa or Latin America was the threat from communism sufficiently grave and imminent to promote strong

states or to encourage the [United States] to provide aid on the scale that it did to the frontline states in East and Southeast Asia” (p. 232).

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