

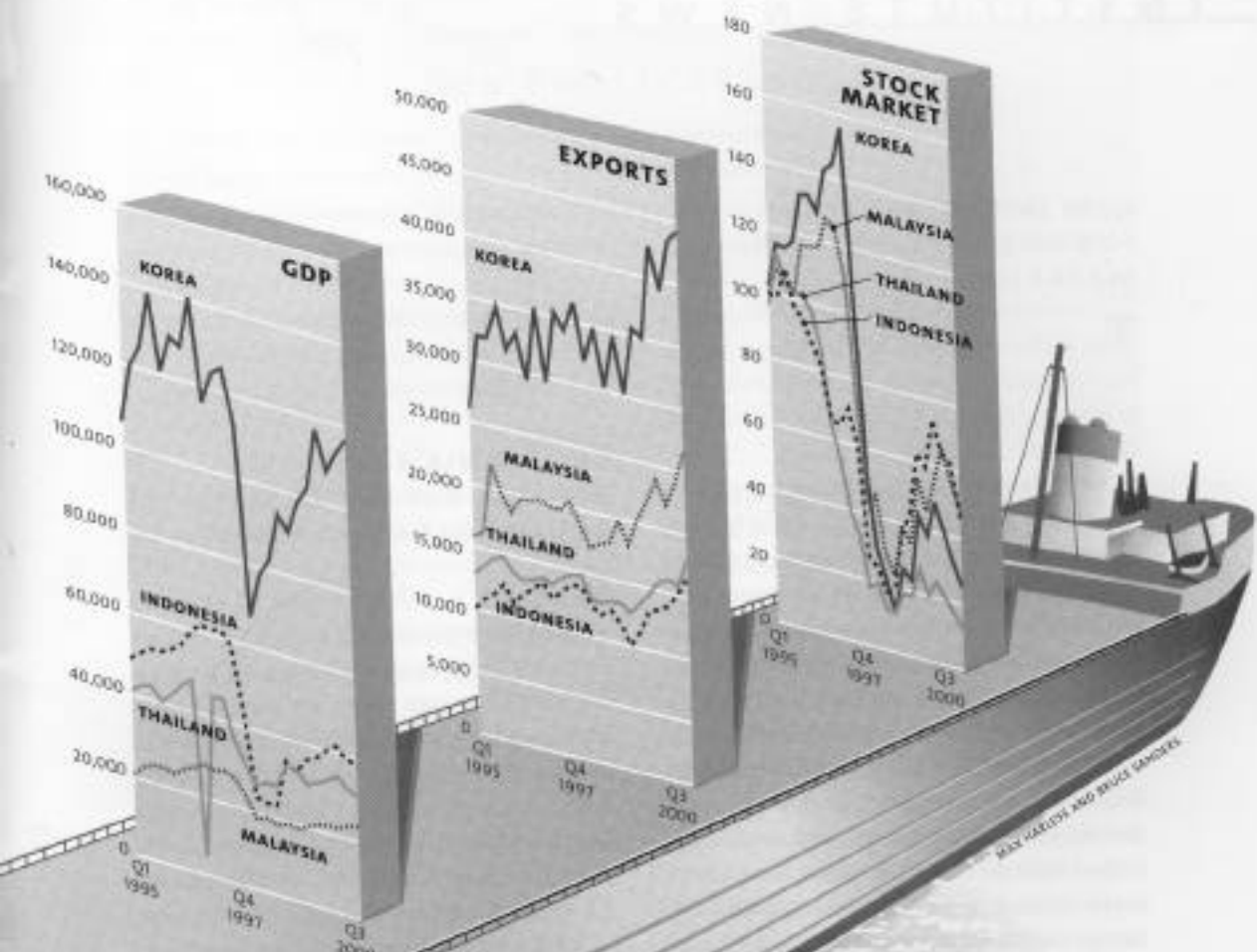
Jim Rohwer paints an optimistic picture of Asia's economic future in *Remade in America*, excerpted on page 65. But the numbers suggest that four emerging Asian economies, which were billed as unstoppable tigers in the early 1990s, have a long way to go just to get back to where they were before the 1997 financial crisis.

South Korea, Indonesia, Malaysia and Thailand have all done what comes naturally – pinning their hopes on an export-led recovery. All have taken advantage of currency depreciation to stay in the export game, with substantial gains in exports measured in dollars. But that hasn't translated into similar gains in economic output or stock market capitalization, which remain far below mid-nineties peaks.

One interpretation is that the recovery is simply harder than most observers expected – and that much of the positive change is still below our radar screens. A more pessimistic view is that the basic mechanism of growth in Asia is broken and policymakers lack the means and/or the will to fix it. Capital markets remain primitive and export industries still run the show, the pessimists say. The good folks who brought you crony capitalism just aren't about to sacrifice their wealth and perquisites to bring them into the modern economic era.

— Thanks to the Milken Institute's
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The old ways aren't working

Exports up, income and stock markets down