
Preface

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Biographical notes: D. Tripati Rao holds a PhD in Economics from the University of Mumbai and an MPhil in Applied Economics from CDS, JNU. He is also qualified for UGC-NET for a Lectureship in Development Economics. He has taught macroeconomics, international economics, managerial economics and money, banking and monetary policy. His areas of research are monetary-macroeconomics, macroeconomics of finance, international economics, and Indian economic and business environment. His research papers and reviews have been published in numerous international refereed journals and in national refereed journals. For many years, he regularly wrote columns on Indian economics, political and social issues in *Asian Analysis* by invitation from ASEAN Focus Group in cooperation with the Faculty of Asian Studies, Australian National University. He has also written columns in *The Economic Times* and *The Hindu Business Line*. He has co-directed many national and international in-company executive training programs for IRS, IES, IRTS, SBI, ONGC, BPCL and GAIL.

Is the 21st century growth script to be written by Asian economies? There is a tectonic shift in growth dynamics to the East, with Asia accounting for 55% of global growth in the last decade and this seems set to continue. The Asian growth juggernaut, intermittently halted by weak global demand that sprang from the unprecedented global financial crisis and consequent global slowdown, is well on the way to recovery. The United Nations *Global Economic Outlook* forecasts that East Asia will moderately pick up to 6.1% growth in 2014–2015 from 6.0% in 2013 owing to rebound of exports growth (United Nations, 2014). South Asia lags behind with growth forecast to pick up to 4.6% and 5.1% in 2014 and 2015 from 3.9% in 2013, led by demand revival in India and rebounding exports growth. Therefore, although it would take some time to return to the pre-crisis growth trajectory, and for which the government of the day needs to pull all the policy levers in its arsenal, very few would doubt in their resilience. Besides their short-term neighbourhood economic trajectory, Asian economies, except for Japan, are the focus of global attention for their promise of immense long-term growth potential, and rightly so. For that, together they have demand, demography and low-cost labour advantage. Asia's per capita income increased 14 times from \$497 to \$6844 during 1980 to 2012 with an average growth of 8.5%, and it accounts for one-third of world GDP in PPP terms. With growth it has been able to lift 700 million out of dire poverty during 1990 to 2010.

But how well they reposition themselves by benefiting from the advantages of these home grown economic parameters will equally centre on their well-thought-out attention

to reform the economic, political and legal institutional framework in order to foster a rapid development in physical, financial, and now we can add the new dimension – ‘digital’ infrastructure. Interestingly, Asian economies’ strength lies in the inherent organisational and cultural diversity within Asian economies, and for that reason, they may find their own way of developing the requisite infrastructure. This is just not a prerequisite for a long and sustained growth but essentially a *sine-qua-non* to address the wellbeing of a large base of the pyramid; a sizeable section of society that continues to languish in abject poverty. Hence, the governments have enormous responsibility in creating a sizeable as well as diverse physical infrastructure of fair and affordable quality, be it power generation, water and sanitation, railways, rapid transport system, shopping centres, e-commerce, managerial personnel, etc. They must generate income earning opportunities and employment avenues to ensure shared prosperity, sustained demand and stability and growth of the Asian nation states.

While China is undergoing a macroeconomic readjustment from an investment driven economy to a consumption driven economy to ward off domestic unrest and political instability, Japan is yet to wake up from its deep slumber with lacklustre consumer and business confidence, in spite of the three arrows fired by Abenomics. The IMF’s Finance & Development (June, 2014a, 2014b) periodical outlines five challenges in the way of sustained growth: the middle-income trap, improving institutions and governance, ageing population, rising inequality and financial development. Asia houses close to 700 million poor people, constituting 65% of the world’s poor (living on less than \$1.25 a day) and 1.7 million poor people living on less than \$2 a day, and typifies growing income inequality. As per the ADB (2012) report, in developing Asia, 1.7 billion people, constituting 45% of the population, lack access to sanitation and 680 million are without access to electricity. Infant mortality rates among the poorest households were 10 times higher than those among the affluent households. The gender gap is visibly upsetting, with women’s labour participation being 40% of men, and in Central and West Asia girls’ primary and secondary schooling enrolment levels are 20% lower than those of boys. The better off ones in many Asian economies are the ones residing in coastal urban provinces, who gain access to better infrastructure and markets. Asian emerging markets have a cut-out uphill task of breaking away from the middle-income trap and getting tagged as advanced economies.

Asian economies no longer can afford to live with poor governance, which characterised most of the post World War II era to varying degrees. Jha and Zhuang (2014) find, not surprisingly, a strong association between better governance and Asian prosperity, i.e., the positive association between growth and two indicators of governance – government effectiveness and regulatory quality – is stronger in Asia. Specifically, weak governance restrained infrastructure growth in Asia significantly. A substantial step up in education, health, and social infrastructure will address income equality, social inclusion and a better market access. Therefore, given these economic and social imperatives of Asia, reforming institutions for fostering an inclusive growth through the provisioning of quality services across social classes can be located.

The present issue of *Journal for Global Business Advancement*, a special issue on ‘Fostering Asian Growth: Reforming Institutions for Better Service Provisions in Asia’ is a collection of five papers focusing on different but related dimensions of: (i) institutional reforms for industrial growth in India; (ii) delivering quality services by rapid transport system for the benefit of consumers in Thailand; (iii) quality service provisioning through online/internet shopping centres to consumers in Malaysia;

(iv) product quality and service quality in developing brand equity and (v) the impact of ISO certification on organisations.

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