

BOOK REVIEW

Anikó Magasházi (2021). *Singapore Globally Entangled. Lessons for Central Europe?* Kőszeg: Institute of Advanced Studies Kőszeg (iASK), 310, ISBN 978-615-5742-15-6

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Anikó Magasházi's monograph provides an analysis that is embedded in a thorough and well-constructed discussion of the major and salient features of Singapore. The novelty of the topic is as evident today as it was evaluated by the author already as early as 1988 in her doctoral thesis. It still resonates particularly well today as developing countries search for alternative models of economic and social development in an increasingly turbulent and uncertain world. In some ways, the example of Singapore shines a light on what could happen in the best of all possible worlds; and the analysis explores new perspectives for emerging open and small countries, like Hungary.

The author states: "As a small open economy strongly embedded in the world economy, Singapore proceeded, while interacting closely with the activities of transnational corporations (TNCs), from the so-called 'third economy towards the first,' and it had transformed from a developing to a developed economy by the 1990s" (p. 19). Of particular relevance to Hungary is "the fact that today Hungary matches countries in the East Asian region such as Singapore or Malaysia in terms of vertical integration, its coupling with global value chains and production networks" yet this, she states "is hardly recognized" (p. 21); and "The role of home and host countries which shape the operation and investment environment to ensure their own competitiveness is an important factor for the competitive advantage and success of firms" (p. 33).

Chapter 2 provides an excellent synthesis of the major theories on TNC operation and includes important conclusions like "the role of institutions within particular nations and their social capital comprised a critical factor that distinguished faster growers from slower ones" (p. 29). Altogether this section shows the thorough grasp of concepts and their application to the study in hand by the author and is to be commended. The chapter also places Global Value Chains (GVC), Global Production Markets (GPM), and Global Innovation Networks (GIN) concretely in the context of Southeast Asia. Analysis and application of all three require an interdisciplinary approach which is clearly reflected here.

When innovation is addressed, the author shows that Aa shift in the geographical locations for innovation [...] in the twentieth century takes place in Asia, especially in the last decades" (p. 54). This has major implications for all Western economies in Europe and the US and is

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related to the fact that this is mainly due to the region's high density of TNC global production networks.

The success of regional development in Southeast Asia provides another critical lesson for Hungary and East and Central Europe, namely that "accelerated globalization rendered this region as the most significant site of competition not only among the macro-regions of North America, Western Europe and Southeast Asia, the so-called 'Triad' or 'motors' of the global economy (Yeung, 2008: 3) but smaller border regions and regions within a country too" (p. 67). One important conclusion from this chapter is the assertion that "[...] studies have pointed out that regional institutions may mobilize their specific assets [...] to bargain with the lead firms of GPNs when 'their region-specific assets are highly complementary to the strategic needs of lead firms' (Coe and Yeung, 2015: 21)" (p. 67). This approach to regional development and cooperation could certainly enhance development in the region of Central Europe as well.

The interesting and comprehensive historical development of Singapore's economy in Chapter 4 provides comparative and interdisciplinary analyses, especially the section on "Politics, Culture and Identity" that I found particularly engaging. The statistics and quantitative research analysis clarified the arguments considerably about the particularities of Singapore's development track and strategic decision-making in terms of its economy and the role of the *supportive institutional system* which is the centerpiece of the book as a whole. This supportive institutional system can also be labeled as an "enabling state" or an "adaptive" state in other literature.

I also need to mention the important conclusions of the discussions in this chapter, because they have exceptional relevance. They can be summarized in five points:

1. *medium-term development planning*, in the form of recommendations, and the drafting of an economic strategy and performing innovative measures of industrial policy are required to provide "organized assistance" for the public sector in overcoming its competitive disadvantage;
2. the formation and implementation of economic policy goals needs to be ensured by an *efficient and corruption-free public sphere* that employs highly qualified and well-paid professionals, and an extensive institutional system;
3. *active industrial policy*, that encourages firms to participate in the state's industrialization program through designated target sectors with the deployment of financial incentives and tax allowances;
4. *direct state participation in capital accumulation* can occur by offering credits and ensuring industrial areas that lead to the close integration of the financial and production spheres; this mandatory scheme in Singapore created resources for societal investments, enabling capital accumulation through budget surpluses from the very beginning;
5. more direct intervention into the economy through the sizeable *public sector* that nonetheless *operates under market economy conditions* is required.

These conclusions fit with my own multi-stakeholder approach that encompasses states, markets and societies (or the prince, the merchant and the citizen). The success of such a multi-stakeholder approach is also evident in other aspects of the book's analysis.

What follows in the book is a detailed and extensive analysis of the educational, research and development, and science and industrial parks sectors (or clusters). This, once again, highlights the valuable interdisciplinarity exhibited in the study.



The comprehensive evaluation of business sectors provides the needed substantive examples that underpin the earlier theoretical and methodological analyses, as well as the placement of Singapore in the regional and global contexts.

I would like to finish by re-stating one of Dr. Magasházi's important conclusions: "The conscious and prescient organization of education through establishing new universities and adapting the best practices of world-famous universities to local conditions and upgrading existing institutions continuously advanced in tandem with future-oriented economic strategy goals, constitutes part of an integrated planning system" (p. 254); and one of the key components of this strategy for long-term development "[...] is to attract top scientists and professionals [...] rather than to draw foreign investments at any price" (p. 255).

This is the challenge for science and education today as we hopefully move to non-carbon-based economies before it is too late, but time is running out. Old institutional structures of states, economies and societies need to adapt quickly to changing conditions and change fundamentally or they will fail future generations and we will be to blame for that.

Many lessons for Central Europe can be found in these pages, and addressing how the current COVID-19 crisis has been successfully managed in Singapore at the state and society levels offers exceptional insight for the countries in our region and beyond.

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