

Journal article review essay examples

[Parts of the World](#), [Asia](#)



In this article, Huang and Wang examine the major economic transformations that have taken place in the Asian economies during 2000s. The transformations provide the basis for evaluating the challenges that are most likely to face these economies in the 2010s, and for drawing essential implications for the world at large. The authors focus on three changes that they believe were most fundamental to the Asian economies in the past decade. They include: vertical integrated supply chains within the region, and the role of these economies as commodity consumers; the accumulation of huge foreign exchange, emergence of large current account surpluses, and huge capital exports from the region; and, regional cooperation through free trade agreements and the Chiang Mai Initiative.

I have to admit from the onset that Huang and Wang have done a good job. The study's research questions are relevant as the study addresses an important topic that gives an insight into the future of the Asian economies. The study supports and adds new ideas to the previous research studies. The authors have conducted an intensive literature review, and compared their findings with the previous ones. The findings are well explained and supported by various economic theories and literature.

The paper findings indicate that 2000s was the period for massive economic transformations in the Asian economies. The economies changed significantly from predominantly low-cost exporters of labor-intensive products to predominantly consumers of global commodities, and are a part of the integrated supply chains across the region today. Initially (in the early 2000s), the Asian economies imported capital, faced the pressure for currency depreciation, and ran current account deficits. Currently (in 2010s),

most of these economies have massive capital exports, undervalued currencies, and large current account surpluses. The findings also show that Asian economies initially opted for the unilateral approach in economic liberalization. This has changed significantly as most of these economies today focus more on the regional co-operation in such areas as trade, finance and macroeconomic policies.

The growth of the Asian economies picked up in 2000s while that of the world as a whole remained almost unchanged. Various fundamental changes were seen in the industrial structure and the regional division of labor across Asian economies. When China entered the game in 2001, there was dramatic growth of FDI into China, especially the heavy industry and electronics sectors. Many producers moved into China and the China's exports skyrocketed. Today, Asia (China in Particular), have become the most essential commodity users due to the rapid urbanization and industrialization. The authors further indicate that the Asian financial crisis is what led to the turnaround in Asia's current account positions. There was massive borrowing from international capital markets prior to the crisis, over-investment in certain parts of the economy, current account deficit that resulted in currency depreciation, and small amounts of foreign reserves that were inadequate to defend Asia's currencies. Policy-makers decided to counter the problems by making special efforts in supporting the export growth, promoting current account surpluses, and accumulating the foreign exchange reserves. This has been a success story today: Asian economies have become a major exporter of capital.

Before the Asian financial crisis, policy co-operation was the major trend

among the Asian countries, though less successful. Economic liberalization, with unilateral reform, was the order of the day. Every economy decided on its own liberalization programs despite the policy choices of other economies. After the crisis, the unilateral approach undergone an important change as the policy-makers worked towards promoting regional co-operation. The result was an exponential growth in the number of bilateral free trade agreements (FTAs). From various literature reviews, Huang and Wang indicate that Asia is far much ahead of America considering the FTAs per country (3. 8 against 2. 9).

The Asian financial crisis, perhaps, made the individual economies realize that they were not strong enough to protect themselves. Besides, global financial institutions were unreliable. Initially, economies believed that liberalization was necessary for development, and the faster it was, the faster the development was too. However, the Asian financial crisis made the economies realize that rapid liberalization was a perfect recipe for import surges, with adverse effects on the industrial sector. It's also possible that there was strong competition among the regional economies. These, I believe, were the reasons for the shift from the unilateral approach in economic liberalization to regional co-operation through FTAs and the Chiang Mai Initiative.

According to the authors, the effects of the aforementioned changes are already felt by the rest of the world. Asian capital exports have led to a decrease in interest rates around the world. The excessive borrowings and asset bubbles in some developed economies like U. S are blamed on this. Also, Asian demand, especially the Chinese demand, has been seen as key

to the super-cycle of the global commodity markets.

Despite these changes and success, the authors acknowledge that Asia still faces important challenges in the current decade. It is not certain whether Asian growth can continue, whether the demand for commodities can moderate, whether the current account surplus can be reduced substantially, and whether Asian economies should continue with the regional co-operation or focus more on the global initiatives. The authors project that, Asian economies will account for about 40% of the world GDP by 2020. If the needed structural reforms are put in place, Asian economies would continue expanding, though the pace might moderate. The demand for commodities would remain strong, though the pace of growth might slow. This, I believe, is due to the strong factors that support commodity consumption in Asia such as industrialization, increased population, and urbanization.

The authors have also projected that Asia will most likely remain a surplus region, though the magnitude could be small. As the costs continue to increase in China and India, the two economies might become a source of global inflationary pressures. The two countries have, in the past, been significant in global disinflationary pressures due to the extremely low-cost production. Finally, Huang and Wang foresee a crisis in future if the Asian policy-makers continue with the structural issues, which could trigger world's next recession.

As stated earlier, the study's research questions are relevant and well developed. The study design is also appropriate for the research questions. The research questions could best be investigated by a secondary research study, and the authors employed exactly that. A systematic review method

has been applied. The authors intensively reviewed several literature sources such as reports from credible institutions like Asian Development Bank (ADB), World Bank, and the United Nations Conference on Trade and Development (UNCTAD), among others. The other reference materials are equally credible since they are working papers or scholarly articles (peer reviewed scholarly articles). The paper has been presented using an easily understood writing style. Besides, it's well laid out and easy to follow. Every opinion or idea is backed by proper and convincing explanation.

Based on the paper methodology, the authors picked a study design that is consistent with the aims of the study. The adoption of a prospective study makes it easier to analyze the events of the 2000s and predict the changes that might occur in the 2010s. The design is sensible and the study sample is representative of the study population. The sample is, however, not perfectly representative as much of the emphasis has been laid on the two main Asian economies, China and India. The emerging economies are often assumed.

Considering the statistical aspect of the paper, it can be stated that the authors settled on appropriate methods of representing data. The data is obtained from credible sources and represented by methods that make data comparison much easier due to the visual impression. The tables and graphs are well designed and unique colors used to aid in the comparison of the data. The authors have, however, failed to indicate the possible sources of errors. All the calculations were privately done by the authors, and the reader has no clue on how they were done, the assumptions made, and whether they were done correctly. The results of the study are clearly presented and the tables, graphs, and charts have been used appropriately.

Without any reasonable doubt, it can be stated that this study has been discussed critically and the research questions have been answered. The results of the study have been discussed with reference to economic theories and other important literature. The results justify the conclusion. Even though the conclusions are speculative, they do not go too far beyond explanation.

Bibliography

Huang, Y., and Wang, B., 2011. From the Asian Miracle to an Asian Century? Economic Transformation in the 2000s and Prospects for the 2010s. Conference Volume, 2011.