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ASIAN TIGERS: DIFFERENT ROADS SAME OUTCOME

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South Korea, Singapore, Taiwan and Hong Kong are countries known as Asian tigers. They called so due to their rapid development of economy during 60-80s of XXth century. Another name to that phenomenon is Asian miracle as well. Each one of the “tigers” even though being unified by those terms has unique experience. Hong Kong and Taiwan, for example, are regions status of which can confuse plenty of people who study geo-politics. The main difference of those regions is the fact that they are not independent countries but special administrative areas. Their special status differentiate them from the mainland of China.

As history shows situation in Hong Kong was directly influenced by the Great Britain and China at the same time because was tossed back and between those empires. British intervention had positive and negative sides. Even though population of the Hong Kong Islands were discriminated, there was benefits too. Thanks to traders from Britain the region became one of the largest ports in

Asia where was visible economic development. Raise of education system and training of workers from low class was also positive sides of colonial years of Hong Kong.

Formation of national business, development of transport, insurance and shipbuilding sectors, appearance financial institutions were interrupted by the World War II. In 1941, the governor Mark Yang announced capitulation of Hong Kong and surrender of the territory to Japan. Those years were remembered as one of the harshest years in the history of Hong Kong. Poverty of the population, destruction of the economy was stopped after defeat of Japanese army in the second World War and territory of Hong Kong was under the control of the Great Britain. [1]

End of war was a start of the development of the region. It was caused by cheap labor and investment from the West. Furthermore, compulsory second education and foreign investments that saw potential in the region made Hong Kong one of the fast developing regions in the world. In the 80s of XX century Hong Kong became international financial center that raised building, investing, market, business and other sectors boost their development scores.

After the end of a 99 years lease the Great Britain and China signed the agreement that transferred Hong Kong to China in 1997 on the terms of “One country, two systems”. It meant that Hong Kong is an autonomy and has rights over everything except defense and foreign policy for fifty years. [1]

After the World War II China got back Taiwan as a winner of the war. Years after war can be considered as one of the significant age in the history of Taiwan. Those events later changed the status of Taiwan. It caused after the lost of Generalissimo Chiang Kai-shek in civil war in China against Mao Zedong army. The government of Kai-shek moved to Taiwan and formed his powerful status there. During years of dictatorship by Generalissimo Chiang Kai-shek a lot Taiwanese people were unfairly treated, repressed and killed. It was one the darkest times for people in Taiwan. Moreover, there was one-party system represented by the Kuomintang. Even though Taiwanese people was pressured by the party and there was constant military tension between the People’s Republic of China and Taiwan, economy of the island showed impressive results. It was possible thanks to the infrastructural heritage by Japanese government and modernization policy of the Kuomintang party [2].

Nobel laureate in economics American professor Simon Kuznets explained that phenomenon due to the fact that after the war, in the 60s, the general favorable situation in the world generated a huge demand for light industry products on the international market, as a result of which some developing countries began to create import-substituting and export-oriented industries in their countries, and this inevitably caused the process of capital formation in the light industry of these countries. So Taiwanese economy development was a result of lucky circumstances.

But this explanation is not accurate enough because not all countries that was focused on the light industry entered the list of developed countries. Taiwanese economy was also influenced by such reforms as implementation of the agrarian policy “Land to the Tiller Act” and implementation of a number of large-scale economic construction projects. The implementation of the policy “Land to the Tiller Act” can be considered as one of the fundamental stages in the history of Taiwanese development. What the state did was forced redemption of lands from large landowners and transfer of the ownership to peasants-tenants on long-term installments. That action sharply reduced social tension in the countryside and deprived the landowners of their traditional power. The landowners, who received significant money for their land, became investors during new economic initiatives. [2]

Creation of modern infrastructure and active promotion of the improvement of the quality of human resources was also a big step that made Taiwanese market competitive enough, that later led to capital formation, stimulated investment and entrepreneurship, promoted the principles of fair competition and, most importantly, led to the creation of a thriving private sector in the economy. Moreover Taiwan got good amount of investment from the USA and even well known agrarian reform was introduced by American economist Wolf Ladejinsky. [3]

Later Taiwan had become less and less depending on the USA and started being investor itself. Development of external trade and export helped the Republic of China to be less interested in paying all its attention to the agrarian sphere. Due to the change of the economic focus Taiwan started to

develop heavy industry and infrastructure, and then in the following decades to modern electronics. By 1980, Taiwan's economy was becoming more open, and the government moved to privatize state-owned enterprises. In the 1980-90s service sector became the largest sector and one of the reasons of growth of the economy.

The case of South Korea on other hands connected with culture, form of government and mindset of its population. The own philosophy of the country helped them faster focus on their challenges and react to them. Throughout the history modern Korea faced plenty of those challenges: from being an occupied by Japanese Empire till being divided into two countries while being the same nation – Korean.

Colonial period was one the hardest times in the history of Korea. Not only discrimination of Korean people became normal but Japan closed cultural places and prohibited celebration of Korean holidays, and Korean language became unofficial. Japanese power made everything so Koreans would forget about their heritage and history. The second World War also put people of Korea under the threat. Because Japan was a participant of that War Korean men was used as work force and Korean women – as sex slaves. That traumatic history was not forgotten by Koreans and reminds them those years of colonial oppression. Moreover, those events influence relations of modern South Korea and Japan not in a good way. [4]

Constant demonstrations and defense of Japan on the World War II resulted long waited independence in 1945. However, Korean peninsula was divided by 38th parallel into two different states, the Republic of Korea and the Democratic People's Republic of Korea. One nation that divided into two completely different states were influenced by two hegemonies of that time, the United States of America and the Union of Soviet Socialist Republics and faced different patterns of development and formed different image in the eyes of the world community. [4]

South Korea as an independent country started its own road towards development and left North Korea behind. However it was not quite easy as well. After achieving independence those who were in power had more authoritarian motives and was far from democratic state which is South Korea known for now. Park Chung Hee, Major General, was elected as a President and promised to start a democratic way of development. But the regime that President Park implemented was far from democracy and the government announces about prohibition of political parties. Those years were known as years of dictatorship that led to hundreds of demonstrations and repression of opposition. Nevertheless Park Chung Hee set up a 5-year economic development plan under the slogan of “modernization of the fatherland” and achieved rapid economic growth by implementing an export-oriented policy. It became popular by the name of “the Miracle on the Hangang River.” During that period there were the development of national land, including the construction of the Gyeongbu Expressway and subway lines in large cities. The country from agricultural society turned into a country that mainly focused on manufacturing. [5]

Until 1992 the Republic of Korea were influenced by dictatorship regime. But it finally overcome that period which later faced by challenges of international economic crisis. The government of Kim Dae Jung was able to end that crisis without severe consequences. Recovery from crisis were smoother thanks to previous presidents’ policies. South Korea was motivated to be economically developed, focusing primarily on technological innovations, increasing the level of competitiveness of South Korean goods in the world market, and improving the quality level of well-being of South Korean citizens. [5]

Singaporean early and modern history is interesting and educational in order to follow the development path. What was before Lee Kwan Yew decided to change the way the country should grow and identify main events in the history of city-states is also significant for formation of their culture. By observing it might be clear why the case of their development was so unique and impossible to copy.

In 1965 Singapore gained independence as a single state. That event was unaccepted not only for other countries but for Singapore as well. The world community was not expecting any positive outcome from it and was ready for its destruction as a state. Pressure from Indonesia and Malaysian

was not doing any favor. Problems with unemployment, housing, education, lack of natural resources and land were adding up to the challenges for new born independent country.

After getting recognition from the world community, Singaporean government started to focus on economic and industrial development of the country. The role of the prime-minister Lee Kwan Yew became more significant. The success of city-state was associated with the image of Lee Kwan Yew and his vision of how the state should perform. [6]

Because of the absence of natural resources, Singapore needed to refill its “lack” by the help of other partner-countries. Food and water had to be provided for by imports, necessitating a quick push towards export-oriented light industries to balance trade. [7] Another feature of development of the country was a creation of different committees with their own focus and duty. For example, The Economic Development Board focused on the manufacturing industry in Singapore by founding industrial estates that attracted foreign investments. Because of that the country started to produce its own products and increase a number of work places. Singaporean government made such conditions for foreign businesses that they would want to stay there and continue to support economy of the country. However, at the same time, state industry learnt from foreign experience and gained knowledge about other spheres so later it will be able to produce its own products.

Hong Kong, Taiwan, Singapore and South Korea may not be expected to boost by the West and as a result named “Asian miracle” but history shows rather that unexpected it was just late development due to historical challenges and external pressure. The way of development, special status, powerful individuals naturally had an impact on the population of those regions. Their mindset and how they view the world had become another reason why those countries are so admirable and impossible to copy.

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