

Differences in industrial organization between case of China in socialist era and development state in Japan and Korea.

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During China's socialist period, they successfully adapted Big Push/command economy mode. After 1949 the PRC followed a heavy industry priority development strategy. The government allocated the resource to the heavy industry as the government owned all large factories. Pouring the investment and the labor in the sector in heavy industry as the socialist party controlled economy through a hierarchical personnel system. In which controlling a career path. Government assigned the price for each specific good as the agriculture price was significantly lower than factory goods which create a monopoly situation.

Japan in this period is industrial concentration as same as China but for the organization in Japan introduced a Kigyō Shudan or Enterprise Grouping which allow a vertical organization include manufacturing, assembling and subcontract. To prevent hostile takeover, they introduced Cross shareholding and looking forward for the long-term growth. For the Japanese economy in this era are an oligopoly and also Japanese introduced Anti-monopoly laws. For the Korea during the development state, they use a one party which allow government to decide what they going to pursue. The government allocated resource toward industry sector. Which government selects companies to undertake a project and fund allow the market to be competition market also the market is more diversify.

Different between China's socialist period and development state in Japan and Korea are how the government act different, China act as a Monopoly state even though growth in the heavy industry is significant increase but it worse off in the agriculture and they are not competition in the market which will not increase in the productivity and innovation which is different from Japan and Korea. The government act as sponsor and guideline which create competition in the market and increase the growth has been diversify among the sectors.