

Viphu chantharayotha 6304641738

## Development in East Asia

East Asia is the eastern region of Asia, include China, Japan, Mongolia, North Korea, South Korea and Taiwan. The six countries in the area cover 11,840,000 km<sup>2</sup> (4,570,000 sq mi) and 1.6 billion of population in 2020 with population density about 141.9 km<sup>2</sup> (54.8 sq mi). From World Bank outlook database, GDP (PPP) in 2022 is \$40 trillion and GDP (nominal) is \$28 trillion. In this essay will show that how three countries develop their countries by focusing on industrialization, government role, and role of labor. China, Japan and South Korea are the three main contributed countries in this region.

The economy was divided into three categories by Michael Porter: element driven, investment-driven and innovation-driven. He emphasized the ultimate competitive advantage comes from the competitiveness of innovative products

In China, in generally China is a communist country that control the production, money supple and Labor by the government. Before 1956, China start to develop industrial by using stuff from soviet, many technology and adviser to develop got from soviet. But after end of Sino-soviet split soviet did not help China anymore in this period is a depressed in China because many technologies and stuff are from soviet but now soviet did not support China anymore. industrialization is generally a process that the proportion of industry output in the gross national product increase. The course of social revolution is also changed. Industrialization connects social changes and economic developments with technological innovation, which is considered as a part of modernizing procedure whereby a society evolved from a relatively lower tier to a higher level.

Japan and South Korea are a bit different from China. Looking back to the history of Japan, it is not hard to uncover that Japan is a magic with the consequences of success industrialization. At the beginning of Meiji era, Japan was agriculture country and does not open the country that make develop in industrial stuck. In 1890-1893 Japan has roughly industrial revolution. In this decade Japan was build factories, develop infrastructure and diverse range of industrial from textile to steel. Japan using cross shareholding and vertical organization to make economy in country stable. Cross shareholdings prevent other hostile takeovers, and provide a

stable source of funding for business.. In term of, vertical organization help to reduce a oversupply and reduce value of transaction cost. As everyone knows that Japan is a small island country with a relatively large population and less resources, even worse, it endured unbelievable pain and soreness as one of the defeated nations of World War II. However, within several decades, Japan has grown into one of the leading power in the world. While South Korea was ranked as one of the world's poorest states in 1948. Twelve years later, in 1960, South Korea was predominantly as agricultural society, but it did undergo some industrialization. South Korea's economic takeoff, its spurt of rapid industrialization and economic growth, began in the early 1960s under the direction of the military government

Not only the world or country business and market growth that is important to the overall economic growth, but the government play a very important role to support or destroy. The government can be a friend of business, providing it with financial, advisory, and other services. It can also be a friend of the public, creating and enforcing consumer-protection, worker-safety, and other laws. Unfortunately, governments also have a long history of trapping nations into patterns of long-term decline through overregulation. China has been a socialist country since 1949, the government has played a predominant role in the economy. In the industrial sector, for example, the state long owned outright nearly all of the firms producing China's manufacturing output. The proportion of overall industrial capacity controlled by the government has gradually declined, although heavy industries have remained largely state owned. In the urban sector the government has set the prices for key commodities, determined the level and general distribution of investment funds, prescribed output targets for major enterprises and branches, allocated energy resources, set wage levels and employment targets, run the wholesale and retail networks, and controlled financial policy and the banking system. The foreign trade system became a government monopoly in the early 1950s. In the countryside from the mid-1950s, the government prescribed cropping patterns, set the level of prices, and fixed output targets for all major crops. In early 21st century much of the above system was in the process of changing, as the role of the central government in managing the economy was reduced and the role of both private initiative and market forces increased. Nevertheless, the government continued to play a dominant role in the urban economy, and its policies on such issues as agricultural procurement still exerted a major influence on performance in the rural sector.

In Japan, the government's control and influence over business is stronger and more pervasive than in most other countries with market economies. This control is

exercised primarily through the government's constant consultation with business and through the authorities' deep indirect involvement in banking. Consultation is mainly done by means of joint committees. By the early 1990s reducing government intervention in the economy had become a major objective of the authorities. This was viewed as a way to create new business opportunities and as a necessity for making Japanese domestic markets more accessible to foreign business. In the 1980s the government relinquished to the private sector its monopolies over the tobacco and salt industries and domestic telephone and telegraph services, and the publicly owned Japanese National Railways was privatized as the Japan Railways (JR) Group. Most of the remaining public corporations are special-purpose entities that would be unprofitable to operate privately or are government financial institutions.

The role of the Korean government remained basically the same with different policy emphases under President Chun Doo Hwan from 1980 to 1987. The economic growth of Korea from the early 1960s to the late 1980s focused on export-oriented industrialization. During this remarkable period, Korea could be characterized as "Korea, Inc.," with the government as its headquarters and individual firms as its business divisions. As a consequence, access to foreign exchange, bank credit, and government subsidies was the key determinant of business success. The Korean government favored the expansion of existing private firms rather than encouraging the entry of new firms. Furthermore, the Korean government did not hesitate to install state-owned companies (called public enterprises) in whatever areas were considered necessary, including iron and steel, petroleum and chemicals, and tourism. Under President Park's government, larger Korean firms were assigned annual export targets by the Ministry of Trade and Industry, which maintained an "export situation room" to supervise these firms' exports.

Another factor to make overall business growth and stable in the long term, the labor system formation should fully establish. Due to culture, facilities, and resources in different countries are different from one to another. Therefore, government should have different system to support labor in their own country. In China, government establishing and improving the socialist market economy system, labor relations. China commits itself to the maintenance of harmonious and stable labor relations. It has formed an initial system of laws and regulations, with the Labor Law of the People's Republic of China as the main body, to adjust labor relations, and has established the labor contract and group contract systems, tripartite coordination mechanism, labor standard system, labor dispute handling

system and labor protection supervisory system, basically shaping up a new type of labor relations in consonance with the socialist market economy. Look at Japan, the country already entered the prime age, Japan has shifted retirement age from 65 to 70 which support the consequent labour shortage and rising cost of pensions. The Japanese young generations are no longer keep the culture of work in one company in the whole of their entire life. They like to build their own business and be entrepreneur. The South Korean labor market has recovered quickly from the depths of the Asian crisis in 1998 and has since remained surprisingly sound and stable. The unemployment rate has remained relatively low, and average real earnings have steadily increased. The South Korean labor market was resilient in the wake of the global financial crisis. It is well known that South Koreans work very long hours. According to OECD statistics, South Korea's 2015 average annual working hours were 2,082 hours, ranking as the second highest number globally after Mexico. These decreases in regular hours are more noticeable since 2004, as they have been driven by the legislated cut of weekly standard hours from 44 to 40 hours, which was implemented gradually by industry and establishment size.

In conclusion, you can see that China is a heavy industry, while Japan and South Korea are light industry. In term of, role of government. Since China was a socialist, the government set a wage level, output of production, retail network, banking system and policy. While Japan government using consult with others committee to solve the market problem, after Japan government decide to reduce intervention that can create more opportunities for more business. In South Korea, the government support to private firm rather than existing a new firm. Next is labor, In China they create a labor law that consist of labor contract, labor adjustment, and labor group contract system. In Japan they expand the retirement age from 65 to 70 years old. In south korea they had adjust the working time from 44 hours to 40 hours per week.

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