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EAST ASIAN ECONOMIES

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EAST ASIAN ECONOMIES

TRANSFORMATION AND CHALLENGES

EDITED BY
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Foreword

This book is the product of a research project conducted at the Center for Asian and Pacific Studies, Seikei University. The project was launched in April 1992 and several scholars were invited from the East Asian region including Professor Chia Siow Yue, National University of Singapore, who played an important role in the publication of this volume in its present form. After stimulating discussions among the project members, an international workshop was held in Tokyo on 3–5 February 1994. At the opening session of the workshop, news that the United States had lifted the economic sanction against Vietnam reached us. This symbolizes the changing situation in Asia.

The focus of the research was on policy issues in the East Asian economies in transformation in many senses. China and Vietnam are promoting economic reforms while maintaining their socialist political regimes. “Open economy” have been keywords common to all these countries.

The Association of Southeast Asian Nations (ASEAN) is moving towards a free trade area, the ASEAN Free Trade Area (AFTA), reducing import tariffs and quantitative restraints on their regional trade. Freer movement of enterprises as well as goods, capital and

technology has led these economies to deregulate in order to adjust to international practices.

The Asian Newly Industrialized Economies (NIEs) are also in transformation as a general shortage of labour induces them to reshuffle their industrial composition, transplanting standardized industries to middle-income countries. Deregulation is again a common strategy among these economies. Japan has entered a phase of maturity in industrialization whilst facing a rapidly ageing population. The economy faces the tasks of industrial adjustment under slower growth.

Deregulation, even though not across the board, facilitates freer transactions beyond national borders. The purpose of the research was to shed light on actual development of deregulation and the related policy issues. The papers in this volume focused on policy issues in macroeconomic stabilization; international trade in goods, both in manufacturing and agriculture; deregulation in capital markets; direct foreign investment and technology transfer; and labour migration. Since economic games are played not in a vacuum, but in a political environment, a chapter concentrated on national security in East Asia.

Country or region studies are extremely important for correctly recognizing what issues these economies face. The project includes country or region papers written by experts of high reputation. This volume includes papers on the Republic of Korea, the People's Republic of China, and Taiwan, as well as papers focusing on the relations between Indochina and ASEAN, and ASEAN regional co-operation.

Special thanks are due to Professor Chia Siow Yue who not only contributed an excellent paper but was instrumental in bringing together the Institute of Southeast Asian Studies (ISEAS), Singapore and the Center for Asian and Pacific Studies (CAPS), Seikei University for realizing this joint publication. We also thank all contributors for their co-operation in the project. Thanks are also due to the anonymous referees who gave useful comments for improving presentation. Assistance by the staff of CAPS and the ISEAS Publications Unit is also deeply appreciated.

Last, but not least, we thank Professor Toshihiko Kawagoe for his dedicated work in co-editing this volume.

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