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## Zhiqun Zhu. Understanding East Asia's Economic "Miracles" Ann Arbor: Association for Asian Studies, 2009.

Hui Faye Xiao  
University of Kansas, hxiao@ku.edu

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**Zhiqun Zhu. *Understanding East Asia's Economic "Miracles"*  
Ann Arbor: Association for Asian Studies, 2009.**

Following Japan's economic take-off in the 1960s, East Asia has become the most vibrant region in the world today. One by one, Japan, South Korea, Taiwan, Singapore, and Hong Kong have impressed the world with phenomenal economic growth. The development of this region within the relatively short span of the six decades after World War II is "unparalleled in human history," as Zhiqun Zhu puts it (p. 1). Transnational capital flows have fueled the accelerating marketization and globalization of these East Asian economies.

Most recently, the People's Republic of China, a former socialist country, appears to have morphed into a People's Republic of Capitalism "with Chinese characteristics." Since the "Reform and Opening Up" (*gaige kaifang*) launched by Deng Xiaoping in 1978, China has witnessed rapid economic liberalization. Three decades of exponential economic growth have made China the world's second largest economy, with its gross domestic product (GDP) surpassing Japan's in 2009.

China's seemingly overnight change has drawn the world's attention and caused a sort of "China fever" on American campuses. Having taught an introductory course to contemporary China within a larger context of transnational capital and cultural flows in East Asia, I have found that it is rather difficult to select a level-appropriate textbook for freshmen or sophomores with little or no previous knowledge about China or East Asia in general.

In recent years, a series of scholarly works have analyzed the economic, political, and cultural transformations that radical marketization and globalization have engendered in contemporary East Asian societies. However, these books tend to be thick, costly, and highly theoretical, and, as such, are completely beyond the students who sit in entry-level courses, without any training in the field of East Asian studies. Furthermore, often missing from these scholarly works is a comparative perspective. In them, not much elaboration can be found on transnational interaction, competition, integration, or contestation, each of which constitutes an important part of East Asia's regional economic activities and everyday social life.

The release of *Understanding East Asia's Economic "Miracles"* fills these curricular gaps. It is the first booklet in the Association for Asian Studies' new series, "Key Issues in Asian Studies," which aims to create academic sources that "serve as vital educational materials that are both accessible and affordable for classroom use."<sup>1</sup> This booklet provides a comprehensive analysis of East Asia's economic "miracles." (Zhu puts "miracle" in quotation marks because the word seems to imply supernatural power and divine intervention, which, Zhu believes, does not sufficiently credit the nations themselves for the role they have played in their own economic development.) Seeking to examine the transformations the East Asian nations have undergone, he offers a comparative lens through which various cultural, historical, and political aspects of East Asian countries' development can be compared, contrasted, and better understood.

Following a brief introduction, the booklet can be divided into roughly into two parts. The first part follows chronological order to draw a picture of each East Asian country's economic take-off and maturation. Chapter Two traces the trajectory of Japan rising from the ashes of World War II and examines various international and domestic factors that have played significant roles in Japan's post-war economic performance. Zhu particularly highlights the term "developmental state," which refers to a model of "state-led macroeconomic planning in post-World War II East Asia" (p. 12). Confirming the positive impact of the "developmental state"

model on Japan's economy, Zhu also points out the problems and challenges that this model might have brought about in the twenty-first century.

Chapter Three discusses South Korea's remarkable growth from former colony (1910-1945) of the Japanese Empire to current economic power. From the 1960s to the 1980s, South Korea saw rapid economic development, as well as political democratization. What is particularly useful for classroom reference is a chart that clearly lists the similarities and differences between Japanese *Keiretsu* and Korean *Chaebol*. Both terms refer to forms of "business conglomerates" that have played critical roles in the economic development of Japan and South Korea, respectively.

Chapter Four puts Taiwan and China together for comparison and contrast, surprisingly leaving Hong Kong out of the big picture. Zhu first studies how Taiwan, with America's generous financial and military assistance, started a wide range of economic reforms. In the 1960s, Taiwan was ushered into its "industrial era," a period during which it started to demonstrate rapid economic growth and develop a sound state welfare system. In 1987, President Chiang Ching-kuo, Generalissimo Chiang Kai-shek's son, lifted the martial law imposed by his father, marking the starting point of Taiwan's democratization.

In sharp contrast with Taiwan, the economic reform launched by China's Deng Xiaoping in 1978 propelled China into a new era of "capitalism with Chinese characteristics." On the one hand, China shares a similar developmental model with other East Asian economies: a path toward state capitalism. On the other hand, however, the political system of China has remained largely untouched. Rather than follow the "shock therapy" approach adopted by the former Soviet Union when it made an abrupt switch to capitalism, the Deng regime took an incremental, step-by-step approach to the transformation of China's economic system, which has proven to be successful. For three decades since the reform, China's GDP "has been growing by an average of 10 percent a year" (Zhu, p. 40). However, this Chinese economic "miracle" also caused many social and environmental problems such as income inequality, increasing unemployment rate, dismantling state welfare system, and heavy pollution.

The second part of the booklet has two shorter chapters. Chapter Five compares the East Asian countries' developmental models. The author makes a contextualized analysis of political, historical, and cultural elements that have been conducive to East Asia's economic development and social progress. Chapter Six summarizes the main ideas of the booklet. After discussing the complex relationship between state, market, and society, Zhu also raises the important question of whether "political democracy and economic growth go hand in hand" (p. 64). Finally, the author concludes the booklet by reinforcing the importance of East Asian economies at regional and global levels.

*Understanding East Asia's Economic "Miracles"* should be recognized as a highly valuable work for pedagogical purposes. However, there are several minor issues that need to be addressed. On page 31, the *pinyin* Romanization of the first principle of Dr. Sun Yat-sen's "three principles of the people" (*sanmin zhuyi*) should be *minzu* (nationalism) instead of *minzhu* (democracy). In the same chapter, it might be more precise to state that "young students" instead of "young cadres" (p. 32) were mobilized to "make revolution" during the Great Proletarian Cultural Revolution (1966-76). And as mentioned above, I consider it a great pity that Hong Kong, a center of international trade and finance, is left out of the picture in this chapter. Last but not least, more elaboration on the region's interaction, cooperation, and competition with other important players in the world economy such as India, Latin America, Canada, Russia, Australia,

and Europe, in addition to the United States, would strengthen the central argument of the text and probably boost the sales of the booklet on the international market outside of North America.

Despite these quibbles, this booklet is a timely contribution to the expanding collection of undergraduate textbooks on contemporary East Asia. With its succinct and accessible prose, it will serve as a good starting point for college students, high school students, and teachers, as well as general readers who have limited knowledge of East Asia and wish to learn more. The book, or chapters of the book, can also be used as a principal text for courses in world history, comparative politics, economics, and globalization studies. Complementary to its educational content, this booklet has many appealing features as well. Multiple illustrations in each chapter make it more stimulating to today's young students, who are used to exploring the world through decoding visual information. A list of abbreviations and a timeline of modern East Asian history placed at the beginning of the booklet make the work more informative and accessible for classroom use. The appended list of suggested readings also provides great titles that motivated readers can pick up and use to expand their knowledge of political and economic issues in East Asia. As a teacher of East Asian languages and cultures, I would highly recommend this book for its great pedagogical value.

Reviewed by Hui Faye Xiao  
University of Kansas  
Email: [hxiao@ku.edu](mailto:hxiao@ku.edu)

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<sup>i</sup> For more information about this series, check out the Association for Asian Studies (AAS) website: <http://www.asian-studies.org/publications/KIAS.htm> (accessed on January 24, 2011).