A
to economic growth, the author distinguishes between an economic growth that takes place in every economy and growth over a long span of time. The figures presented show that the four tigers (and Thailand) were high performers with an average annual growth of over 4.5 per cent for three continuous decades. This chapter continues with an explanation of the causes of growth in the seven countries covered. The first cause is gross capital formation – high everywhere, but only in Singapore for almost a third part due to foreign direct investment (FDI). In South Korea and Taiwan the contribution of FDI ranged from 2 to 4 per cent. The seven countries are compared with each other and thus with not, for instance, developing countries elsewhere. The explanations for the high domestic savings rates are sometimes given in a single sentence, for instance: fertility limitation, low inflation due to a relatively high level of public sector saving, in other words an absence of deficits, and, in Singapore, interest payments on foreign deposits given by the government. A second explanatory factor is human capital formation. Although the four tigers score relatively high, some of the indicators used may be consequences rather than causes of growth, or may be due to political decisions and thus unrelated to growth. The World Bank has also stated, however, that East Asian governments’ investment in education fostered growth. A third, and probably more important, explanatory factor is the export-oriented orientation of the economy. In 1980, the region exported USD 245 billion worth; in 1995, almost three times that amount. This orientation helped to provide the scale at which production could take place efficiently. This orientation helped to provide the scale at which production could take place efficiently.

The difficulty for most of the seven studied countries is that Japan, of course, has been a major investor in some Asian countries, but its economy is likely to remain in the doldrums. China, on the contrary, continues to grow strongly. The difficulty for most of the seven studied countries is that China can produce practically anything the others are making, only cheaper. The countries are advised to establish stronger export relations with China, each at its ‘own’ advantage. The countries are advised to establish stronger export relations with China, each at its ‘own’ advantage. The countries are advised to establish stronger export relations with China, each at its ‘own’ advantage. The countries are advised to establish stronger export relations with China, each at its ‘own’ advantage.

The relative contribution to growth by the (authoritarian) state versus that by the market. Rao concludes that especially in China, the way the market has been used is a translation of an original ‘Way’, which Rao defines as the detached witnessing of all that happens without the intervention of thought. But to suggest that these different values can be realized at one and the same time is, to my mind, an error. Growth depends on continuation and, therefore, on the desire to continue and earn money. Mensky may brew a better quality and still live a life of contemplation, however, such niches are exceptional, and accessible only to a small group. Mensky has not improved ethically (nothing the author considers an example of evolutionary failure). Only institutions that have made lives and violence more visible and also more costly, not only for ordinary people but also for holders of power, have brought about a decline of lies and violence. Some institutions do better in this respect than others, and once this is widely known and accepted, democratic systems may set them up.

Because Rao believes that ‘there is nothing intrinsic in the democratic system to prevent people from being corrupt or violent’, he should perfect themselves. He then lists some principles of Confucianism to see whether they could contribute, or have contributed, to the three aspects of development he had mentioned earlier. Yes, it is probably contributory to material growth or human capability. No, there is hardly anything in Confucianism with regard to democracy or freedom. As to human perfection, the princi-

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Several indicators are used by the author to measure this growth. The first is gross capital formation, the second is economic growth and the distribution of income from about 1950 to the late 1990s, The Crisis (1997–1998), and ‘The Future’. The Miracle (covering economic growth and the future of various Asian countries). The Miracle (covering economic growth and the future of various Asian countries). The Miracle (covering economic growth and the future of various Asian countries). The Miracle (covering economic growth and the future of various Asian countries).

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