

THE STRUCTURAL CHANGE OF INTERREGIONAL ECONOMIC COOPERATIONS IN EAST ASIA

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SUMMARY

In this paper, we analyze the structural changes of East Asian economies, and we discuss the present situation and conditions of economic cooperations between East Asian countries and Japan, particularly Nagasaki region, with reference to the linkage of trade, industrial investment, technology transfer and so on.

In the western countries, even though their economic growth rates took off in the 1950s, 1960s, 1970s, and 1980s respectively. Instead of developing various industries at the same time, their industrialization pattern was characterized by the continuous emergence of new industrial over time. This has continuously transformed the composition of industrial production in these economies. Furthermore, as the engine of growth of these East Asian economies was export growth in manufacturing industry, the trade pattern of these economies also changed over time as their industrial structures changed. It is generally believed that their industrial and trade structure were dominated first by labor-intensive products then capital-intensive products, followed by skill-intensive products, and finally knowledge-intensive products their economies grew over time.

In the late 19th century, Japan embarked on path of late industrialization, following the precedent of early industrialized western countries like the United State of America. Even though the Japanese industrial base had to be rebuilt after World War II, Japan resumed its rapid economic development in the 1950s under the slogan of "catching-up with the West" by relying on an outward-oriented growth strategy. Since the early 1960s, another group of East Asian economies, the Asian NIEs such as Korea, Taiwan, Singapore and Hong Kong, followed the lead of Japan in their own efforts to industrialize by adopting similar strategies of outward-oriented economic growth. The Asian NIEs' experience were again followed by the ASEAN which are several Southeast Asian countries such as Thailand, Malaysia, Indonesia and Philippines in the 1970s. During the 1980s, China and Vietnam also joined late-late industrializing countries.

On changing the world economy, the Plaza Accord in 1985 was drawn up as the big conditions to Japanese economy. The Plaza Accord means that it is the depreciation of the U.S. Dollar which is the key currency of the world. The change of substantial exchange rate to the key currency brought about the structural change of the world economy. The Plaza Accord, that is, brought about the rapid currency appreciation of the Yen, Japan.

Therefore, There were two phenomena in the means to break through the rise of the production cost by the rapid currency appreciation of the Japanese Yen. The one is the overseas purchase of the cheap goods (materials, parts, semi-processed articles, facilities and so on) to down production cost. The Another one is that Japanese business makes inroads into foreign market to utilizing cheap overseas resources.

The Japanese business began the consignment and overseas production to the Asian NIEs under the system of international specialization. Then, the economic activity of the Asian NIEs is rising up to that their products export to Japan and other countries. It means that it became the base of the production and exportation in the Asian NIEs instead of the conventional Japanese business. Due to the Asian NIEs which are small countries, it is brought about the overflow and cost up phenomena in production under the rapid economic growth. At the turning point of 1988, the shift of economic activity began from the Asian NIEs to ASEAN. Also ASEAN began to overflow from 1991, and the range of their economic activities expanded into China and Vietnam. The characteristic of such East Asian economies is the movement which tries to strengthen complementing relation, promoting mutual economic cooperations.

As for the overseas advance of the Japanese business of Nagasaki prefecture, the number of the advance business in 1993 which was made a peak becomes 15 firms. Particularly, the Shanghai Nagasaki Prefecture Office was established in 1991 and the Japanese business advance to China increased rapidly. According to the category of business, the labor concentration types such as the fiber, transportation machine and food industry increased. Increasing the overseas advance of the Japanese business influence to the demand to the related field (raw materials, mechanical facilities, related services and so on) in East Asian economies. It made the production of the Japanese business in East Asian economies smooth and the function of the Japanese business in such a related field became very important for the economic cooperations between the East Asian countries and Japan.

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The form of economic cooperations is based on the free trade market system and the regionalism of the western economies. Firstly, the form of economic cooperations seen by EU in Europe and NAFTA in America, is “the free trade area” to abolish the trade barriers by the treaty and agreement among the countries. The second-stage is “the tariff union” introduced common customs duties. The third-stage is “the common market” which prompts for the commonization of the productive factors such as labor, capital, and in addition to goods and services. Finally, it aims at “the economic union” to be included finance, currency, industrial policy and so on.

On the other hand, the comprehensive trade liberalization which is not due to the regionalism but the agreement of related countries became a very importance concern in East Asian countries. At present, the form of economic cooperations in East Asian economies is still remained at the first-stage of a free trade area or the pre-stage of a tariff union as comparing to the western countries. The Asian form which is due to the economic cooperations among the countries is not “the economic integration” like Western form. East Asian countries aim at “the economic cooperations system”. It is a form of their economic cooperations to exclude a political color as much as possible by and for them to try to improve an economic power under the gentle solidarity.

The direction of the economic cooperation of Japan to East Asian countries is to contribute for the building of the exchange system of informations and high-technology transfer, and for the more efficient international division to strengthen an industrial infrastructure of East Asian countries to develop with the Japanese economy. Of course, it is a very important to exchange the different cultures as a non-economic factor to understand the mutural conventions and manners.