Chapter 7

THE REPUBLIC OF KOREA

1. GENERAL OBSERVATIONS

In the second section of this volume we study the four Asian NIEs, both for their own sake, and because of the relevance of their experience for developing economies elsewhere. Of the four, (South) Korea is by far the largest in population as well as in total GDP. We present Chart 7.1.1 in three panels for context. In GDP and in population, the percentage weights of each economy in the four-economy total are displayed in the middle panel. In total GDP and population, we take the 4 NIEs as a whole to compare with a European country, namely, France. The results are shown in the top and bottom panels. The four NIEs together are not quite a United States or Japan in size. Still, they are comparable to a typical major country in Europe. Although they are a bit poorer now, their per capita growth rates are 2 or 3 percentage points higher than that of France or indeed of any other large European economy for the last 30 years, meaning that they will soon ‘grow into size.’

Chart 7.1.2 displays the per capita GDP for each of the four Asian NIEs and their average value. The French figure is inserted in the lineup. Two among the four have lower figures than that of France. The other two are higher. So in strictly economic terms, these economies are not all that different from the West Europeans.

There are similarities and differences between Korea and the other three. They are all market economies, with outward orientation, a Confucian cultural
Chart 7.1.1 NIEs and France, Total GDP and Population, 1999  
*Source:* World Development Index; Taiwan Statistics Data Book

Chart 7.1.2 Per capita GDP in 1999 ($000)  
*Source:* World Development Index; Taiwan Statistics Data Book