

CONTENTS

<i>List of Figures</i>	ix
<i>List of Tables</i>	xi
<i>Acknowledgments</i>	xiii
Introduction	3
CHAPTER 1 States, Markets, and Industrial Policy	8
CHAPTER 2 The Rise of East Asia	34
CHAPTER 3 The Neoclassical Explanation	52
CHAPTER 4 State-led Industrialization, 1930s to 1980s	73
CHAPTER 5 Management of Foreign Trade and Investment	113
CHAPTER 6 Management of Domestic Investment	159
CHAPTER 7 The Economic Bureaucracy	195
CHAPTER 8 The Political System	228
CHAPTER 9 Politics of Investment and Industrial Policy	256
CHAPTER 10 Conclusions (1): Governing the Market in East Asia	297
CHAPTER 11 Conclusions (2): Lessons from East Asia	345
APPENDIX A Fiscal Incentives	383

APPENDIX B	
Politics of the 1958–62 Economic Reforms	387
<i>References</i>	395
<i>Index</i>	425

LIST OF FIGURES

2.1	Taiwan and South Korea: Consumer Price Inflation and Growth of Real Output, 1951–83	43
2.2	Profiles: Japan and the United States	49
2.3	Profiles: Taiwan, Korea, Mexico, and Argentina	50
4.1	State Leadership Episodes in Taiwan's Industries	111

LIST OF TABLES

2.1	GNP per Capita, Levels and Country Ranks (US\$)	35
2.2	Population, GDP, Exports, Copper Consumption, and Integrated Circuit Production	36
2.3	Country Ranks in U.S. Market (United States as Importer), Manufactured Goods	37
2.4	Hours to Earn Equivalent of 100 kg of Rice	40
2.5	Taiwan's Commodity Trade with Japan and the United States (%)	41
2.6	Share of Manufacturing in GDP	44
2.7	Industrial Deepening—Chemicals and Machinery in Total Industrial Output, Taiwan and South Korea (% of Value-added, Current Prices)	45
2.8	Light and Heavy Industry, Share of Manufacturing in Taiwan and Korea, 1965–84	45
2.9	Industrial Deepening—Ratio of Intermediate Demand to Total Manufacturing Output (% Rate of Change per Ten Years)	46
2.10	Gains in Export Market Share, East Asia Compared to Old Industrialized Economies	47
2.11	Gross Domestic Investment as a Share of Gross Domestic Product	48
3.1	Annual Growth Rates before and after the Liberalizing Reforms (%)	53
3.2	Incentives in Taiwan's Trade Regime, Compared to Five Other Countries (%)	56
3.3	Difference Between Effective Subsidy for Export Sale and for Domestic Market Sale (%)	57
3.4	Sources of Net National Savings in Taiwan (%)	62
3.5	Monetization of the Economy, Taiwan Compared to Other Countries: M2/GNP (%)	64
3.6	Size of Manufacturing Enterprises in Taiwan	67
3.7	Characteristics of Business Groups in Taiwan, Korea, and Japan	68
4.1	Production in Selected Manufacturing Sectors, Average Compound Rates, Pre-1976 and Post-1976	89
5.1	Trade, Exchange Rate, and Macroeconomic Stability Indicators, 1958–85	120

5.2	Evolution of Import Control, Tariff Rate, and Tariff Burden, Selected Years 1956–81 (%)	123
5.3	Share of Taiwan's Imports Subject to Nontariff Barriers (1984)	132
5.4	Sales of Domestic and Foreign Companies in the Export Market, 1976 and 1981 (%)	153
6.1	Tax Revenues by Type of Tax (% of Total Tax Revenue)	175
6.2	Output and Investment Shares of Public Enterprises	177
6.3	Taiwan's Selective Industrial Policies	193
7.1	Employment of Graduates in the Public and Private Sectors (%)	218
10.1	Industrial Restructuring in Hong Kong, Taiwan, and Korea	332