



Asian Tiger's Rush: *The Path to Success in Korea*

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Chapter 1

Mission Impossible ?

When Will the Kyrgyz Republic Be Rich?

How to Catch up Other Countries?

And What to Do?

A Simple Growth Algebra in the Kyrgyz Republic in terms of GDP per capita

	Threshold (2022, USD)	Kyrgyz Republic			
		Annual Growth Rate	2.099%	5%	7%
Upper Middle Income	\$4,256	Years to Reach	51	22	16
High Income	\$13,205	Years to Reach	107	45	33

Too Late?

Frustrated?

Mission Impossible?

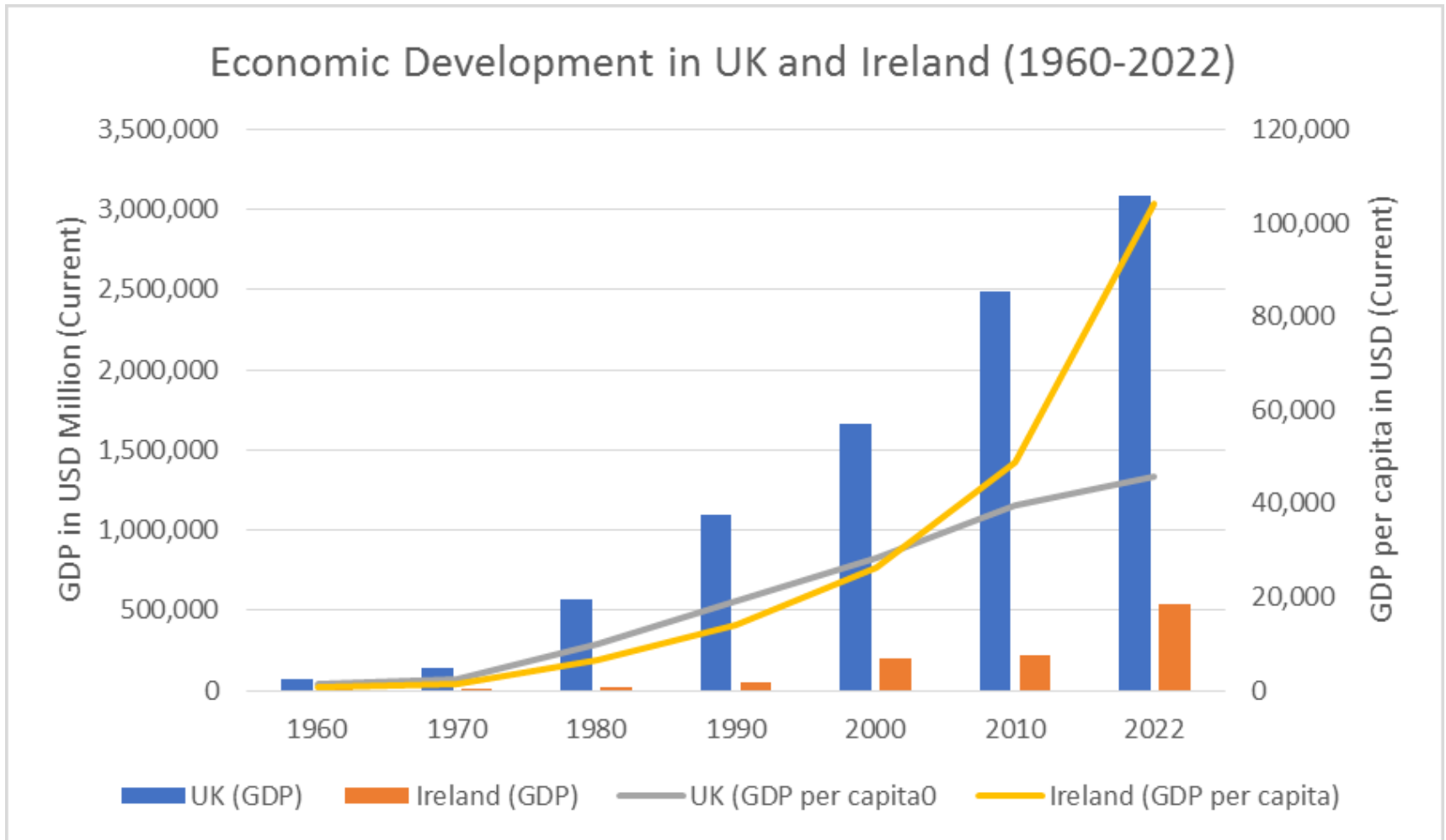
No!

The World is Full of Wonders.

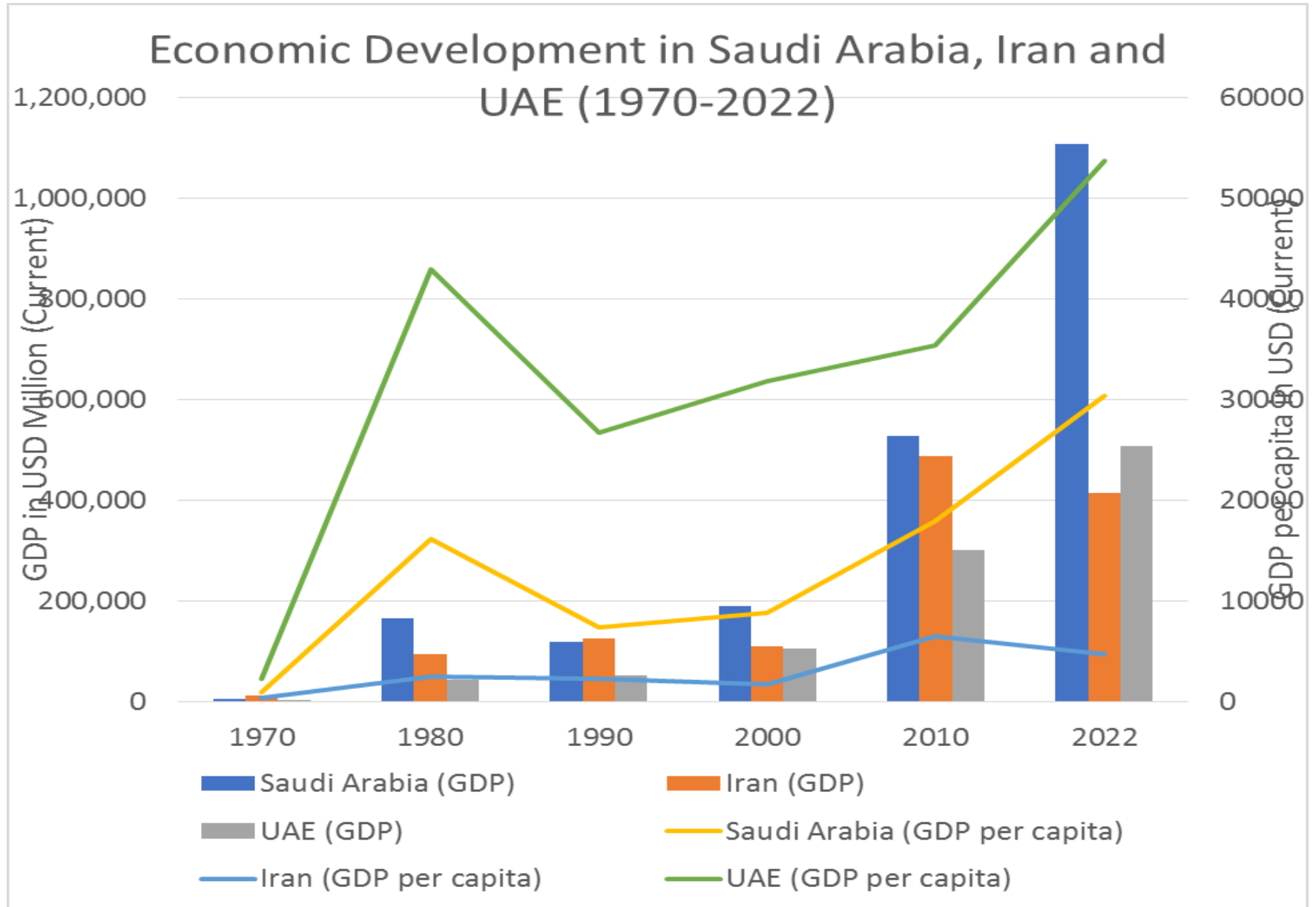
Chapter 2

Mission Possible

Economic Reversal (1)

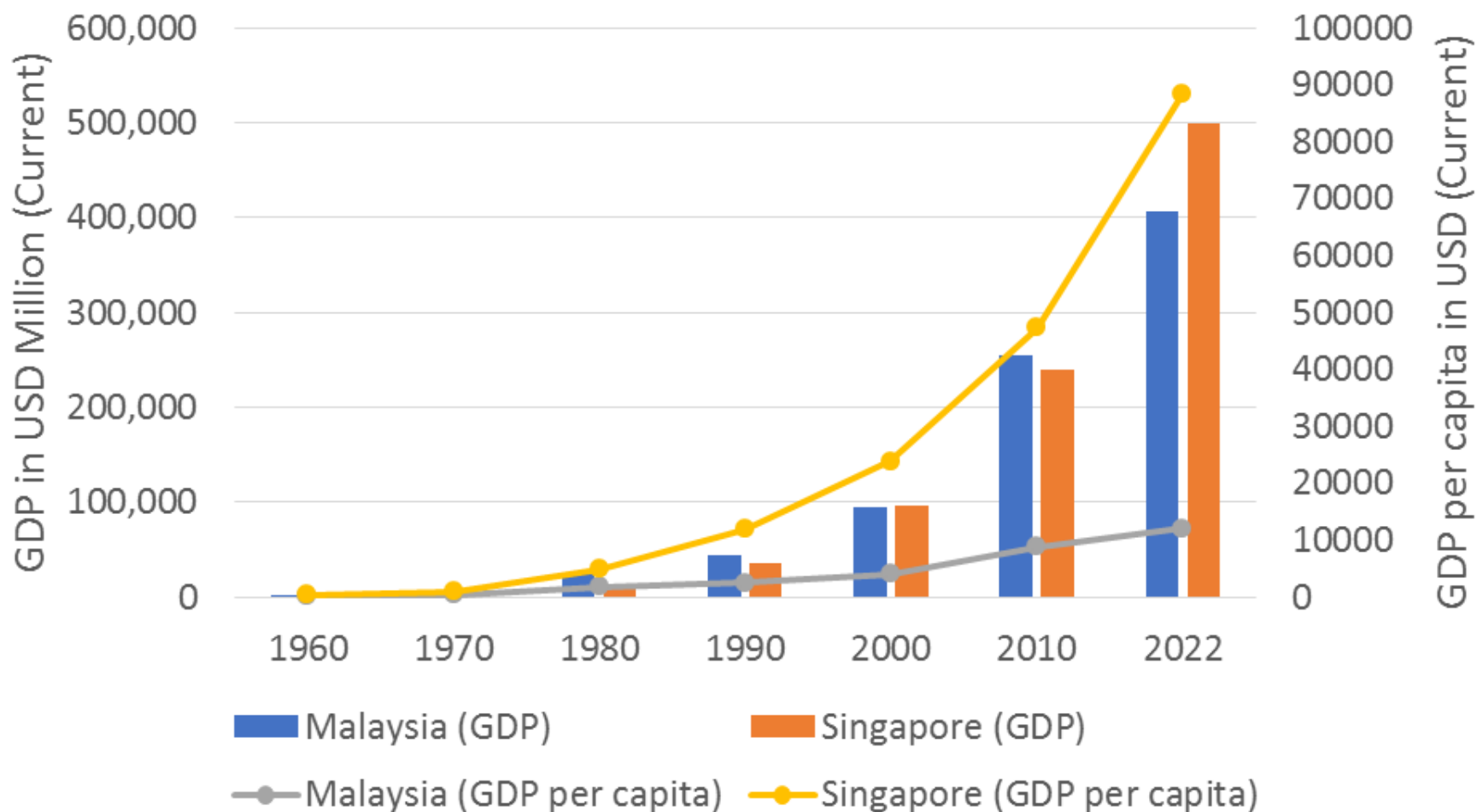


Economic Reversal (2)



Economic Reversal (3)

Economic Development in Malaysia and Singapore (1960-2022)



There is a country which moved from the bottom to high income in 34 years.

Its income per capita grew up incomparably.

Country	1965	2007	% Change
???	130	19,690	15,046%
Taiwan	204	15,078	7,291%
Singapore	540	32,470	5,913%
Hong Kong	710	31,610	4,352%
Japan	890	37,670	4,133%
Thailand	130	3,400	2,515%
China	100	2,360	2,260%
Indonesia	70	1,650	2,257%
Malaysia	330	6,540	1,882%
India	110	950	764%

Which country it is?

It is the Republic of Korea.

Some say it as Korean Miracle.

But...

We say it as Korean Struggle.

Chapter 3

The Story of Korean Miracle

In the Beginning: *All Bads*

- Colonization & Division

- 35 Years of Exploitation by Japanese
- Fault Line of Ideology --> Division

- Destruction & Confrontation

- Massive Destruction by *Korean War* (1950-53)
- Military Confrontation -- '*Quasi-War*'

- Populous but Resource-Poor

- High Population Density
(Over 50 million on 100,000 sq km)
- 30% of Arable Land
Chronic Shortage of Food
- Scarce Natural Resources

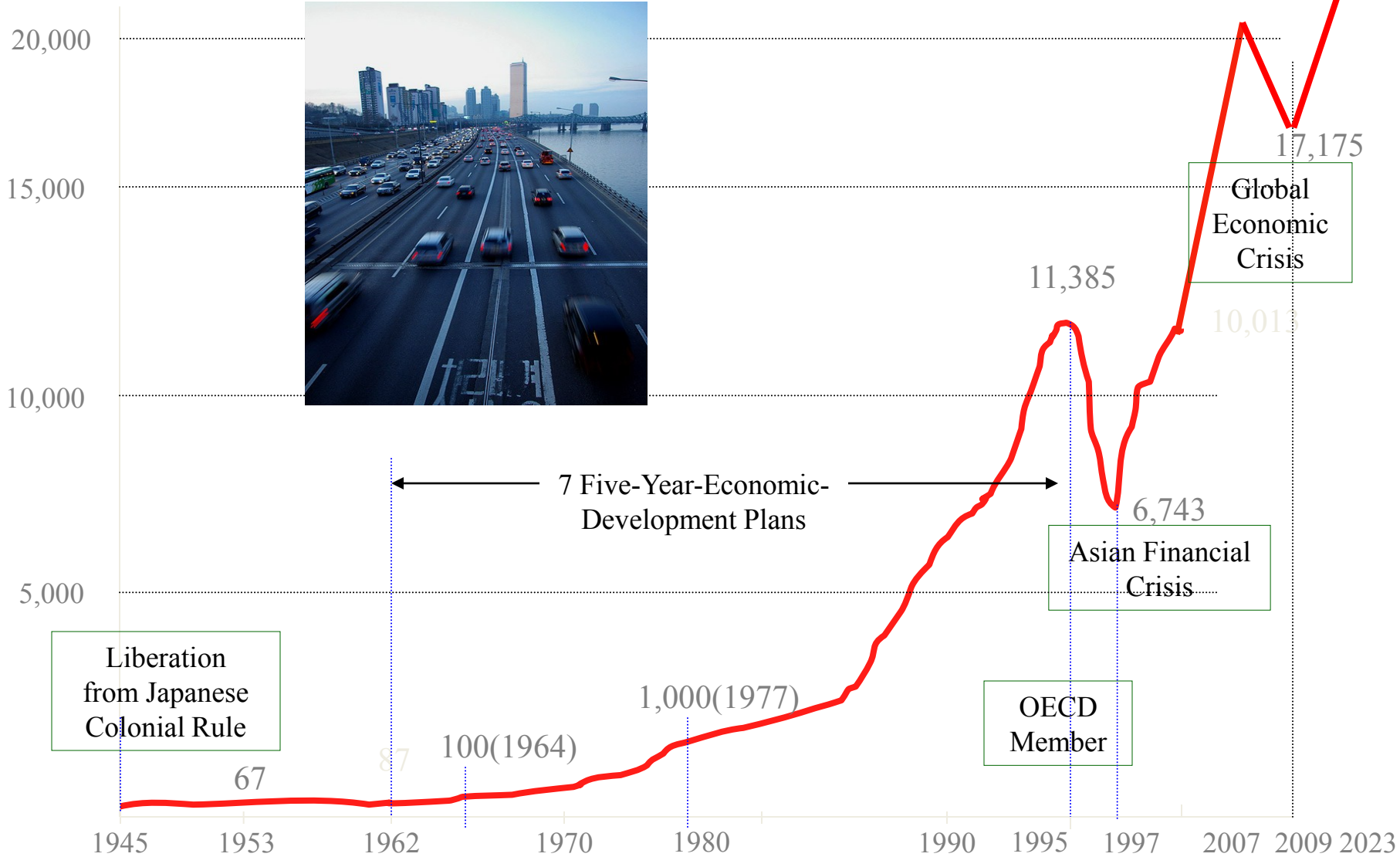
- End of the World

during the Cold War



Miracle on the Han River

GNI Per Capita
(US\$)



< Growth Trend in GNI Per Capita >

Comparative Development Statistics

Remarkable development in macro-indicators

As of 2023

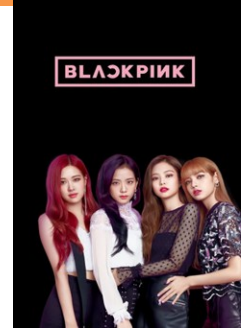
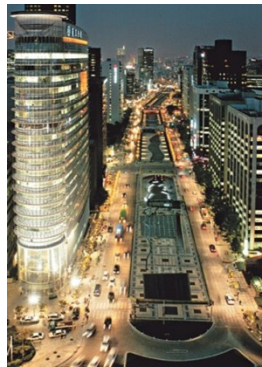
Country (income per capita in 1962)	Pop (mill.)	GNI (\$bill.)	GNI per head (\$)		Exports Goods & Services (\$bill.)
			Current	PPP	
(x1.08) Ghana	34	79.8	2,340	7,370	25
(x1.07) Philippines	117	496	4,230	11,940	104
(x2.44) Turkiye	85	994	11,650	43,700	353
(x2.51) Brazil	216	1,962	9,070	19,990	390
(x7.21) Argentina	47	584	12,520	28,710	83
Korea	52	1,835	35,490	55,040	770

Source: World Bank, World Development Indicators

Changing Images of Korea

Before 1990s

- War-torn
- Poverty-stricken
- Military Confrontation
- Dictatorship
- Demonstration



After 2000s

- High-Tech Society
- Global Leader in Popular Arts
- High-Income Country

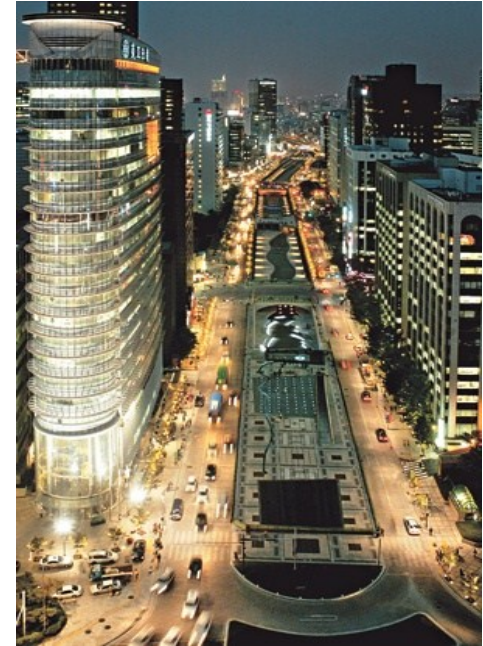
Change in Landscape (1)

Chung-gye Brook in Seoul

1960s



2000s



Change in Landscape (2)

Rural Community

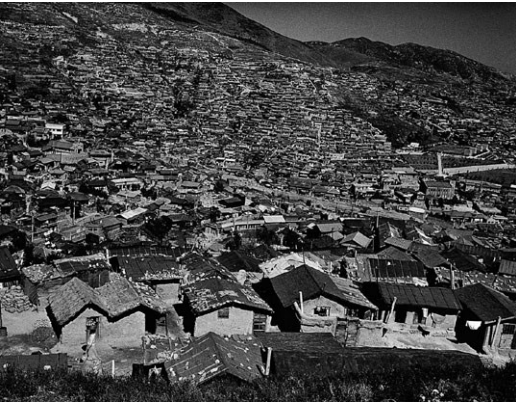
1960s



2000s



Korean Prosperity: Busan

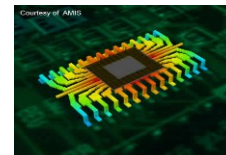


Sophistication of Industrial Structure



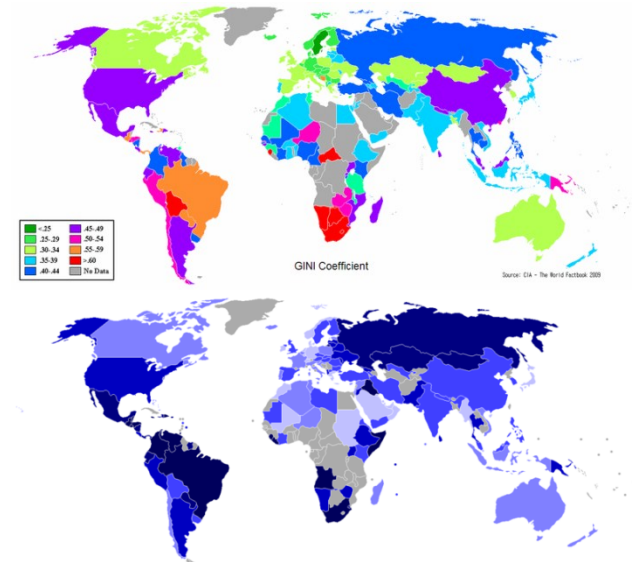
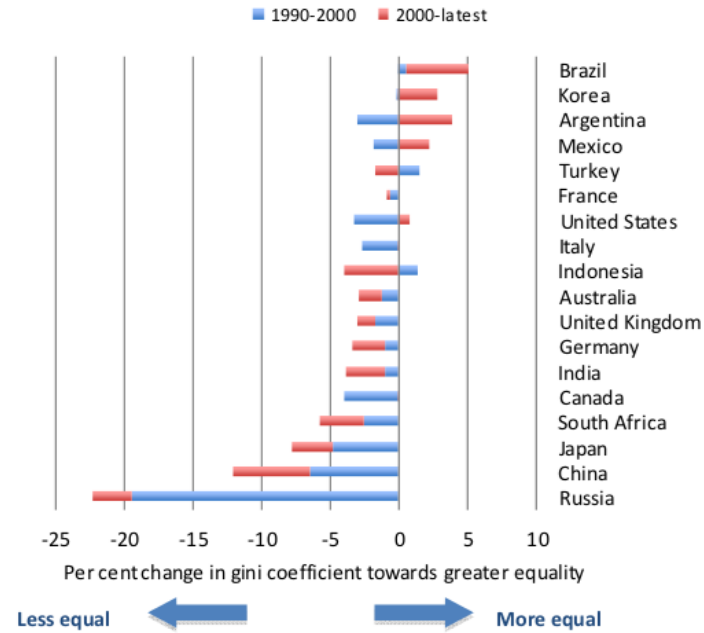
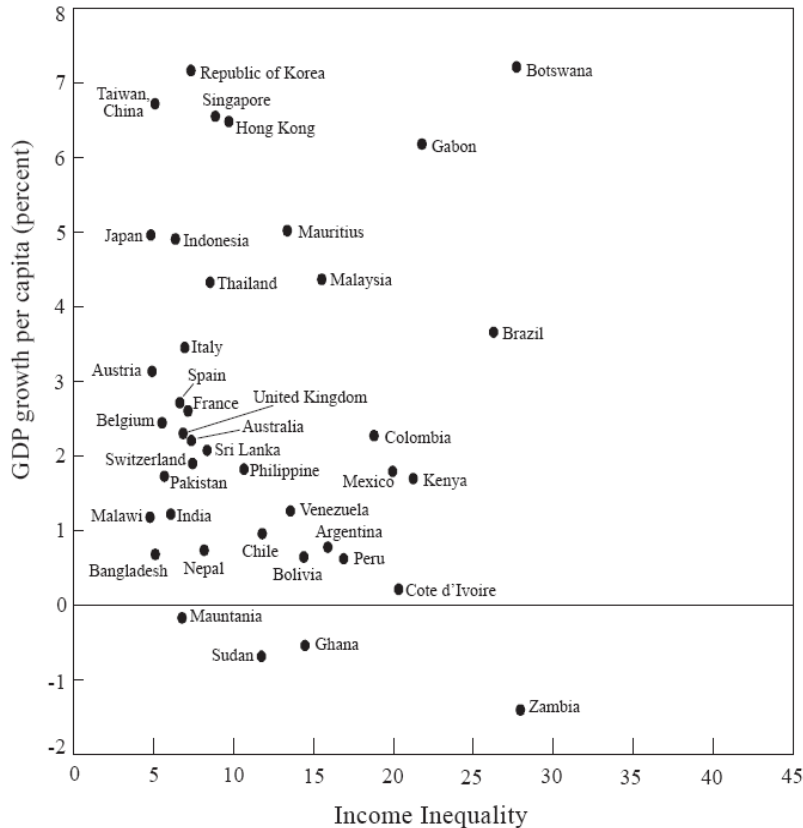
--- Top 10 Exporting Items

Rank	1962	2012	2020
1	Rice	<i>Petro-Chemical Products</i>	Semiconductor & Electrics
2	Raw Silk	Semiconductor	Machinery
3	Iron Ore	Automobile	Automobile & Parts
4	Fisheries	Ships and Marine Plants	Plastic Products
5	Tungsten	Display (LCD/LED)	Petro-Chemical Products
6	Coal	Automobile Parts	Steel
7	Minerals	Wireless Equipments	Organic Chemical Products
8	Dry Fish	Steel Products	Optical Products
9	Shell	Synthetic Products	Shipbuilding
10	<i>Swine Bristle</i>	Electronic Appliances	Iron & Steel Products



Rapid Growth with Equity

Income Inequality and Growth of GDP, 1965-89



Korean Economy in 2023

Comparable to Major Players of the World

As of 2023

Country	Pop (mill.)	GNI (\$bill.)	GNI per head (\$)		Exports Goods & Services (\$bill.)
			Current	PPP	
Spain	48	1,556	32,180	52,420	616
Italy	59	2,245	38,200	58,650	794
U.K.	68	3,267	47,800	58,140	1,075
Russia	144	2,085	14,250	43,510	466
Japan	125	4,860	39,030	52,640	921
Korea	52	1,836	35,490	55,040	770

Source: World Bank, World Development Indicators

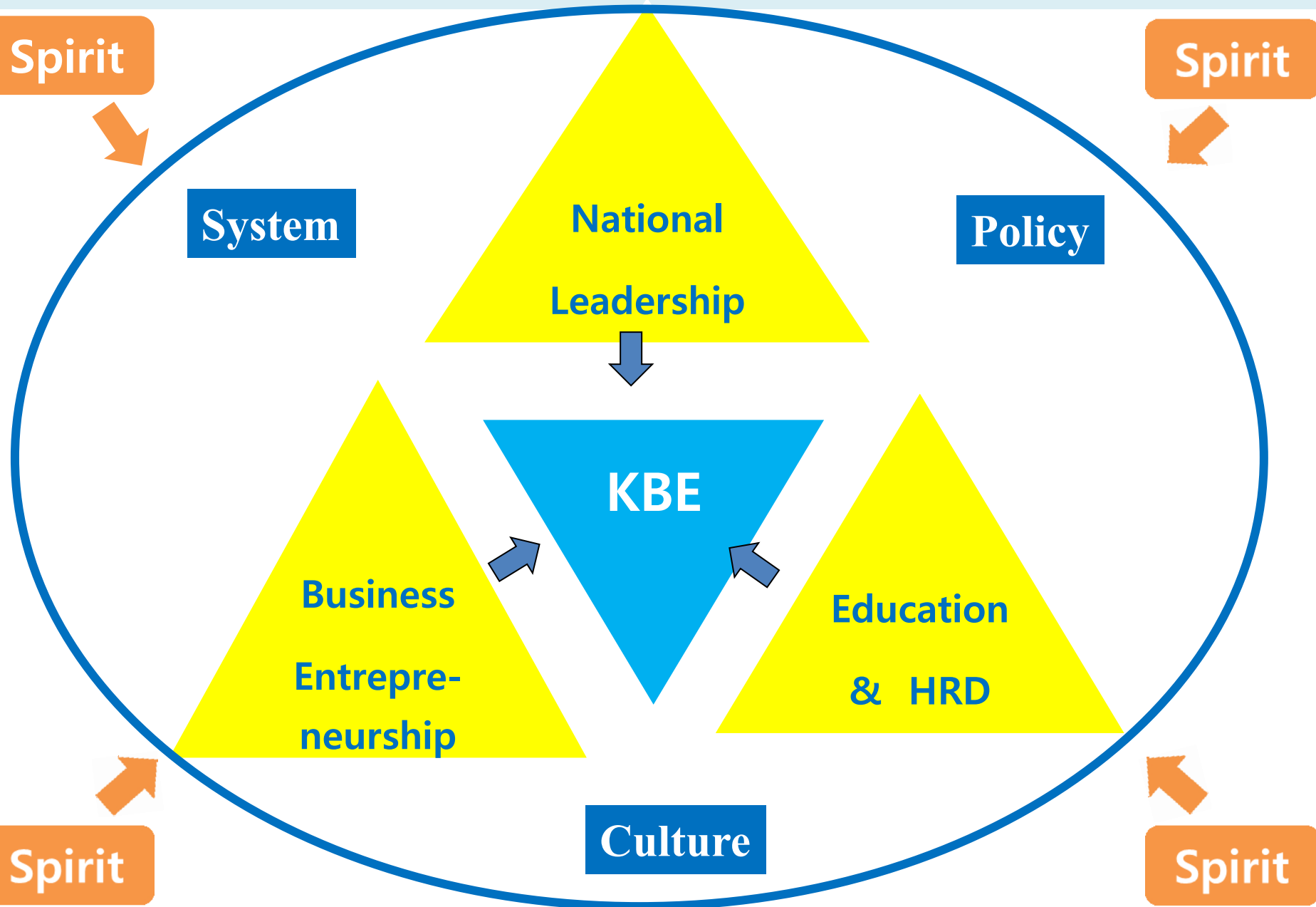
Korean Construction Overseas & Shipbuilding



Chapter 4

How It was Made?

Mechanism of Korean Economic Development



System and Policy

- System and policy matter in development.
- Among countries, South and North Korea show the most contrasting differences in development.

	S. Korea	N. Korea
Polity	Democracy	Aristocracy
System	Market Liberalism	Socialist Economy
Operator	Market	Communist Party
Openness	Open Economy	Closed Economy

National Leadership

- 
- **Institution**
 - **Building a Developmental State**
 - **Role of Control Tower (EPB..) & NIS**



- 
- **Policy**
 - **Outward-Looking Development Strategy**
 - **Industrial Policy (from HCI to High-tech Industry)**

- 
- **System**
 - **Change in Value and Attitude -- "*Can-Do Spirit*"**
 - **Nationwide Mobilization and Participation**

The Operation named Economic Development.



Policies of Korean Development (3)

❖ Industrial Policy

□ **1960s: "Selection of Winners" at Local Market**

- Windfalls for the nation, instead of expropriation
- Aiming to promote exportation of light industries
- Forced to drive toward foreign market

□ **1970s: Government-led Building HCIs**

- Steel Mill, Refineries, Shipbuilding, Automobile, Electronics and Machinery
- The spirit of "Succeed or Die"

□ **1980s: Government Support**

- Expansion and sophistication of HCIs
- Collaboration with public research institutions

□ **1990s: Government Advocacy**

- Incentives for high-tech industries including semi-conductor
- Building the business system of parts and components

Key Contributor: Exports

(USD billion, goods & services)

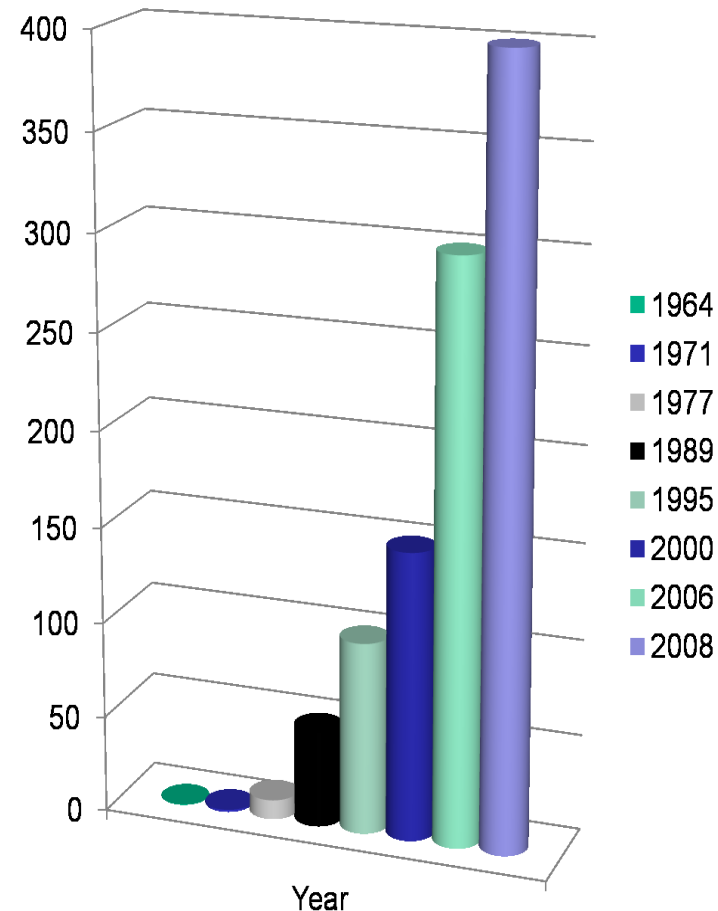
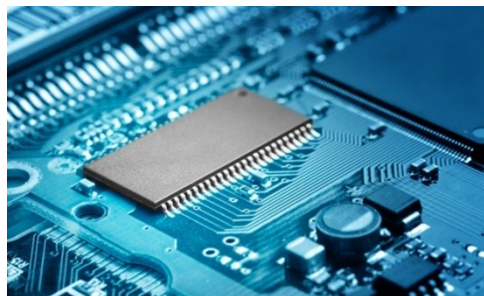


2023: \$770 billion (Imports: \$761 billion)

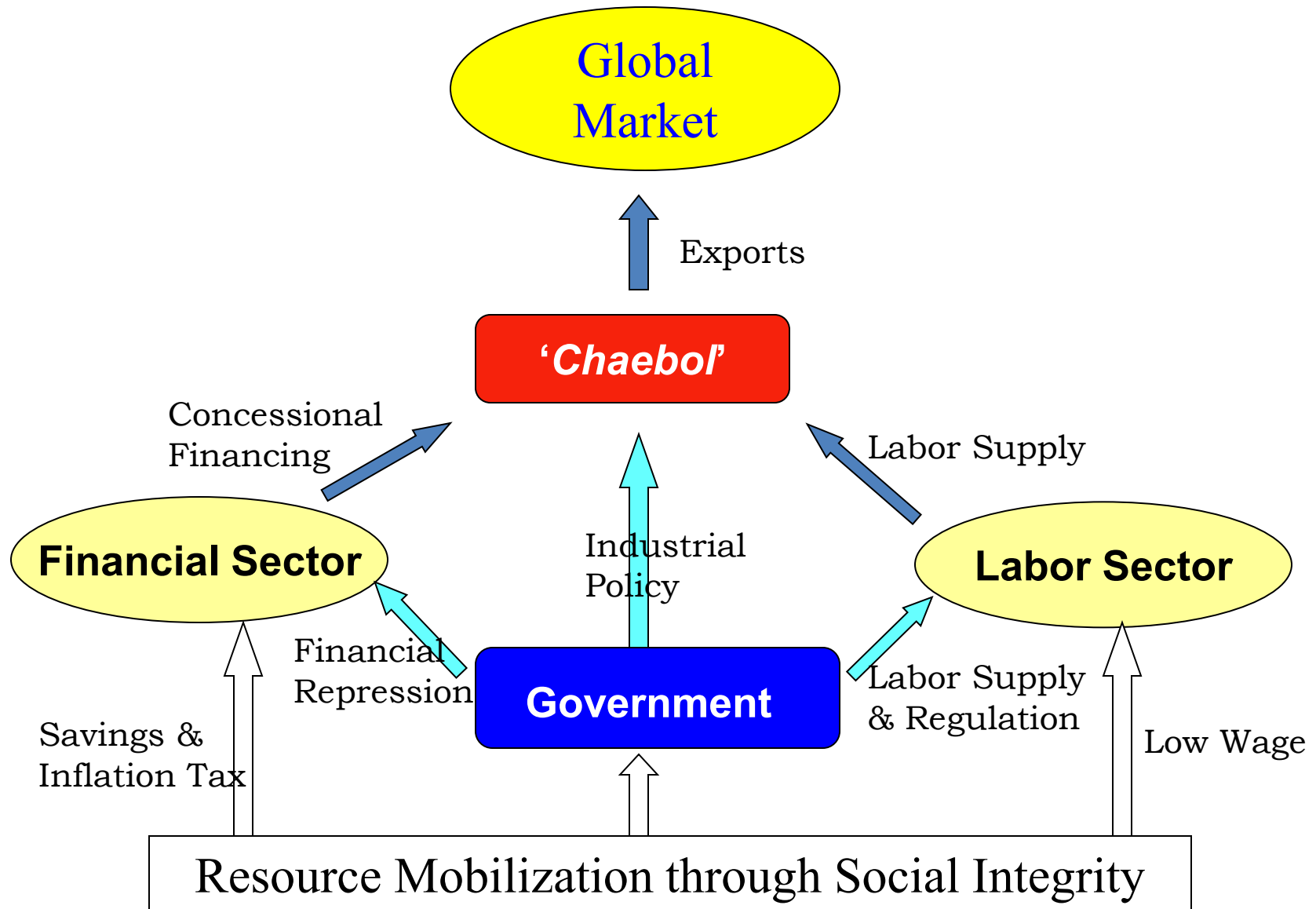
Year	USD billion
2018	600
2011	500
2008	400
2006	300
2000	150
1995	100
1989	50
1977	10
1971	1
1964	0.1

Exports Performance of Korea (2020)

- Total Volume: \$512 billion
- Global Ranking: 7th
(Global Share: 3.1%)
- Top Item: Semiconductor
(About \$100 billion)
- Balance of Payment:
\$44.9 billion in surplus



Growth Mechanism of “*Korea Inc.*”



What is Development?

How to Achieve it?

- **Economic Development** (A Heterodox Definition)

It is a process of building national consensus and sharing visions toward development .

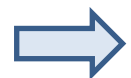
It is the art of balancing economy and politics.

- **Requirements**

① Full commitments of the national leader/elites

② Total mobilization of resources

③ Sacrifice and devotion of a generation or two



Collective Determination: "*Development Will*"

--- Spiritual aspect of development

Chapter 5

What Should Be Done?

When Will the Kyrgyz Republic Be Rich?

How to Catch up Other Countries?

And What to Do?

The answer is

Finding the Right Policy for the LLDC with Small Population.

It might be the policy of LED, I Propose.

Liberalization,

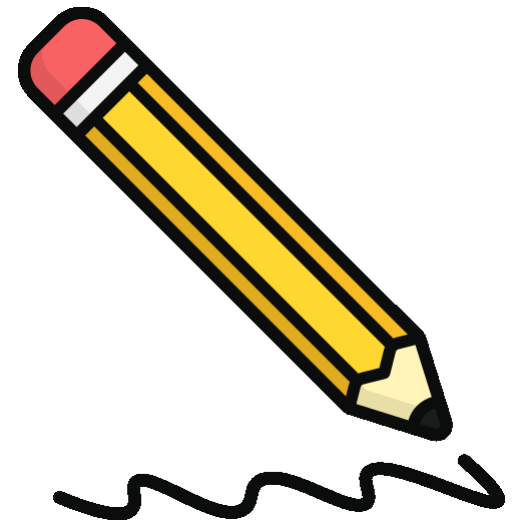
Education and

Digitalization.



The Way to Make the Kyrgyz Republic an **AAA**awesome Country.

*It is the Mandate of Time
And It's Your Mission.*



LET US OPEN
THE GREAT AGE OF
CATCHING-UP.

THE KYRGYZ MIRACLE

***Thank you
for Your Listening***