



The Rise of China and the Changing Face of East Asia

Lecture by Dr. Ezra F. Vogel
Harvard University

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On December 8, 2003, the Institute for International Policy Studies, with the support of the Nippon Foundation, hosted a lecture on the topic of China's economic growth delivered by Dr. Ezra F. Vogel of Harvard University.

Dr. Vogel noted that China's pattern of rapid growth is different in many respects from that of Japan, Taiwan, and Korea, each of which experienced very high-growth periods lasting for about 20 years. In Japan, South Korea and Taiwan, rapid growth caused a shortage of labor, and competition for workers forced companies to raise wages. This made it impossible for labor-intensive production to compete on world markets, thus bringing an end to the high-growth period.



China, on the other hand, still has, according to some estimates, about 150 million underemployed rural laborers, eager to find jobs. With this vast virtually unlimited supply of future workers, low wages can continue for a long time to come.

He noted that while not yet able to produce advanced technology, China's universities and high tech companies are moving forward at an unprecedented rate.



In the late 1990s, China began to take a much more positive attitude toward participation in multilateral organizations, including APEC, the Shanghai Organization, which includes East Central Asian countries and Russia, and in meetings with ASEAN. More recently China has taken a lead in the six-nation talks with North Korea, and they have taken more responsibility for the UN. Chinese leaders realize that as a trading nation they now have a large stake in

world order.

As China changes, its relationship with the countries of Southeast Asia will continue to broaden. China is expanding the free trade agreements (FTA) with ASEAN countries. Japan needs to have more people active in regional affairs if it wishes to keep pace with China in building relations with other Asian countries.

With regard to Japan's policy stance toward the United States, Vogel stated that before the US attack, Japan might have been more forceful in stressing the importance on the UN. Now, however, Japan and other countries have an interest in helping democracy to take hold in Iraq and for Iraq to continue to develop economically.



Dr. Vogel's presentation elicited many questions and comments from those in attendance and a lively Q&A session followed the conclusion of the lecture.