

From Confucius to Kennedy: Principles of East Asian Governance

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The story of development is a curious one. In the immediate aftermath of World War II, during the height of optimism generated by decolonization, the world held a common assumption that all nations shared a potential to become developed nations. The combination of a benign international economic order, wise free-market economic policies, and a small dose of foreign assistance from the developed world would enable any nation to develop. A half century later, this optimism has been replaced by a general pessimism. In private, many have begun to believe that, perhaps, only Western nations can succeed and develop.

Today, the only region that seems to have the capacity to escape the clutches of this pessimism is East Asia. At the height of the Asian financial crisis around 1997–98, as the East Asian economies began to collapse like dominoes, murmurings were heard that the East Asian miracle had been a mirage. Like the rest of the developing world elsewhere in Asia and in Africa and Latin America, East Asia was also perceived to be heading toward failure in the story of development. Fortunately, nine years after the East Asian financial crisis, East Asia has regained its confidence. The world, too, is becoming convinced that the region is set on a secular path of steady economic growth. Several East Asian nations are now positioned to join Japan as developed nations, achieving within a generation what the West took several generations to accomplish.

A critical difference: the East Asian elites

Despite this new consensus that East Asia is likely to succeed, there is no consensus on *why* East Asian nations are succeeding. The conventional Western narrative on political and economic development does not explain the rise of East Asia. Neither democratic nor authoritarian political systems are critical variables. While participation in free-market economic development is a necessary ingredient, it is not a sufficient one. The role of the state varies greatly in the story of East Asian economic development. All these points suggest that the time has come to start a fresh narrative about East Asian development. This is what this essay means to do.

The critical difference between East Asia and the rest of the developing world is the nature of the elites that have been leading and managing the successful states. Essentially, they have been productive, instead of parasitic elites. While they have achieved and retained power in different ways, they have remained focused on uplifting their nations and societies while in office. With the possible exception of Hong Kong (China) and Singapore, one could not argue that these states have been free of corruption. But, despite the corruption, the elites have continued to focus their energies more on transforming their societies than on preserving their special, privileged status. This is the common element that is found in China and Japan, the Republic of Korea and Taiwan (China), Malaysia and Singapore.

The best way to construct this East Asian narrative is to compare the performance of East Asian elites with the elites of Latin America. Latin America began both the 20th century and the post–World War II era with far greater promise than did East Asia. Argentina was ranked among the 10 richest countries in 1900. The presence of European elites in Latin American societies

gave good reason to believe that the elites would learn and transmit the best practices of European societies into Latin America. Yet, by the end of the 20th century, when Singapore had emerged as a symbol of what a small East Asian state could do with no resources, Haiti had emerged as a potent symbol of the other extreme. Even U.S. tutelage could not stop Haiti from dropping toward the status of a practically failed state.

Why did East Asian elites perform better than many of their Latin American counterparts? Any attempt to give a full answer to this question will reveal the complexity of the East Asian story. Culture is certainly part of the explanation. Since the days of Confucius, the ethical fabric of East Asian societies has been laced with the belief that obligation to society is an integral part of being an ethical person. But a similar strain occurs in other societies, including Christian and Muslim societies.

Putting society before self was not the only thought in East Asian minds. Starting with Japan during the Meiji Restoration, East Asian societies gradually began to realize, especially in the 1960s and 1970s, that they had to emulate the best practices of the West if they were to succeed. The one common element found in all the elites of East Asia is that they opened their minds to the study of the West. Thousands went to universities in the United States beginning in the 1950s and 1960s. When they returned home, they brought back the remarkable confidence of post-World War II America that a “great society” could be created by human intervention. The boundless optimism of the Kennedy era infected East Asia, too. Hence, both Confucius and Kennedy explain the rise of East Asia, even though these two personalities seem poles apart in spiritual terms.

This willingness to learn Western best practices and to adapt and apply them may thus be the key distinguishing feature of East Asian elites. In theory, these elites might have been afraid of losing their cultural identity in trying to copy the West. In practice, they retained their deep cultural confidence that they could learn from the West and not lose their souls. Hence, both the capacity to learn and the confidence to accept Western best practices are central elements of the East Asian narrative.

One poorly understood dimension of the East Asian story is the remarkable number of extraordinary leaders who have appeared in the region. Maintaining a developed society requires less effort. Hence, the countries of the Organisation for Economic Co-operation and Development that have experienced mediocre or poor leadership have not suffered too much. On the other hand, no state can be lifted from a poor developing status to a modern developed nation without extraordinary leadership. The Meiji reformers did this for Japan. Deng Xiaoping did it for China. Park Chung Hee did it for Korea. Chiang Ching-kuo did it for Taiwan. Equally important, these great leaders surrounded themselves with other remarkable leaders who could pull their nations up.

It is a real pity that no major study has been carried out to compare the impact of leadership on East Asian development. Witness the contrasting stories of Korea and the Philippines. The Philippines began with far greater promise at the end of World War II: higher per capita income, a more well educated elite, better access to the U.S. market, and a remarkably talented population that has thrived in every country outside the Philippines. But the feudal hacienda mentality and poor leadership both under democratic and under dictatorial rule did the Philippines in. Korea had no advantages. Decades of war and occupation had devastated Korea. But it had extraordinary leadership and an elite committed to strengthening their nation, not their own bank accounts. This one comparison makes clear that the performance of elites is a key variable in assessing the fate and fortunes of nations.

Silent learning

There is another, equally important dimension in the East Asian story that has not been fully understood or described. Even though the societies of East Asia are quite different and their elites seem independent of each other, there has been a lot of silent learning among the elites. Over time, historians will discover the many connections. This is true even though the stories of development appear so different. This essay will try to show some common threads of learning in East Asia.

After its unfortunate detour into a militaristic society in the first half of the 20th century, Japan remained firmly committed to democratic rule in the second half of the century. Today, the story of the Japanese economic miracle is being overshadowed by that of China, which has managed its remarkable economic transformation under communist party rule. Korea began its extraordinary economic growth under a military dictator, Park Chung Hee, while Hong Kong did so under British colonial rule. Given this significant diversity of political systems, what does one find in common in the East Asian story?

To begin to answer this question, it may be useful to show how Japan triggered the first wave of elite learning. Japan was the first East Asian community to wake from centuries of slumber. It took the arrival of the West, especially the naval expedition of Commodore Perry in 1853, to make the Japanese aware of how weak and backward their society had become. The Japanese had also been observing the humiliation of China by the West. They knew that a similar fate awaited Japan if it did not change course drastically. Hence, a brave group of young reformers overthrew the Tokugawa Shogunate in 1868, restored the Meiji emperor, and firmly embarked on a process of reform. Fukuzawa Yukichi, one of the leading reformers, said, “Our immediate policy, therefore, should be to lose no time in waiting for the enlightenment of our neighbouring countries in order to join them in developing Asia, but rather to depart from their ranks and cast our lot with the civilized countries of the West . . . We should deal with them exactly as the Westerners do.”¹ Japan was therefore the first East Asian country to decide that learning from the West was essential for successful development.

What motivated this brave band of Meiji reformers in the late 19th century? Their fundamental concern was for the fate of their nation, not their own fate. They desperately wanted to prevent the humiliation of their country. Hence, they traveled to all corners of the globe to understand what made nations great.

They showed a remarkably pragmatic spirit in applying the lessons they learned. Instead of trying to find one set of formulas or learning only from one society, they were happy to mix and match best practices learned from a variety of sources. Iwakura Tomomi, one of the Meiji reformers, went on a two-year tour of the world with 54 protégés. They were impressed with what they saw and realized the need to change their society completely. For example, they patterned their education system after that of the French centralized system and American curriculum development. They stressed universal primary education followed by expanding secondary education. This end to education according to class allowed for talent-based upward mobility. They also adopted the German system of civil service recruitment through examinations. In the political arena, they conducted an in-depth study of Western systems of jurisprudence and constitutional law. The Meiji reformers also learned Western agricultural techniques to boost the Japanese economy. Goh Keng Swee observed that, “By studying Western techniques, importing Western experts and introducing new strains through experimental stations,

Japanese agriculture made great and continuing advances, so much so that today the number of farmers in Japan is smaller than in the early Meiji period, the increases in the country's population having been absorbed in the 'modern' sector" (Goh 1995a, 139).

Goh Keng Swee, one of the founding fathers of modern Singapore, made a significant effort to understand the Meiji reformation. He is widely credited, together with Lee Kuan Yew and S. Rajaratnam, with being responsible for the Singapore success story. He referred to the Meiji reformers in several of his essays. For example, when he delivered the fourth Harry G. Johnson Memorial Lecture at the Royal Society, London, on July 28, 1983 on the topic, "Public Administration and Economic Development in LDCs [Least Developed Countries]," he discussed several lessons from Japan's economic development, in particular the Meiji reformers (Goh 1995).

It is clear that Goh Keng Swee tried to apply the lessons he learned from the Meiji reformers to the development of Singapore. Indeed, his contribution to Singapore's development was not small. Lee Kuan Yew, the then prime minister, said that, whenever he encountered a major challenge in governance, he put Goh Keng Swee in charge of the relevant portfolio. This is how Lee Kuan Yew described Dr. Goh: "Throughout this fight [with the communists] and for the next 21 years until he retired as deputy prime minister in 1984, he was my *alter ego*, always the skeptic, always turning a proposition on its head to reveal its flaws and help me reshape it. He was my resident intellectual *par excellence* and a doughty fighter" (Lee 1998, 510). Thus, Goh occupied several ministerial portfolios, moving from defense to finance, from education to central banking, in the course of his career. Without fail, he overcame major problems each time. He also left behind lasting legacies in each area into which he ventured. Remarkably, he could handle equally well both large and small problems. The Jurong Bird Park, the Singapore Zoo (both the day and night zoos), the Singapore Symphony Orchestra, and the East Asian Institute (which originally began as an institute to study Confucian philosophy) continue to thrive because of the firm foundations he established for them.

I once accompanied Dr. Goh when he paid a call on Paul Volcker, then chairman of the board of governors of the U.S. Federal Reserve System ("the Fed"), in 1985. Before the visit, we discussed the role of the Fed. It became clear to me after a few minutes that Goh had studied both the Fed and the U.S. monetary system in great depth. Indeed, when he ran the central bank equivalent in Singapore, the Monetary Authority of Singapore, he applied Western best practices judiciously. Yet, there was no slavish copying. This was the governing principle of Goh's stewardship: learn the best practices from the rest of the world and adapt them to the unique conditions of Singapore. In so doing, he was behaving exactly like the Meiji reformers had done in Japan almost a hundred years earlier.

If Goh had inherited a "healthy virus" of learning and application from the Meiji reformers, he may also have been inadvertently responsible for passing on some of this "healthy virus" to China. It is little known that China, under the initial guidance of Deng Xiaoping, had made a significant effort to learn and adapt from Singapore.

Deng Xiaoping clearly deserves to go down as one of the greatest leaders of all time because of the enormous improvement he brought to the lives of over a billion Chinese people. The 19th century British moral philosophers of the utilitarian school would have had no hesitation in praising his contributions to Chinese society. It is remarkable how he turned the most populous country of the world on a dime and moved it almost instantly from socialist central planning to free-market economics.

While Deng's enormous contribution is now well recognized, there is little understanding

of how his worldview changed along the way. From the age of 20 to the age of 75, when he launched his Four Modernizations Policy, he was a dedicated communist party official. It is true that he witnessed the disastrous Great Leap Forward of 1958–60 and the Cultural Revolution of 1966–76. Twice, he was also purged from the communist party by Mao Zedong and Mao's supporters. Hence, he was acutely aware of the failures of the communist economic system. But what made him decide to opt for free-market economic principles?

The full story may never be known. However, it is worth recalling the challenges he faced when he was rehabilitated and put back in office in July 1977. Apart from dealing with the consequences of the enormous turmoil produced by the Cultural Revolution, he faced a uniquely adverse geopolitical environment. Vietnam was set to invade Cambodia in 1978 after signing a treaty in Moscow on November 3 to secure Soviet protection if China invaded Vietnam in retaliation. Deng went to Washington in January 1979 to explain to President Carter how China would react to the Vietnamese invasion. Zbigniew Brzezinski, President Carter's national security advisor, was present at the meeting, and, in his memoirs, he described Deng's presentation as "the single most impressive demonstration of raw power politics that I encountered in my four years at the White House" (Goh 1995b, 325). Note that it was also during this visit that Deng made the bold decision to expose Chinese society to the remarkable affluence of American society. This was a huge political risk. It proved the falsehood of the long-standing and oft-repeated claims of the Communist Party of China that the American people were poor and oppressed. But Deng's gamble worked. It unleashed the enormous energies of the Chinese population when they learned from American society that better lives awaited them if they opted for free-market economics.

It would have been excusable for any Chinese leader to focus only on geopolitical challenges in such difficult circumstances (as the Soviet leaders appeared to be doing at the time). Yet, remarkably, Deng also focused his energies on the domestic economic reform that China would have to undertake. As part of his response to the Vietnamese invasion of Cambodia in December 1978, he also decided to visit a few states of the Association of Southeast Asian Nations, including Singapore. These visits opened his eyes to the superior economic conditions in Southeast Asia. In a December 2005 interview with *Time Asia*, Lee Kuan Yew described the likely reaction of Deng to his visit to Singapore:

I'm convinced that his visit to Bangkok, Kuala Lumpur and Singapore, that journey, in November '78, was a shock to him. He expected three Third-World cities; he saw three Second-World cities better than Shanghai or Beijing. As his aircraft door closed, I turned around to my colleagues; I said, "[his aides] are getting a shellacking. They gave him the wrong brief." Within weeks, the *People's Daily* switched lines, [writing] that Singapore is no longer a running dog of the Americans; it's a very nice city, a garden city, good public housing, very clean place. They changed their line. And he changed to the "open door" policy. After a lifetime as a communist, at the age of 74, he persuaded his Long March contemporaries to return to a market economy. (Elegant and Elliot 2005, 6)

After this visit to Singapore, Deng worked even harder to promote economic reform. To get his meaning across to a billion people, Deng had to keep his message clear. He used brilliantly simple and striking aphorisms. The most famous one was his remark, "It does not matter whether a cat is black or white; as long as it catches mice, it's a good cat." Deng wanted to imbue the Chinese people with a spirit of pragmatism to replace the rigid doctrinal approaches

of Maoist thought.

He also wanted to provide the Chinese people with a model on which they might rely. He might have used either Japan or the four tigers (Hong Kong, Korea, Singapore, and Taiwan). However, Japan and Korea were out as models because they were still political rivals in the Cold War geopolitical setting. Culturally, it would have been difficult for the Chinese population to accept Japan and Korea (hitherto Chinese cultural satellites) as role models. Hong Kong and Taiwan could not be used because their continued separation from China meant they served as living symbols of one of the most humiliating periods of Chinese history, and China was still recovering from this humiliation. Hence, perhaps by default, perhaps because the Singapore story had its own merits, Deng went around China advocating that China learn a lesson or two from Singapore's development experience. As Lee Kuan Yew recounts in his memoirs, China's attitude toward Singapore changed significantly soon after Deng's visit in 1978. Lee (2000, 668–69) quoted from Deng's speech in October 1979. "I went to Singapore to study how they utilized foreign capital. Singapore benefited from factories set up by foreigners in Singapore: first, foreign enterprises paid 35 percent of their net profits in taxes, which went to the state; second, labor income went to the workers; and third, it [foreign investment] generated the service sectors. All these were income [for the state]," and Lee then added, "What he saw in Singapore in 1978 had become a point of reference as the minimum the Chinese people should achieve."

The Chinese government followed this up by inviting Goh Keng Swee to serve as the economic advisor to the State Council of China on coastal development from 1985 to the mid-1990s. We will never have a full account of all the advice Dr. Goh gave to the Chinese government. Much of it was given in confidence. Still, it is unlikely that Goh would not have mentioned to his Chinese hosts either his study of the Meiji reformers or his own experience in adopting Western best practices. For example, Goh once described Singapore's development experience as follows, "If our experience can be used as a general guide to policy in other developing nations, the lesson is that the free enterprise system, correctly nurtured and adroitly handled, can serve as a powerful and versatile instrument of economic growth" (Goh 1995c) He must have shared this idea with his Chinese hosts as well.

This story of one man who studied Meiji Japan, applied its lessons to Singapore, and then shared with China his experiences in governing Singapore may seem like a very thin thread on which to hang the point that there has been a lot of mutual learning and interconnectedness among the elites of the region as they tried to foster growth and development in their societies. Clearly, there must have been numerous other threads, many of which were certainly much thicker. To unearth all these threads will require more in-depth research.

But some of these threads may remain invisible for a long time. For example, it is well known that the Korean economic success story was based to an extent on lessons learned from Japan. Under normal circumstances, it would have been natural for Koreans openly to acknowledge the lessons learned. However, the recent political history of Japan and Korea has been immensely difficult and complicated. The Japanese occupation of Korea from 1910 to 1945 was painful and brutal. Koreans were not even allowed to speak their language during this occupation. To make matters worse, Japan had, until recently, been reluctant to acknowledge the pain it had caused Korea. Hence, not surprisingly, there is equal reticence on the part of Koreans to acknowledge Japan's positive contributions. The wounds have not healed. It will take time for both sides to agree on the positive dimensions of their relationship.

However, the connections between Japan and Korea are significant. On the surface, one often witnesses popular hostility to Japan in Korea because of the bitter memories of Koreans

about the Japanese occupation. Yet, underneath this hostility, there is also a layer of deep cultural respect for Japan and its enormous accomplishments. Many development economists like to point out that, in 1960, per capita gross national income in Korea was lower than that in many developing countries in other regions. Korea's was about US\$80, while Ghana's was US\$200, and Argentina's was US\$2,700. Today, the comparable figures are Korea, US\$13,900, Ghana, US\$380, and Argentina, US\$3,700. Has Japan contributed to Korea's growth in any way?

American historians, who are equally detached from Japanese and Korean sentiments, have made an effort to catalogue the lessons that Korea may have learned from Japan. Dennis L. McNamara, a sociologist at Georgetown University, has traced the beginnings of Korean capitalism and the *chaebols*² to the Japanese colonial period (for example, McNamara 1990). Ezra Vogel adds the following:

After World War II, only the governments of South Korea and Singapore consciously studied the Japanese experience in detail, but the main outlines of the Japanese strategy were well understood by all four of the little dragons. They all knew that Japan began with labor-intensive industries and used the income from exports in this sector to purchase new equipment, while upgrading its training and technology in sectors where productivity gains would allow higher wages. They all saw the crucial role of government in guiding these changes. Having the Japanese model provided both the confidence that they too could succeed and a perspective on how to proceed. (Vogel 1991, 91)

The deeper roots of the contribution of the elites

As one of the foremost scholars of East Asia, Vogel has tried to understand the deeper roots of the unique characteristics of East Asian elites (although he focuses his study on Japan and the four tigers). In describing these unique characteristics, he highlights four common areas (Vogel 1991, 93–101). They are:

1. *Meritocratic elite*. According to Vogel, the responsibilities of bureaucrats in Confucian societies of the past were broader than those of bureaucrats in the West, and the bureaucrats in Confucian societies enjoyed more authority and respect than did their Western counterparts. They had a sense of responsibility for the overall social order and moral tone of society. In the modern form, the ablest people in society are chosen. They remain dedicated to overall public goals and exercise restraint in their private pursuit of wealth. This concern for overall social order and existing inequities causes them to put more effort into spreading income opportunities.
2. *Entrance exam system*. Examinations are necessary for the selection of new workers as more skills became required. They are also critical in overcoming feudal favoritism. All members of society are thus given the opportunity to access high positions and better opportunities.
3. *The importance of the group*. While East Asian societies do not focus on binding legal codes so greatly as do societies in the West, they have detailed rules about the behavior of an individual in his or her group. Vogel cites the emphasis on loyalty, the responsiveness of people in organizations to group demands, and the predictability of individual behavior in the group setting as characteristics well suited to the needs of industrialization, particularly for those countries trying to catch up.
4. *Self-cultivation*. This is analogous to the Protestant work ethic in its power to strengthen the

personal drive for achievement. Self-cultivation was traditionally driven by a desire for more perfect control over one's emotions. It required study and reflection. This can be elevated to an active, purposive form by advancing work-related skills, such as learning new languages, using computers, or understanding foreign markets. This can then be channeled toward improving group performance. It is a restless desire for improvement that looks to the long term and that looks beyond material acquisition.

Vogel selected all four of these characteristics to describe the unique nature of East Asian elites. His emphasis on elite behavior is significant. This may well be the critical variable in the explanation of a society's ability to become a modern developed society. Look at, for example, the qualities Vogel highlights for special mention when he describes the nature of East Asian bureaucracies:

The bureaucratic system, in its modern form, played a critical role in industrialization . . . The fact that they were selected by meritocratic measures, were reputed to be highly moral, and lived without conspicuous display gave them an unquestioned legitimacy that encouraged public compliance with their decisions and thus helped to provide a stable base of support for their governments . . . Concern for the overall social order led officials to be sensitive to problems of inequality early in the process of industrialization and to make efforts to spread income opportunities to all parts of society. (Vogel 1991, 95)

This list of qualities can be used to administer a simple test for all societies that have so far failed to develop a positive momentum on the road to development: how many of them have implanted these qualities in their elites?

Various development theorists have had great difficulty explaining why countries fail in development. As recently as 2003, the chief economist of the International Monetary Fund, Raghuram Rajan, observed,

This development dilemma is the single biggest economic challenge the world faces in the longer term. And there isn't an easy solution. It isn't just a case of pouring in more money. We need to better understand how successful development has occurred. Indeed, one of the areas that I find most frustrating is the complete lack of guidance in economics as to how to start a virtuous cycle of development in the poorest parts of the world. (IMF 2003, 363)

The real secret to launching a virtuous circle of development may not lie in getting a country to adopt a certain set of economic prescriptions. These are necessary, but not sufficient. What is far more critical is to transform the nature of the elites running the society. It would be useful, for example, to create an international index of good governance that measures the performance of elites on the basis of, say, the qualities that Vogel has listed above in his description of East Asian bureaucracies. Elite behavior may well be the critical variable in deciding whether countries succeed in development.

The enabling environment

This emphasis on elite behavior may be difficult for contemporary Western intellectuals to stomach. The winds of political correctness that have blown through Western academia make it difficult to have a balanced discussion on this subject. It is far more politically correct to praise the virtues of democracy, even if democratic rule is, sadly, unlikely to change the conditions in countries such as Haiti. This is a simple truth. But when such simple truths cannot be stated, real problems emerge in attempting to have rational discourse on these issues.

This problem of political correctness has been aggravated by America's retreat from the golden assumptions of the Kennedy era to the minimalist assumptions of the Reagan era on issues of governance. The Kennedy generation believed that great societies could be created by governments led by good leaders. That generation may have made mistakes, but they believed that leaders and elites could and should transform societies. The Reagan generation, by contrast, believed that good government could only come through least government. Their goal was to shrink government and reduce the role of governing elites on the assumption that the marketplace would make all the right decisions if governments stepped out of the way.

Fortunately, East Asia has been influenced more by the assumptions of the Kennedy generation rather than the Reagan generation. All the East Asian elites believed that both the state and the elites had critical roles to play in leading and changing society. This assumption may have been consistent with their cultural genes. But it helped that the Kennedy era provided a psychological boost to this tendency.

The Kennedy era provided more than a psychological boost. It also provided an enabling environment. If all the East Asian nations had tried to implement the policies of the 1960s in the 1860s, they would have been thwarted by the colonial ambitions of the expansionist European powers in East Asia. The Kennedy generation of the 1960s, by contrast (and for a variety of complex reasons, including Cold War considerations), wanted to see the success of East Asia. The Kennedy generation also retained memories of the ravages of World War II. Hence, they remained firmly committed to maintaining the 1945 multilateral order, including the rules of the forerunner of the World Trade Organization, the General Agreement on Tariffs and Trade, which provided a level playing field for all economies to grow and thrive.

Hence, it would be a mistake to point out only the Confucian dimensions of the East Asian story. These Confucian roots provided enabling cultural conditions. But equally important was the contribution of the American political and economic leadership of the 1960s and the strong encouragement it gave to the elites in East Asia. President John F. Kennedy may have had only a short term in office before he was tragically killed. But, in his short stay, he was able to influence significantly the *Zeitgeist*. This *Zeitgeist* also helped to fuel East Asia's development.

I can write all this with personal conviction. The 1960s were among the most critical, formative years of my life. Growing up in Singapore, we did experience a great deal of political and economic turbulence. Yet, despite all this, we also felt new rays of hope entering our lives. We felt ourselves moving forward toward better times. This optimism proved to be justified. The post-World War II era has been the best that East Asia has ever experienced. America laid the foundations for this era. Hence, in symbolic terms, the story of East Asia has to be portrayed as the journey from Confucius to Kennedy.

The truly good news from East Asia is that this journey has only now begun. Any nation anywhere in the world can join in the journey. The critical variable here is elite performance. With the right elites in place, all nations can progress and succeed.

Notes

¹ Cited in Nishikawa (1993), page 8 as reproduced on of the Web site of the International Bureau of Education, United Nations Educational, Scientific, and Cultural Organization, Paris, at <http://www.ibe.unesco.org/publications/ThinkersPdf/fukuzawe.pdf>. The quote is originally found in Fukuzawa (1885). The translation is by Sinh Vinh in *Fukuzawa Yukichi nenkan* [Annals] 11, Mita, Tokyo, Fukuzawa Yukichi kyokai, 1984.

² *Chaebols* are large enterprise groups in Korea.

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