

# **The History of Asia in the 20th Century – The Origins of Prosperity and Stability –**

**Akihiko Tanaka**  
**President, National Graduate**  
**Institute for Policy Studies**

## **Abstract**

Looking back from our 21st century vantage point, we must re-examine and re-think the history of Asia in the 20th century. Asia today, and East Asia in particular, enjoys relatively peaceful international relations and economic prosperity. The region has two major characteristics politically: a great diversity in political systems, and no failed states. To analyze these features by examining 20th century Asian history, the two concepts of nation building and international relations will be important. The absence of failed states in Asia means the state-building process in East Asia, including countries with a colonial past, has proceeded relatively smoothly. Individual countries have undergone their own historical development through interactions involving the state, society and markets within the context of dynamically changing international relations.

**A**s President Nogami has explained, this symposium is being held under the aegis of the Joint International Research Project on History consigned to the Japan Institute of International Affairs by the government of Japan. This project was launched in July 2016 as a very ambitious attempt to re-examine and re-think the history of Asia in the 20th century.

Needless to say, a very large body of research on 20th century history of Asia already exists thanks to many decades of exhaustive research. We nevertheless believe that it is now necessary to revisit the history of Asia in the 20<sup>th</sup> century. As history is a conversation between the present and the past, each age needs a new history of the past. The 21<sup>st</sup> century needs a history of the 20<sup>th</sup> century different from the history of the 20<sup>th</sup> century written for the 20<sup>th</sup> century. In addition to such general needs of a new history for a new age, however, Asia in the 21<sup>st</sup> century appears to require special needs to revisit its 20<sup>th</sup> century history; fundamental rethinking of history rather than fine-tunings appears necessary due to the circumstances described in the following.

First, even a cursory look at contemporary Asia, and East Asia in particular, awakens us to the realization that Asia today differs significantly from the Asia that we had come to take for granted during the 20th century. For example, let us consider the conditions of Asia in the 1960s and 1970s. Asia then was suffering from many military conflicts and domestic instability, the Vietnam War, the September 30 movement in Indonesia, and the Chinese Cultural Revolution to name just a few. As far as economic development was concerned, Asia was counted among the least developed regions in the world. In terms of per capita GDP, most of the Asian region scored below Sub-Saharan Africa. Japan was the only advanced industrial country in the entire region.

Where does Asia stand today? Asia today, and East Asia in particular, is in relative peace. Although there are potential sources of instability, no inter-state wars have taken place in this region since the Sino-Vietnamese War of 1979. Furthermore, there have been no large-scale civil wars in this area since the Cambodian Civil War ended with the Paris Peace Agreement of 1991.

In addition to peace, the region has achieved great prosperity. Hong Kong, Singapore, Japan, South Korea and Taiwan are at the highest levels of per-capita income in the world. Developing countries in the region, have traced a sharp upward slope. While some remain below the 10,000-dollar mark, there is no question that these countries are also enjoying rapid growth (Figure 1).

As a result, we have seen major changes in regional shares in the world economic scale. Figure 2 represents the changes of GDP shares of various regions since the beginning of the 19<sup>th</sup> century as estimated by Angus Maddison. Western Europe and the United States increased their shares in the 19<sup>th</sup> century and came to account for more than one-half of the world economy by the middle of the 20<sup>th</sup> century. However, we note a significant change beginning in the latter half of the century; the share of Europe and the United States began to decline. The opposite pattern holds for Asia. First, the share of China, India, Japan and other Asian countries declined considerably during the earlier period until it reached a bottom of about 20 percent by the middle of the 20<sup>th</sup> century. This was followed by a reversal toward the end of the century. According to Professor Maddison's projections, Asia's share in the world economy will exceed 50 percent by 2030.

World history after the Industrial Revolution was often written to account for the change that took place from the 19<sup>th</sup> century to the middle of the 20<sup>th</sup> century when the economic scale of Europe and North America (the West) overwhelmed that of other regions. Why was the West alone in achieving this amazing growth? Why did the rest of the world fail to keep up with the West? The dominance of the West and the gap between the West and the rest appeared almost eternal. Explicitly or implicitly, history, whether global, regional or national, was often written on the assumption of the dominance of the West. The task of Asian history, or, for that matter, history of any non-Western regions, then written was to explain why Asia failed to develop as much as the West. Causal reasoning differed; some attributed the failure to the Asian indigenous conditions and some, to the malicious impact of the West.

Classic Western view of Asian history that emerged in the 19<sup>th</sup> century, for example, was encapsulated in the Marxist theory of "Asiatic mode of production," which predicted that Asia would remain forever backward and stagnant under its imperial order. Many historians made counter arguments against such static view of Asia by detailed studies on traditional civilizations and cultures in Asia. The innumerable findings by such scholars as Joseph Needham demonstrated the technological achievements of China in the ages before the Industrial Revolution. However, when it comes to the history of the 19<sup>th</sup> century to the early 20<sup>th</sup> century, Asia was seen as losing such civilizational achievements and lagging behind the West.

As many parts of Asia were colonized by the Western imperial powers, Asian conditions became often explained by negative impacts of the expansion of the West: the Western imperialism and colonialism. The main theme of Asian history now became how Asian peoples liberate themselves from the shackles of the Western (and Japanese) imperialism. Even after the formal empires were gone after the second world war, the dependency theory, for example, tried to explain the underdevelopment of Asia by the structural dominance of the center on the periphery.

Japan was the exception to prove the rule under these historical circumstances. This gave rise to the question of why Japan alone was able to achieve economic development. The prevailing explanation for Japanese exceptionalism was that Japan differed from other Asian countries in that it possessed an environment and culture that allowed it to follow the European pattern of modernization. Some argued that Japan had a feudalism very similar to that of Western Europe. Others argued that Japan's ecological situation was very similar to that of Western Europe. And still others argued that Japan had a similar ethics with that of Protestantism. But for us living in the 21st century and well aware of the course of Asian development from the 1970s to the present

century, the whole question of why only the West developed and why Japan was the exception does not accord with the facts of the late 20<sup>th</sup> century and the 21<sup>st</sup> century.

The age of the Western dominance in the world economy is coming to an end. The dominance of the West is not eternal and the gap of the West and the rest is not eternal. The age when Japan was the only exception was over. History is now tasked to respond to questions such as: Why did the reversal of economic share take place in the latter half of the 20<sup>th</sup> century? Why did Asia and East Asia in particular achieve significant growth? What are the dynamics that explain both the rise of the West as well as its fall and the fall of Asia as well as its rise?

Economic share is not the only indicator of development. Many other conditions change as history develops. As economy develops, political institutions change. Max Weber assumed that bureaucratization was the hallmark of political modernization. Modernization theorists believed that democratization would follow economic development. Marxist theorists predicted that a communist (world) government was to replace capitalist states. The communist theory appears to have lost attraction academically as well as practically after the end of the Cold War. Virtues of democratization are widely shared by many in the 21<sup>st</sup> century but its historical connection with economic development appears highly complex if not totally unrelated. Could we say anything about political institutions when we observe Asian experiences from the vantage point of the 21<sup>st</sup> century?

Figure 3 depicts the positions of countries defined by political freedom as measured by the Freedom House score and prosperity as measured by the Human Development Index (HDI). The colored points represent East Asian countries. Japan, South Korea and Taiwan are situated at the top of the right hand portion, where virtually all countries of Western Europe and North America are situated. As we move to the left, we come to Hong Kong and Singapore. While both outperform Japan and South Korea in terms of HDI, they linger around the middle in terms of political freedom. A little further to the left and we come to Brunei. Somewhat lower in terms of HDI, we have China, followed by Vietnam with their low ratings of political freedom. Thailand and Malaysia are in the middle in terms of political freedom and Indonesia and the Philippines have more political freedom though at somewhat lower HDI. Moving further down along the HDI axis, we come to Laos, Cambodia and Myanmar with still lower political freedom. In other words, countries in East Asia show extreme diversity in terms of political freedom. Even among countries with high economic performance, there are different degrees of freedom. Among similar economic performance, some are experiencing increasing freedom but some others remain within authoritarian political systems.

These features of East Asia appear to justify the necessities of revisiting our view of history of the 20<sup>th</sup> century. What further justifies the necessity of our inquiry is the fact that we do not know how stable these features are. There is considerable divergence of opinion on this point. Some international political scientists question the stability of peace in East Asia. With North Korea and China in mind, it is not surprising that some have emphasized the instability of this peace. The same applies to prosperity, where the question is how long the region can continue to enjoy stable economic growth. Particularly in the case of developing countries, I believe there is a wide range of arguments that can be made on whether these countries can avoid the middle-income trap and achieve sustained development.

As Figure 3 indicates, political diversity in this region covers a considerable range of levels of freedom. Here again, it is very difficult to predict whether this pattern will continue unchanged into the future. China and Vietnam may eventually move toward the right and embrace greater freedom, or perhaps they will stay where they are today. The Modernization theory that prevailed in the 1950s posited that economic prosperity would eventually bring about democracy. In fact, South Korea and Taiwan in the latter part of the 20<sup>th</sup> century actually followed the pattern

suggested by the Modernization Theory<sup>1</sup>. But the current situation in East Asia shows that things do not necessarily happen as assumed by the Modernization Theory.

In any case, it seems clear that revisiting the history of Asia, and the history of East Asia in particular, presents an extremely interesting intellectual exercise. From a policy perspective, re-examination of history of East Asia could contribute significantly to the debates about development in the world. If the West and Japan are not exceptions in political, economic and social development, what can Asian development in the 20<sup>th</sup> century add to our understanding of development in general? To the extent that there exist uncertainty about East Asia's future, what further lessons can we draw from experiences of East Asia in the 20<sup>th</sup> century for the rest of the world?

There are no ready approaches to examine these questions posed above. Among many potentially useful concepts and hypotheses, I would like to briefly mention two that I believe would be significant in our examination of the history of Asia in the 20th century: state-building and international relations. As I stated before, despite the significant diversity of political systems in Asia, it seems quite apparent that most East Asian countries have created and maintained relatively strong state structure. Poorest countries in East Asia such as Cambodia and Laos appear to have less fragile state structure than many least developed countries in the rest of the world. We believe that it is worthwhile to investigate historical development of state-building in the region. How significant political institutions such as civilian bureaucracy, military, and political parties have been developed relative to the development of market and non-state civil society should become a renewed focus of historical investigation.

Another concept that this project will focus on is international relations. Individual countries undergo their own historical development through interactions involving the state, society and markets. However, this historical development certainly does not occur in isolation. In all countries, the interaction between the state, society and markets takes place within the context of dynamically changing international relations. In many cases, a decisive turning point in the historical development of a nation has been triggered by a major incident, a crisis or a watershed event in international relations. In this respect, war played an extremely important role between the 19th and 20th centuries. Similarly, in the realm of economics, such developments as trade expansion and economic depression have significantly influenced political and economic developments in individual countries.

Therefore, our project will be roughly organized as follows. Our study will start with a chapter describing developments in international relations in Asia between the second half of the 19th century and the 21st century. This will be followed by 20th century histories of individual countries featuring the description and analysis of the interaction between the state, society and markets, with special focus on the processes of nation building and the formation of the state.

This symposium today does not necessarily adopt the same analytical framework as would be found in a history book representing the output of this project. Similarly and needless to say, the views presented by the panelists will represent the personal views that are freely expressed by them. On the other hand, those of us participating in this project are certain that this valuable opportunity to participate in discussions with world-class panelists will contribute very significantly to our final analysis and output.

This concludes my opening remarks. Thank you.

---

<sup>1</sup> East Asia appears to pose several counter examples to Acemogru and Robison's argument that inclusive political system has been conducive to economic development. Korea and Taiwan presented a reverse pattern and China presented a case of economic development without inclusive politics.

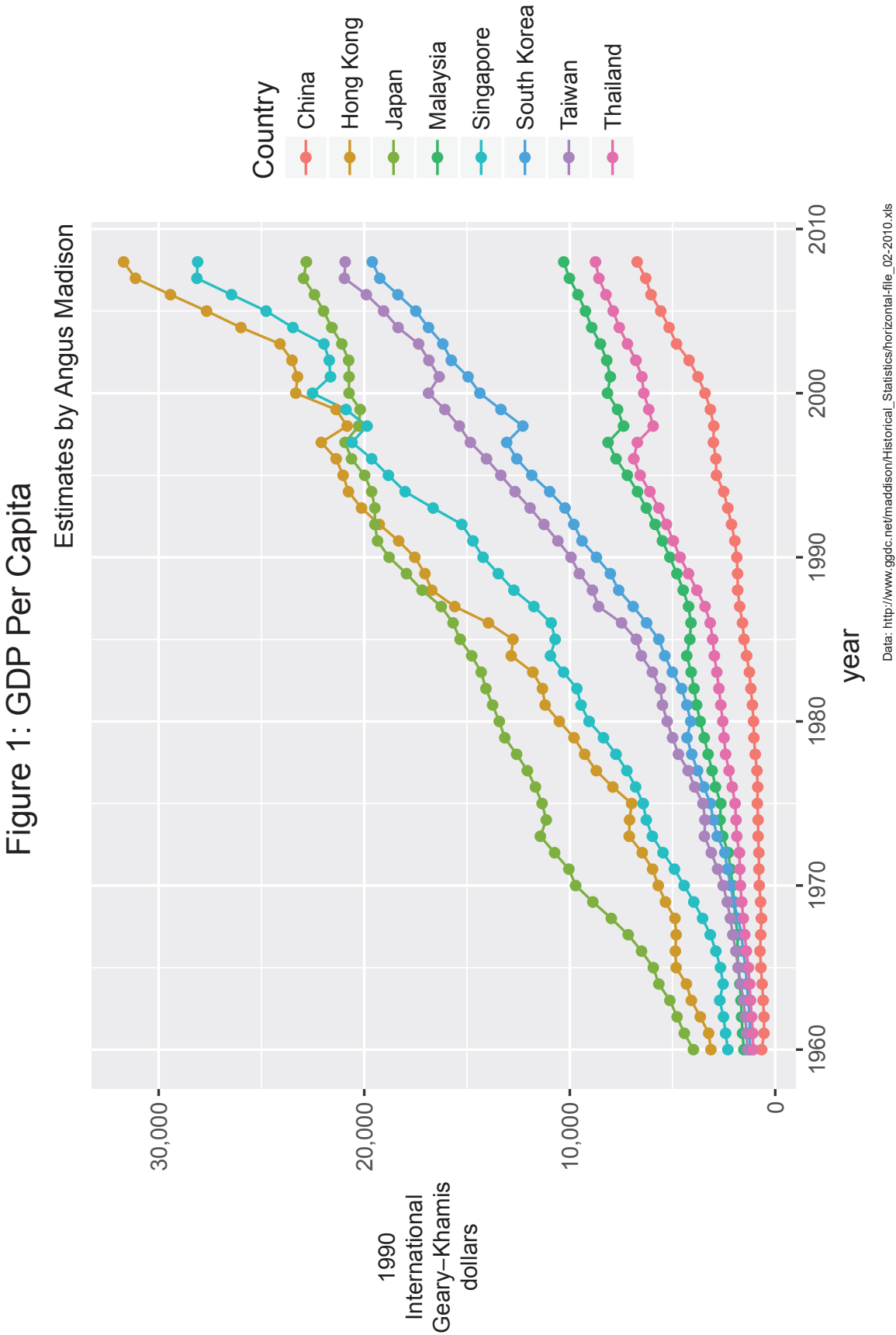
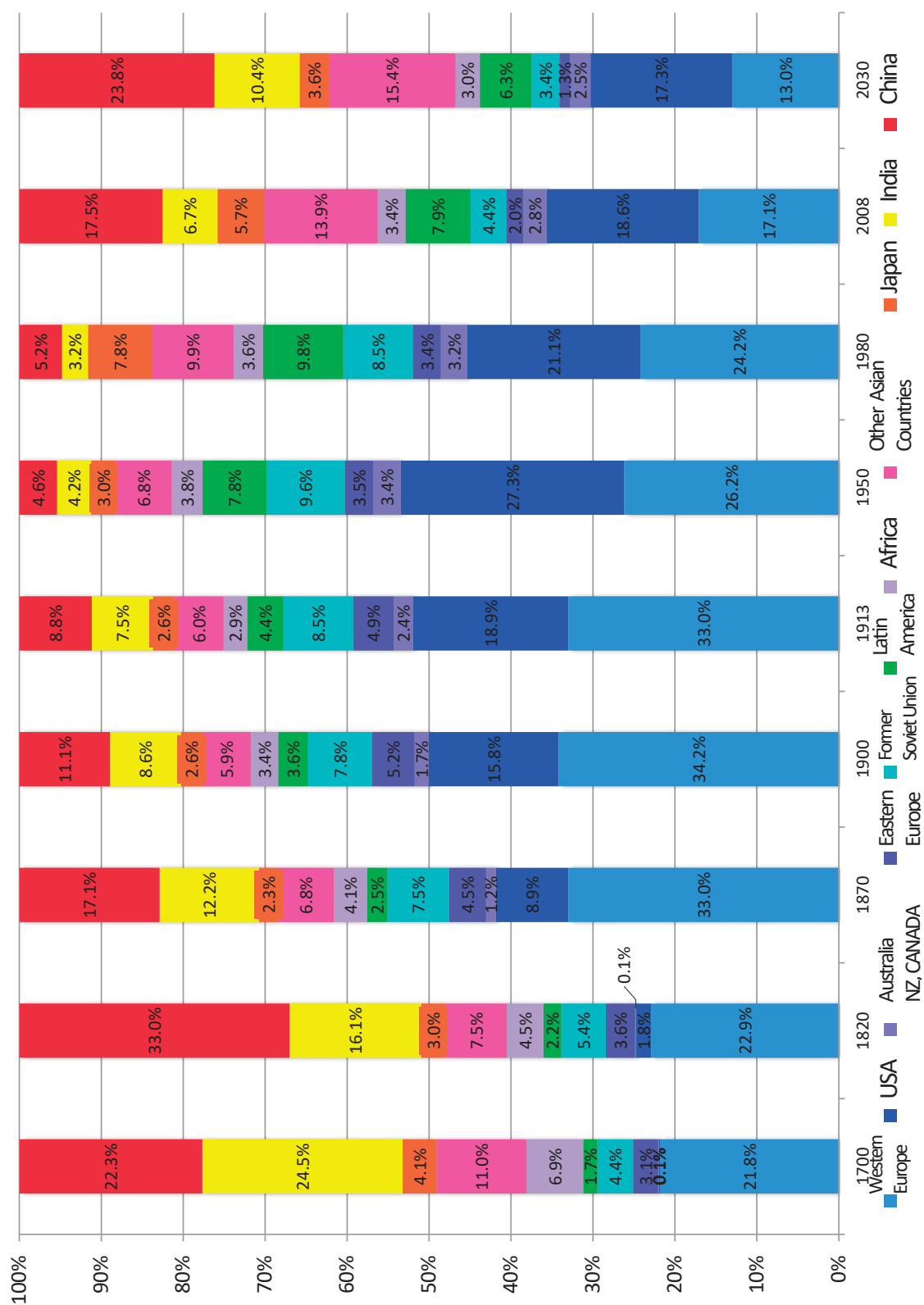


Figure 2: GDP Estimates by Angus Maddison (1700–2030)



Data: [http://www.ggdc.net/maddison/historical\\_statistics/horizontal\\_file\\_02-2010.xls](http://www.ggdc.net/maddison/historical_statistics/horizontal_file_02-2010.xls) and Angus Maddison, "Shares of the Rich and the Rest in the World Economy: Income Divergence Between Nations, 1820-2030" Asian Economic Policy Review, Vol 3, Issue 1, June 2008, p.74.



Figure 3: Three Spheres 2014

