

“Eastern Dragon and Four Little Dragons: A Comparative Analysis of China’s Economic Development Model and the Four Little Dragons’ Economic Model in Asia under the Background of Economic Globalization”

Haochuan Wang

Economics major, Yonsei University (Seoul campus), Jinan, Shandong, China, 250100
Email: a610293640@163.com

Abstract:

The comparative analysis of China’s economic development model and the economic development model of the Four Asian Tigers under the background of economic globalization summarizes China’s economic development model and the economic development model of the Four Asian Tigers, as well as the ideal paradigm of economic development under the background of economic globalization. Read relevant literature and summarize the ideal paradigm, shortcomings in China’s economic development model, and the economic development models of the Four Asian Tigers. Compare and analyze them to identify some proposed problems, and propose some solutions to these problems

Keywords: ideal paradigm, economic globalization, sustainability, the Four Asian Tigers, China’s economic development

1. Introduction

In the ideal paradigm, economic growth is given greater importance in terms of quality and sustainability, rather than just pursuing the quantity of growth. This concept recognizes the opportunities and challenges brought about by globalization, aiming to maintain competitiveness in global competition while emphasizing social and environmental sustainability. In this context, China’s economic development model has shown unique characteristics. It actively participates in international economic cooperation and focuses on the transformation and upgrading of its own economic structure. This model has achieved significant economic growth and social development in the past few decades, but it also faces some challenges, such as how to better achieve sustainable development and reduce regional imbalances. Each of the Four Asian Tigers has its unique development path and strategy. Although different, these economies collectively rely on international trade and are able to adapt flexibly to changes in global markets.

2. The ideal paradigm of economic development in the context of economic globalization

The ideal of economic globalization varies depending on the subject. The ideal of economic globalization in developed countries is to become even more developed and to maintain a leading role in shaping the global economy. The ideal of economic globalization in developing countries is to develop as quickly as possible, narrow the gap between them and developed countries, and change their disadvantaged position in the world landscape. These two ideals should converge towards a unified vision of economic globalization. The ideal economic globalization aims for developed countries to further develop their economies, while enabling developing countries to move forward at a higher speed, narrowing the gap between the two and establishing a new international economic order. Strategic trade policies can be implemented through appropriate paths and conditions [1].

In the current era of globalization, a country’s economic development strategy needs to comprehensively consider

multiple factors to ensure long-term prosperity and sustainability. The following are several key strategic areas:

Firstly, opening up to the outside world and regional integration are crucial for economic development. This means emphasizing foreign trade and attracting foreign investment, while actively participating in regional economic integration. By signing free trade agreements and strengthening economic cooperation, market diversification can be promoted, trade barriers can be lowered, and more opportunities and benefits can be brought to domestic enterprises and consumers.

Secondly, technological innovation and digital transformation are key factors driving modern economic growth. Investing in technology research and innovation can not only promote the development of high-tech industries, but also improve the production efficiency and international competitiveness of the entire economy. The development of digital economy, such as e-commerce and intelligent manufacturing, can bring changes to traditional industries and enhance the overall economic structure.

Sustainable development is also a core component of modern economic strategies. This includes promoting economic growth while also taking into account environmental protection, ensuring the rational utilization of resources and ecological balance. Promoting the development of green economy and renewable energy not only helps to reduce environmental pollution and address climate change, but also opens up new economic growth points.

Human resources are the cornerstone of economic development. By strengthening education and vocational training, the skills and productivity of the workforce can be improved. Supporting innovation and entrepreneurial spirit, cultivating a new generation of entrepreneurs, is crucial for promoting economic diversification and sustained growth.

Social well-being and inclusive growth are equally important. Ensuring that the fruits of economic growth can benefit the whole society and reduce the wealth gap is the key to achieving social stability and harmony. Providing sufficient social security to meet the basic living needs of citizens can promote the overall progress and prosperity of society.

The stability of macroeconomics cannot be ignored. Effective fiscal and monetary policies can maintain economic stability, manage national debt and inflation, and avoid economic overheating or recession.

Finally, the rule of law and transparency are the cornerstone of establishing a modern economy. Establishing a

sound legal system to protect property rights and investor rights is crucial for maintaining market order and incentivizing private investment. At the same time, improving the transparency and sense of responsibility of the government and enterprises can enhance public confidence in economic development.

In the context of globalization, the importance of international cooperation and multilateralism is increasingly prominent. Resolving global issues such as climate change and trade disputes through international cooperation is crucial for maintaining the stability and prosperity of the world economy. Supporting multilateral institutions and international rules can promote global governance and achieve win-win outcomes.

In summary, integrating these strategic directions can provide a comprehensive and solid foundation for a country's economic development, ensuring its competitiveness and sustainability in a rapidly changing global environment.

3. The development model of the Chinese economy under the background of economic globalization

In the context of globalization, China's economic development model has demonstrated a series of unique characteristics, which not only reflect China's national conditions and development stage, but also reflect its growing influence in the global economy. After the 1970s, in the context of new economic globalization, China carried out significant reforms to adapt to the new trends of international economic development. Based on the actual situation and historical development stage of our country, we adhere to the guidance of Marxism and Deng Xiaoping Theory, explore our unique economic development model, and establish a socialist country with Chinese characteristics. Moreover, there has been significant development in various fields such as economy, politics, culture, and sports in our country. The social welfare of the people is fundamentally guaranteed. In this financial crisis, the Chinese economy took the lead in overcoming the downturn through various macroeconomic policies. These all highlight China's superior economic model [2].

Since the implementation of the reform and opening-up policy in 1978, China has gradually transitioned from a planned economy to a market economy. This transformation involves various reforms, including relaxing restrictions on private enterprises, introducing foreign investment, and developing export-oriented industries. The reform and opening up policy has greatly stimulated

economic vitality and promoted rapid economic growth.

In terms of foreign economic cooperation and trade, China actively integrates into the global economic system by joining the World Trade Organization (WTO) and signing multilateral trade agreements. This strategy makes China the “factory of the world” and occupies an important position in international trade.

The reform of state-owned enterprises and the development of the private economy are another key aspect of China’s economic development. By carrying out structural reforms on state-owned enterprises, their efficiency and competitiveness have been improved. Meanwhile, the rapid development of the private economy has become an important driving force for economic growth.

Technological innovation and industrial upgrading are also key areas of China’s economic development. In recent years, China has increased its investment in technological innovation, striving to transform from a manufacturing powerhouse to a manufacturing powerhouse. The development of high-tech industries, new energy, and new materials has received special attention.

With the continuous growth of the economy and the improvement of people’s living standards, the domestic demand market in China is constantly expanding. The government has taken a series of measures to stimulate domestic demand and reduce dependence on exports.

The “the Belt and Road” initiative is an important platform for China’s foreign economic cooperation. This initiative aims to promote economic cooperation with countries along the route by building infrastructure and enhancing regional connectivity.

Faced with the challenges of environmental pollution and resource constraints, China is increasingly emphasizing green and sustainable development. The development of green energy and low-carbon technology has become a focus of government policies.

Finally, macroeconomic regulation is the key to maintaining stable economic growth. The government effectively conducts macroeconomic regulation through fiscal, monetary and other policy measures to cope with changes in the internal and external economic environment.

Overall, China’s economic development model is diverse and complex, combining market mechanisms, government intervention, and international cooperation to adapt to the constantly changing domestic and international economic environment. Through this approach, China has not only achieved rapid economic growth, but also played an increasingly important role on the global economic stage.

4. The economic development model of the Four Asian Tigers

Due to the continuous breakthroughs and successes in theory and practice of East Asian countries, the export-oriented economic growth model has attracted widespread attention, and many countries have followed suit. For over half a century, this economic growth model has gained great glory in the aforementioned countries, but it has also been questioned due to its problems in the development process. By examining the export-oriented growth model to sort out the problems, we can find that it is necessary to adjust this model. Exports can indeed become a booster of a country’s economic growth, but we must maintain an appropriate level. For our country, since the reform and opening up, the economic growth model has gradually shifted towards an export-oriented model. After more than 30 years of development, export trade has played a huge driving role in China’s economic growth, greatly promoting China’s modernization process and economic development, but this model is also worth testing. Especially as a developing major country, China has suffered even more severe hardships. Therefore, the adjustment of China’s export-oriented economic growth model is inevitable, and from the perspective of China’s own conditions, this adjustment is also feasible. However, under social pressure, taking employment as an example, it is not realistic to reverse the predicament in the short term, and we must adhere to gradual progress. As a means of government intervention in trade development, trade policies can and should play a positive role in the adjustment process of economic growth patterns. In line with the development of our country’s economy, trade policies should be divided into short-term and long-term, which means continuing to encourage exports in the short term but gradually reducing the intensity of incentives. After a period of time, a neutral trade policy should be implemented, while promoting the optimization and upgrading of industrial structure, thereby promoting domestic demand to play a greater role in the national economy [3].

Singapore’s economic model is a typical highly open and free market economy. The government adopts active policies to attract foreign investment and attaches importance to education and technological innovation. Its economy is diversified, with financial services, manufacturing (especially electronics and chemicals), shipping, and tourism being its main economic pillars. Singapore’s success lies in its ability to effectively integrate market mechanisms

and government planning, as well as its investment in education and technology, to maintain competitiveness in the global economy.

Hong Kong is a typical free market economy, known for its low tax system, free trade, and free capital flow, and has become an international financial center. The development of Hong Kong emphasizes the importance of market freedom and dependence on international trade. Financial services, trade and logistics, and tourism are the main characteristics of Hong Kong's economy.

Taiwan's economic development model initially focused on agriculture, but gradually transformed into an economic structure dominated by technology and manufacturing. Taiwan is renowned for its high-tech industries, such as semiconductors and electronic components, and has developed a strong network of small and medium-sized enterprises.

South Korea has adopted a government led economic development strategy, driven by heavy chemical industry and exports. The South Korean economy is centered around large corporate groups (i.e. "conglomerates"), which occupy important positions in fields such as automobiles, electronics, heavy industry, construction, and shipbuilding. The South Korean model emphasizes the role of the government in economic development, particularly in infrastructure construction and industrial policies. Overall, the economic development model of the Four Asian Tigers emphasizes the importance of openness and international trade, relying to varying degrees on technological innovation and high-tech industries, while showcasing different combinations of market economy and government intervention. The experience of these economies indicates that adapting flexibly to changes in the global market, valuing education and technological innovation, and effective government policies are key factors in achieving rapid economic growth and modernization.

5. Identified problems with China's economic development model through comparative analysis

China's high leverage ratio, opaque financial markets, and shadow banking system may all lead to systemic financial risks, which may have an impact on the Chinese economy and global financial system. The Four Asian Tigers provide financing and investment channels for businesses and individuals. They adopted cautious financial policies to avoid large-scale financial risks.

5.1 Education and human resource structure issues

China's low technology content and labor-intensive industries are the main focus of technological innovation, while high-tech industries and innovation capabilities are relatively weak. However, the Four Asian Tigers have invested heavily in technological innovation and research and development, striving to improve the added value and competitiveness of their products.

5.2 Intellectual property protection

The products exported by China are mostly low value-added, while the products exported by the Four Asian Tigers are mostly innovative and high-tech products

6. Proposed solution

6.1 Financial System and Risk Management

China's financial system is facing issues of high leverage and opaque markets, especially the shadow banking system, which increases the possibility of systemic risk. To address these challenges, China needs to strengthen financial regulation and improve transparency, especially targeting informal financial institutions. At the same time, China can learn from the experience of the Four Asian Tigers, strengthen innovation in financial markets, and ensure the stability and effective risk management of fiscal policies. This not only helps to reduce financial risks, but also promotes healthier and more sustainable economic growth.

6.2 Education and Human Resource Structure

Education and human resources are key to promoting national development. China needs to strengthen its education system, especially in the fields of innovation and technology. This means not only increasing investment in higher education, but also cultivating innovative and critical thinking abilities in the basic education stage. At the same time, improving vocational training that matches industry needs is crucial, as it helps the workforce better adapt to the needs of economic transformation and emerging industries.

6.3 Technological innovation and industrial upgrading

Maintaining competitiveness in the global economy means for China to shift from relying on labor-intensive industries to technology intensive industries. This requires

the government and private sector to increase investment in research and development, especially in the fields of high technology and innovation. Enhancing research and development capabilities and innovation are key to enhancing the competitiveness of Chinese products in the global market. This not only increases the added value of the product, but also promotes the upgrading of the entire industry.

6.4 Intellectual Property Protection

Intellectual property protection is an important aspect of stimulating innovation and protecting the rights of creators. China needs to formulate and implement stricter intellectual property laws. At the same time, cooperating with the international community and complying with international intellectual property standards can not only enhance the global reputation of Chinese products, but also promote technological and creative exchanges both domestically and internationally.

7. Conclusion

Overall, the implementation of these measures will contribute to the transformation and upgrading of the Chinese

economy, and enhance its position in the global economy. By strengthening the robustness of the financial system, improving the structure of education and human resources, promoting technological innovation and industrial upgrading, and strengthening intellectual property protection, China can not only reduce internal economic and social challenges, but also better integrate into the global market, laying a solid foundation for its long-term prosperity.

References

- [1] Qin Siyi (2007) Ideals and ideals of economic globalization Academic Exchange (05), 65-68 DOI: CNKI: SUN: XSJL0.2007-05-016
- [2] Yan Yujie&Zhao Fei (2009). Under the background of globalization, China's economic development model is superior Special Economic Zones (12), 230-231 DOI: CNKI: SUN: TAJJ.0.2009-12-089
- [3] Liu Qing (2010). Export driven economic growth and trade policy choices (Master's thesis, Capital University of Economics and Trade) <https://kns.cnki.net/KCMS/detail/detail.aspx?dbname=CMFD2011&filename=2010087261.nh>