

Development, Crisis, and Asian Values

Lee Hong-jong

INTRODUCTION

Asian values is the term used by Western scholars to explain the rapid economic development in Asia between 1970 and 1980. Ironically, the Asian value system was once considered a powerful engine behind rapid economic growth in Asia, but with the Asian economic crisis of the 1990s, it became the main culprit, instead. The American media were particularly vocal, claiming that Asian culture, which was hostile to globalism, was the cause.

With more experts attributing the economic crisis to Asian values, the focus of the debate turned to Asian Values. But, what are Asian values? And what is it that led scholars to praise them before the crisis and blame them afterward?

In order to answer those questions, a clear definition of the concept and characteristics of Asian values, as well as their impact on Asian development, should be examined. And prior to that discussion, the concept of Orientalism suggested by Edward W. Said should be discussed. Since Said's premise is that the Western understanding of Asian values, which changes according to the

times, stems from their prejudice against Asia, that is, from Orientalism. This paper proposes that Asia should be understood, not from the assumptions of a standardized image, but from a cultural pluralist perspective that recognizes its diversity of values and culture.

EDWARD W. SAID AND ORIENTALISM

Lexicologically, Orientalism denotes both a school of modern European literature and art, called “Oriental style” and Oriental studies.¹⁾ However, in the social sciences Orientalism generally denotes Said’s definition, which is the Western, perception of the Orient, according to Said’s *Orientalism*.²⁾ The term “Orientalism” is a false representation of the East as fabricated by the West. Westerners perceive the people of Asia as one-dimensional archetypes both exotic and foreign. Said further explains since the Asian identity is defined by the West, Eastern culture is therefore considered strange by the West.

An understanding of the Orient, as defined by Orientalism, varies among scholars. While for Said the Orient denotes the Middle East, other scholars may understand the term as referring to East Asia or, for others, to Asia as a whole. Although Said defines the Orient as the Middle East, his concept of Orientalism may be

1) “Oriental studies” or “Orientalism” may have meanings contrary to those defined by Said. Oriental Studies, a term used by imperialist Japan to control other countries in Asia, may denote exerting control for the Japanese and subjugation for other Asians. “‘Suffering’ of Things Korean: Orientalism and Tonghak,” *Christian Thought* (November 2000), p. 194.

2) Edward W. Said, *Orientalism* (New York: Pantheon Books, 1978). This book brings together the various articles and books by Said that criticize the American foreign policy on the Jewish-Arab conflict, and how the Western media have consistently misrepresented Islam; however, this paper uses only those parts of the book germane to the subject of Orientalism and Asian values.

understood as the West's position towards the entire East, since Western domination extends worldwide to include Africa and South America.

Said explains the meaning of Orientalism in the East, as well as how terms such as "the Orient" and "Oriental" were fabricated by the West as an ideology to control the East. According to Said, the Orientalist sees the East as an imitation of the West, and since most Orientalists are Westerners, they cannot possibly grasp the essence of the Orient. Yet, the West has adapted their view to fit splendidly into the new form of imperialism. Its main paradigm: to strengthen imperialist designs on Asia. In this vein, Asian intellectuals' acceptance of the new imperialism can be seen as a sweet victory for Orientalism.

Asia today is becoming a political, intellectual, and cultural satellite of the United States. Asian students as well as scholars aspire to study under American Orientalists, and after graduation, return to preach the dogma of Orientalism to audiences in their respective home countries. Because Asian scholars can manipulate the system of Orientalism, they feel a sense of superiority to their fellow citizens due to their American training. The prevalent attitude of Western superiority in Korean society can be explained in such a context.

Several cases illustrate how American cultural dominion over Asia has been maintained, whether by voluntary consent from Asian countries or under pressure from the U.S. There are numerous research institutes in the U.S. that study the Orient, but very few research institutes in Asia that study the United States, the country with the most political and economic influence on Asia. Even among research institutes and academic forums for American studies, most are sponsored by the U.S. embassy. Such phenomena, Said argues, aid the triumph of Orientalism, through which Asians can only see themselves as caricatures.

According to Said, that standardized "Hollywood" view is present in both liberal and progressive perspectives. In fact, it is

Asian intellectuals who give legitimacy and authority to various concepts about modernization, social progress, and culture widely accepted in the U.S. The same tendency is also found among radical intellectuals. The Marxism espoused by them is a continuation of Marx's understanding of the uniformly homogenized Third World.³⁾ If there is an overall intellectual tendency in the doctrine, then powerful forces exist in political, economic, and social exchanges to reinforce such a tendency. In short, the modern Orient participates in its own orientalizing.

In his conclusion, Said proposes postcolonialization of area studies. Criticizing the distinction of "us" versus "them" in Orientalism, he suggests that it is necessary to understand diverse native cultures (race, religion and civilization). In his words, Orientalism stems from an ontological and epistemological distinction made between "the Orient" and "the Occident," that is, black-and-white logic.⁴⁾ Said argues that the answer to Orientalism is not Occidentalism.⁵⁾ Because "the Oriental" of the past had been "the Oriental" before, he can study effortlessly the new "Oriental," that is "the Occidental," that he invented, but that is erroneous. As a matter of fact, Western view of the Orient is an expression of the ruler while

3) It is widely known that Marx's view of the Orient was based on the extremely conservative form of Orientalism of his time. He even stressed that Orientals could not speak for themselves and needed to be represented by someone else. If Marxism is based on Western superiority and Oriental inferiority, if socialism stems from such roots, then, to say the least, it becomes necessary to reevaluate what Marxism means to China, North Korea, and the rest of the Orient. It becomes clear that Marxism, like capitalism, is a product of modern Europe, steeped in economic fetishism and obsessed with economic developmentalism.

4) Said points out that when invading the Orient, the West used an Aristotelian dichotomy. Contrasting the Occident and the Orient according to strict opposites, the West perceive the Orient as being underdeveloped, sensual, emotional, immutable, stagnant, conservative, passive, and impermeable.

5) Occidentalism refers to the discourse on the "fabricated" image of the West in China. It is said that various and rivaling groups in Chinese society "constructed and fabricated the images of the West" as means to various political ends.

the Eastern view of the West is that of the ruled. In short, Said argues that Orientalism is a racist system of thought that comprises ideological and imperialistic stereotypes and false representations. The fundamental problem is that Orientalism does not correspond with the Orient at all. Asian values will be examined according to this perception.

THE MEANING OF ASIAN VALUES⁶⁾

Is there such a thing as an Asian value? Whether or not it contributed to Asia's economic miracle, what is the essence of so-called Asian values? Western values, which could be summed up as an open free-market economy, are not necessarily the only right answer. Asian values was the term generally used by Western scholars and the media to explain factors behind high economic development among the burgeoning industrial countries in Asia (the so-called "four dragons") in the 1970s.⁷⁾ Asian values generally refer to ideals stemming from Confucianism that form the basic ethical foundation of Asia, such as the principle of benevolence, familism (with patriarchal authority), nepotism, authoritarianism, national consciousness, community spirit, fervor for education, hard work, and frugality. These values should be seen as fundamentally different from the Western values of individualism, rationalism, human rights, and legalism. Although Buddhism and Shamanism should also be included in the discussion of Asian values, for the purpose of this paper, only Confucian values will be addressed.

6) The first half of this section, "The Meaning of Asian Values," owes much of its content to Shin Hyun-jong's "Asian Values and Asian Financial Crisis," [<http://yu.ac.kr/~shinhj/html/ra2.htm>].

7) As for when the debate on Asian values first began, I go back further in time 1970s to just after 1945. I include under Asian values the theory of political development after 1945, which called for the abolishment of tradition in the name of progress.

The principle of benevolence is the most representative of Asian values, and is traditionally more deeply rooted in East Asian countries. These countries have long believed that a benevolent government provides its people with necessary food, shelter and clothing, and the virtuous ruler saw this as his duty. Later, that same idea was translated into a state-led development strategy, in which the state assumed a significant economic role. Accordingly, East Asian countries implemented policies that increased exports, which then led to rapid economic development in the region. The state-led development strategy played a significant role in attaining, in less than a century, the economic development that had taken European countries several centuries.

Other characteristic Asian values were transmuted into state-led economic models, playing significant roles in the economic development of Asian countries. Familism promoted strong cooperation among blood relatives, and created small- and mid-size family businesses based on Confucian familism and family ethics. These family businesses developed gradually to become the framework of Asian capitalism. Community spirit is also a key value of Asian values. By maintaining strong ties based on community spirit and solidarity, people of Asian countries contributed to economic development of the region. Fervor for education, the most outstanding of Asian value, also stems from Confucianism, which teaches that it is better to educate one's children than to give them wealth. That tenet has further paved the way to economic development. By the same token, the emphasis on education has raised management capability, and technological expertise, and has expedited economic development through improved productivity.

Hard work is also an Asian value that cannot be underestimated. The traditional attitude of "no work, no food" has led to diligence, which, in turn, has been a key factor behind the economic miracle of East Asia. Whether for one's family or oneself, the work ethic is deeply ingrained in the Asian psyche. The prevalence of such expressions as "work one's fingers to the bone" is telling. Motivation,

improved efficiency and productivity have spurred rapid economic growth in Asia.

Frugality also plays a major role. Many Asian countries have built themselves with the hard-earned savings of the people. In fact, the high savings rate in Asia played a key role in economic growth by supplying the necessary capital for economic development. However, given that one of the causes of economic stagnancy in Japan after the 1990s was excess savings, leading to contraction in domestic consumption, the assumption that frugality and thrift automatically facilitates economic growth needs to be reconsidered.

Another principle value under discussion is optimism. The *Economist* (August 1, 1998) argues that optimism, which it includes under the category of Asian values, was a decisive factor in accelerating economic growth in Asia. According to the report conducted on 16,000 adults from 29 countries on the level of expectations of future prosperity for each country, countries with the highest optimism were in Asia. Among the top ten countries, five were Asian countries in descending order: Malaysia, South Korea, Thailand, Mainland China, and Taiwan. Among Latin American countries, however, only two made it to the top ten. Despite the serious economic difficulty confronting many countries in East Asia after the foreign exchange crisis, it is interesting that countries in the region, more than in other regions, were optimistic about future prosperity. Optimism is seen as a catalyst of economic growth because people tend to work harder and are more ready to take on challenges in order to attain prosperity.

A leading proponent of Asian values is Lee Kuan Yew, former Singaporean Prime Minister. He claims that Asians will soon gain independence from Western influence and, instead, will overwhelm the West with their own values. "The free-market system has failed," Malaysian Prime Minister Mahathir Mohamad, another supporter of Asian values, asserted in a television address in 1998. Proclaiming the social and moral decay of the West, he has protected Asian values by distancing crisis-hit Malaysia from capitalism-oriented

Western values. With his country in distress and the entire Asian region on the verge of collapse, Mahathir refused to follow the reform measures set forth by the U.S. and the International Monetary Fund. Instead, he introduced a fixed exchange rate and a strict policy on capital in Malaysia.

Asians do not always agree, however. The debate between Lee Kuan Yew and Kim Dae-jung is a case in point. In an interview⁸⁾ with the managing editor of *Foreign Affairs*, Lee Kuan Yew stressed cultural and political differences between the West and Asia and warned Western countries “not to foist their system indiscriminately on societies in which it will not work. According to Lee, the expansion of the right of the individual to behave as he pleases will lead ultimately to the disintegration of social order. He went on to say that the chief aim in the East was to build a well-ordered society where everyone could enjoy maximum freedom. But, he cautioned, such freedom could only exist in a well-ordered state, not in its natural state of contention and anarchy. In response, Kim Dae-jung, then-Chairman of the Kim Dae-jung Peace Foundation for the Asia-Pacific Region, argued in the November/December issue of *Foreign Affairs*,⁹⁾ that Lee’s view, i.e., Western-style democracy was not applicable to East Asia, was not only unsupportable but also self-serving. Kim argued that “Asia has a rich heritage of democracy-oriented philosophies and traditions” as well as the conditions to develop into a high-level of democracy, even more sophisticated than that of the West. In order to create a new economic order, freedom had to be guaranteed, information should flow freely, and creativity should have free rein—all prerequisite conditions that are possible only in a democratic society.

8) Fareed Zakaria, “Culture is Destiny: A conversation with Lee Kuan Yew,” *Foreign Affairs*, Vol. 73, No. 2 (March/April 1994).

9) Kim Dae-jung, “Is Culture Destiny?: The Myth of Asia’s Anti-Democratic Values,” *Foreign Affairs*, Vol. 73, No. 6 (November/December 1994).

ASIAN VALUES AND ASIAN DEVELOPMENT

Political Development and Tradition: 1950-1960s

During the 1950s and 1960s, the United States provided huge amounts of aid to the Third World as part of efforts to contain communism, believing that economic development would automatically lead political development. However, contrary to initial optimism, political development through democratic institutionalization failed to obtain.

Political development depends on the type of political organization and secularization of political culture, and on the effectiveness and efficiency of political systems. Theories explaining the basis of political development include the dual economy theory, diffusion theory, the five-stage development theory, and psychological culture theory.

The dual economy theory argues that the Third World has a dual structure consisting of the modern (urban) sector characterized by high productivity and modern productive elements and the traditional (rural) sector that has low productivity. Accordingly, underdevelopment in the Third World is due to the low productivity in the traditional sector. According to the diffusion theory, the underdevelopment of the Third World arising from the dual structure can be overcome by introduction or expansion of modern productive elements such as capital, technology, system, and culture from advanced countries.

The staged economic growth theory, which claims that all societies pass through five stages of development (traditional society, pre-conditions for take-off, take-off, drive to maturity, and high mass consumption), is an optimistic macro-theory that sees the future of the Third World from a broad perspective of history, and argues that it will also pass through the five stages to reach economic development. Finally, the psychological culture theory attributes the

lack of the “modern man” and the spirit of modernity to the underdevelopment of the Third World. It claims that the Third World can also develop economically through education in Western modern culture.

However, the theories mentioned above are all limited by the fact that take one viewpoint: the traditional/modern dichotomy. Moreover, the unit of the analyses is limited to a single country, overlooking any link to a world system; and their optimism stems from the linear developmental model. Moreover, all political development theories consistently present one premise: that the Third World must overcome and eradicate its “traditional” values. Included in those traditional values are Shamanism and other Asian values such as Buddhism and Confucianism. Therefore, in the 1950s and 1960s, Asian values were considered by political development theories to have a negative impact on development.

Economic Development and Asian Values: 1970s and 1980s

East Asian countries yielded a miraculous annual average of 8 percent economic growth after the 1960s. Naturally, the West began to discuss the East Asian developmental model in order to justify the special factors and conditions responsible for the rapid economic growth. The flying geese model was typical of discourse at the time. According to the theory, East Asian countries develop by imitating advanced economies. With the countries forming a group of three, the four dragons of newly industrializing economies followed Japan’s lead, trailed by China and the Association of Southeast Asian Nations (ASEAN) member countries. Subsequently, such concepts as Confucian capitalism and symbiosism, based on familism, appeared. Asian values were still considered merely a political ideology that rationalized developmental dictatorship and authoritarianism, and did not gain much attention. However, as Asia continued to show an impressive rate of growth, the West began to attach meaning to Asian values. Western scholars and media explained the surging

economic progress in Korea, Hong Kong, Taiwan, and Singapore in the 1980s in terms of Asian values, going so far as to conclude that the axis of the world economy was shifting to the Asia Pacific region. Most of them saw the rapid economic growth of “Asia’s four little dragons” as a result of the combined effects of Confucian virtues, which place emphasis on the community, filial piety, and propriety, and the state-led developmental model.¹⁰⁾

According to Confucian capitalism, the *literati* bureaucrat class, once at the center of the traditional Confucian social order, has now been replaced by state bureaucrats who are responsible for social consolidation and social order. These bureaucrats emphasize human ties (blood ties, school ties, hometown ties) to mobilize the civilian sector to meet national needs and plans. In fact, the rapid economic development in South Korea, Taiwan, and Singapore was expedited by the meticulous planning and execution of competent bureaucrats. Businesses that went along with the state economic policy accumulated enormous wealth, while those that did not were punished. The theory of Asian values considers the state-led economic developmental model, which puts economic development ahead of political development, as the basic engine for remarkable economic growth in East Asia. The state-led developmental model, representative of developmental state theory, advocates a strong state role in economic development while setting social order and stability, and national security as the state’s top agenda. Despite concerns of Western market economists, the model proved

10) Progressive scholars attribute the rapid economic development of newly emerging industrial nations to the following four factors: 1) industrialization led by a strong, self-regulatory state; 2) selection of appropriate developmental strategy, such as shifting strategies to export-promoted development after import substitution process; 3) effective utilization of opportunities presented the world economic climate (for instance, aggressive opening of the world market when advanced economies underwent a shift in industrial structure to producing technology-intensive, high value-added goods in 1960s and 1970s); and 4) relatively little outside pressure when plans for economic development were taking off.

successful. Strong government responsibility and upper-class paternalism on one side, and nationalism and entrepreneurial spirit on the other joined forces based on Confucian philosophy. In particular, the Confucian concept of unitary and paternalistic government led to a positive view of government's role, and, unlike Western liberalism, created a unique East Asian political culture in which the government's active involvement was welcomed.

Initially, the East Asian economic development model was not planned or perceived as an alternative to the Western system. In fact, the United States encouraged and induced economic development of Japan, South Korea, and Taiwan as part of a Cold War strategy against the Soviet Union. And when these East Asian countries reaped economic success beyond expectation and the communist block disintegrated, many people began to focus on differences and disparities, rather than similarities and affinities, between Western and Eastern systems. As a model for economic development, the East Asian model began to be seen as not only fundamentally different, but superior to the Western model. Among the attributes of the East Asian model were the guidance and leadership role of the state, social stability deriving from the people's strong awareness of public order, the strong work ethic and the motivation to succeed, fervor for education that generates an educated, skilled workforce, and the commitment to community based on familism. At one point, in fact, there was even a trend in numerous American universities to teach Japanese-style management.

Economic Crisis and Asian Values: 1990s

The economic crisis that shook Asia in the late 1990s began to take the debate on Asian values in a very different direction. Asian values and the East Asian developmental model, the concepts or theories that were initially developed to explain the economic development and success of East Asia were now used to explain "the downfall of crony capitalism" and "collapse of East Asian

economies.” The free market economic system and “American values,” two areas that once had been subject to criticism, were seen as alternatives to the corrupt and inefficient East Asian economic model.

The debate on the causes of East Asian economic failure focused not only on such global factors as excess accumulation of capital, globalization, and the World Trade Organization (WTO) system, but also on fundamental structural flaws of Asian countries, linked to Asian values. Among those flaws were outdated and inefficient domination by single chaebol bosses and heavy business debts in the chaebol system, an authoritarian nationalistic industrial model, and collusion between government and businesses. Moreover, the Western media blamed East Asian countries for the financial crisis, arguing that customs such as bribery and cronyism, especially with government officials, had brought about the failure of globalization strategies and economic policies.¹¹⁾

Nepotism and favoritism based on one’s school or hometown, or bribery may be morally wrong. Indeed, these factors have aggravated the situation; however, calling them the fundamental cause of the financial crisis is farfetched. Such customs also existed during the so-called “economic miracle,” when newly industrialized countries (NICs) of East Asia recorded an annual economic growth of 8 to 10 percent. It should be noted that criticism of nepotism in Asia is much harsher among Westerners than Asians. The strong reaction stems from lack of understanding of Confucian culture that characterizes Asia. This is clearly a case of Orientalism. In Confucianism, making best efforts help family and friends is considered not only natural, but desirable.

The Asian economy is at a crossroads. It can turn toward the dictates of the global economy or turn away, and give up on any prospect of economic growth. The dilemma is shaking Asian values

11) Sohn Ho-chul, *Korean Politics in the Age of Neo-Liberalism* (Seoul: Pureun sup, 1999), pp. 28-30.

at the roots. The confidence that accompanied the economic boom of the past is shaky following the crisis, and the economic sector is rife with the skepticism about the viability of Asian-style management. Behind the growth in businesses in NICs of East Asia, where the capitalist tradition is still new, there was not only collusion between government and business, but also a patriarchal Confucian management system that realized rapid growth. And the management strategy was seen as "Asian." The United States and European countries, which demarcated ownership and management, even introduced the chief executive officer (CEO) system to replicate the same promptness and expediency in decision-making found in Asian businesses managed by a single owner. Asia's efforts to hold on to some advantageous economic practices, while gradually accepting global economic practices, came to nothing when the Asian economic crisis came.

The Western media, blaming Asian values as the fundamental cause of the crisis, looked with disapproval at the Asian way of thinking and its political system, and even at Asian economic growth, which was based on the two previously mentioned elements. They claimed the framework for Asian development and system, which included all the values that led the economic development and rapid growth, had reached its limits; therefore, they asserted that Asia would have to adopt a new developmental model, one that respected and guaranteed individual creativity and freedom, as seen in the Western model. There were, however, strong counter-arguments. Some reasoned that since Asian values are socially, culturally, and morally anathema to the West, applying Western concepts to their economies was illogical. Moreover, attacking Asian values in their entirety, including social, cultural, and moral concepts, as causes of the financial crisis was unwarranted. They warned that critics should point out the economic issues leading to the crisis instead of faulting all Asian values.

CONCLUSION

In order for Asian values to survive in the twenty-first century when the move towards globalization and free market is in full-swing, it is important that they become cosmopolitan values through greater interaction with other cultures. The transformation is necessary because transparency, rationality, and integrity are highly valued in the twenty-first century. With the grim reality that cutting losses and restructuring are inevitable in winning the economic war, the system of Asian values based on sympathy and loyalty needs to be reevaluated. The criticism even attacks the close kinship and homogeneity of race and culture found in South Korea, Japan, Taiwan, and other Asian countries. In the revolutionary age of global information, homogeneity is seen as impeding economic development. The United States is held up as a model of how diversity, ethnicity and culture can be a rich source of creativity. Freedom of intellectual and creative activity is the key to success in the global competition of the twenty-first century, and, as the argument goes, countries in Asia need to reform their values. Some also say that unless Asia gives up its stringent culture of order, characterized by human ties, unconditional obedience of the young to the old and rote-learning, Asian countries will not gain competitiveness in the global market.

However, others argue that neither wholesale disregard for Asian values nor blind faith in Western values will be of any help to the Asian people. It is important for Asia to maintain Confucian tradition: the five cardinal principles of morality based on mutual duty, and to pave the way for a social system that prevents corruption and nepotism. East Asian countries should restructure unworkable elements, while at the same time, improving the positive aspects of Asian values in order to prevent another financial crisis in the future.

All debates on Asian values, however, are not free of

Orientalism. Whether the argument comes from a Western Orientalist or from Western-educated Asian Orientalist, the argument is fundamentally based on the black-and-white logic and on racism that is based on the view, "them and us." For this reason, the Western attitude towards Asian values has lacked consistency: From a negative assessment in the 1950-1960s, to a positive assessment in the 1970-1980s, and then back to a negative assessment in the 1990s.

It is true that Asian values cannot be arbitrarily justified. Compared to any other region in the World, Asia is vaster, and more diverse ethnically, culturally and religiously. At this juncture, to create true Asian values, they have to be defined by Asians themselves, not by Orientalism. What is important now is to develop a values system that meets Asian conditions and needs, and to guarantee coexistence of diverse ideologies and methodologies.