

# **SMALL COUNTRIES, BIG LESSONS**

Governance and the Rise of East Asia

Hilton L. Root

Published for the Asian Development Bank  
by Oxford University Press

HONG KONG  
OXFORD UNIVERSITY PRESS  
OXFORD NEW YORK  
1996

## CONTENTS

Prologue: A French Fable Revisited .....	v
Foreword .....	vii
Introduction .....	ix
Preface .....	xix
Terms and Abbreviations .....	xxi
<b>Chapter one</b>	
Institutional Innovation in East Asian Development .....	1
<b>Chapter two</b>	
The Republic of Korea: Park Chung Hee's 'Modernization of the Fatherland' .....	18
<b>Chapter three</b>	
Taipei, China's Great Separation .....	32
<b>Chapter four</b>	
Singapore: What's in a Name? .....	42
<b>Chapter five</b>	
Hong Kong's 'Positive Noninterventionism' .....	52
<b>Chapter six</b>	
Malaysia: The Will To Grow .....	65
<b>Chapter seven</b>	
Indonesia: Informality Triumphs .....	90
<b>Chapter eight</b>	
The Philippines: The New State of Patronage .....	111

**Chapter nine**

The State's Role in East Asian Development .....	139
Hilton L. Root and Barry R. Weingast	

**Chapter ten**

The Search for Good Governance .....	145
Appendix A: Institution Building for Development .....	179
Appendix B: .....	215
References .....	225
Index .....	239

**List of Tables**

Table 1: The Development Performance of East Asia's High Performing Economies .....	xi
Table 2: Transparency International Corruption Ranking 1995 .....	xv
Table 3: Gini Index .....	220

**List of Figures**

Figure 1: Income Inequality and Growth of GDP, 1965-1989 .....	xii
Figure 2: Composition of Manufactured Exports, 1970 and 1991 .....	217
Figure 3a: Gini Coefficient and GDP per Capita Growth Rate (1965-1970) .....	221
Figure 3b: Gini Coefficient and GDP per Capita Growth Rate (1971-1980) .....	222
Figure 3c: Gini Coefficient and GDP per Capita Growth Rate (1981-1990) .....	223