



The Economies of East Asia

TERMS & NAMES

tungsten
antimony
textile
cooperative

MAIN IDEA

East Asian economies have changed, some drastically, since World War II.

WHY IT MATTERS NOW

As these economies grow stronger, they play a larger role in global markets and have a larger influence on the economies of other nations.

DATELINE

BAKU, AZERBAIJAN, SEPTEMBER 1998—
The famous Silk Road is coming back to life. This remarkable path has fallen into disuse in the past few hundred years, except for a few hardy tourists who explore the old trade route.

Today, however, representatives from more than 30 countries are meeting to discuss rebuilding the trade routes that formed the Silk Road. Many countries and organizations, such as the United Nations, will give aid to the project. Railroads, highways, and ferries will be built or improved in an effort to increase trade among the nations along the road.

Human-Environment Interaction • This man is beginning repairs on a stretch of the Silk Road in China. ▲

Economies of the Region

Since World War II, East Asia's countries have grown more active in the world market. Today, Japan has one of the strongest economies in the world. Consumers in the United States regularly purchase goods made in China, Japan, Taiwan, and South Korea. However, wars, droughts, and internal conflicts have made economic growth difficult for some countries, such as North Korea.



Place • Located on China's south coast, Hong Kong is a major port and financial center for East Asia. ◀

China's Economy

Although this has begun to change, China's government controls most of its economy. It owns all financial institutions, such as banks, and the larger industrial firms. The government also sets the prices on goods and plans the quantity of goods each worker should produce.

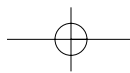
Industry China has put a strong emphasis on improving its industry. It has become one of the world's largest producers of cotton cloth and of two metals—**tungsten** and **antimony**. The industries that have seen the most growth are machine building, metal production, and the making of chemical fertilizers and clothing.

Farming Many people in China live in the countryside and make a living by farming. They use traditional methods, such as plowing with oxen, rather than using farm machinery. Much of the land in China—in the deserts and mountainous regions—cannot be farmed. Nevertheless, China is the world's largest producer of rice. It is also a major source of wheat, corn, soybeans, peanuts, cotton, and tobacco.

Human-Environment Interaction • Much of China's rice is produced on terraced gardens like these. ▼



Human-Environment Interaction • Chinese villagers in Yunnan work in the rice terraces. ▲



Other East Asian Economies

Taiwan Taiwan has a growing market economy that relies heavily on manufacturing and foreign trade. Since 1988, Taiwanese businesses have invested billions of dollars in mainland China, significantly contributing to China's fast-growing economy.

North Korea Like China's, North Korea's government controls the economy. Also like China, North Korea has emphasized the growth of industry. Iron, steel, machinery, chemical, and textile production are the main industries in North Korea. A **textile** is a cloth manufactured by weaving or knitting.

Many people in North Korea are farmers. They work on large **cooperatives**, where some 300 families share the farming work. These farms have become more productive as improvements in irrigation, fertilizers, and equipment have been made.

For most of the 20th century, North Korea traded with other Communist nations. Since the fall of the Soviet Union, North Korea has opened its borders to investment and trade with other countries.

South Korea The economy of South Korea has changed dramatically since the early 1960s. At that time, it was a poor nation of subsistence farmers. Since then, however, the government has supported the expansion of the textile industry and the building of factories that make

electronics, small appliances and equipment. The government also helped develop iron, steel, and chemical industries. Today, South Korea has one of the world's strongest economies. It is a major producer of automobiles and electronics and trades with many countries.

Japan The government of Japan does not control its economy in the way the governments of China and North Korea control theirs. However, it does oversee and advise all aspects of the economy, including trade, investment, banking, and production.

Like South Korea's, Japan's economy has grown significantly since the mid-20th century. Japan is a small nation with few natural resources and little farmland. Industry and a skilled, educated work force are vitally important to Japan's economy.



Place • This is one of many new ships manufactured by South Korea's shipbuilding industry. ▲

Reading Social Studies

A. Evaluating Decisions Do you think it makes sense for so many farmers to share their work?

Reading Social Studies

B. Synthesizing What is the benefit of having the government control the economy?



The country imports the raw materials it needs and transforms them into goods for export. Ships, automobiles, steel, plastics, machinery, cameras, and electronics are Japan's major exports. The United States is Japan's biggest customer, although Japan also exports goods around the world. It is currently one of the world's largest economic powers.

SECTION 3 ASSESSMENT

Terms & Names

- 1. Identify:** (a) tungsten (b) antimony (c) textile (d) cooperative

Taking Notes

- 2.** Use a chart like this one to list important economic activities of the countries in East Asia.

Country	Important Economic Activities
China	
Taiwan	
North Korea	
South Korea	
Japan	

Main Ideas

- 3. (a)** What role has China's government played in its economy?
- (b)** How does Japan's economy differ from those of China and North Korea?
- (c)** How have the economies of East Asia changed in recent years?

Critical Thinking

4. Forming and Supporting Opinions

How might the nearness of East Asia's small countries to China affect their economies?

Think About

- availability of resources
- possibilities of exchange among neighbors
- worldwide trade partners

ACTIVITY -OPTION-

Make a **chart** or **diagram** that illustrates the trade between Japan and the United States. What goods flow between these two countries?