

Post-Socialist India: A Ten Year Report

A special survey published in the June 2, 2001 issue of *The Economist* assessed India's economy ten years after it launched major economic reforms, including lowering trade barriers, devaluing the rupee, and abolishing industrial licensing, which dictated to businesses just how much of a particular product they could manufacture. The conclusion was "On most measures, the reform was a triumphant success." Economic growth during the 1990s made India one of the world's fastest-growing economies. Foreign investment increased from "next to nothing" to over \$2 billion per annum. India's share of world exports rose from 0.4 percent in 1980 to 0.7 percent in 2000. India now has accumulated \$40 billion in foreign exchange reserves, after nearly defaulting in 1991 on its external debt. Furthermore, price inflation has declined from 14 percent in 1991 to 4 percent in 2000.

Yet, in spite of these successes, *The Economist* survey concluded that serious problems threaten the future of India's economic growth: "There are grounds for questioning India's international competitiveness, the integrity of its institutions, the quality of its infrastructure and its zeal for further reform."

Source: *The Economist*, June 2, 2001, pp. 3-7.

Jana Eaton, of Unionville High School in Kennett Square, Pennsylvania, contributed the above factoid.

China and the Global Economy

China's international trade has more than quadrupled between 1989 and 2000, rising from \$112 billion to \$474 billion. China is second to the United States as the world's leading recipient of foreign direct investment. Between 1996 and 1999 China accrued \$126 billion in FDI, more than six times that of Japan.

Source: *Foreign Affairs*, July/August 2001, p. 29.

Brunei: The Ups and Downs of Oil

- Petroleum products account for about 90 percent of Brunei's exports.
- Since oil was first struck off the coast of the sultanate more than 70 years ago, Royal Dutch/Shell and Brunei's absolute monarchy have been pumping up to 350,000 barrels a day.
- The government's Economic Council recently announced that petroleum reserves will run out by 2050.
- Brunei allegedly lacks an entrepreneurial class. Approximately 75 percent of Brunei's workforce have jobs provided by the government and funded by oil.
- There is already an economic downturn as the probable decline of the oil industry is causing rising unemployment.

Source: *The New Republic*, May 21, 2001, pp. 17-18.

A Capsule Biography of Gloria Macapagal-Arroyo, New President of the Philippines

- Macapagal-Arroyo is 54 and was a classmate of Bill Clinton during her two years at Georgetown University.
- Her father, Diosdado Macapagal, was President of the Philippines.
- She holds a doctorate from the University of the Philippines and was also a lecturer at UP.
- Her past government posts include undersecretary of trade and industry, senator, vice-president and secretary of social welfare.
- Her priority is to "win the battle against poverty in the next ten years."
- She has a reputation as a persuasive, non-nonsense pragmatist. Macapagal-Arroyo cites Margaret Thatcher, Golda Meir, and Queen Elizabeth I as heroines because of their strength.

Source: *Far Eastern Economic Review*, June 14, 2001, pps. 18-21.

The Sociology of Karaoke

In his chapter, "A Karaoke Perspective on International Relations" in *Japan Pop!: Inside the World of Japanese Pop Culture*, author Hiro Shimatachi makes the following points:

- Although karaoke has become part of global popular culture, it is more popular in Asia than the West.
- For Asians, karaoke is an electric geisha—an invention that serves a socializing role traditionally performed by a hostess, who would employ entertainment skills to draw out guests and promote camaraderie.
- Westerners, by contrast, see karaoke as a talent contest rather than as an opportunity to foster communications.
- Differing conceptualizations of karaoke illustrate different cultural approaches to parties: people entertain themselves at Western parties by conversation or dancing, while at Japanese parties, there are often activities such as singing that allow guests to display hidden talents.

Source: *Japan Pop!: Inside the World of Japanese Popular Culture*. Timothy J. Craig, ed. Armonk, New York: East Gate, 2000.

Japanese Teens Keep in Touch

A survey on "Youth and Mobile Telephones," conducted by the Japanese Management and Coordination Agency in December, 2000, found that 60 percent of Japan's second-year high school students own their own *keitai*, or mobile phones. *Keitai* ownership is probably more than just a passing fad. Students value them because they are an innovative means of communicating privately with friends, with-

out having their conversations overheard by their parents, as is often the case when using the home phone. It is now possible to send brief e-mail messages using the *keitai*, as current models sport this feature. Many young users have also become adept at substituting *chakumero*, or ringer melodies, to supplant the commonplace ringing tone. These tunes are readily available on Internet Web sites and can be downloaded or installed by following the directions in readily available *chakumero* guidebooks. As in the United States, *keitai* etiquette has become a real issue, particularly regarding loud conversations on crowded trains.

Source: *The Japan Forum Newsletter*, No. 21, June 2001, p. 4. Contributed by Jana Eaton.

The Economics of Tiger Hunting

The destruction of Asia's tiger population is a major environmental problem. While many Asian countries, including Cambodia, are taking impressive steps to combat tiger hunting, the economic incentives are strong for this practice to continue.

- A Cambodian tiger hunter pays villagers \$50.00 if they can lead him to tracks.
- Each tiger he kills brings the hunter \$1,500-\$2,500.
- A skin can be sold for \$900, a canine tooth goes for \$125, and a claw, \$10.00.
- The most lucrative parts of the tiger are the bones, which sell for \$400 a kilogram. They are used to combat rheumatism, and customers for this alleged cure are wealthy old people in Korea, Taiwan, and Japan.

Source: *Far Eastern Economic Review*, June 21, 2001, pp. 74-76.

More Dire Japanese Economic Statistics

- In 1999 Japan came in third to last in the OECD's table of industrial nations' growth, ahead of Turkey and the Czech Republic.
- The Japanese Foreign Ministry estimates that for the 2001 financial year ending last March, central and local government debt will have exceeded 140 percent of GDP.
- Sixty-five percent of government revenue is required just to service debt.
- Japanese households possess the world's biggest pool of unused capital, the equivalent of \$13.7 trillion. Most of the money is deposited in very low yielding (average 0.8 percent interest) local postal savings accounts.

Source: *The American Enterprise*, July/August 2001, p. 49.

Editor's Note: *EAA* readers are invited to send material for this column. Please include a source for your "Factoid."