

SOCIAL SCIENCES WITH SUCCESS AND FAILURE OF NATIONS

HO SI QUY *

Abstract: Many nations experienced different periods of prosperity or decline. What are causes of the prosperity and decline? Did they take place inevitably or just by chance? Why did some nations achieve success; whereas others suffered from failure, although their conditions were not different a lot? Why did some nations become “powerful tigers or dragons”; whereas others still remained poor and backward? Based on knowledge of social sciences at the modern time, ones have been trying to find out answers to those questions. According to the author, papers in social sciences have by now answered more or less convincingly the causes of prosperity and decline of ancient societies. Some answers given by different scholars such as Jared Diamond, Daron Acemoglu and James Robinson⁽¹⁾ still remain hypotheses, which need further analyzing, verifying and interpreting.

Key words: Social sciences, industrialization, success and failure, East Asia.

I. The basic factors for the development

1. Japan was defeated in the Second World War and consequently became an occupied country. Socio-economic conditions of the country were devastatingly ruined; national values built and highly appreciated in the 18th and 19th countries became doubtful. Swallowing bitterness of the failure, Japanese people were determined to rebuild the country through economic development, based on their experience in the pre-war industrialization. Achievements they gained were extremely impressive. The average economic growth amounted to 9.4%, 10.9%, and 7.1% for the periods from 1945 to 1950, from 1950 to 1955, and from 1950 to 1987 respectively. After the regime under occupation of the US ended in 1952, gross

domestic production (GDP) of Japan grew similar to that in the pre-war time. In 1968, the foreign debt was lower than lending and Japan was ranked the second in the list of capitalist countries by GDP. In 1982, GDP of Japan was 4,177 billion USD and GDP

^(*) Prof., Ph.D., Institute of Social Sciences Information.

⁽¹⁾ Jared Mason Diamon, Professor at the University of California, Los Angeles; he won the prize of Pulitzer, owing to his work titled “*Guns, Germs, and Steel: The Fates of Human Societies*”, W.W. Norton & Co (1997); Daron Acemoglu, Professor in Economics at the Institute of Massachusetts Boston; Jemes A. Robinson, Professor in Economics and Politics at the University of Harvard; he is the author of a well-known publication titled “*Why Nations Fail: The Origins of Power, Prosperity, and Poverty*”, See: Daron Acemoglu and James A. Robinson (2013), The Youth Publishing House, Ho Chi Minh City; Jared Diamon (2005), *Collapse: How Societies Choose to Fail or Succeed*, New York: Penguin Books.

per capita was 10,326.34 USD. It really became an economic power, showing a legendary Japan at the post-war time. In 2013, GDP of Japan amounted to 5,964 billion USD with the GDP per capita of 36,900 USD, calculated by the purchasing power parity (PPP)⁽²⁾.

2. Lessons from the miraculous achievements of Japan at the Meiji Restoration as well as the post-war time show some common factors, including: it is completely believed that great things can be done with a strong will; all people of the country were determined to restore national values and strengthen education and civil rights; they made every effort to learn and apply achievements from the Western civilization and by all means master the advancement of sciences and technology... This also means that resources of social sciences and values of humanity were really idolized. It is not accidental that some well-known books from Europe such as *Self-Help* by Samuel Smiles or *On Liberty* by John Stuart Mill were already translated into Japanese and millions copies were sold at the Meiji Restoration time. The number of teaching hours given by the world famous ideologists at universities of Japan was very high at that time, even higher than the corresponding number in some European countries. The first collection of K. Marx and F.Engels' work was published in Japan, but neither in Germany nor Russia⁽³⁾. At present, many areas in social sciences and humanities as well as the system of libraries, museums,

academies of arts etc... of Japan are remarkably excellent. Freedom to learning is written in the Constitution; it is not for form's sake, but it is a really effective tool to encourage creation and protect scientists⁽⁴⁾.

3. The tendency of restoration in Japan caused an echo to South Korea, Taiwan and many other Asian countries from the 1960s, awaking the aspiration to eliminate poverty in those countries. Hongkong, the Philippines, Indonesia, Thailand and then Singapore and Malaysia realized the echo and started to struggle against their backward conditions. As economic growth was kept stable, the dream of "taking-off" urged more and more the thirst for development in those countries. Few of those countries, however, have become "a dragon" in the region.

4. In 1960, GDP per capita in South Korea was just 82 USD, which was equivalent to or just a little higher than that in Vietnam. The corresponding figures in

⁽²⁾ CIA, OECD, IMF and WB, <http://www.indexmundi.com>

⁽³⁾ Nguyen Xuan Sanh (2012), "From the Reading to the Civilizing of the Japanese", <http://hoithao.sachhay.org/2012/05/tu-oc-sach-en-khai-minh-cua-nguoi-nhat.html>, Nguyen Nam Tran, "Brief summary of the currents of ideas dominating Japanese contemporary literature", <http://www.erct.com/2-ThoVan/NNT/Tutrao-chiphoi-VanhocNhatban/Tutrao-chiphoi-VanhocNhatban.htm>

⁽⁴⁾ Article No. 23 in the Constitution of Japan says: "Academic freedom is guaranteed"; Article No.2 in the Law on Fundamental Education regulates: "to achieve educational targets, it is necessary to respect the freedom to learning"; See "The Constitution of Japan 1946" <http://www.solon.org/Constitutions/Japan/English/english-Constitution.html>; "Why a lot of Japanese won the Nobel Prize?" <http://tiasang.com.vn/Default.aspx?tabid=62&News=3602&CategoryID=36>

Taiwan, Singapore, and Hongkong were 170 USD, 394 USD, and 429 USD respectively. Except for Hongkong - a colony of England with a little better conditions, all the rest were not much different from poor rural areas or shanty fishing villages with patchy and sleazy towns. Most of the population were illiterate. The regime was not stable due to political problems; and in some areas, it was completely chaotic, because of ethnic disturbances...

After a short period, GDP per capita in Singapore and Hongkong in 1970 already amounted to 913.87 USD and 959.20 USD respectively. At the same time, the corresponding figure in and South Korea also increased to 1,310 USD in 1975. This means that those countries were no longer considered poor countries; whereas, till 2009 Vietnam got over the poverty line (one year earlier than its tentative plan).

5. Unlike the Philippines, Indonesia, Malaysia and Thailand, which fell in the development trap and GDP per capita therefore remained limited to several thousands USD, four other economies in Asia, including South Korea, Taiwan, Hongkong and Singapore, continued to develop. The average GDP per capita in those countries amounted to 10 thousands USD, after less than 20 years. Taiwan, Hongkong, Singapore and South Korea achieved this figure in 1987, 1988, 1989 and 1990 respectively. The whole world was surprised at the fact that those four economies in East Asia “took off” and

became economic “dragons” so drastically. They were considered as Newly Industrialized Countries or Economies (NICs/NIEs)⁽⁵⁾, making an Asian miracle in the 20th century.

This surprised the whole world, because the first industrialized countries spent several hundreds years experiencing successively challenging periods of capitalism with “blood and dirt leaking from every pore” (Karl Marx⁽⁶⁾); whereas, it took just from 20 to 30 years for those NICs to cover the entire process. At present, those countries and territories are ranked in the group of countries with the highest national income per capita in the world. They have gained a lot of praiseworthy achievements in social and economic life. The Human Development Index (HDI) and the Failed States Index (FSI) of those countries and territories are also very admirable (See Table 1).

⁽⁵⁾ Different documents mention dissimilar data on the year that GDP per capita in Taiwan and South Korea reached 10,000 USD. According to the International Monetary Fund (IMF), average GDP per capita in Taiwan and South Korea amounted to 10 thousands USD in 1990 and 1992 respectively. According to other documents, however, Taiwan and South Korea achieved the figure in 1987 and 1990 or 1991 respectively. Anyway, this difference is not very significant for what we are discussing here.

⁽⁶⁾ In *Capital* Vol.1, K. Marx wrote: “*If money, according to Augier, “comes into the world with a congenital blood-stain on one cheek,” capital comes dripping from head to foot, from every pore, with blood and dirt*”, K. Marx and F. Engels (2002), *Complete Works*, National Political Publishing House, Hanoi, p.1078.

Table 1: GDP, HDI and FSI of Japan, NICs and Vietnam in 2013⁽⁷⁾

Countries/ Territories	GDP				HDI (Top-down)		FSI (Bottom-up)	
	Data by IMF		Data by CIA		Index	Rank	Index	Rank
	Σ Bill. USD	Per capita USD PPP	Σ Bill. USD	Per capita USD PPP				
Japan	5.964	36.900	5007	37.100	0,912	10/185	36,1	156/175
Singapore	276,5	61.400	287,4	62.400	0,895	18/185	34,0	158/175
Hongkong	263	52.300	297,7	52.700	0,906	13/185	No data	
Taiwan	474,5	39.400	484,7	39.600	No data		No data	
South Korea	1.156	32.800	1.198	33.200	0,909	12/185	35,4	157/178
Vietnam	138,1	3.600	170	4.000	0,617	127/185	73,1	98/178

6. From the perspective of social sciences, the period of rapid industrialization in East Asia resulted in many new issues relating to selection of development way. While Max Webber viewed the Protestant morality as the spiritual foundation for capitalism in the first industrialized countries in Europe, the “lucrative” sense of the Protestant morality turned out not to be a mainstay for capitalist countries in East Asia. It has been for more than 20 years, since the four above-mentioned “dragons” came out into the world, but “the spectacular leap” of the East Asian NICs still remains as a greatly impressive encouragement for other countries. Following are some lessons learned from those NICs:

- It is not necessary for present countries to spend hundreds years on capitalist transformation and accumulation like what European countries did in the past, but they also can achieve an industrialized economy and prosperity soon.

- It is not necessary to have abundantly diversified natural resources and not necessary to accumulate big capital resources. In the modern time, human and cultural resources are important and decisive factors for development rather than natural and capital resources.

- It is not necessary to be bound to the actual economic state; at present, education is the foundation and the key to development.

- It is not necessary to attach *modernization* to *Westernization*; we should and are able to find our own way to become a modernized society.

- It is neither necessary to get rid of previous values nor essential “to copy

⁽⁷⁾ Data in the Table are collected from: <http://www.indexmundi.com> (GDP data provided by IMF); <https://www.cia.gov/library/publications/the-world-factbook/fields/2195.html> (GDP data of countries provided by CIA), https://www.cia.gov/library/publications/the-world-factbook/fields/print_2004.html (Data on average GDP per capita provided by CIA); UNDP (2013), “Human Development Report”, “The Failed States Index 2013”, <http://ffp.statesindex.org/rankings-2013-sortable>

inflexibly” new values. In correlation with exogenous values, traditional values can result in a new power. Some traditional values, such as fondness of learning, industriousness, consensus, and social responsibility will be forever significant.

7. These conclusions have been drawn in social sciences. They are the very significant knowledge of social sciences.

Talking about social sciences means to talk about human beings, society, and culture. More precisely, *human beings, society and culture* consist of all research objects in social sciences and humanities. While studying particular research objects in the late 20th century, scholars of social sciences and humanities showed deep insight into the human factor, which are the target as well as the dynamics of development. According to Karl Marx, the supreme target of development is not impressive figures of GDP, economic growth, modern facilities or material civilization, but the very human beings and “free development of human beings”, which fill the center of development⁽⁸⁾. At present, social sciences affirm that *the more human resource of high quality is exploited, the more abundant it will be*; on the contrary, the more other resources are exploited, the more exhausted they will become.

In social sciences at present, theoretical tools are powerful enough to give the best recommendations for development to the governments so that human beings will not be omitted, when we pursue the targets of economic growth. Human beings are

emphasized to be both biological and social animals; they carry both individuality and community; they want to be above the crowd, but also want to be inside the crowd. Poverty, illiteracy, diseases, social evils, corruption, and group interest etc... are, therefore, issues of not only individuals but also communities and governments. Social sciences provide rational explanations to give advice on: who a reasonable subject should be and who should have power to deal with social questions effectively; which matters the government is responsible to solve; which matter – the family; and even, which matters of children parents should not intervene in.

8. At present, culture is recognized from a revolutionary viewpoint in social sciences. The concept of culture was set up long ago, but only recently ones have learned about cultural study and cultural sociology; they started to have the opinion that considers culture as an internal and decisive factor for development. In the early 20th century, it was realized in social sciences that culture was a soft power of nations. The soft power is not so effective as weapons or invasion (hard power) in dealing with immediate problems, but it is much more effective in building sustainable development. Culture is not only a product of social production, but it also lies deeply inside social life. It defines directions, methods and appearance

⁽⁸⁾ “The free development of each is the condition for the free development of all”, K. Marx and F. Engels (1995), *Complete Works*, Vol.4, National Political Publishing House, Hanoi, p.628.

of development; i.e. no matter what level of development have been achieved, individuals and communities in society can feel safe and progressive, only when development is not isolated from traditional identities and history; when it is not opposite to general values of mankind and tendencies of humanity. In all successful nations, modernity and tradition are combined; breakthrough and inheritance are both appreciated; both spiritual and secular values are developed; and, they are both particular and unexceptional etc... “To be completely different from all” or “to be absolutely different from origin” is a really dangerous extreme.

9. Although social sciences still remain criticized a lot in the economic field, they help to: design high-quality strategies and tactics to mobilize resources; indicate factors for development; give warning of unhealthy development; forecast traps of development; and, show measures to combine the invisible hand of the market with purposive macro-regulations of the government. Regarding to the dream of national prosperity, many causes for failure have been mentioned by economists as well as researchers in other disciplines of social sciences, but proper attention has not been paid to the causes yet. The origin of all causes for failure is the bad awareness or the temptation of profits. This leads to unexpected results for policies and makes nations miss opportunities to get success.

Based on lessons learned from history and experience, social sciences provide appropriate suggestions and lucid solutions

to questions, especially currently burning issues. It is indicated that many lessons, for which ones sometimes paid dearly in the past, are still forgotten “unintentionally” or “haven’t been learned”; consequently, ones have to pay more at present.

II. Experience suggests of countries have not become NICS

1. The Philippines and Thailand were forecast to become economic dragons or tigers, but they haven’t taken off to become industrialized countries till now. In 1961, average GDP per capita in the Philippines was 260 USD. It was an encouraging figure, as it was much higher than corresponding figures in other Asian countries at that time. It was a favorable lever for development and poverty elimination. In the following years, however, all efforts at the macro scale were less effective, mainly due to political causes. Economic growth was erratic; GDP per capita sometimes dropped to 172 USD. Only after Fidel Valdez Ramos became the President (1992 – 1998), did economy of the Philippines start to develop again; the political system became more stable; economic growth increased; and, social life got better. During this period, GDP per capita of the Philippines increased significantly, from 710.47 USD or 1881.827 USD by PPP (in 1991) to more than 1,000 USD (in 1994) and nearly 1,200 USD or 2232.211 USD by PPP (in 1996)⁽⁹⁾. In the early 1990s, it was forecast by many

⁽⁹⁾ [http://www.indexmundi.com/philippines/gdp_per_capita_\(ppp\).html](http://www.indexmundi.com/philippines/gdp_per_capita_(ppp).html)

international organizations to be the next tiger in Asia.

2. Nevertheless, society of the Philippines seemed to follow “a fatal inertia”, which was formed at the time of the most arbitrary president, Ferdinand Marcos (1965-1986). It is the severe confrontation between social forces, of which one consists of a majority of poor people, who have no or very little opportunity to become rich (for the period 2000 - 2007, the proportion of those under the poverty line of 1.25 USD/capita/day was 22.6% of all population; the proportion of those under the poverty line of 2 USD/capita/day was 25.1%⁽¹⁰⁾); the other consists of those in the upper class, including: the rich, senior military officers (there are always two opposite camps among military officers: one advocates the incumbent government and the other advocates the previous government) and priests (a majority of the priests are in support of the poor, but some of them are in support of the upper class). According to evaluation made by many international organizations, of officials in the Philippines corrupt and irresponsible ones are always found. At any time, the government is criticized for having insufficient capability to undertake the national missions and for being controlled by groups of crony capitalism (from 1980 up to now, corruption and crony capitalism is estimated to cause a loss of about 10% of GDP in the Philippines every year⁽¹¹⁾). Governmental officials live in suspicion. People do not put much trust in the regime. A coup d' état

seems to take place at any time.

This explains why the Philippines stagnated for more than 10 years and its GDP per capita still remains less than 2,000 USD (in 2013, it was 4,500 USD by PPP), although it used to be believed to take off before.

3. The situation in Thailand has been almost similar, although this country has some more favorable conditions for development.

As a traditionally agricultural country, Thailand was ranked the world top exporter of rice since 1965. Every year, it exported from 8 to 10 million tons of rice to the world market. With an effort of will, in the 1970s Thailand focused on agricultural development and implemented the policy to aim at export. From 1988 to 1996, economic growth of Thailand was kept continually high (9.4%). Its economy was believed to take off after some time.

However, a financial crisis initially took place in this country in 1997 – 1998. The debt of private sector in Thailand amounted to 140.9% of GDP in 1996. By July 1997, Thailand had to allow the exchange rate to float freely, after the *Thai baht* was hit by massive speculative attacks. The crisis rapidly spread to the whole Asia and many other countries. After a large amount of foreign-investments was suddenly withdrawn, Thai economic “bubbles” were exposed and

⁽¹⁰⁾ UNDP, *Human Development Report 2009*, p.177.

⁽¹¹⁾ Philippines 6th in world for Marcos era-like crony capitalism. <http://www.philstar.com/headlines/2014/03/19/1302693/philippines-6th-world-marcos-era-crony-capitalism>, The Philippines: The Marcos Years. <http://www2.gwu.edu/~nsarchiv/nsa/publications/philippines/philippines.html>

burst. Although there was no war, no natural calamity, and no traditionally visible enemies, Thailand suffered a loss of 80 billion USD and the Baht lost 44% of its value against the US dollar.

4. Many people think the financial crisis in 1997-1998 knocked down the “future tiger”, Thailand. Others, however, try to explain that the failure of Thailand stemmed from political causes. A coup d'état is a regular threat to the political arena in Thailand. From 1932 to 2006, there were 17 coups d'état, of which 10 ones were “successful”. From 2006, when Prime Minister Thaksin Shinawatra lost the position and had to live in exile, to May 2014, when Mrs. Yingluck Shinawatra was discharged from the Premiership, there were 8 alternate prime ministers, but social instability even remained greater and broader. Some people blame the social instability on democracy, “but the chaotic situation is not the fault of democracy; the fault lies in the opposites”⁽¹²⁾.

The dream of becoming a dragon temporarily left Thailand, although it has gained positive signs for economic development for the past few years. In 2008, GDP per capita in Thailand exceeded 4,000 USD. For developing countries, GDP per capita by PPP is preferably used. With calculation by PPP, GDP per capita in Thailand would be 8,400 USD, instead of 4,043 USD in 2008. According to figures given by the International Monetary Fund, GDP per capita of Thailand in 2013 is 10,300 USD by PPP; GDP as a whole is

365.6 billion USD by PPP⁽¹³⁾.

III. Research success and failure of nations

1. Anyway, it is impossible to conclude that Thailand and the Philippines are the countries of failure, viewed from any perspectives, even the most extremist one. These two countries have achieved a lot of positive changes recently; their international position has been also improved in comparison with that in the 1990s. In the sector of sciences and education, the system of education and scientific achievements in Thailand and the Philippines are better than those in Vietnam and other regional countries as well⁽¹⁴⁾. Yet, it is necessary to consider seriously development expedients, since Thailand, the Philippines, Vietnam and some tens other countries are ranked in the warning group, based on the FSI survey conducted by the Fund for Peace in 178 countries in 2013. The FSI of Thailand, the

⁽¹²⁾ Khanh Duy, “Thailand: Monarchy, Democracy and Ownlessness”, <http://tuanvietnam.vietnamnet.vn/2010-04-15-thai-lan-dan-chu-quan-chu-va-vo-chu>.

⁽¹³⁾ http://www.indexmundi.com/thailand/gdp_real_growth_rate.html

⁽¹⁴⁾ See “Comparison of the number of Vietnamese papers published in international journals and that of other countries in the region for the past 5 years (2008-2012)”, <http://www.hdcgsmn.gov.vn/news/detail/tabid/77/newsid/331/seo/So-sanh-so-luong-bai-bao-dang-tren-tap-chi-khoa-hoc-quoc-te-cua-Viet-Nam-va-cac-nuoc-trong-khu-vuc-trong-5-nam-gan-day-2008-2012-/language/vi-VN/Default.aspx>, “Presence of Vietnam’s social sciences in the international arena”, <http://gas.hoasen.edu.vn/vi/gas-page/toa-dam-su-hien-dien-cua-khoa-hoc-xa-hoi-viet-nam-tren-truong-quoc-te>, Nguyen Van Tuan (2014), “Vietnam’s scientific productivity of (2009 - 2013)”, <http://www.nguyenvantuan.org/In/nang-suat-khoa-hoc-viet-nam-20092013.aspx>

Philippines, and Vietnam in 2013 is 75.1 (ranked the 90th among 178 countries), 82.8 (ranked the 59th), and 73.1 (ranked the 97th) respectively. Of these three countries, the Philippines is the closest to failure. Ranked at the 31 notches better than the Philippines, there are Thailand, China and Russia. In the meanwhile, Vietnam is ranked at the 7 notches better than Thailand. Thus, Vietnam ranked at the 97th notch from Somalia (the most failed country) and the 81st from Finland (the most successful country)⁽¹⁵⁾.

2. Success or failure of nations, which seems to be an issue in the old days, has become a new research object in social sciences. Why have a majority of countries suffered from failure; whereas very few nations have achieved success? This is a thorny question to governments, politicians and researchers of social sciences, especially enthusiastic ones. Interestingly, this question exceeds the scope of historical, political and philosophical research on *success and failure* of nations; it also exceeds the scope of interdisciplinary and multidisciplinary research on *economic growth, development and sustainable development* or *development and social progress*. For the past ten years, this issue has been a relatively independent research object in social sciences; and, research works on this issue have been carried out mainly with interdisciplinary and multidisciplinary methods. No-one claims that he/she gave birth to this new field of research. Talking about research works on success and failure of nations, however, it is impossible not to mention

some outstanding scholars, including: Jared Diamon, a Professor in Geography at the University of California; Daron Acemoglu, a Professor in Economics at the Institute of Massachusetts, Boston; James A. Robinson, a Professor in Economics and Politics at the Harvard University⁽¹⁶⁾; and, a team of researchers in the Fund for Peace. They are the very authors, who have played a significant role in giving answers to the question why some nations got failure or success. Inevitably, their works are sometimes criticized, but they have discovered some nature of the issue and have provided interesting explanations, attracting attention from politicians and encouraging a lot of scientists in the world to do further research on this topic, especially in their home nation.

3. Of all research works on success and failure of nations, this paper takes special notice of the quantitative research work done by the Fund for Peace. Since 2005, every year the Fund published the rankings of nations by FSI⁽¹⁷⁾ in the Review “*Foreign Policy*” – a very popular American journal.

The FSI is designed, based on 90,000 sources of information from nearly 200 nations and territories all over the world. It consists of 12 indicators, making assessments in three sectors, including: social, economic and political. Of the 12 indicators to measure nations’ failure, there are 4 social,

⁽¹⁵⁾ Failed States Index: the higher the index is, the lower the capacity to get success will be. <http://ffp.statesindex.org/rankings-2013-sortable>

⁽¹⁶⁾ Jared Mason Diamon (1997), *Ibid*.

⁽¹⁷⁾ The Failed States Index. <http://ffp.statesindex.org>

2 economic, and 6 political ones⁽¹⁸⁾. Each indicator is measured in a 10-notch scale. The higher a nation is ranked, the more problems it has; i.e. its level of failure is higher. On the contrary, a lower rank show fewer problems; i.e. the level of failure is lower or the level of success is higher. The total of the 12 indicators for each nation is the nation's FSI.

According to the FSI design, *failed nations* are those which have a high level of problems, resulting in worries for the very nations and international community as well. They are facing uneven economic development or decline; the political system is weak; society is unfair, instable or troublous etc... In those countries, the government leaders are really incapable.

In the FSI rankings, countries are divided into 4 groups, based on the total of the indicators: *Alert Group* including the nations, of which the FSI ranges 90 or above; *Warning Group* including the nations, of which the FSI ranges from 60 to 90; *Moderate Group* including the nations, of which the FSI ranges from 30 to 60; *Sustainable Group* including the nations, of which the FSI ranges less than 30; these nations have the fewest problems and have been the most successful. Conventionally, 60 nations, of which the FSI is the highest, are considered as *failed nations*.

Certainly, it is impossible to avoid shortcomings of quantitative research, when we rely on mechanical figures to make social and human assessments. Furthermore, the total of the 12 indicators still remains

unilateral to very complicated success or failure of specific nations, which is sometimes full of blood and tears. Since the FSI rankings were published for the first time in early 2005, however, it has attracted increasingly higher attention from international community. It will be very useful, if the rankings are used in social sciences to make policy recommendations for those nations. It surely will be very significant, if governments of the nations seriously take the research findings into account in their planning and policy-making.

4. Although in the design of FSI, data on the middle-income trap are not calculated as a constituent of the index, recently researchers of social sciences, particularly those in Vietnam, have mentioned a lot the middle-income trap, considering it as a factor to prevent some countries of positive economic growth from becoming dragons, such as: the Philippines, Thailand, Malaysia, Indonesia, Brazil, and Peru... Those countries were forecast to "take off" soon, but they have experienced wild fluctuation in GDP for the past few years; macro-management has not been effective; a lot of socio - economic blockages still remain; as a result,

⁽¹⁸⁾ 4 *Social indicators* include: 1) Demographic pressures; 2) Refugees and Internally-Displaced Persons (IDPs); 3) Group grievance; and 4) Human Flight and Brain Drain. 2 *Economic indicators* include: 1) Uneven Economic development; and 2) Economic Decline. 6 *Political indicators* include: 1/ State Legitimacy; 2) Public Service; 3) Human Flight and Rule of Law; 4) Security Apparatus; 5) Factionalized Elites; and 6) External Intervention. See <http://ffp.statesindex.org>.

those countries haven't reached prosperity yet. The middle-income trap is considered as the key cause.

Generally, the middle-income trap is a situation, when a country is no longer too poor; it no longer has to implement the contractionary policy; however, it has not been really wealthy and the will is not strong enough to make vigorous changes in technology and economic strategies that help to create breakthroughs for a better economy. As showed by social sciences, to be longing for immediate interests, irresolute and doubtful about future development are the major reasons why economy is limited within the middle-income trap for several years or even several decades.

Although Vietnam has severer conditions than the above-mentioned countries, it was recently forecast that Vietnam would become "a young tiger" and would be basically industrialized by 2020. In early 2014, the slowdown in economic growth and existing economic blockages of Vietnam made some scholars list it into the group of countries that have fallen in the middle-income trap; whereas, many other scholars consider the opinion unconvincing⁽¹⁹⁾. At present, Vietnam's actual GDP per capita is just a little over 1,000 USD or 3,000 USD by PPP⁽²⁰⁾. It is a long way for Vietnam to achieve the GDP per capita of 10,000 USD.

Desire for development is always found in the thinking of all nations and most governments. In each era, however, just few nations can get prosperity. Even when the

prosperity is gained, many countries cannot keep it sustainable. By now, most of previously prosperous nations have already withdrawn behind others. Some examples can be enumerated here, such as: the Persian Empire, Ancient Greece, Roman Empire, the Mongol Empire, the Maya and Pompeii Civilizations, Capitalist England and France at the contemporary time, and the former Soviet Union as well.

For the past 20 years, the NICs have been an outstanding example for other countries in Asia. Many countries, especially those which used to be the same wealthy as the NICs in the past, have obsessed with the dream of getting rid of poverty and the desire for rapid development. It is not necessary to have abundant natural resources; it is not necessary to have experienced a capitalist period. At present, it just takes several decades for a country to become industrialized, based on factors relating to human resources, knowledge, and macro management. In the meanwhile, it is not difficult to find lessons involved with human resources, knowledge and macro-management in literature of social sciences.

⁽¹⁹⁾ Tu Giang (2014), "Japanese Professors Protect the Opinion that Vietnam has Fallen in the Middle-income Trap", <http://www.thesaigontimes.vn/113445/Giao-su-Nhat-bao-ve-quan-diem-%22VN-roi-vao-bay-thu-nhap-trung-binh%22.html>, Ho Si Quy (2009), "Desire for Development and the Middle-income Trap", *Review Social Sciences Information*, Vol.12.

⁽²⁰⁾ Data of the International Monetary Fund show that Vietnam's actual GDP per capita in 2011 is 1,407.11 USD and in 2012 is 3,600 USD by PPP. (IMF 2013 update. No new data). See <http://www.indexmundi.com/facts/vietnam/gdp-per-capita>

This development law is full of necessity and popularity. Nevertheless, it is not so simple that a country will become a dragon, if it has comprehended the law.

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