East Asia and Globalization: Economic Development, Crisis and Recent Changes
Kyoto Consortium for Japanese Studies
Fall 2019 Semester

Mondays 2:55 – 6:10 pm
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Objectives

In this course, we will study the historical experience of East Asian economies including Japan and Korea, in terms of the role of the state and globalization. The East Asian countries succeeded in rapid economic growth, led by the developmental governments that implemented industrial policy, trade protection, and financial and capital controls. They adopted a strategic integration into the global economy following the so-called East Asian development model. However, financial opening and deregulation made their economic systems vulnerable, leading to the long-run recession in Japan and the 1997 Asian financial crisis. After the crisis, there have been serious changes in the economic model in East Asia toward a more open and liberalized system. They are, however, concerned about the possibility of a vicious cycle of rising inequality and stagnant economic growth. The East Asian governments are making new efforts to promote growth and reduce inequality. We will examine the East Asian economic development model, the financial crisis, and the recent changes after the crisis in this class. By taking this course, students will gain a better understanding of the current economic situation and what is to be done for inclusive growth in East Asia. The format of this course is a typical lecture by the instructor followed by discussion.

Requirements and Grading Policy

1. Required Readings
Students are required to purchase the following books. Additional weekly readings are listed below, under Class Schedule.


2. Assignments and Grading Policy

Attendance and class participation (15%)
Short writing assignment (10%)
One take-home mid-term examination (25%)
Group presentations (20%) about any topic associated with the East Asian economy
One term-paper at the end of the semester (30%)

Class Schedule

Unit One: The East Asian Development Model

Week 1: Understanding the East Asian growth experience (Sep. 2)

Week 2: The role of the state and globalization in the East Asian development model (Sep. 9)

Week 3: History, Institutions and policy in East Asia (Sep. 16)

Week 4: The Experience of Japan (Sep. 30)
- Flath, David, 2014. *Japanese Economy*. Oxford University Press. Ch. 4, Ch. 8, and Ch. 9.

Week 5: Korea and China (Oct. 7)

- Short writing assignment
Unit Two: The Crisis in East Asia and Economic Restructuring

Week 6: The 1997 financial crisis in East Asia and debates (Oct. 14)
- Chang, Ha-Joon, 2006. Chapter 6 and Chapter 8

Week 7: Globalization and the demise of the East Asian model (Oct. 21)
- Chang, Ha-Joon, 2006. Chapter 5
- Mid-term examination

Week 8: The financial crisis and economic restructuring (Nov. 4)

Unit Three: Recent Changes in East Asia: Growth and Inequality

Week 9: Changes in the role of the state in East Asia (Nov. 11)

Week 10
Group Presentations and Discussions (Nov. 18)
Week 11: Rising inequality in East Asia (Nov. 25)

Week 12: The future of the developmental state and inclusive growth in East Asia (Dec. 2)
- Term Paper Due

Reading list:

Unit One: The East Asian Development Model
Unit Two: The Crisis in East Asia and Economic Restructuring

Unit Three: Recent Changes in East Asia: Growth and Inequality
Botman, Dennis, Danninger, Stephan, and Schiff, Jerald, eds., 2015. Can Abenemoics Succeed? Overcoming the Legacy of Japan’s Lost Decades. International Monetary Fund