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Political Science 117
Political Economy of East Asia

Course Description

We will examine the origins of economic development and contemporary international political economy in East and South East Asia. The course materials are designed for advanced undergraduates with some previous coursework in political science, although there are no prerequisites.

Course Requirements

Section Participation (20%)
Short Essays (10% x 2 = 20%)
Midterm Examination (30%): In-class midterm to be administered on 2/11
Final Examination (30%)

Essays

Each short essay (300-500 words) should briefly synthesize and critique two or three readings from a particular week. They are due at the beginning of section during which those readings are to be discussed. One essay should be submitted for Part I of the class (Weeks 2-6) and another for Part II (Weeks 7-10).

General Policies

Weekly participation in Section is required – unexcused absences will result in a half-grade reduction in the student's *final* grade, e.g. an A becomes an A-, a B+ become a B, etc. Late assignments will be penalized by half a letter grade each day the assignment is late.

Readings

Readings will be made available on course work.

Overview:

Week 1 (1/7) Introduction

Part I

Week 2 (1/12 & 1/14) Early Political Economy

Week 3 (1/21) Institutional Foundations

Week 4 (1/26 & 1/28) Economic Development and the East Asian Miracle

Week 5 (2/2 & 2/4) Japan's Lost Decade

Week 6 (2/9) Sources of Chinese Development

(2/11) In-Class Midterm Examination

At least one short essay must be submitted by the beginning of section on Week 6.

Part II

Week 7 (2/18) The Asian Financial Crisis

Week 8 (2/23 & 2/25) The Asian Financial Crisis and Implications

Week 9 (3/2 & 3/4) Regional Cooperation

Week 10 (3/9 & 3/11) East Asia in the International System

(3/16) Final Examination

Second short essay must be submitted by the beginning of section on Week 10.

Week 1:

1/7

Introduction

(Get started on the readings for Week 2)

Week 2: Early Political Economy

1/12

Joel Mokyr, "China and Europe" in *The Lever of Riches* (Oxford University Press, 1990), pp. 209-238.

Justin Yifu Lim, "The Needham Puzzle: Why the Industrial Revolution Did Not Originate in China" Working Paper No.650, Dept. of Economics, UCLA (March 1992).

David Landes, *The Wealth and Poverty of Nations* (New York: Norton, 1999), pp. 17-28.

Janet Abu-Lughod, *Before European Hegemony* (Oxford: Oxford University Press, 1989), pp. 340-348.

Kenneth Pomeranz, *The Great Divergence* (Princeton: Princeton University Press, 2000), pp. 264-283.

Andre Gunder Frank, *ReOrient* (Berkeley: University of California Press, 1998), pp. 273-283.

1/14

Douglass North, "Economic Development in Historical Perspective: The Western World" in Ramon H. Myers ed. *The Wealth of Nations in the Twentieth Century* (Stanford: Hoover Institution Press, 1996), pp. 39-53.

Kozo Yamamura, "Bridled Capitalism and the Economic Development of Japan, 1880-1980," in Ramon H. Myers ed. *The Wealth of Nations in the Twentieth Century* (Stanford: Hoover Institution Press, 1996)

Alice Amsden, *Asia's Next Giant* (Oxford: Oxford University Press, 1989), pp. 27-52.

Week 3: The Origin of Institutions

1/19 (University Holiday No Class)

1/21

Minxin Pei, "Constructing the Political Foundations of an Economic Miracle" in Henry S. Rowen, ed. *Behind East Asian Growth* (NY: Routledge, 1998), pp. 39-59.

Richard Doner et al, "Systemic Vulnerability and the Origins of Developmental States: Northeast and Southeast Asia in Comparative Perspective" *International Organization* 51 (Spring 2005) pp. 327-361.

Masahiko Aoki, "Unintended Fit: Organizational Evolution and Government Design of Institutions in Japan," in Aoki et al eds. *The Role of Government in East Asian Economic Development* (Oxford: Oxford University Press, 1996), pp. 233-253.

Bruce Cummings "The Origins and Development of the Northeast Asian Political Economy" *International Organization* 38 No. 1 (1984) 1-40.

Week 4: Economic Development and the East Asian Miracle

1/26 Overview

World Bank Policy Research Report, *The East Asian Miracle: Economic Growth and Public Policy* (Oxford University Press, 1993), pp.1-26.

Henry Rowen, "The Political and Social Foundations of the Rise of East Asia: An Overview," in Henry Rowen, ed., *Behind East Asian Growth* (NY: Routledge, 1998), pp. 1-36.

Paul Krugman, "The Myth of Asia's Miracle" *Foreign Affairs*, Nov.-Dec. 1994, pp.62-78.

1/28

Chalmers Johnson, *MITI and the Japanese Miracle* (Stanford University Press, 1982), pp. 3-34.

Robert B. Reich, "Is Japan Out to Get Us?" *The New York Times*, February 9, 1992.

Alice Amsden, *Asia's Next Giant* (Oxford: Oxford University Press, 1989), pp. 139-155.

Daniel Rodrik, "Getting Interventions Right: How South Korea and Taiwan Grew Rich," NBER Working Paper No. 4964.

Stephen Haggard, *Pathways from the Periphery* (Ithaca: Cornell University Press, 1990), pp. 23-48.

Week 5: Japan's Lost Decade

2/2

Richard Katz, *Japanese Phoenix* (M.E. Sharpe, 2003), pp. 25-39.

William Grimes (2001) "Chapter 5: Inflating and Bursting the Bubble, 1988-92" in *Unmaking the Japanese Miracle: Macroeconomic Politics, 1985-2000* (Cornell: Cornell University Press), pp. 136-161.

Jennifer Amyx (2001) "Informality and Institutional Inertia: the case of Japanese financial regulation" *Japanese Journal of Political Science*, pp. 47-66.

Steven Vogel, *Japan Remodeled* (Cornell: Cornell University Press, 2006), pp. 22-39 and 205-224

2/4

Paul Krugman, *The Return of Depression Economics*, pp. 60-101.

Ben Bernanke, "Japanese Monetary Policy: A Case of Self-Induced Paralysis?" in Adam S. Posen and Ryoichi Mikitani eds. *Japan's Financial Crisis and Its Parallels to U.S. Experience* (Washington: Institute for International Economics, 2000).

Carmen M. Reinhart and Kenneth S. Rogoff, "Is the 2007 U.S. Sub-Prime Financial Crisis So Different? An International Historical Comparison," Working Paper.

"Lessons from a 'lost decade,'" *The Economist*, Aug 21st 2008.

Heizo Takenaka, "Lessons from Tokyo," *Wall Street Journal Asia*, Oct 22, 2008.

Week 6: Sources of Chinese Development

2/9

Jean Oi, *Rural China Takes Off* (Berkeley: University of California Press, 1999), 1-16.

Gabriella Montinola, Yingyi Qian, and Barry Weingast. "Market Preserving Federalism, Chinese-Style: The political basis for economic success." *World Politics* 48, no. 1 (1995): 50-81.

Louis Kuijs and Tao Wang, "China's Pattern of Growth: Moving to Sustainability and Reducing Inequality," World Bank Policy Research Working Paper 3767, November 2005.

Barry Naughton, "China's Transition in Economic Perspective," in Merle Goldman and Roderick MacFarquhar, eds. *The Paradox of China's Post-Mao Reforms* (Harvard University Press, 1999), pp. 30-46.

2/11 Midterm Examination

Week 7: The Asian Financial Crisis (2/16)

2/16

Paul Blustein, *The Chastening* (PublicAffairs, 2001) Chapters 1-6 (pp. 1-174).

Week 8: The Asian Financial Crisis and Lessons

2/23

Gregory Noble and John Ravenhill, "Causes and Consequences of the Asian Financial Crisis," in Gregory Noble and John Ravenhill eds., *The Asian Financial Crisis* (Cambridge: Cambridge University Press, 2000), pp. 1-35.

Paul Krugman, "What Ever Happened to the Asian Miracle?" *Fortune* Aug 18, 1997, pp. 26-28.

Steven Radelet and Jeffrey Sachs, "The Onset of the East Asian Financial Crisis" in Paul Krugman eds., *Currency Crises* (University of Chicago Press, 2000), pp. 105-162.

IMF Staff, "Recovery from the Asian Crisis and the Role of the IMF"
<http://www.imf.org/external/np/exr/ib/2000/062300.htm>

2/25

Joseph Stiglitz, "From Miracle to Crisis to Recovery: Lessons from Four Decades of East Asian Experience," in Joseph Stiglitz and Shahid Yusuf, eds. *Rethinking the East Asia Miracle* (World Bank and Oxford University Press, 2001), pp. 509-526.

Donald Emmerson, "A Tale of Three Countries" *Journal of Democracy* vol. 10 n. 4 (1999).

Articles on Recent Events

Week 9: Regional Cooperation in East Asia

3/2

T.J. Pempel, "Introduction: Emerging Webs of Regional Connectedness" in *Remapping East Asia: The Construction of a Region* ed. by T.J. Pempel (Ithaca: Cornell University Press, 2005), 1-30.

Eisuke Sakakibara and Sharon Yamakawa, *Regional Integration in East Asia: Challenges and Opportunities* (World Bank East Asia Project, 2003), pp. 45-65.

Andrew MacIntyre and Barry Naughton, "The Decline of a Japan-Led Model of the East Asian Economy" in *Remapping East Asia: The Construction of a Region* ed. by T.J. Pempel (Ithaca: Cornell University Press, 2005), 77-100.

3/4

William Grimes, "Political Economy of Bond Market Initiatives in East Asia," Working Paper.

Jennifer Amyx, "What Motivates Regional Financial Cooperation in East Asia Today?" *Asia-Pacific Issues Paper*, No. 76, East-West Center. February, 2005.

Week 10: Asia in the International System

3/9

National Intelligence Council, *Mapping the Global Future* (National Intelligence Council, 2004), pp. 47-64.

Jeffrey Sachs, "Welcome to the Asian Century," *Fortune*, January 12, 2004.
http://money.cnn.com/magazines/fortune/fortune_archive/2004/01/12/357912/index.htm

3/11

James F. Hoge, Jr., "A Global Power Shift in the Making," *Foreign Affairs*, July/August 2004.

Hitoshi Tanaka, "With Asia's Rise, Global Governance Must Be Reformed"
<http://www.spiegel.de/international/world/0,1518,590168,00.html>

Henry M. Paulson Jr., "A Strategic Economic Engagement" *Foreign Affairs*, September/October 2008.