

East Asia's Dynamic Economies: Reflections on Modern Economic Theory

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First offered as an ExEAS course at Columbia University in Spring 2005

Course Description

This is an introductory level course which focuses on the economic and financial systems of East Asian countries. Through case studies, we will not only learn about the basic institutions of these economies and their growth experiences, but also link some aspects of these nations' economies with basic economic, finance and growth theories. This course will cover: China, Japan, Hong Kong (SAR), Taiwan, Korea, and Singapore. China and Japan represent the giants (in economic and demographic terms) in the region and will, correspondingly, take up a larger share of the course than their smaller neighbors. Topics covered will include: economic growth, the development of private sectors and informal sectors, financial systems and economic growth, financial crisis, government intervention and the free market, planned economy vs. market economy, etc.

We will devote the first half of the semester to the general introduction of each country's growth history, economic institutional structure and current economic prospects. This will build the foundation for us to move to the second part of the course – utilizing our knowledge of these countries to focus on the topics mentioned above.

Course Prerequisites

No previous coursework in economics or East Asian languages or cultures is required.

Course Goals

By the end of the course, you should be able to:

1. Understand the basic facts and growth experiences of East Asian economies.
 2. Use economic and financial theories introduced in class to analyze related economic phenomena observed in real life.
 3. Compare the institutional structure and growth experience of East Asian economies with other advanced economies such as the U.S.
 4. Understand different schools of thought on the relationship between government intervention and the free market, financial systems and economic growth, planned economy vs. market economy etc.
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Reading Materials:

All reading materials are included in the coursepack which is available for purchase at Broadway Copy Center, 3062 Broadway (at 121 St.), Tel: (212) 864-6501, Fax: (212) 678-4490, email: broadwaycopycenter@yahoo.com

Course Requirements:

Quizzes / Exams:

4 quizzes will be given during the semester. The quizzes will be worth 10 percent of the course grade (best 3 out of 4). All material included in quizzes will be covered in lecture. There will be no makeup quizzes.

The midterm exam will account for 20% of the course grade. The final exam (30%) will be given during the last week of the regular class period. Quizzes and exams will be a combination of short essays, short answer, true or false, and multiple-choice questions. The exact format will be announced at least one week prior to both the quiz and exam.

Course Project:

There will be one course project and it will account for 30% of the course grade. You will work in small groups. Each group will choose a country (or countries) to trace development and economic issues related to the topics covered throughout the course. Each group will also present their findings and reports to the class in the second half of the semester (after the midterm). For example, when we focus on the topic of financial systems and economic growth, we will hear presentations on each country's financial system by the different groups. To encourage teamwork and contributions from all members of the groups, each group will assign specific tasks for each member in the group. This will serve as a foundation for the evaluation of project performance for each member. Details of the project and grading policies for the project will be announced prior to the midterm.

Grading:

The course grade will be computed using the following weights

Class Participation	10%
4 Quizzes (best 3 out of 4)	10%
Midterm Exam	20%
Final Exam	30%
Project	30%
Total	100%

Course Policies:

Attendance and Lateness:

All students are expected to attend class on time and regularly. *You are responsible for all materials covered in class including those that are not featured in the reading assignments.*

Academic Integrity:

No form of academic dishonesty will be tolerated. This includes, but is not limited to plagiarism, cheating on exams, misrepresentation, presenting as your own the work of another, etc.

See Columbia's regulations on Plagiarism and Acknowledgment of Sources:

www.college.columbia.edu/students/academics/regulations/plagiarism.php

Course Outline (Subject to Change)

	Week of	Topic	
1	Jan. 18	Introduction	
1		Overview of Economic Growth	
2	Jan. 24	China (planned economy under socialism)	
2		China (China's economy during the reform era)	
3	Jan. 31	China (Recent developments in China's economy)	
3		Japan (Historical Foundations of Japanese Economic growth)	
4	Feb. 7	Japan (Japan's Era of Post World War II High Speed Growth)	
4		Japan (Japan's Economic Stagnation)	
5	Feb. 14	Taiwan	
5		Korea	
6	Feb. 21	Hong Kong	
6		Singapore	
7	Feb. 28	Mid Term	
7		Project Consultation	
8	Mar. 7	Topic 1: Financial System and Economic Growth (Theory)	
8		U.S. Experience	
9	Mar. 14	Spring Break	
9		East Asia Experience (I)	
10	Mar. 21	East Asia Experience (II)	
10		Topic 2: Planned Economy vs. Market Economy & Government Interventions	
11	Mar. 28	World Experience (Video: Commanding Heights)	
11		East Asia Experience (I)	
12	Apr. 4	East Asia Experience (II)	
12		Topic 3: Development of Private Sector and China's Experience	
13	Apr. 11	Topic 4: Contribution of Informal Sector: World Experience	
13		East Asia Experience (I)	
14	Apr. 18	East Asia Experience (II) – case studies in China	
14	14.	East Asia Experience (III) – credit systems in rural areas	
15	Apr. 25	Summary	

Week One

Introduction

Overview of Economic Growth: Course pack pp. 2 - 14

Week Two

China (planned economy under socialism): Course pack pp. 15 - 35

China (China's economy during the reform era)

Y. Qian, L. Lau, and G. Roland, "Reform without Losers: An Interpretation of China's Dual-Track Approach to Transition," *Journal of Political Economy*, February 2000, 108 (1), pp.120-143. [available via <http://elsa.berkeley.edu/~yqian/research.html>]

Week Three

China (Recent developments in China's economy): Course pack pp. 36 - 78

Supplementary Reading:

Recent World Bank reports on China available from
<http://worldbank.org.cn/English/Publications/publications.asp>

Asian Development Bank, *Asian Development Outlook 2003* (recent update)
<http://www.adb.org/Documents/Books/ADO/2003/update/default.asp>

Country Economic Review, People's Republic of China (2002), download from
http://www.adb.org/Documents/Reports/Annual_report/2002/PRC.asp

Japan (Historical Foundations of Japanese Economic growth): Course pack pp. 79 - 107

Week Four

Japan (Japan's Era of Post World War II High Speed Growth): Course pack pp. 108 - 130

Japan (Japan's Economic Stagnation)
<http://specials.ft.com/worldeconomy2001/FT3H26XVJUC.html>

Supplementary Reading:

Richard Katz, *Japanese Phoenix: The Long Road to Economic Revival*, chaps. 1-9.

John Grimond, 'What Ails Japan – A Survey of Japan,' *Economist*, 20 April 2002

Week Five

Taiwan: Course pack pp. 160-167

Supplementary Reading:

Li-min Hsueh, C.K. Hsu and D. Perkins, *Industrialization and the State: The Changing Role of the Taiwan Government in the Economy, 1945-1998*, chaps. 2-3.

Korea: Course pack pp. 131-159

Week Six

Hong Kong: Course pack pp. 167-191

Singapore: Course pack pp. 192-223

Week Seven

Midterm and project consultation

Week Eight

Financial System and Economic Growth:

<http://papers.nber.org/papers/w8323.pdf>

Course pack part II pp. 1 – 5

Financial System and Economic Growth – US Experience:

<http://papers.nber.org/papers/w7448.pdf>

Course pack part II pp. 6 - 23

Week Nine

Presentations

Please read papers submitted by presenting groups

Week Ten

Planned Economy vs. Market Economy & Government Interventions (I)

Course pack part II pp. 24-54

Week Eleven

Planned Economy vs. Market Economy & Government Interventions (II)

Video: “Commanding Heights”

Presentations

Please read papers submitted by presenting groups

Week Twelve

Presentations

Please read papers submitted by presenting groups

Week Thirteen

Contribution of Informal Sectors: World Experience

Course pack part II pp. 55-63

Week Fourteen

Presentations

Please read papers submitted by presenting groups