

POLS W3422
GLOBALIZATION AND THE STATE IN EAST ASIA

Columbia University
Spring 2007
Time: Monday & Wednesday 2:40-3:55 P.M.
Location: IAB 413

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Office Hours: By appointment

CLASS DESCRIPTION

Japan, South Korea, and China have been the exemplary cases of successful state-led economic development in East Asia. If the remarkable economic growth between the 1960s and 1980s was led by the East Asian variants of capitalist economies, namely Japan and South Korea, the 1990s saw the impressive take-off of a socialist variant—the post-Mao Chinese economy. During the last decade, however, enthusiasm about state activism began to erode in these state-led economies, facing challenges of economic globalization and intensified domestic economic problems. The Asian financial crisis in 1997 was a decisive blow to the advocates of state-led economic development.

The main theme of this course is the state. This course attempts to analyze how the economic roles of the interventionist states in the three East Asian state-led economies have transformed in the era of economic globalization, and how such changes have affected the evolution of the three nonliberal economies. This course first compares the roles of central states (especially economic bureaucracies) in economic development in the three economies and analyzes the potential problems of their developmental models. The course then illuminates how globalization brought challenges to the three economies and how interventionist states in the three economies have strived to overcome these challenges in different ways. The course will place the experience of the three East Asian economies in a comparative perspective, and explore the following questions.

How have the functions and authorities of the state been redefined in light of the challenges of economic globalization and the demands for neo-liberal economic reforms? How do the different political contexts of each country affect these changes and the outcomes of reform? Are we observing a downfall of “East Asian capitalism” and its convergence with Anglo-American neo-liberal capitalism? Do East Asian cases testify the retreat or demise of the state, at least in the economic realm?

COURSE FORMAT

This course will combine lecture and discussion. Students will be asked to make presentations and actively participate in discussions.

PREREQUISITES

There are no prerequisites. Yet background knowledge of East Asia or Political Science will be very helpful.

REQUIREMENTS

1. **Class Participation:** All students are required to do the assigned readings before each class and actively participate in class discussion.
2. **Web Memos (WM):** About once a week, all students will be asked to post a “web memo” in the “discussion” section of the Courseworks website. A web memo is a 1-2 paragraph answer to the question(s) provided by the instructor. The due is 9 PM on the night before the class (i.e. Sunday 9 PM or Tuesday 9 PM).

Students are encouraged to read other students’ answers AFTER finishing their own answers. The instructor will utilize the answers to actively engage students in the discussions and give students fair chances to express their ideas.

*Note: Reporters are not required to submit WM.

3. **Short Reports and Class Presentations:** Every student needs to sign up to present at two class sessions (one before the mid-term, one after the mid-term). For each session, students in charge (reporters) should thoroughly read all the assigned materials for the session, and distribute a 2-3 page short report to the class by 9 PM on the night before the class (i.e. Sunday 9 PM or Tuesday 9 PM). Each reporter will have 5 minutes to make a presentation. Reporters can make a group presentation. Reporters should also be ready to answer questions and help the instructor lead the class discussion.

Both the essay and the presentation should critically and succinctly analyze the readings of the week, reconstruct the ideas and arguments of the readings with a clear theme or argument, and raise key questions or issues to be discussed in class. DO NOT summarize the readings.

4. **Mid-term Examination:** There will be an in-class mid-term examination.
5. **Final Exam:** There will be a final take home examination. Students will write an approximately 10 page long essay on general topics provided by the instructor.
* Graduate Students: Graduate students are required to write an approximately 15 page long research paper on a topic of their choice instead of the final exam. Graduate students should consult the instructor regarding their paper topic in advance and submit a one page paper proposal by March 30.

GRADING

Class Participation (including Web Memos)	20%
Reports and Class Presentations	20%
Mid-term exam	25%
Final exam/paper	35%

SCHEDULE

(Note: Articles or chapters marked with “” are the key readings. Students are required to do all the key readings, but can skim through the rest.)*

Part I: Globalization and the State

Part I overviews debates on economic globalization and the changing roles of the state in economic development as well as the convergence of national capitalism. It discusses why state-led economies in East Asia are intriguing cases to test these debates.

Session 1 (January 17, W) Introduction

Themes, organization, and requirements of the course; raises key questions to be explored in the course.

Session 2 (January 22, M) The State in the Success and Failure of East Asia

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

*Stephan Haggard. 2000. *The Political Economy of the Asian Financial crisis*. Introduction & Chapter 1 (pp.3-7; 15-46).

Session 3 (January 24, W) Debates on Globalization and the Retreat of the State (WM)

Simon Reich, “What is globalization?” <http://www.ciaonet.org/wps/rhs01/> (pp.1-13)

*Linda Weiss. 2003. *State in the Global Economy: Bringing Domestic Institutions Back In*. Chapter 1 (pp.1-33).

*Susan Strange. 1996. *The Retreat of the State: the Diffusion of Power in the World Economy*. Cambridge University Press. Chapters 1 (pp. 3-15)
Susan Strange. Chapters 4 &5 (pp. 44--87).

Session 4 (January 29, M) Debates on the Convergence of National Capitalism

*Suzanne Berger. 1996. “Introduction.” In Suzanne Berger and Ronald Dore eds. *National Diversity and Global Capitalism* (pp. 1-28).

*Wolfgang Streeck. 2001. “Introduction: Explorations into the Origins of Nonliberal Capitalism in Germany and Japan.” In Wolfgang Streeck and Kozo Yamamura eds., *The Origins of Nonliberal Capitalism*. Chapter 1 (pp. 1-38)

Session 5 (January 31, W) Why East Asia? (WM)

Samuel Kim ed. 2000. *East Asia and Globalization*. Chapter 1 (pp. 1-29).

*Iyanatul Islam and Anis Chowdhury. 2000. *The Political Economy of East Asia: Post-crisis Debates*. Chapter 3 (pp.81-116).

*Beeson and Robinson. 2000. “Introduction: interpreting the crisis.” In Richard Robinson et al.

eds., *Politics and Markets in the Wake of the Asian Crisis*. Chapter 1 (pp.3-24).

Part II: State-led Economic Development in East Asia

Part II covers state-led economic development in three East Asian . Classes will first discuss the “Japanese model,” often regarded as the prototype of East Asian state-led economic development, and then compare it with the experience of South Korea and Post-Mao China. Discussion will focus on the roles of the state and state economic bureaucracies in the development of these three economies, as well as the relationship between the state and other social, political, and economic actors. The impact of globalization and democratization will also be discussed.

Session 6 (February 5, M) The “Japanese Model,” Part 1

*Chalmers Johnson. 1982. *MITI and the Japanese Miracle*. Stanford: Stanford University Press. Chapters 1*, 6*, 7, and 9 (pp. 3-34; 198-274; 305-324)).

Session 7 (February 7, W) The “Japanese Model,” Part 2 (WM)

*T.J. Pempel, 1998. *Regime Shift: Comparative Dynamics of the Japanese Political Economy*. Chapter 2 (pp.42-80).

Kent Calder. 1993. *Strategic Capitalism: Private Business and Public Purpose in Japanese Industrial Finance*. Princeton University Press. Chapter 8 (pp. 245-277).

Daniel Okimoto. 1989. *Between MITI and the Market: Japanese Industrial Policy for High Technology*. Conclusion (pp. 229-238)

Session 8 (February 12, M) State-centric Approaches: Developmental State Theory

*Islam and Chowdhury. 2000. “The Evolution of East Asian Political Economy: An Analytical History.” In *The Political Economy of East Asia: Post-crisis Debates*, Chapter 1 (pp. 1-42).

*Meredith Woo-Cumings. 1999. “Introduction.” In Woo-Cumings ed. *The Developmental State*, Chapter 1 (pp.1-31).

Chung-In Moon and Rashmi Prasad. 1994. “Beyond the Developmental State: Institution, Networks, and Politics.” *Governance: International Journal of Policy and Administration* (Oct. 1994).

Session 9 (February 14, W) Alternative Approaches (WM)

*Peter Evans. 1995. *Embedded Autonomy: States & Industrial Transformation*. Princeton University Press. Chapter 3 (pp. 43-73).

*Richard Appelbaum and Jeffrey Henderson. 1992. *States and Development in the Asian Pacific Rim*. Chapter 1 (pp. 5-18).

Byung-Nak Song. 2003. “East Asian Culture and Capitalism.” In *The Rise of the Korean Economy*. Chapter 4 (pp. 53-80).

Session 10 (February 19, M) Documentary Film Screening on South Korea

Titles: Korea: tiger of Asia (BBC Education & Training) & Inside the Miracle (Ana De Skalon)

Session 11 (February 21, W) South Korean Economic Development: An Overview

John Kie-Chiang Oh. 1999. Korean Politics. Chapters 3 & 4 (pp. 48-97)

*Stephan Haggard and Chung-in Moon. 1993. "The State, Politics, and Economic Development in Postwar South Korea." In Hagen Koo ed., *State and Society in Contemporary Korea*. Chapter 2 (pp. 51-93).

Session 12 (February 26, M) The Logic of Development (WM)

*Sung-Hee Jwa. 2002. "Industrial Policies and the Growth of the *Chaebol*." In *The Evolution of Large Corporations in Korea*. Chapter 2 (pp.17-30)

*Jang-Sup Shin and Ha-Joon Chang. 2003. "The Korean Model in Historical Perspective." In Shin and Chang, *Restructuring Korea Inc.*, chapter 2 (pp. 7-22).

Chalmers Johnson. 1987. "Political Institutions and economic performance: the government-business relationship in Japan, South Korea, and Taiwan." In Deyo ed., *the Political Economy of the New Asian Industrialism*. Chapter 4 (pp.136-164).

Session 13 (February 28, W) Changing Dynamics (WM)

*Chung-In Moon. 1994. "Changing Patterns of Business-Government Relations in South Korea." In MacIntyre ed., *Business and Government in Industrializing Asia*. Chapter 5 (pp.142-166).

*Byung-Kook Kim. 2003. "The Politics of Chaebol Reform, 1980-1997." In Haggard, Lim, and Kim eds., *Economic Crisis and Corporate Restructuring in Korea*. Chapter 3 (pp. 53-78).

Session 14 (March 5, M) Roles of the South Korean Economic Bureaucracy

Hahm and Plein. 1997. *After Development: the Transformation of the Korean Presidency and Bureaucracy*. Chapter 3 (pp.30-60).

*Byung-Kook Kim. 2002. "The Leviathan: Economic Bureaucracy Under Park Chung Hee." Paper presented at APSA 2002.

Session 15 (March 7, W) Mid-term Exam

March 12 - March 16 Spring Recess

Session 16 (March 19, M) Chinese Economic Development: An Overview

*Susan Shirk. 1993. *The Political Logic of Economic Reform in China*. Chapter 2 (pp.23-51).

*Barry Naughton. 2007. *The Chinese Economy: Transitions and Growth*. Chapter 4 (pp.85-111).

(For a good review of the politics in the Maoist and Reform eras, read Kenneth Lieberthal.

2004. *Governing China: From Revolution Through Reform*, Chapters 4&5.)

Session 17 (March 21, W) The Politics of Economic Reform (WM)

*Kenneth Lieberthal. 2004. Chapter 6 (pp. 171-186 only).

*Susan Shirk. 1993. *The Political Logic of Economic Reform in China*. Chapters 3, 4 & 5 (pp.55-106).

Session 18 (March 26, M) The Rise of the Chinese Rural Economy (WM)

*Jean Oi. 1995. "The Role of the Local State in China's Transitional Economy." *The China Quarterly*, No. 144 (Dec., 1995) (pp. 1132-1149).

*Barry Naughton. 2007. *The Chinese Economy: Transitions and Growth*. Chapter 12 (pp.271-294).

Thomas Bernstein. 2000. "Instability in Rural China." In David Shambaugh ed., *Is China Unstable?* (pp.95-111).

Session 19 (March 28, W) Documentary Film Screening on China

Title: China In Red

Chinese Feature Film Screening

Title: To Live (*Huozhe*)

Recommended Readings: Kenneth Lieberthal. 2004. *Governing China: From Revolution Through Reform*, Chapters 2, 4 & 5 (pp. 27-56; 84-122).

Session 20 (April 2, M) The Rise of the Chinese Urban Economy

*Barry Naughton. 2007. *The Chinese Economy: Transitions and Growth*. Chapter 13 (pp.297-328).

*Edward Steinfeld. 1998. *Forging Reform in China: The Fate of State-Owned Industry*. Chapter 1 (pp.1-24).

Edward Gu. 1999. "From Permanent Employment to Massive Lay-offs: the Political Economy of 'transitional unemployment' in urban China (1993-8)." *Economy and Society*, Vol.28 No 2 (pp.281-299).

Session 21 (April 4, W) Interpreting the Success (WM)

*Goldman and MacFarquhar. 1999. "Dynamic Economy, Declining Party-State." In Goldman and MacFarquhar, *The Paradox of China's Post-Mao Reforms* (pp. 3-29).

*Nicholas Lardy. 1998. *China's Unfinished Economic Revolution*. Chapter 1 (pp. 1-20).

Part III: Crises and Reforms in the East Asian State-led Economies

Part III discusses the challenges that the Japanese, Korean, and Chinese economies have faced in the era of economic globalization. It discusses how economic globalization (similarly or

differently) affected the three economies, and what the sources of the crises were. It also analyzes what roles the state has played in the midst of the crisis and reform, and what new state and economic institutions have developed in the process of reform.

Session 22 (April 9, M) Crisis and Reform of the Japanese Economy (WM)

- *Whittaker and Kurosawa. 2001. "Japan's Crisis: Evolution and Implications." In Ha-Joon Chang et al. eds., *Financial Liberalization and the Asian Crisis*. Chapter 11 (pp.175-189)
- Steven Vogel. 2006. *Japan Remodeled: How Government and Industry Are Reforming Japanese Capitalism*. Chapter 1 (pp.22-45 only).
- *Steven Vogel. 2006. *Japan Remodeled: How Government and Industry Are Reforming Japanese Capitalism*. Chapter 7 (pp.205-224).

Session 23 (April 11, W) The Crisis and Reform of the Korean Economy I

- Chung-in Moon. 1999. "Democratization and Globalization as Ideological and Political Foundations of Economic Policy." In Jonryn Mo and Chung-in Moon eds., *Democracy and the Korean Economy* (pp.1-13 only)
- *Jang-Sup Shin and Ha-Joon Chang. 2003. *Restructuring Korea Inc.* Chapter 3 (pp.34-82)

Korean Feature Film Screening

Title: *Tae Guk Gi*

Session 24 (April 16, M) The Crisis and Reform of the Korean Economy II (WM)

- Barry Gills and Dong-Sook Gills. 2000. "South Korea and Globalization: The Rise to Globalism?" In Samuel Kim ed., *East Asia and Globalization*. Chapter 3 (pp. 81-103).
- *Jang-Sup Shin and Ha-Joon Chang. 2003. *Restructuring Korea Inc.* Chapter 4 (pp.83-102 only) & Chapter 5 (pp.119-129).

Session 25 (April 18, W) Challenges to the Chinese Economy I

- *Thomas Moore. 2000. "China and Globalization." In Samuel Kim ed., *East Asia and Globalization*. Chapter 5 (pp. 105-131).
- Bhattachali et al. 2004. "Impacts and Policy Implications of WTO Accession for China." In Deepak Bhattachali et al. eds., *China and the WTO*, Chapter 1 (pp.1-17).
- *Yongnian Zheng. 2004. *Globalization and State Transformation in China*. Chapters 1-2 (focus on pp.1-14 & 30-38).

Session 26 (April 23, M) Challenges to the Chinese Economy II (WM)

- Jean Oi. 2005. "Patterns of Corporate Restructuring in China: Political Constraints on Privatization." *The China Journal*, No.53 (January 2005). pp. 115-136.
- * Mary Gallagher. 2006. *Contagious Capitalism: Globalization and the Politics of Labor in China*. Chapters 2, 6& Conclusion (pp. 9-29; 133-158).

Part IV: Convergence or Divergence?

Part IV deals with the impact of economic globalization on state-led development in three East Asian economies or “East Asian Capitalism.” It analyzes the new roles of interventionist states and the paths of state-led capitalist development in three countries, and evaluates their theoretical implications.

Session 27 (April 25, W) Globalization and the State in East Asia (WM)

*Chung In Moon and Sang-young Rhyu. 2000. “The State, Structural Rigidity, and the End of Asian Capitalism.” In Richard Robinson et al. eds., *Politics and Markets in the Wake of the Asian Crisis* (pp.77-98).

Hyuk-Rae Kim. 2000. “Fragility or Continuity?: Economic Governance of East Asian Capitalism.” In Richard Robinson et al. eds., *Politics and Markets in the Wake of the Asian Crisis* (pp.99-115).

*Kanishka Jayasuriya. 2000. “Authoritarian Liberalism, Governance and the Emergence of the Regulatory State in Post-Crisis East Asia.” In Richard Robinson et al. eds., *Politics and Markets in the Wake of the Asian Crisis* (pp.315-330).

Session 28 (April 30, M) Convergence of Divergence?: Globalization and National Capitalism

*Peter Gourevitch. 1996. “The Macropolitics of Microinstitutional Differences in the Analysis of Comparative Capitalism.” Suzanne Berger and Ronald Dore, *National Diversity and Global Capitalism*, Chapter 10 (pp. 239-259).

*Robert Boyer. 1996. “The Convergence Hypothesis Revisited: Globalization but Still the Century of Nations?” Suzanne Berger and Ronald Dore, *National Diversity and Global Capitalism*, Chapter 1 (pp. 29-33& 46-59).