

**PORTLAND STATE UNIVERSITY
DEPARTMENT OF ECONOMICS**

Economics 448/548: East Asian Economic Development (Fall 2015)

Course Time and Place: TTh 14:00-15:50 & UTS 206

Instructor:	Hiro Ito, Professor of Economics
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Office Hours:	TTh 13:00 – 14:00, or by appointment

1. Course Objective

This course covers key topics in the economic development of East Asia. For the last few decades, the region received much attention from both academic and policy circles because of its miraculous growth. The issue of why the countries in the region achieved such rapid development is an issue of much interest for both inside and outside the East Asian region. At the same time, a series of financial crises in the region and a prolonged slump in Japan in the late 1990s posed many questions regarding the validity of the “Asian model.” The goal of this course is to have an understanding of the peculiarity of the East Asian economic development as well as the commonality that can be shared with other parts of the developing world. This course will apply both theoretical/mathematical and historical/institutional approach to analyze the experience in the region. Starting with the discussions on general theory of economic development, we will review Japanese experience in the post-WWII era and its implications on other East Asian countries. We also carefully examine the ongoing miraculous growth in China and the experiences in other East Asian economies, including the economic/financial distress in the late 1990s. To create a most effective learning environment, students are strongly encouraged to participate in the class.

2. Course Material

There is a *required* reading packet for this course, that is available at Clean Copy, 1510 SW 6th Ave, Portland, OR 97201, (503) 221-1876.

We will also use articles from Harvard Business Publishing (HBP). You will receive an email from me that will show how to create an account with HBP. Once you create an HBP account, you will have access to the articles that are *required* for this course. Each article costs about \$4.

Other lecture notes and copies of journals and newspaper/magazine articles are occasionally distributed in class or posted on the course website http://web.pdx.edu/~ito/E448_syllabus_F15.htm .

3. Accommodations

If you are registered with the PSU Disability Resource Center as requiring a special accommodation,

please let me know immediately. In fact, it is a university policy that you must be registered at the Center in order to get some sort of accommodation. But keep in mind that I will be more than glad to work with you. Even if you inform me of your need to get accommodation after an exam, I will not be able to consider it in grading your exam. PSU policies on accommodations can be found in the Disability Resource Center Handbook (<http://www.ess.pdx.edu/iasc/drc/handbook.pdf>).

4. Classroom Policy and Attendance

I expect you to be a responsible citizen in the classroom. Please be considerate of others while in class. Please turn off your cell phone, or anything that makes a sound. Class attendance is expected and checked regularly. *Do not come in late, and do not leave the room in the middle of the class.* It's not only distracting to others, but also to yourself. If you must miss class, come in late, or leave early, you should talk to me in advance. Please come to class prepared to stay for the full class period. Keep in mind that lecture notes and the textbook will not give you all the information you need for the homework assignments and the exams. I often base questions for the homework assignments and the exams on what I lecture in class.

5. Grading (Read also the sheet on the presentation assignment carefully)

There will be two take-home midterm exams, presentation assignment (optional), and a 5-page (double-space) term paper (*required*). Your grade will be determined as follows:

20%	Attendance and class participation
40%	2 take home midterm exams
40%	In-class presentation and term paper (The presentation assignment is required for graduate students and optional for undergraduates (extra-credit).

I will not provide "Incomplete" or "X" for those who fail to take any one of the exams. The final grade will be based on the grade records available with me as of the end of the due date for the term paper. ***I will provide no extra credit or make-up assignments for those who want to improve their grades, either.***

Presentation and Paper Assignments

Please see the separate sheet on these assignments.

Exams

There will be two midterm exams, each of which will be take-home and composed of 4 short essay questions, and you are required to answer 2 questions. To answer these questions, you must reference to assigned and additional, if necessary, readings. More explanations will be given when the exam is distributed.

There will be no arrangement for extension of the due date or makeup assignment for both the midterm exams and the term paper. If you miss turning in the exams or paper without informing me prior to the due date *and* without a proof regarding the nature of the emergency, you will get a zero on the grade for that portion. If you can substantiate your excuse, then some remedy measures *may* be discussed.

No information from Wikipedia or any other online encyclopedia is allowed to use for the

take-home exams or the term paper. Plagiarism will lead to a loss of the grade for the assignment. If you are found to have conducted plagiarism twice, you will lose the grade for the course.

Information on Grades

I will not give you any information regarding your grade through email because of the security issues. You can consult with me in person about your grade standing, but I cannot give specific advice on what you can do to improve your grade.

6. Class schedule and reading assignments

The class schedule and reading assignments shown below are subject to change, although the dates for the due dates for the take home midterm exam and the term paper will not change. *The class proceeds under an assumption that you have read the assigned chapters and attempted to understand the material before the class period.* However, you should not feel shy about asking questions in class if you do not understand the material. It is important to raise issues and discuss them in class. I will do my best to encourage for you to do so. You should also make the most use of office hours to consult with me on the course material.

Important dates

- October 29 (Thurs.) First take-home exam due
- November 24 (Tues.) Second take-home exam due
- November 26 (Thurs.) Thanksgiving
- December 1 (Tues.) Term paper due (2pm)

Reading and course schedule

“(RP)” means the articles/papers can be found in the reading packet. “(HBP)” refer to the articles available on the Harvard Business Publisher website.

Week 1 Introduction: Why are we interested in East Asia?

Japan’s experience

Flath, p.71 – 93 (RP)

Week 2 Japan’s experience, continued

Ito Ch.3 (RP), Mosk, Ch.11 & 12 (RP), Krugman, “Japan’s Trap” (to be distributed)

Vietor, “Japan: Deficits, Demography, and Deflation” (HBP)

Week 3 Japan's experience, continued

Korea, Taiwan, and the East Asian model

Lau, p. 17 – 126 (RP).

The Economist's survey on Korea (10/26/2013)

Alfaro and Kim, "Transforming Korea Inc.: Financial Crisis and Institutional Reform"
(HBP)

The first take-home exam will become available on the course website

Week 4 Chinese Economic Development

Chow, p. 9 – 67 (RP)

Week 5 Chinese economic development

Chow, p. 9 – 86, p.281 – 319. Spar and Oi (2006) "China: Building 'Capitalism with Socialist Characteristics'" (HBP)

[The Economist: Special report on the Chinese economy, April 19, 2014](#)

The first take-home exam will be due on October 30 (Thurs.)

Week 6 Chinese economic development, continued

Vietor, "China Unbalanced" (HB)

[First half \(before the empirical analysis\) of Ito \(2008\)](#)

Week 7 East Asia and the Financial Crisis

Pill, et al., "Financial Crisis in Asia: 1997-98" (HBP)

Krugman, "Asia's Crash" (to be distributed)

Week 8 Student presentations. TBA

The Second take-home exam will be due on November 25 (Tues.)

Week 9, 10 Presentations, TBA

Where is East Asia heading?

Term Paper Due at 2 pm on December 1 (Tuesday)

