

# POLITICAL ECONOMY OF EAST ASIA

Political Science 4353, Fall 2017

M 6:30–9:20pm, Dallas Hall 116

Web page: <http://canvas.smu.edu>

Professor Hiroki Takeuchi  
Department of Political Science  
Office: 211 Carr Collins  
Email: [htakeuch@smu.edu](mailto:htakeuch@smu.edu)

Office hours:  
W 3:00–5:00pm  
and by appointment

## Course Description and Objectives

This course examines the interplay between politics and economics in East Asia. Upon successful completion of this course, students will be able to:

- (1) understand political and economic history of the East Asian region;
- (2) reconcile the region's past success with the difficulties experienced in East Asian countries more recently; and
- (3) analyze in what ways and to what degree the growth experiences of the high-performing economies in East Asia shed light on the prospects for long-term success of reforms currently underway in China.

The first half of the course begins by exploring the causes and consequences of the rise of industrial Asia. We begin with asking why Japan was the first in the region to industrialize. We then move to examine various explanations for the rapid growth in economies in the region in the postwar period, focusing on Japan, South Korea, and Taiwan. We will pay particular attention here to the role played by political institutions, and explore why the rapid growth in this region resulted in a more equitable distribution of income than growth in other regions of the world did.

The second half of the course examines the implications of the rise of China for patterns of production, trade, and investment in the region. The course focuses on the challenges faced by China today in its attempt to embrace a more market-oriented economy but avoid the pitfalls of rapid economic growth that many of its regional neighbors have encountered. China's economic success has in some respects confirmed the power of free markets, but at the same time it has encouraged scholars, government practitioners, and business people to think more deeply about the foundations and limits of the market economy.

For the purpose of this course, East Asia is defined as the region encompassing the Russian Far East, China, Korea, Japan, Taiwan, and Southeast Asia. Because it has been extensively involved in the region since the 1850s, we will also focus on the role of the United States in the region. We may make occasional reference to India, but South Asia and Central Asia are not a primary focus of this class.

How well this course achieves its goals will depend on students' participation. Students are expected to do the assigned reading **before** class; to have read **actively**, comparing what they are

reading with what they already know through other readings or your business experiences; and to join class discussions.

## Course Requirements

1. Attendance and participation (20% of a student's course grade): Attendance at lecture and participation in discussion are mandatory. The readings vary in length and difficulty but average about 100–150 pages per week. You are expected to attend all the lectures and do the required readings. Come to class **prepared and ready to participate** in discussing the material assigned in the readings. An unexcused absence will adversely affect your course grade, as will being present but unprepared to participate, or participating without being prepared.

*After two unexcused absences, I may drop you from the course or give an FA (F for attendance) to your course grade. An excused absence is almost exclusively restricted to religious reasons, certain university activities, documented medical conditions, or documented family emergencies. Absences for religious reasons or for university extracurricular activities require communication with me at the **beginning** of the semester. It is **your** responsibility to make arrangements with me **prior** to any missed scheduled examination or other missed assignment for making up the work.*

Ultimately your attendance and participation grade turns on **my** impression of how seriously you take this course. It is **your** responsibility to take this course seriously and let me know that. How? Attend class; be prepared for class—read the assignments for understanding, be ready to ask and answer questions, take an informed role in discussions, and most importantly write a good memo; **arrive early** to class; remain for the entire class; *be attentive in class without distracting me or your classmates with cell phones, text messages, side conversations, bathroom trips, coming-and-going, and so forth*; complete assignments when due; and demonstrate your understanding on the exams and other assignments. Laptops, cell phones, iPhones, and any other *electronic devices may not be used in class—***not even for note-taking.**

Each week we will begin with a brief summary, from **each** student, of their initial impressions of the readings, along with any questions they wish to raise for the day's discussion. Students are expected to do the assigned reading **before** class; to have read **actively**, comparing what they are reading with what they already know through other readings in this class or other classes to join class discussions. The course is designed, and will be conducted, like a graduate seminar.

2. Two short papers (15% each): Over the course of the semester, each student will write **two** short papers, of five pages or longer (typed, double-spaced, 12-point font). You will sign up for dates to write papers in the first class. These papers should *critically compare and analyze the readings for the week*. The papers will be evaluated on the basis of: demonstrated mastery of the assigned readings; skill in exposing nuances of similarity and difference in various defensible positions; cogency, clarity, precision and organization of

presentation; and relevance of evidence marshaled to “prove” main point(s). Hard copies of the papers are due at the beginning of class when we discuss the topic. *Students who write a paper are expected to make a five-minute presentation and lead classroom discussions.* No extensions will be granted except in the case of a serious illness or a death in the family. **Please plan to finish the assignment prior to the due date, and leave adequate time to work out any computer or printer problems that may arise.**

3. Book review (15%): Everyone will write a book review on Yuen Yuen Ang, *How China Escaped the Poverty Trap*. You have to turn in your book review on Oct. 30. I will announce more guidance on how to write a book review.
4. Research project (35%: 10% for presentation and 25% for paper): The major task for the course will be to research a substantive policy question on a controversial issue in the political economy of East Asia, and determine what advice you would give the government you are advising on the subject. Late in the semester you will present and defend your findings to the class. A research paper on the subject will be due on the scheduled date of the final examination (Monday, December 11, 6:30pm).

*A written brief* concisely summarizing the argument you will make in your presentation must be sent to the instructor no later than 5pm one day before your presentation. It should be a maximum of one page (single-spaced), and can be written in bullet points, paragraphs, or in any other style. It will not be graded, but if it is late or missing, your presentation will be marked down 20%.

*Presentations* should be 10 minutes in length, providing background on the issue, a review and assessment of the government’s past and current policies on the topic you are presenting, and most importantly your recommendations. Both economic efficiency and political constraints (international and domestic) should be addressed. Following the presentation, there will be 5 minutes for questions from the audience and general discussion. Your grade on this assignment will reflect both the quality of your presentation and your answers to audience questions.

*Papers* should be of ten pages or longer (double-spaced, twelve-point font, one-inch margin, excluding bibliography, tables, and figures). They should be similar in content to your presentation, but less time spend on background information. The papers should also take into account as much as possible the issues raised during your presentation. You may find it helpful to recruit a classmate to serve as a note taker during your presentation to ensure that you do not forget about any points that are raised.

Topics and readings for the project should be developed in close consultation with the course instructor. *Each paper must be re-written, taking into account criticism of your first draft.* Each student is *required to meet the following due dates:*

Paper topic / question	Aug. 28
Progress report	Sep. 25
First draft	Nov. 13

Presentation	Dec. 4
Final draft	Dec. 11

Each research paper will be evaluated based on the final draft. However, *the paper will not be graded and given an F if you have not turned in the first draft or some of the previous assignments*. Moreover, if you turn in the first draft late, your research paper grade will be marked down 20%. A paper written without close consultation with the instructor will receive a lower grade. **Late papers will not be accepted.** More detailed information on this assignment will be posted on the course web site.

*Each of you must meet with me for 20 minutes in the first weeks of the semester.* Sign up for an appointment time during the first day in class. Be punctual.

### **Disability Accommodations**

If you need academic accommodations for a disability, it is **your** responsibility to first contact and register with Disability Accommodations & Success Strategies (DASS) at 214-768-1470 or <http://www.smu.edu/Provost/ALEC/DASS> to begin the process. Once registered, students should then schedule an appointment with the professor as early in the semester as possible, present a DASS Accommodation Letter, and make appropriate arrangements. Please note that accommodations are not retroactive and require advance notice to implement.

### **Religious Observance**

If you wish to be absent on religiously observed holidays that require missing class, you should notify me in **writing** at the **beginning** of the semester, and should discuss with them, **in advance**, acceptable ways of making up any work missed because of the absence.

### **Excused Absences for University Extracurricular Activities**

If you participate in an officially sanctioned, scheduled University extracurricular activity, you will be given the opportunity to make up class assignments or other graded assignments missed as a result of your participation. It is **your** responsibility to make arrangements with me prior to any missed scheduled examination or other missed assignment for making up the work.

### **Books and Readings**

The following books are available for purchase at the bookstore. Readings marked with an asterisk (\*) are available electronically on the course webpage at Canvas (<http://canvas.smu.edu>). There may be changes in the readings and assignments below. This course requires use of Canvas.

Yuen Yuen Ang, *How China Escaped the Poverty Trap* (Ithaca, NY: Cornell University Press, 2016).

David Flath, *The Japanese Economy*, third edition (New York: Oxford University Press, 2014).

Barry Naughton, *The Chinese Economy: Transitions and Growth* (Cambridge, MA: MIT Press, 2007).

Shelley Rigger, *Why Taiwan Matters: Small Island, Global Powerhouse*, updated edition (Lanham, MD: Rowman & Littlefield, 2014).

David W. Russell, *Good Risks: Discovering the Secrets to ORIX's 50 Years of Success* (Singapore: Wiley, 2014).

## **Schedule and Reading Assignments**

Readings provide background on topics covered in class lectures and discussions, so read the assignment **before** the class for which they are assigned. Since the course will make frequent reference to current events, you should make a habit of *reading a respectable newspaper on a regular basis* and pay attention to the events in East Asia.

### **1. Introduction (Aug. 21)**

### **2. Why Was Japan, Not China, the First in the Region to Industrialize? (Aug. 28)**

Flath, introduction & chapters 1–4 (pp. 1–97)

\* Justin Yifu Lin, “The Needham Puzzle: Why the Industrial Revolution Did Not Originate in China,” Working Paper No. 650, Department of Economics, UCLA (March 1992).

\* Jennifer A. Amex, “*Sankin Kotai*: Institutionalized Trust as the Foundation for Economic Development in the Tokugawa Era,” Working Paper, Asia/Pacific Research Center, Institute for International Studies, Stanford University (July 1997).

## **PAPER TOPIC AND QUESTION DUE ON AUG. 28**

### **3. Post-War Japanese Development (1): Fiscal and Industrial Policy (Sep. 11)**

Flath, chapters 5–6 & 9–11 (pp. 98–148 & 200–259)

\* Chalmers Johnson, *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925–1975* (Stanford, CA: Stanford University Press, 1982): pp. 3–34.

### **4. Post-War Japanese Development (2): International Finance and Trade (Sep. 18)**

Flath, chapter 7–8 & 14 (pp. 149–199 & 295–322)

\* C. Fred Bergsten, Takatoshi Ito, and Marcus Noland, *No More Bashing: Build a New Japan-United States Economic Relationship* (Washington, DC: Institute for International Economics, 2001): pp. 113–156.

\* Fukunari Kimura, “How Have Production Networks Changed Development Strategies in Asia?” in Deborah K. Elms and Patrick Low, *Global Value Chains in a Changing World* (Geneva: WTO Publications, 2013): pp. 361–383.

## **5. Post-War Japanese Development (3): Labor (Sep. 25)**

Flath, chapters 16 (pp. 351–376)

\* Jiyeoun Song, *Inequality in the Workplace: Labor Market Reform in Japan and Korea* (Ithaca, NY: Cornell University Press, 2014), pp. 19–118.

## **RESEARCH PAPER PROGRESS REPORT DUE ON SEP. 25**

## **6. Multinational Corporations in Action: ORIX (Oct. 2)**

**[Guest Speaker: Mr. Hideto Nishitani, President & CEO of ORIX USA]**

Russell, entire (197 pages)

## **7. Korea in the Post-War Period (Oct. 16)**

\* Alice H. Amsden, *Asia’s Next Giant: South Korea and Late Industrialization* (New York: Oxford University Press, 1989), pp. 139–155.

\* Stephan Haggard, *Pathways from the Periphery: The Politics of Growth in the Newly Industrializing Countries* (Ithaca, NY: Cornell University Press, 1990): pp. 23–48.

\* Jordan Siegel and James Jinho Chang, “Samsung Electronics,” HBS Case 705508-PDF-ENG, June 30, 2005 <<https://cb.hbsp.harvard.edu/cbmp/product/705508-PDF-ENG>> (26 pages).

\* Jiyeoun Song, *Inequality in the Workplace: Labor Market Reform in Japan and Korea* (Ithaca, NY: Cornell University Press, 2014), pp. 119–161.

## **8. China’s Market Transition (Oct. 23)**

Ang, introduction & chapters 1–2 (pp. 1–69)

Naughton, introduction & chapters 4–5 (pp. 1–14 & 85–136)

**9. How China Escaped the Poverty Trap (Oct. 30)**

**[Guest Speaker: Dr. Yuen Yuen Ang]**

Ang, chapters 3–6 & conclusion (pp. 73–249)

**10. Taiwan in the Post-War Period (Nov. 6)**

Rigger, entire (203 pages)

**11. Growth and Development in China (Nov. 13)**

Naughton, chapters 6–9 (pp. 139–228)

**RESEARCH PAPER FIRST DRAFT DUE ON NOV. 13**

**12. China’s Post-Mao Economic Reform (Nov. 20)**

Naughton, chapters 10–15 (pp. 231–374)

**13. China’s Future and the World Economy (Nov. 27)**

Naughton, chapters 16–20 (pp. 377–504)

**14. Student Presentations (Dec. 4)**

**RESEARCH PAPER FINAL DRAFT DUE ON DEC. 11**