

**PORTLAND STATE UNIVERSITY  
DEPARTMENT OF ECONOMICS**

**Economics 410/510: East Asian Economic Development (Fall 2009)**

Course Time and Place: MWF 12:45-13:50 & Neuberger Hall 350

<b>Instructor:</b>	Hiro Ito, Associate Professor of Economics
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<b>Office Hours:</b>	MW 10:30 – 11:30, 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 no required textbook for this course.

However, there is a *required* reading packet that is available at Clean Copy, 1704 SW Broadway (across the street from Cramer Hall), (503) 221-1876.

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

### 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. Swine Flu

We will strictly follow PSU's "guideline on flu season 2009-10," which states:

- A. *Students will not be penalized for illness-related absences and will be provided with opportunity to make up missed assignments.*
- B. *Faculty will not require a physician's note for student absences. If faculty are concerned that student absences might not be justified they should contact the Dean of Students.*
- C. *Faculty are responsible for communicating basic information available from Student Health and Counseling Services (SHAC) regarding prevention and control of flu to their class on, at least, a weekly basis. Information and recommendations will be updated regularly on the SHAC site <http://www.shac.pdx.edu/>.*

#### 6. 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.**

## 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.

## 7. 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 30 (Fri.)	First take-home exam due
November 11 (Wed.)	No class to observe Veterans Day
November 16 (Mon.)	Second take-home exam due
November 27 (Fri.)	No class: Happy Thanksgiving!!
December 7 (Mon.)	Term paper due

## Reading and course schedule

“(RP)” means the articles/papers can be found in the reading packet

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

**General discussions on Economic development: Solow Growth Model and Endogenous Growth Model.** Todaro and Smith, Ch. 3 (esp. p. 119 – 139), Perkins et

al., Ch. 2 (esp. p. 52 – 82), Both readings will be distributed in class.

**Week 2 Japan's experience**

Flath, p.71 – 93 (RP), Ito Ch.3 (RP)

**Week 3 Japan's experience, continued**

Mosk, Ch.11&12 (RP), Ito and Szamosszegi, p. 5 – 32, Vogel, *The Economist* on the recent tidal change in Japan's Politics (9/3/2009)

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

**Week 4 East Asian model**

Islam, p. 1 – 43 (RP), World Bank, *East Asian Miracle*, p. 27 – 156 (RP)

**Korea and Taiwan**

Lau, p. 17 – 126 (RP).

*The Economist's* survey on Taiwan (1/13/2005)

*The Economist's* article on Korea (9/25/2008)

**Week 5 Korea and Taiwan, and Chinese economic development**

Chow, p. 9 – 67 (RP)

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

**Week 6 Chinese economic development**

Chow, p. 9 – 86, p.281 – 319. Naughton Chp. 4 (RP)

*The Economist* on China's Reform Efforts (12/11/2008)

**Week 7 November 11: No class (Veterans Day)**

**China, East Asia, and the Financial Crisis**

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

[Will the Bretton Woods 2 \(BW2\) Regime Collapse Like the Original Bretton Woods Regime Did? The Coming End Game of Bretton Woods 2 by Nouriel Roubini. July 6, 2008](#)

[U.S. "Rebalancing" in The Economist \(7/30/2009\). China's "Rebalancing" in The Economist \(7/23/2009\)](#)

[Rebound of Asian Emerging Market Economies \(8/13/2009\)](#)

**Week 8 Presentation series starts! More TBA**

**Week 9** Presentations, TBA

**The Second take-home exam will be due on November 23 (Mon.)**

**November 27: No class. Happy Thanksgiving!**

**Week 10** Presentations, TBA  
Where is East Asia heading?

**Term Paper Due at 4 pm on December 7 (Monday)**