

Graduate School of Public Policy
The University of Tokyo

Case Study (Paradigm Change for Asia's Emerging Economies I)

Course No. 5140721
Winter 2014

COURSE SYLLABUS

Time: 10:30-12:10, Mondays (unless otherwise announced)
Location: Seminar Room No. 3 (Room 710), 7th floor, Administration Bureau Building 2
Instructor: Toshiro NISHIZAWA, Professor (practitioner faculty member)
TA: Miho Takase (miho.takase1103@gmail.com)
Credits: 2 credits
Language: English
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Please feel free to send me e-mails with any question about the course or if you want to make an appointment. To help me not to miss your incoming e-mails, **please start the subject line with "5140721" (Course No.) when you send e-mails.*

1. Objectives/Overview

A primary question is whether the achievements of Asia's emerging economies since the crisis in the late 1990s will be sustainable, and could lead to the fundamental transformation of the economies towards a "more advanced stage" of development going forward.

As a first step, it should be worthwhile to revisit recent history since the crisis in the late 1990s, and ask how and why Asia's emerging economies have been able to demonstrate good performance, and thus regain an improved credit standing and positive investor confidence. Also, we should ask whether the current setting for Asia's emerging economies differs from the pre-Asian Crisis landscape. What are the key factors and mechanisms behind these achievements? Contributing factors and mechanisms, both endogenous and exogenous, are sought in the political, social, and economic domains from historical and global perspectives.

Another question can be asked whether there are any challenges and pitfalls in their development model in such contexts as global macroeconomic imbalances, excessive dominance of monetary easing or its possible reversal in advanced economies, natural resource and environment constraints, and social equity dimensions. We should also ask how to correct any shortcomings in a feasible way, particularly through public policy with an effective incentive design and minimum market distortions.

More specific questions can be asked, for example:

- ✓ Has their growth performance with relatively sound macroeconomic balances been a

- policy-induced outcome, or primarily made possible by benign external environments?
- ✓ How should we assess the economic fundamentals and institutional aspects? Are they resilient to possible external shocks or matured enough to support sustained and equitable economic growth?
 - ✓ How have the domestic social and political motivations contributed to their achievements?
 - ✓ What has been the role of regional and global production, and distribution networks?
 - ✓ What has been the role of external capital flows? Were external capital flows a destabilizing or contributing factor to their improved performance?
 - ✓ How should we assess the effectiveness of the existing regional and global financial architecture?
 - ✓ How should we invest in human capital to achieve sustained and equitable economic growth over the longer term?
 - ✓ How should we assess demographic characteristics and prospects and translate such assessment into policies?
 - ✓ What would be the role of technological advancement, creativity, innovation and entrepreneurship?
 - ✓ How should we design and develop social and economic infrastructure?
 - ✓ How should we design and promote financial inclusion?
 - ✓ How should we make the good use of public-private partnerships (PPPs)?
 - ✓ How should we create sustainable and livable communities?

In this case study, we seek implications for the role of the government and of public policy to meet the demand for *paradigm change* in Asia. With this in mind, we will keep asking ourselves how we should define and develop Asia's concept of a "*more advanced stage*" of development.

2. Schedule

...	Monday, October 6	no class	...
Day 1	Friday, October 10 make-up class (8:40-10:20)	Introduction How promising is the Asian Century?	Nishizawa
...	Monday, October 13 (Health and Sports Day)	no class <i>*Individual consultation could be arranged by appointment either on Monday, October 20 (15:00-18:00) or Wednesday, October 22 (13:00-17:00).</i>	...
Day 2	Monday, October 20	Students' presentation on topics of their interest, followed by discussion <i>*Each student is given up to 5 minutes to present a topic or topics of his/her interest as described in the pre-class assignment form attached to the</i>	Nishizawa

		<i>course memorandum dated September 29.</i>	
Day 3	Wednesday, October 22 make-up class (8:40-10:20)	Asia's economic transformation in the past decades	Nishizawa
Day 4	Monday, October 27	Hints for paradigm change discussion <i>*Individual consultation could be arranged by appointment either on Tuesday, October 28 (15:00-18:00) or on October 30 (15:00-17:00).</i>	Nishizawa
...	Monday, November 3 (Culture Day)	no class	...
Day 5	Monday, November 10	Student presentation on a research proposal <i>*Each student is given up to 5 minutes to present his/her research proposal.</i>	Nishizawa
Day 6	Monday, November 17	Discussion on specific issues and cases (mid-term report due)	Nishizawa
...	Monday, November 24 (Labor Thanksgiving Day, substitute)	no class	
Day 7	Monday, December 1	Discussion on specific issues and cases, associated with feedback on students' mid-term reports	Nishizawa
Day 8	Monday, December 8	Discussion on specific issues and cases	Nishizawa
Day 9	Monday, December 15	Discussion on specific issues and cases	Nishizawa
Day 10	Monday, December 22	Discussion on specific issues and cases	Nishizawa
Day 11	Monday, January 5	Discussion on specific issues and cases	Nishizawa
...	Monday, January 12 (Coming-of-Age Day)	no class	...
Day 12	Monday, January 19	Discussion with practitioners	Nishizawa TBD
Day 13	Monday, January 26	Discussion with practitioners	Nishizawa TBD
Day 14	Tuesday, January 27 (10:30-12:10)	Student presentation	Nishizawa

February 2

Final report due

3. Teaching methods

This course will be organized as a seminar with introductory lecture followed by class discussion. *Active participation in discussion* based on student different backgrounds, life-experiences, knowledge, skills, and reading of assigned materials is expected. The working language is English.

Guest speakers will be invited to discuss specific issues from various perspectives and/or based on different fields of professional expertise.

4. Course requirements and grading

Students are required to make presentations at least twice in the middle and at the end of the course *either (a) on a topic of his/her interest in the context of the course objective as described above or (b) on one of her/his choice from the subjects given by the instructor*; either individually or as a team depending on the total number of registered students. Each student is also required to submit reports based on the presentations in the middle and at the end of the course.

Furthermore, students are required *from time to time to write a short note (up to 400 or 600 words) about one of the readings assigned for a particular class* and to submit the note by e-mail at least twenty four (24) hours before the beginning of the class. Unless otherwise instructed, the note should cover: (a) your understanding of key ideas and questions raised by the author, (b) terms and concepts that you need clarification, and (c) issues identified for further discussion.

The course grade will be based on:

Presentations 35% (10% for mid-term and 25% for final)

Individual reports 35% (10% for mid-term and 25% for final)

Class attendance and participation 30% (10% for class attendance and 20% for participation)

5. Required readings

Required readings, mainly excerpts taken *selectively* from the following reference books and other materials, will be either made available via e-mail or handed out in class.

ADB. 2014a. *Innovative Asia: Advancing the Knowledge-Based Economy - The Next Policy Agenda*. Accessed October 3, 2014.

http://www.adb.org/sites/default/files/pub/2013/ki2013_0.pdf

ADB. 2014b. *Asian Development Outlook 2014 Update: Asia in Global Value Chains*.

Accessed October 3, 2014.

<http://www.adb.org/publications/asian-development-outlook-2014-update-asia-global-value-chains>

Ito, Takatoshi, Akira Kojima, Colin McKenzie, and Shujiro Urata, eds. 2007. *Ten Years After the Asian Crisis: What Have We Learned or Not Learned?* Asian Economic Policy Review. Volume 2, Issue 1 (June).

Krugman, Paul. 1994. "The Myth of Asia's Miracle." *Foreign Affairs* 73, no. 6 (Nov/Dec): 62-78. Accessed October 3, 2014.

<http://www.foreignaffairs.com/articles/50550/paul-krugman/the-myth-of-asias-miracle>

Mahbubani, Kishore. 2008. *The New Asian Hemisphere: The Irresistible Shift of Global Power to the East*. New York: Public Affairs.

Nishizawa, Toshiro. 2011. "Changes in Development Finance in Asia: Trends, Challenges, and Policy Implications." *Asian Economic Policy Review*. Volume 6, Issue 2 (December).

Rodrik, Dani. 2012. *The Globalization Paradox: Why Global Markets, States, and Democracy Can't Coexist*. New York: Oxford University Press.

Wolf, Martin. 2014. *The Shifts and the Shocks: What We've Learned - and Have Still to Learn - from the Financial Crisis*. New York: Penguin Press.

World Bank. 1993. *The East Asian Miracle: Economic Growth and Public Policy*. New York: Oxford University Press. Accessed October 3, 2014.

<http://documents.worldbank.org/curated/en/1993/09/698870/east-asian-miracle-economic-growth-public-policy-vol-1-2-main-report>

<http://documents.worldbank.org/curated/en/1993/09/16828590/east-asian-miracle-economic-growth-public-policy-vol-2-2-summary>

I would suggest that you read chapters (particularly, Chapters 1, 2, 5, and 6) of the following reference book. This is one of the widely-known classic reference books to help students or professionals to do research and to write a good research paper. You can easily purchase one from amazon.com (¥1,835) or borrow one from Nishizawa.

Turabian, Kate L. Revised by Booth, Wayne C., Gregory G. Colomb, Joseph M. Williams, and the University of Chicago Press Editorial Staff. 2013. *A Manual for Writers of Research Papers, Theses, and Dissertations*. 8th ed. Chicago: University of Chicago Press.
