

Graduate School of Public Policy
The University of Tokyo

Case Study (Finance and Development in Emerging Asia I)

Course No. 5140723
A-Semester (A1/A2) 2015

COURSE SYLLABUS

Time: Period 2, 10:25-12:10, Mondays (unless otherwise announced)
Location: Seminar Room No. 3 (Room 710), 7th floor, Administration Bureau Building 2
Instructor: Toshiro NISHIZAWA, Project Professor
TA: Mr. Iskender Shatmanov (ishatmanov@gmail.com)
Credits: 2 credits
Language: English
Office: Room 624, 6th floor, Administration Bureau Building 2
Office hours: By appointment
Contact info: tnishizawa@pp.u-tokyo.ac.jp; 03-5841-1343

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 the course number 5140723 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 a fundamental transformation of the economies towards a "*more advanced stage*" of development going forward. The role of financing for development, both internal and external, is the main focus of discussion.

As a first step, it should be worthwhile to 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. 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 the global macroeconomic scene involving excessive dominance of monetary easing with its possible reversal in advanced economies, uncertainties vis-à-vis China, natural resource and environment constraints with temporary easing, 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 course we seek implications for the roles of the institutional framework and of public policy to meet the demand for *paradigm change* in Asia. With this in mind, we also keep asking ourselves how we should define and seek Asia's concept of a "*more advanced stage*" of development.

2. Schedule

Day 1	Monday, September 14	Introduction	Nishizawa
Day 2	Saturday, September 19; make-up class (period 3, 13:00-14:45)†	What are the prospects and challenges for emerging Asia?	Nishizawa
Day 3	Monday, September 21	An overview of Asia's financial system	Nishizawa
...	Tuesday, September 22	Course registration period for A- semester ends	...
Day 4	Monday, September 28	Challenges and policy implications for finance and development in emerging Asia	Nishizawa
...	Friday, October 2	Course withdrawal period for A- semester ends	...

Day 5	Monday, October 5	On the future of Asian finance: comparison between various approaches	Nishizawa
Day 6	Monday, October 12	Discussion on selected issues (TBD)	Nishizawa
Day 7	Monday, October 19	Student mid-term presentation	Nishizawa
...	Tuesday, October 20 -Friday, October 23	Oral feedback on student mid-term presentations will be provided individually by appointment during this period.	Nishizawa
Day 8	Monday, October 26	IMF's approach: country case study (tentative)	Nishizawa Ide‡
...	Monday, October 26	Mid-term reports due by 21:00	...
Day 9	Monday, November 2	China's economy (tentative)	Nishizawa Otani††
...	Monday, November 2	Written feedback on student mid-term reports will be provided individually.	...
Day 10	Monday, November 9	Discussion on selected issues (TBD)	Nishizawa
...	Monday, November 16	No class	...
...	Monday, November 23	No class	...
...	Monday, November 30	No class	...
Day 11	Monday, December 7	Discussion on selected issues (TBD)	Nishizawa
...	Tuesday, December 8 -Wednesday, December 11	Individual consultation on student final presentation will be arranged by appointment during this period.	...
Day 12	Monday, December 14	Student final presentation	Nishizawa
Day 13	Monday, December 21	Feedback on student final presentations and follow-up discussion	Nishizawa
...	Monday, December 21	Year-end evening gathering to be held jointly with Course 5123433 (tentative and optional)	...
...	Monday, January 11	Final reports due by 21:00	...

† For those who are not able to attend the make-up class session on Saturday, September 19 *for compelling reasons*, a shortened session will be organized in the following week.

‡ Guest speaker: Mr. Joji Ide, former Economist, Asia and Pacific Department, IMF (Director, Deputy Head of Financial Institutions Division I, Bank of Japan)

†† Guest speaker: Mr. Ichiro Otani, former head of IMF Office in China

3. Teaching methods

This course will be organized as a seminar with introductory lecture followed by class discussion. Students are required to choose a case or a topic of his/her interest in the early stages of the course. *Active participation in discussion* is expected based on student different backgrounds, life-experiences, knowledge, skills, motivation, and reading of assigned materials. 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 toward the end of the course *either on (a) a topic of his/her interest in the context of the course objective as described above or (b) one of her/his choice from the subjects given by the instructor*. Each student is also required to submit reports based on the presentations in the middle and toward the end of the course.

Furthermore, students are required *from time to time to make a brief presentation or 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 in principle at least twenty four (24) hours before the beginning of the class. Unless otherwise instructed, the note should cover: (a) your own idea about the best interpretation of the key messages of the author, (b) a summary of the main points of the controversy, if any, and your own position with supporting reasons, 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 electronically or handed out in class. While students are not required to purchase any reading materials, Rodrik 2012 with a "#" sign below is easily available in paperback and may be a useful source of information and ideas to help students work on paradigm change.

Asian Development Bank (ADB). 2015a. *Asian Economic Outlook 2015: Financing Asia's Future Growth*. Manila: ADB. Accessed September 7, 2015.

<http://www.adb.org/sites/default/files/publication/154508/ado-2015.pdf>

Asian Development Bank (ADB). 2015b. *Making Money Work: Financing a Sustainable Future in Asia and the Pacific*. Manila: ADB. Accessed September 7, 2015.

<http://www.adb.org/sites/default/files/publication/158432/making-money-work-main-report.pdf>

Asian Development Bank (ADB). 2015c. *Local Currency Bonds and Infrastructure Finance in ASEAN+3*. Manila: ADB. Accessed September 7, 2015.

<http://www.adb.org/sites/default/files/publication/167313/local-currency-bonds-and-infrastructure-finance-asean-3.pdf>

International Monetary Fund (IMF). 2015. *The Future of Asian Finance*. Washington, DC: IMF. Accessed September 7, 2015.

http://www.elibrary.imf.org/staticfiles/misc/excerpts/future_asian_excerpt.pdf

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). Accessed September 7, 2015.

<http://onlinelibrary.wiley.com/doi/10.1111/j.1748-3131.2007.00045.x/epdf>

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.

World Bank. 1993. *The East Asian Miracle: Economic Growth and Public Policy*. New York: Oxford University Press. Accessed September 7, 2015.

http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/1993/09/01/000009265_3970716142516/Rendered/PDF/multi_page.pdf

I would suggest that you read chapters (particularly, Chapters 1, 2, 5, 6 and 7) 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 (¥2,288) 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.

Attachment (1) Detailed Course Schedule

Attachment (2) Titles of student final papers submitted in AY2013, AY2014 and AY2015 (S-Semester)

As of September 11, 2015

Graduate School of Public Policy
The University of Tokyo
Case Study (Finance and Development in Emerging Asia I)
Course No. 5140723
A-Semester (A1/A2) 2015

DETAILED COURSE SCHEDULE

Day 1: Monday, September 14

Introduction

As an introduction to the subject, students learn some of the policy issues and challenges for emerging Asia being discussed among professionals by watching videos taken from ADB's interview series titled *Changing Asia*. Then, the instructor will present the aim of this course as well as the teaching methods and approaches to follow. Students are asked to share with others in class their motivation to work on the course subject and their background, life-experiences, knowledge, skills and so on.

Video clips

*Kishore Mahbubani on The Asian Century: Changing Asia (8:00 minutes)

Accessed September 7, 2015.

<http://www.adb.org/news/videos/asian-century>

*Shinji Asanuma on Recipes for Asian Development: Changing Asia (7:22 minutes)

Accessed September 7, 2015.

<http://www.adb.org/news/videos/recipes-asian-development>

Raghunath Maskelakar on Value for Many through Inclusive Innovation: Changing Asia (7:17 minutes) Accessed September 7, 2015.

<http://www.adb.org/news/videos/value-money-value-many>

*Yvo de Boer on Financing the Green Revolution: Changing Asia (5:42 minutes)

Accessed September 7, 2015.

<http://www.adb.org/news/videos/financing-green-revolution>

Hyun Oh-Seok on Knowledge for Development: Changing Asia (9:03 minutes)

Accessed September 7, 2015.

<http://www.adb.org/news/videos/knowledge-development-korean-experience>

*Jeffrey Sachs on the new Sustainable Development Goals: Changing Asia (10:48 minutes)

Accessed September 7, 2015.

<http://www.adb.org/news/videos/sustainable-development-humanitys-future>

Tobit Cruz on a Youth NGO Committed to Environmental Improvement: Changing Asia (2:22 minutes) Accessed September 7, 2015.

<http://www.adb.org/news/videos/changing-asia-tobit-cruz>

*Young People on their Biggest Challenges: Changing Asia (2:31 minutes)

Accessed September 7, 2015.

<http://www.adb.org/news/videos/young-people-their-biggest-challenges-changing-asia>

Reading materials

None

Assignment

Assignment 00: Students are asked to provide their background information as well as their motivation to take this course by filling out the form distributed in class or made available upon request. The form should be submitted to Nishizawa (tnishizawa@pp.u-tokyo.ac.jp; and cc to ishatmanov@gmail.com) by e-mail before 18:00 on Friday, September 18.

Assignment 01: You should read a set of transcripts taken from ADB's interview series titled *Changing Asia* (Reading 01) to be prepared for group discussion prior to attending the class on Day 2.

Day 2: Saturday, September 19

What are the prospects and challenges for emerging Asia?

The instructor provides you with a set of questions for a guided group discussion with a view to forming a thought on the prospects and challenges for emerging Asia.

Video clips

None

Reading materials

A set of transcripts taken from ADB's interview series titled *Changing Asia* (Reading 01)

Assignment

Assignment 02: You should read pages 47-70 of ADB 2015a (Reading 02) and prepare a short note (up to 400 words) to describe your own understanding of the current state and characteristics of the financial system in Asia prior to attending the class on Day 3.

Day 3: Monday, September 21

An overview of Asia's financial system

We learn the current state and characteristics of the financial system in Asia as compared to those in other parts of the world.

Video clips

None

Reading materials

Pages 47-70 of ADB 2015a (Reading 02)

Assignment

Assignment 03: You should read pages 71-92 of ADB 2015a (Reading 03) and prepare a short note (up to 600 words) to summarize the main arguments and identify issues of your interest prior to attending the class on Day 4.

Day 4: Monday, September 28

Challenges and policy implications for finance and development in emerging Asia

You are expected to share in class your own ideas on challenges and policy implications for finance and development in emerging Asia, followed by a guided group discussion with a view to finding a case or a topic of your interest.

Video clips

None

Reading materials

71-92 of ADB 2015a (Reading 03)

Assignment

Assignment 04: You should read IMF 2015 (Reading 04) and Chapters 5 and 6 of Rodrik 2012 (Reading 05 and Reading 06) and prepare a short note (up to 400 words) to summarize your own understanding of the main arguments prior to attending the class on Day 5.

Day 5: Monday, October 5

On the future of Asian finance: comparison between various approaches

The instructor provides you with a set of questions for a guided group discussion with a view to understanding various approaches to the future of Asian finance.

Video clips

TBA

Reading materials

IMF 2015 (Reading 04) and Chapters 5 and 6 of Rodrik 2012 (Reading 05 and Reading 06)

Assignment

TBA

Day 6: Monday, October 12

Discussion on selected issues (TBD)

TBA

Video clips

TBA

Reading materials

TBA

Assignment

TBA

Day 7: Monday, October 19

Student mid-term presentation

Each of you is expected to give a mid-term presentation within five minutes, followed by questions and answers. If you form a group, the group is given three minutes multiplied by the number of group members. You might wish to use power point slides (no more than 10 slides), but only to include key messages. In your presentation, you should state *your main research question* together with *the reason why you think it is worth asking*, and include a *tentative outline* (e.g., introduction, method, issues to be discussed, conclusion) together with a *list of main reference materials*. Unless you are a very experienced and skilled speaker, it is strongly recommended that you prepare talking points as well as a Power-Point presentation or handouts. Punctuality is required so that you are asked to stop even in the middle of your presentation.

Oral feedback on student mid-term presentations will be provided individually by appointment during this period from Tuesday, October 20 to Friday, October 23.

Following your mid-term presentation, you are expected to submit by 21:00 on Monday, October 26 your mid-term report (no more than 1,000 words or about two to three pages long, excluding a list of main reference materials) based on your mid-term presentation. Written feedback on student mid-term reports will be provided individually on Monday, November 2.

Video clips

None

Reading materials

None

Assignment

None

Day 8: Monday, October 26

IMF's approach: country case study (tentative)

TBA

Video clips

None

Reading materials

TBA

Assignment

TBA

Day 9: Monday, November 2

China's economy (tentative)

TBA

Video clips

None

Reading materials

TBA

Assignment

TBA

Day 10: Monday, November 9
Discussion on selected issues (TBD)

TBA

Video clips

TBA

Reading materials

TBA

Assignment

TBA

Day 11: Monday, December 7
Discussion on selected issues (TBD)

TBA

Video clips

TBA

Reading materials

TBA

Assignment

TBA

Day 12: Monday, December 14

Student final presentation

Each of you or your group is expected to give a final presentation. For individual presentation, ten minutes are allocated, followed by questions and answers. If you form a group, the group is given five minutes multiplied by the number of group members, followed by questions and answers. You might wish to use power point slides (no more than 20 slides), but only to include key messages. Unless you are a very experienced and skilled speaker, it is strongly recommended that you prepare talking points as well as a Power-Point presentation or handouts. Punctuality is required so that you are asked to stop even in the middle of your presentation.

Feedback on student final presentations will be provided in class on Day 13 with follow-up discussion.

Following your final presentation, each of you or your group is required to submit by 21:00 on Monday, January 11, 2016 your final report based on your final presentation. A single-author report should have no more than 3,000 words. The multiple-author report should read as a single

product prepared in a well-coordinated fashion by the group members while each of the group members should be responsible for at least one of the chapters or sections as the primary author. A multiple-author report should have no more than 6,000 words.

Video clips

None

Reading materials

None

Assignment

None

Day 13: Monday, December 21

Feedback on student final presentations and follow-up discussion

TBA

Video clips

None

Reading materials

None

Assignment

None

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Titles of student final papers submitted in AY2013, AY2014 and AY2015 (S-Semester)

Case Study: Paradigm Change for Asia's Emerging Economies (Course No. 5140720, Winter 2013)

- ✓ Possible contribution of government to the expansion of electronic retail payments in Asia
- ✓ The integration of capital markets in Asia
- ✓ The analysis of the effectiveness of PBOC's sterilization to neutralize the impact of foreign reserve accumulation on money supply
- ✓ How to restructure the banking sector in Vietnam?
- ✓ Capital account openness and the lessons drawn from financial crisis: a new legitimacy for capital controls as a tool for Asian emerging economies?
- ✓ The vicious cycle of North Korea economy

Case Study: Paradigm Change for Asia's Emerging Economies II (Course No. 5140722, Summer 2014)

- ✓ Towards a sustainable service sector growth in the Philippines: an analysis of the BPO-IT industry's potential as a key growth driver
- ✓ Government's efforts on MSMEs: can they lead to economic growth?
- ✓ Can we transform rice sector in Thailand to be a leading sector that can thereby driving country to become more advanced economy?
- ✓ Financially empowering the Filipino farmers
- ✓ Effectiveness of government policies in enhancing the potential of Thai rice sector
- ✓ Analysis of shadow banking system in China
- ✓ The role of private and public sectors under the weak governance: how to implement the effective labor standards in Bangladesh
- ✓ Paradigm change of the industry in Thailand: innovation of agriculture industry

Case Study: Paradigm Change for Asia's Emerging Economies I (Course No. 5140721, Winter 2014)

- ✓ Environmental sustainability in East Asian economy: a case of Singapore
- ✓ How can urbanization policy influence the housing price in China?
- ✓ The actors in social protection delivery after Asian financial crisis in the ASEAN countries
- ✓ Reassessing the effectiveness of income tax holiday as policy instrument for attracting investments: the case of the Philippines
- ✓ The Philippine mining industry: impediments and opportunities
- ✓ Microfinance, growth and public policy: evidence from the Kyrgyz Republic

- ✓ Accumulation of foreign exchange reserves and growth
- ✓ Impact of global economic slowdown and labor supply in economic growth of China
- ✓ ASEAN banking integration: challenges to Philippine banking system
- ✓ China's TFP research (1952-1990) and comparative analysis of Japan (1970s) and China (2002-2007)
- ✓ The legacy and future of Japanese SMEs: challenges informing opportunities for growth and international linkages
- ✓ Revitalizing farming business: comparative study of Japanese and Korean agricultural policies
- ✓ Rationale for Myanmar Economic Bank as a state-owned bank

Case Study: Finance and Development in Emerging Asia II (Course No. 5140724, Summer 2015)

- ✓ Evaluation of the scheme of "Infrastructure System Export" for Japanese high speed rail
- ✓ "E-commerce in China – a possible route to economic growth in rural areas"
- ✓ High speed railways in West India as targets to export Japanese railway system
- ✓ MDBs in Indonesia's renewable energy sector
- ✓ Gujarat under Modinomics: a model for regional development for India?
- ✓ Economic development and social impact of remittance in Philippine
- ✓ The Jakarta Smart Card Program: an impact evaluation
