

Graduate School of Public Policy
The University of Tokyo

CASE STUDY (FINANCE AND DEVELOPMENT IN EMERGING ASIA)

Course No. 5140723
2018A1A2

COURSE SYLLABUS

Time: Period 1 (8:30-10:15), Mondays (unless otherwise announced)
Location: Lecture Hall B, 4th floor, International Academic Research Building
Instructor: Toshiro Nishizawa, Project Professor
<http://www.pp.u-tokyo.ac.jp/en/faculty/nishizawa-toshiro/>
http://gsdm.u-tokyo.ac.jp/en/curriculum_coach_Toshiro_Nishizawa.html
<http://pari.u-tokyo.ac.jp/gsdm/en/publication/982/>
TA: None
Credits: 2 credits
Language: English
Category: Practical training
Office: Room 1120, 11th floor, International Academic Research Building
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 5140723** when you send e-mails.*

1. Objectives

This course aims to deepen student understanding of development issues in emerging Asia with a focus on financing aspects and thus to prepare students for future professional positions in the field of development finance. We will discuss policy options to enhance the finance-development nexus and to address risks entailed in the process. As a practical training course, students will have the opportunity to debate, work in a team, make oral presentation and produce memos and reports.

Specific features of the course are as follows.

In order to provide the background knowledge for a better understanding of key concepts, the course will revisit development performance of Asia's emerging economies since the 1980s. Learning from the past will help identify contributing factors to development as well as risks entailed in policy actions. We will also discuss opportunities and challenges in various approaches and policy initiatives in

development finance such as Public-Private Partnerships (PPPs) and community-based finance.

One of the underlying questions is how to correct shortcomings in the finance-development nexus through public policy with an effective incentive design and minimum market distortions. Furthermore, we will discuss policy options in a broader geopolitical context by asking such a question as how China/India and Japan could collaborate to promote sustainable development in Asia. Discussion topics will also include China’s Belt and Road Initiative (BRI) and the emergence of Asian Infrastructure Investment Bank (AIIB), a new multilateral lender in Asia.

Following several sessions for learning key concepts, the course will provide students with a policy planning exercise—students will be asked to choose one of the country cases (Cambodia, Mongolia or Myanmar) or a country case of their own choice and to prepare reports on development strategy and policy proposals with a focus on the finance-development nexus.

2. Schedule

| | | | |
|---|---|--|-----------------------|
| Day 1 | Mon, Oct 1 | Introduction | Nishizawa |
| ... | Mon, Oct 8 <i>Sports Day</i> | No class | ... |
| ... | Tue, Oct 9 10:30-12:00 Seminar Room A (1213) | Guest Speaker Seminar “Corporate Bond Markets in Asia—‘Original Sin’ and Offshore Corporate Issuance” by Mr. Eli M. Remolona, Chief Representative for Asia and the Pacific, Bank for International Settlements (BIS) <i># Please attend the seminar if it does not cause a conflict with another class in your schedule.</i> | Nishizawa Remolona |
| <i>Oct 2 to Oct 8 Course registration period</i> | | | |
| Day 2 | Sat, Oct 13 Period 3 Seminar Room A (1213) | Historical perspectives—debate on the East Asian Miracle and lessons from the Asian Financial Crisis | Nishizawa |
| Day 3 | Mon, Oct 15 | Growth accounting and finance-development nexus—identifying factors of growth and development challenges | Nishizawa |
| <i>Oct 15 to 18 Course registration withdrawal period</i> | | | |
| Day 4 | Mon, Oct 22 | An overview of finance in Asia | Nishizawa |
| Day 5 | Mon, Oct 29 | Infrastructure investment and finance | Nishizawa |
| Day 6 | Mon, Nov 5 | Community-based finance | Nishizawa |

| | | | |
|--------|-------------|---|----------------------|
| ... | Thu, Nov 8 | No class | ... |
| Day 7 | Mon, Nov 12 | Discussion with a practitioner on China | Nishizawa Otani † |
| Day 8 | Mon, Nov 19 | Presentation of a country case (term paper proposal) | Nishizawa |
| ... | Mon, Nov 26 | Submission of term paper proposal | ... |
| Day 9 | Mon, Nov 26 | A model country case—Lao PDR | Nishizawa |
| Day 10 | Mon, Dec 3 | Guided discussion on student policy planning exercise | Nishizawa |
| Day 11 | Mon, Dec 10 | Discussion with a practitioner on India | Nishizawa Koda † |
| Day 12 | Mon, Dec 17 | Presentation of term paper | Nishizawa |
| ... | Tue, Jan 15 | Submission of term paper | ... |

† Guest speakers: Mr. Ichiro Otani (Former Head of IMF Office in China) and Ms. Madoka Koda (Senior Economist, Japan Center for International Finance).

3. Teaching methods

This course will be a series of interactive sessions with introductory lecture followed by class discussion. Students are required to indicate their research interest in the early stage of the course and to participate actively in discussion based on their reading of assigned materials. Guest speakers will discuss specific issues from various perspectives based on different fields of professional expertise.

4. Course requirements and grading

Students will be required to make brief oral presentations occasionally on a given topic or one of their choice either individually or as a team depending on the total number of registered students. Students are also required to submit a proposal and term paper based on their presentations in the middle and at the end of the course.

The course grade will be based on:

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

Term paper 35% (10% for proposal and 25% for term paper)

Participation in discussion 20%

Class attendance 10%

5. Course materials

Required readings—mainly excerpts taken from the following materials—will be either made available electronically or handed out in class.

Asian Development Bank (ADB). 2016. *Asian Economic Outlook 2016: Asia's Potential Growth*. ADB.

Asian Development Bank (ADB). 2017a. *Meeting Asia's Infrastructure Needs*. ADB. Accessed September 21, 2018.

<https://www.adb.org/sites/default/files/publication/227496/special-report-infrastructure.pdf>

Asian Development Bank (ADB). 2017b. "Session 1: Lessons Learned from Crises: Asia," In *20 Years after the Asian Financial Crisis Lessons, Challenges, and the Way Forward Conference Highlights*, 6-11. Manila: ADB. Accessed September 21, 2018.

<https://www.adb.org/sites/default/files/publication/363326/20-years-asian-financial-crisis.pdf>

Callen, Tim. 2012. "Gross Domestic Product: An Economy's All," *Finance & Development*, IMF.

Economist, The. 2016. "Measuring economies: The trouble with GDP," April 30, 2016. Accessed September 21, 2018.

<https://www.economist.com/news/briefing/21697845-gross-domestic-product-gdp-increasingly-poor-measure-prosperity-it-not-even>

International Monetary Fund (IMF). 2015. *The Future of Asian Finance*. IMF.

International Monetary Fund (IMF). 2018. Lao People's Democratic Republic 2017 Article IV Consultation. IMF Country Report No. 18/84. IMF. Accessed September 21, 2018.

<http://www.imf.org/external/pubs/ft/scr/2016/cr16130.pdf>

Mae Fah Luang Foundation under Royal Patronage, The. 2010. "The Mae Fah Luang: The Social Transformation Model for the 21th Century." *Sasin Journal of Management 2010 Special Edition*: 64-75.

Nishizawa, Toshiro. 2011. "Changes in Development Finance in Asia: Trends, Challenges, and Policy Implications." *Asian Economic Policy Review*. Volume 6, Issue 2 (December): 225-244.

Nishizawa, Toshiro. 2018. "Infrastructure Investment and Finance in Asia." *Public Policy Review*. Volume 14, No.5 (September): 925-953.

World Bank. 1993. *The East Asian Miracle: Economic Growth and Public Policy*. Oxford University Press.

Attachment (1) Titles of the term papers submitted in AY2013-AY2017

Attachment (2) Detailed Course Syllabus

Attachment (3) Instructor's bio

Titles of the term papers submitted in AY2013-AY2017

Case Study (Paradigm Change for Asia's Emerging Economies) in Winter 2013

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

Case Study (Paradigm Change for Asia's Emerging Economies II) in Summer 2014

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

Case Study (Paradigm Change for Asia's Emerging Economies I) in Winter 2014

- Accumulation of foreign exchange reserves and growth
- ASEAN banking integration: challenges to Philippine banking system
- China's TFP research (1952-1990) and comparative analysis of Japan (1970s) and China (2002-2007)
- Environmental sustainability in East Asian economy: a case of Singapore
- How can urbanization policy influence the housing price in China?
- Impact of global economic slowdown and labor supply in economic growth of China
- Microfinance, growth and public policy: evidence from the Kyrgyz Republic
- Reassessing the effectiveness of income tax holiday as policy instrument for attracting investments: the case of the Philippines
- Rationale for Myanmar Economic Bank as a state-owned bank
- Revitalizing farming business: comparative study of Japanese and Korean agricultural policies
- The actors in social protection delivery after Asian Financial Crisis in the

ASEAN countries

- The legacy and future of Japanese SMEs: challenges informing opportunities for growth and international linkages
- The Philippine mining industry: impediments and opportunities

Case Study (Finance and Development in Emerging Asia II) in 2015S1S2

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

Case Study (Finance and Development in Emerging Asia I) in 2015A1A2

- ADB's energy sector operations: implications for development banking in China
- FDIs: one of the financial resources available for Myanmar's sustainable and equitable development
- Financial institutions and microfinance development in Myanmar "institutional and operational priorities and challenges"
- Is China ready for RMB internationalization?: an assessment of current progress
- Islamic finance: a new paradigm for development
- RMB internationalization in the process of East Asian financial integration

Case Study (Finance and Development in Emerging Asia II) in 2016S1S2

- A study of the "100 Smart Cities" mission of the Government of India—a paradigm change in how cities are financed
- Finance and development of Vietnam—sustaining the growth: building on assets (foreign direct investment) & cutting off hindrances (state-owned enterprises)
- How could China avoid middle income trap through industry upgrade?

Case Study (Finance and Development in Emerging Asia I) in 2016A1A2

- An assessment of the Philippines' disaster risk financing framework
- Asian Financial Crisis in Thailand and its relevance to Myanmar
- Comparative analysis of Thailand's new financial incentives and renewable energy industry
- FinTech and financial inclusion in Myanmar
- Green bond in China
- How could North Korea boost its economy? – The possibility of informal economy
- Mongolia's long term development policy reform in financial aspects to support agriculture and livestock export in order to ensure sustainable economic growth

- The AIIB: China's financial architecture
- The role of telecommunication in Myanmar's economic development

Case Study (Finance and Development in Emerging Asia) in 2017A1A2

- AIIB's role in supporting the BRI
- A study on Myanmar's stock market
- China's corporate debt problem
- China's SOEs, the major leading power in One Belt One Road?
- Evaluation of the competition between Japan and China on infrastructure investment in Southeast Asia with the case of Jakarta-Bandung High-Speed Rail Project
- Finance and development in South Korea: role of the foreign aid
- Impact of sovereign borrowing choice on private investments in selected emerging markets of South East Asia
- Is Vietnam becoming a developmental state model?
- Legal framework of cryptocurrencies in Vietnam
- PPP and infrastructure in the Philippines
- The external debt crisis of Mongolia
- Megaprojects: a tale of cost-overruns & delays
- Non-performing loans in Indian banks: causes, consequences and possible remedies
- Polishing the Rust Belt—feasibility of debt-for-equity swaps of state-owned enterprises in Northeast China
- Public Private Partnerships (PPPs) in Myanmar: a case study of Thilawa Special Economic Zone Project
- The challenges of Special Economic Zones (SEZs) in Myanmar's development
- The Cebu Bus Rapid Project: financing a solution to Cebu City's traffic problem
- Why is Directorate of Investment Company Administration important for foreign direct investment in Myanmar?

September 28, 2018

Graduate School of Public Policy
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CASE STUDY (FINANCE AND DEVELOPMENT IN EMERGING ASIA)
Course No. 5140723
2018A1A2
By Toshiro Nishizawa

DETAILED COURSE SYLLABUS

Day 1: Monday, October 1 **Introduction**

The instructor will start an introduction by asking a few questions, including a question about what development challenges you see in your home country or a country of your interest, in order to identify policy implications of the finance-development nexus for the country of your choice.

Required reading

None

Assignment

You should read World Bank 1993 (Reading 01) and ADB 2017b (Reading 02) before attending the class on Saturday, October 13.

Day 2: Saturday, October 13, Period 3 **Historical perspectives—debate on the East Asian Miracle and lessons from the Asian Financial Crisis**

We will discuss the factors behind the “miraculous” growth performance of economies in East Asia in the 1960s-1980s, i.e., the so-called The East Asian Miracle and then ask what went wrong after the Miracle to see lessons learned from the Asian Financial Crisis.

Required reading

World Bank 1993 (Reading 01) and ADB 2017b (Reading 02)

Assignment

You should read Callen 2012 (Reading 03) and Economist 2016 (Reading 04) before attending the class on Monday, October 15.

Day 3: Monday, October 15 **Growth accounting and finance-development nexus—identifying factors of growth and development challenges**

We will discuss how to measure a country’s economic performance and learn about

growth accounting and finance-development nexus.

Required reading

Callen 2012 (Reading 03) and Economist 2016 (Reading 04)

Assignment

You should read Kang et al. 2015 (pages 9-37 of IMF 2015) (Reading 05) before attending the class on Monday, October 22.

Day 4: Monday, October 22
An overview of finance in Asia

We will clarify key concepts and terms in finance, have an overview of the financial sector in Asia, and revisit issues related to the finance-development nexus.

Required reading

Kang et al. 2015 (pages 9-37 of IMF 2015) (Reading 05)

Assignment

You should read Nishizawa 2018 (Reading 06) before attending the class on Monday, October 29.

Day 5: Monday, October 29
Infrastructure investment and finance

We will review how infrastructure has been financed in Asia and discuss challenges ahead, including risks entailed in Public-Private Partnerships (PPPs).

Required reading

Nishizawa 2018 (Reading 06)

Assignment

You should read Mae Fah Luang 2010 (Reading 07) before attending the class on Monday, November 5.

Day 6: Monday, November 5
Community-based finance

We will discuss opportunities of community-based finance based on a few cases in India, Japan and Thailand with a focus on an embedded incentive mechanism.

Required reading

Mae Fah Luang 2010 (Reading 07)

Assignment

To be announced

Day 7: Monday, November 12
Discussion with a practitioner on China

Required reading

To be announced

Assignment

Preparation for presentation of a country case (term paper proposal)

Day 8: Monday, November 19
Presentation of a country case (term paper proposal)

You should give a mid-term presentation on your term paper proposal within five minutes, followed by questions and answers. If you form a group, the group can use three minutes multiplied by the number of group members. You might wish to use power point slides (not 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, you should prepare talking points as well as a Power-Point presentation or handouts. Punctuality is required so that you might be asked to stop even in the middle of your presentation.

Following your mid-term presentation, you are required to submit by Monday, November 26 your term paper proposal (not more than 1,000 words or about two pages long, excluding a list of main reference materials) based on your presentation. Written feedback on student your term paper proposals will be provided individually by Monday, December 3.

Required reading

None

Assignment

You should read pages 4-22 of Lao People's Democratic Republic 2017 Article IV Consultation (Reading 08) before attending the class on Monday, November 26.

Day 9: Monday, November 26
A model country case—Lao PDR

We will discuss possible policy options for fiscal stabilization and development strategies with a view to contributing input into an ongoing policy dialogue with the government of Lao PDR, where the instructor serves as the lead researcher in a Working Group responsible for fiscal and debt management.

Required reading

Pages 4-22 of Lao People's Democratic Republic 2017 Article IV Consultation (Reading 08)

Assignment

To be announced

Day 10: Monday, December 3

Guided discussion on student policy planning exercise

Required reading

To be announced

Assignment

To be announced

Day 11: Monday, December 10

Discussion with a practitioner on India

Required reading

To be announced

Assignment

Preparation for presentation of term paper

Day 12: Monday, December 17

Presentation of term paper

You should give a presentation on your term paper within 10 minutes, followed by questions and answers. If you form a group, the group can use five minutes multiplied by the number of group members. You might wish to use power point slides (not more than 20 slides), but only to include key messages.

Following your final presentation, each of you or your group is required to submit by Monday, January 15, 2019 your term paper based on your 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 not more than 6,000 words.

September 28, 2018

Instructor's bio

Project Professor & Chair, International Affairs Committee
Graduate School of Public Policy
The University of Tokyo

Mr. Toshiro Nishizawa is Project Professor at the Graduate School of Public Policy (GraSPP) of the University of Tokyo. Immediately prior to his current position, he was Professor at the GraSPP (2013-15) after serving as Director General of Country Credit Department at the Japan Bank for International Cooperation (JBIC). He also served as Deputy Director General of JBIC Institute (the research department) and Director of Asia Department II at the Japan Center for International Finance (JCIF).



He was involved in JBIC's country operations as Deputy Director General of International Finance Department I (Asia and Oceania) (2004-06) and served as Chair of the UNEP FI Asia Pacific Task Force Outreach Group (2005-06).

He held various positions including: loan officer at the Export-Import Bank of Japan; researcher in the Economic Cooperation Bureau of the Ministry of Foreign Affairs; economist in the Policy Development and Review Department of the International Monetary Fund (IMF); and advisor in the Private Sector Development Department of the World Bank.

Mr. Nishizawa has been actively engaged in policy dialogue and research activities with the main focus on emerging and developing economies in Asia. He has published a number of articles and written a chapter in a few publications on Asian economies, financing for development, Public-Private Partnerships (PPPs) and sovereign risk assessment.

Mr. Nishizawa was a guest lecturer and professor at the Osaka School of International Public Policy (OSIPP) of Osaka University (2004-14) and was a visiting lecturer at Kobe University and Chuo University. He was also a part-time lecturer to teach PPPs at GraSPP (2010-13) and invited as a visiting professor by Chulalongkorn University in Thailand and by the Escola de Administração de Empresas de São Paulo da Fundação Getulio Vargas (EAESP-FGV) in Brazil, both in 2014.

He served as a member of the Expert Group on Financial Cooperation with Asian Countries under the Council on Customs, Tariff, Foreign Exchange and Other Transactions (2013-14), and has been a member of the IMF Study Group and a senior visiting fellow at Policy Research Institute (PRI) of Japan's Ministry of Finance (MOF). He was also invited by the Japan International Cooperation Agency (JICA) to serve as a member of the Support Committee for the Project for Capacity Building of Public Private Partnership in Mongolia.

Mr. Nishizawa holds a BA in Latin American studies from Tokyo University of Foreign Studies (1982), a BA in economics from the University of Tokyo (1984) and an MSc in economics from the University of Wisconsin-Madison (1988).

Mr. Nishizawa was born in Tokyo, Japan in 1959 and is married with two children.
