Syllabus for Econ 2239/Asian 2830, Topics on Asian Economies
(This version: January 19, 2015)
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Department of Economics
Bowdoin College

Lecture time: M 1:00 - 2:25, W 1:00 - 2:25
Place: VAC South 303

Contact Information
office: Hubbard 106
office hours: M 2:30-3:30 pm, TH 2:00-4:00 pm, or by appointment.
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Please note, I may not check emails frequently during evenings and weekends.

Course Description and Objectives
The first part of the course studies a number of important economic observations about Asian economies through the lenses of economic theory, especially the theory of economic growth. We will then focus on two of the economic heavy weights in Asia, Japan and China. Besides the specifics of these two economies, we will also discuss their relationship to the U.S. economy and what other countries may learn from their economic experience.

Key Dates
February 18, in-class midterm exam at 1:00 pm
May 6, draft of the research paper due at 5:00 pm
May 11, final exam at 2:00 pm
May 17, research paper due at 5:00 pm

Textbook and Course Materials


Other assigned readings and materials will be available through Blackboard and/or through the library’s reserve system. As students in this class have very diverse backgrounds, certain materials may pose difficulty for some students. In such cases, please focus on understanding the main ideas and seek help from the instructor if necessary.

**Web Information**
All information, including information about reading materials, will be posted on the Blackboard web page for Econ 2239, accessible at http://blackboard.bowdoin.edu/.

**Evaluation**
Your course grade is based on
- assignments, 15%
- midterm exam, 20%
- class participation, 10%
- research paper, 30%
- final exam, 25%
- in-class presentation (optional) 3%

*Research paper.* The purpose of the research paper is to give every student an opportunity to engage in original research using simple tools of data analysis. Articles from www.voxeu.org provide a good model for the format and style of the research paper (please see http://www.voxeu.org/article/what-voxeuorg), but other formats and styles are possible.

The research paper must address specific economic questions related to Asian economies. The last two assignments of the course are designed to help students with their research papers. In the second to last assignment, each student will write a two-page short literature review of three academic/policy papers which can be student-specific, and propose a research question based on the understanding of the literature. In the last assignment, with the help of the instructor, students will look for and use data to answer the research question identified in the second to last assignment. We will rely on simple tools such as graphs and tables. Advanced methods such as regressions are not required. The work done in the last two assignments should serve as the foundation for your research paper.

I recommend that you have a look at “Writing tips for Ph.D. students”, a 13-page short paper by John Cochrane, for some tips on writing economics papers. His tips on writing and presentation are originally intended for Ph.D. students, but most of them are useful to undergraduate students as well.
The target reader of your paper should be any person with a college education background, but not an economics major or minor. The main text of the paper should be 5 to 8 pages long (double-spaced, 12-point font, and 1-inch margins). You are required to provide a bibliography, which is not included in the pages allowed for the main text. Cover page, graphs, and tables are also not included in the page count of the main text. For both the draft and final version of the papers, students must submit an electronic copy.

Each student should select a general topic listed at the end of the syllabus or another topic subject to the approval of the instructor. Each group of students working on the same general topic will have multiple group meetings with the instructor during the semester. Because the general topics are too broad to tackle in a single research paper, each student is expected to narrow down to a more specific sub-topic.

*In-class presentation.* Each student (or a group of two students) has the option of doing a 5-minute in-class presentation. The topic of the presentation can be related to your research paper or aspects of an Asian economy, especially an economy other than China and Japan, which we will cover intensively. We will have at most one presentation per lecture and each student can perform at most one presentation. Students who wish to present MUST seek permission of the instructor. Students are also welcome to contact the instructor for help with their presentations. The presentations will be graded based on the content and effectiveness.

**Academic Honesty**
Students should be familiar with the Bowdoin College Academic Honor Code, available at [http://www.bowdoin.edu/studentaffairs/student-handbook/college-policies/index.shtml](http://www.bowdoin.edu/studentaffairs/student-handbook/college-policies/index.shtml) In particular, for the assignments, students are encouraged to work together but they must each hand in their own copy of answers. Students who work on the same general topic are encouraged to work together and discuss their work verbally, but they CANNOT share their assignments and papers in written form.
Tentative Schedule of Topics
Please note that I reserve the right to drop topics from the list. However, I will not add new topics that will be tested in exams.

- **January 19, course introduction**

- **Topics on Asian economies through the lenses of economic theory**
  - January 21, the basics about economic growth
    Weil, chapter 1 and 2
  - January 26, the Four Asian Tigers: a miracle?
    Weil, chapter 3
  - January 28, the Four Asian Tigers: a miracle?
    Weil, chapter 7
    Alwyn Young (1995), The Tyranny of Numbers: Confronting the Statistical Realities of the East Asian Growth Experience
  - February 2, productivity, technology, and economic growth in Asia
    The Economist, Secret sauce
    Felipe (1999), Total factor productivity growth in East Asia: A critical survey
  - February 4, does economic openness promote growth in Asia?
    Weil, Chapter 11
    Lopez (2005), Trade and growth: Reconciling the macroeconomic and microeconomic evidence
  - February 9, the Asian financial crisis in 1997
  - February 11, government, institution, and economic development
    Weil, chapter 12
    Doucouliagos and Ububasoglu (2007), Democracy and Economic Growth A Meta-Analysis
  - February 16, resource curse in Asia?
    Weil, chapter 15
    Frankel (2010), The Natural Resource Curse: A Survey
    The Economist, Make a new plan, Stans

- **February 18, in-class midterm exam**
• Japan and China before 1949
  – February 23, the Japanese economy between 1603 and 1912
    Flath, chapter 2
  – February 25, geography of China and the Chinese economy before 1949
    Naughton chapter 1 and 2
  – March 2, the Japanese economy between 1912 and 1945
    Flath, chapter 3

• The Japanese economy after WWII: growth and stagnation
  – March 4, postwar recovery
    Flath chapter 4
    in-class film viewing (20 minutes): Japan 2000, Against All the Odds, BBC
  – March 23, international trade
    Flath, chapter 8
    in-class film viewing (20 minutes): Japan 2000, The Hi-tech Road, BBC
    The Economist, Japanese electronics firms: Eclipsed by Apple
  – March 25, macroeconomics: the lost decade
    Flath, chapter 6
    Fumio Hayashi and Edward C. Prescott, The 1990s in Japan: A Lost Decade
    The Economist, To lose one decade may be misfortune...
  – March 30, Abeconomics
    Hausman and Wieland (2014), Abenomics: Preliminary Analysis and Outlook
    Cadei, Shinzo Abe’s Secret Weapon: Koichi Hamada
  – April 1, challenges: energy, debt, and population aging
    Vivoda (2012), Japan’s energy security predicament post-Fukushima
    Horioka, Nomoto, and Terada-Hagiwara (2013), Why Has Japan’s Massive Government Debt Not Wreaked Havoc (Yet)?
    The Economist, Japan’s Demography: The incredible shrinking country
    The Economist, Japanese women and work: Holding back half the nation
    The Economist, Why the Japanese are having so few babies

• The Chinese economy after 1949: state vs. market
  – April 6, socialist era
    Naughton chapter 3
film viewing: China (120 minutes): A Century of Revolution, Mao Years
Li and Yang (2005), The Great Leap Forward: Anatomy of a Central Planning Disaster

– April 8, transition and reform
Naughton chapter 4
in-class film viewing (30 minutes): China in the red

– April 13, international trade: made in China
Naughton chapter 16
Amiti and Freund (2010), The Anatomy of China’s Export Growth

– April 15, international finance: the exchange rate of Chinese yuan
Naughton chapter 17
Cline and Williamson (2008), Estimates of the equilibrium exchange rate of the Renminbi: Is there A consensus and, if not, why not?
Bacchetta, Benhima, and Kalantzis (2013), The appreciating Renminbi

– April 20, the high saving rate and the trade imbalance
Wei and Zhang, The Competitive Saving Motive Evidence from Rising Sex Ratios and Savings Rates in China
Storesletten, Song, and Zilibotti (2010), The real causes of China’s trade surplus
Prasad, Liu, and Channon (2011), The Puzzle of China’s Rising Household Saving Rate - Brookings Institution

– April 22, the peculiar role of local governments
Li and Zhou (2005), Political turnover and economic performance: the incentive role of personnel control in China
The Economist, Shell game
Lu and Sun (2013), Local Government Financing Platforms in China: A Fortune or Misfortune?
Chang (2014), China Responds To Alarming Local Debt Crisis

– April 27, the state strikes back?
The Economist, The visible hand
Yao (2010), The End of the Beijing Consensus
The Economist, The Beijing consensus is to keep quiet.

– April 29, the “new normal” and challenges: political uncertainty, population aging, and pollution
The Economist, Building the dream
Bloomberg, Xi Says China Must Adapt to New Normal of Slower Growth
Zeng and Wang (2014), A Policy Analysis on Challenges and Opportunities of Population/Household Aging in China

– May 4, the “new normal” and challenges: political uncertainty, population aging, and pollution
  The Economist, Remembering Tiananmen: The lessors of history
  Brooks (2014), The Big Debate
  Brandt, Ma, and Rawski (2014), From Divergence to Convergence: Reevaluating the History Behind China’s Economic Boom

– May 6, overflow

List of General Topics for the Research Paper

• Evaluating the growth performance of a group of Asian economies (using growth accounting)
• The effect of the 2008 global financial crisis on Asian economies
• Resource curse in Asia
• Exchange rate and trade in Asian economies.
• The long-term effect of aging population on Asian economies
• The Japanese energy policy after the Fukushima Daïchi nuclear disaster in 2011
• Abeconomics
• The “new normal” of the Chinese economy
• Why are some Chinese families suffering during the economic transition? (Related to the documentary, China in the Red)
• How can China boost domestic consumption and reduce the reliance on exports for growth?