EC3880F: Miracle and Crisis in East Asia

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Schedule

Synopsis

This course is designed to help students understand economic growth process by analysing the experience of East Asian countries by focusing on Japan and four East Asian Tiger economies i.e, South Korea, Taiwan, Hong Kong and Singapore. Major topics include catch-up debate, comparisons of East Asian models, the role of the state, industrial and trade policy, globalisation, the Asian financial crisis, the balance sheet recession and so on.

Learning Outcomes

- Students will get to know there are historical models, not simply theoretical models, that help us understand broad economic phenomena and will learn how to apply them in the actual historical context.
- Through comparisons based on historical models, students understand commonalities and differences across countries in a systematic manner.
- Students will appreciate the perennial debates surrounding the East Asian Miracle and gain critical outlook of major publications on the East Asian Miracle.
- Students will also appreciate the perennial debates on the Asian Financial Crisis and learn diverse views on financial crisis in emerging markets.
- Students will gain a more consistent understanding of the miracle and crisis in East Asia with a global outlook.

Syllabus

1. Overview of East Asian Economies

1.1. The ‘miracle’, the ‘crisis’ and its aftermath in East Asia
1.2. Different growth models in East Asia

2. Understanding the East Asian Growth: Catch-up Models
   2.1. Agenda of comparative analysis of economic performance
   2.2. Substituting vs. complementing models for catch-up

3. Substituting Models in Action: Japan and South Korea
   3.1. The Japanese catch-up system
   3.2. The Korean catch-up system
   3.3. A comparison between Japan and Korea

4. Complementing Models in Action: Singapore, Taiwan, and Hong Kong
   4.1. The Singaporean catch-up system
   4.2. The Taiwanese catch-up system
   4.3. Hong Kong and South East Asian countries

5. The ‘Developmental State’ and Industrial & Trade Policies
   5.1. Industrial development and ‘developmental state’
   5.2. The emergence of export-promotion (EP) strategy and its achievements
   5.3. Industrial policy and East Asian miracle debate
   5.4. The changing role of industrial & trade policy

6. Globalisation, Maturity and East Asia
   6.1. Challenges of globalisation and maturity
   6.2. Changing role of FDI in economic development
   6.3. Re-appraising East Asian models in view of globalisation and maturity

7. Growth Accounting and ‘Paper Tigers’?
   7.1. Neoclassical growth theory and growth accounting
   7.2. Productivity vs. residual
   7.3. Hong Kong vs. Singapore

8. The Asian Financial Crisis
   8.1. A ‘real’ success and a financial fall?
   8.2. Explaining the recovery
   8.3. Preventing future crisis
9. The Aftermaths of the Crises

9.1. The Japanese bubble burst and the ‘lost decades’?
9.2. The Korean restructuring?
9.3. Transition of catch-up economies

Readings

No textbooks. Reading lists will be provided by lecture topics and essay questions. Following are some books and articles in the lists:


Assessment

- **Class Participation** (10%): Students will be assessed based on their participation in class.

- **Short Paper** (30%): Students should submit a short paper (3-4 pages) on topics they are assigned.

- **Presentation and Discussion of Short Papers** (10%): Students will be grouped to present and discuss the topics of short papers.
- **Long Paper (40%)**: Students should submit a long paper (9-10 pages) on topics they are assigned.

- **Presentation and Discussion of Long Papers (10%)**: Students will be grouped to present and discuss the topics of long papers.