

Spring 2014 Economics 5430/6430: "Asian Economic History & Development" (3cr) Prof. Reynolds

Focus: is on members of ASEAN and the East Asian NICs. **Prerequisite:** Principles of Economics.

Office hours: by appt, OSH 379 (Ph:8017500964) & before/after class (stephen.reynolds@csbs.utah.edu)

Class meets: T 6-9pm, BuC106. **Course objectives:** be able to identify major themes, diversity and commonalities, among Asian nations' economic histories and contemporary experience (through narrative description, theory and empirical analysis), to explain the implications for contemporary Asian, global and US economies, and to communicate professionally. **Themes:** interaction of technology and institutions; the role of culture and resources in early Asian economic history; non indigenous impacts and indigenous response, e.g., impact and response to early Indian and Chinese influence and early European imperialism; impact and response to 19th century European industrialization / late imperialism; 20th century decolonization, economic nationalism and isolated industrialization; population growth and agricultural development; late 20th and 21st century embrace of the global economy; growth, crisis and growth; regional economic integration.

Texts: Only the Canvas/Electronic Reserve Readings listed for each class session. Students should "sample" all the reading assignments reading some carefully and others less so according to their interests. *Often the assigned readings will be relevant to the research papers and the grade will be reduced, if overlooked.* Readings contemporary with the historical times will be used where possible.

Course Grade: Midterm-25%(optional); 20 page **Research Paper/Presentation***-50%; Final Exam-25% (50% if better than midterm). Grading is "on a curve" in comparison to all previously enrolled students. Graduate students will be held to higher standards of performance. *No make-up exams* will be given, regardless of reason, except when required under University regulations. University regulations permit "incomplete" grades only when no more than 20% of the required work remains to be completed.

Teaching/Learning Method: In addition to weekly lecture/discussion/reading which students should attend promptly**, each student will schedule an individual meeting with the instructor to discuss a brief (3 page) outline of the student's paper, an initial literature search and further search strategies;. Papers *must* follow American Economic Review style guide, <http://www.aeaweb.org/aer/authref.html>. This class DOES NOT meet the **CW** graduation requirement of the University--*No credit* for papers not meeting style guide! Class DOES meet IR requirement.

<u>Week of:</u>	<u>Lecture Topic:</u>	<u>Reading Assignment, Marriott Library Reserve Desk</u>
Jan 9	Introduction: Asian Economies, Values & Western Thought	G. Myrdal, <u>Asian Drama</u> , excerpts

Jan 16	Introduction continued	Work in Library on Course Paper
--------	------------------------	---------------------------------

Jan 23	The Impact of Factor Endowments, Culture, & Politics on Long-run Economic Performance	D.Lal, <u>Unintended Consequences</u> : c.1 On Culture; c.3 Ancient Civilizations: India & China; c.7 India & China in Modern times; c.8 The Far East
--------	---	---

Jan 30	Historical Overview: India, China & Japan	Simkin <u>Traditional Trade of Asia</u> c.5; Lin, "The Needham Puzzle: Why the Industrial Revolution Did Not Originate in China," <u>EDCC</u> 1995; Huber, "Effect on Prices of Japan's Entry into World Commerce after 1858" <u>JPE</u> 1971
--------	---	---

Week of Feb 6 INDIVIDUAL MEETINGS; BRING OUTLINE & REFERENCES (10% of Paper

Feb 6	Southeast Asia: Early Indian, Chinese & European Influence	(Dualism, Population Growth & Pluralism) Boeke "Three Forms of Disintegration in Dual Societies" <u>Indonesie</u> 1953/54; Higgins "The Dualistic Theory of Underdeveloped Areas" <u>EDCC</u> 55/56; van der Kroef, "Economic Development in Indonesia: Some Social and Cultural Impediments" – <u>EDCC</u> 55/56 Geertz, <u>Agricultural Involution</u> , 1966 (excerpt)
-------	--	---

Feb 13 19th Century Economic Development (Plantations & Mines and the Rice Trade) 19th Century Heritage	Myint, "Dualism and Internal Integration of Underdeveloped Economies;" Baldwin, "Export Technology and Development from a Subsistence Level" - <u>Econ Journal</u> 1963; Enke, "Econ Aspects of Slowing Populat'n Growth" <u>Econ Journal</u> 1966
Feb 20 Nationalism, De-Colonization and Economic Nationalism	Golay, et. al. <u>Underdevelopment and Economic Nationalism in Southeast Asia</u> Cornell U 1969 (excerpts)
Feb 27 Agriculture: Green Revolution and Institutional Change	Hayami & Kikuchi, <u>Asian Village Economy at the Crossroads</u> , U of Tokyo, 1982 (excerpts)
Mar 6 Post Colonial Industrialization Strategies: Import Substitution, Export Promotion and Export Substitution	Oshima. <u>Economic Growth In Monsoon A~ia</u> U of Tokyo, 1987 (excerpts) Ariff & Hill. <u>Export Oriented industrialization</u> Allen 1985 (excerpts) Westphal, Rhee. Pursell, "Foreign Influences on Korean Industrial Development" <u>Oxford Econ Stud</u> 1979
Mar 9-16 Spring Break:	No Class Meeting
Mar 20 <i>Optional one-hour Midterm Exam</i> 6-7pm Mar 20 Why Does Resource Poor East Asia Succeed	All Assignments to Date; 7-9pm Kuznets; "An East Asian Development Model" <u>Econ Dev Cultural Change (EDCC)</u> S 1988; Oshima, <u>Strategic Processes</u> , 1993 1, 10 excerpts
Mar 27 MNEs & Globalization in Asia	Lipsey, "Affiliates of US and Japanese Multi-Nationals in East Asian Production and Trade," 5 in Ito and Krueger (eds) <u>The Role of Foreign Direct Investment in East Asian Econ Dev</u> , 2000; "Another World Is Possible," <u>Making Globalization Work</u> , Stiglitz, 2007
Apr 3 Crisis in Asian Economies	McLeod & Garnaut, <u>East Asia in Crisis: from being a miracle to needing one</u> Routledge, 1998 (excerpts); Reynolds, Ratanakomut & Gander, "The Private Sector in Financial Crisis: The Short-term and Long-term Capital Structure of Firms in Southeast and East Asia," <u>Journal of Asian Business</u> , 1999; Eichengreen, B. "Global Imbalances and the Asian Economies: Implications for Regional Cooperation," ADB Working Paper Series on Regional Integration, No. 4, August 2006

in this course; cheating and plagiarism will result in appropriate penalties, such as a failing grade on a specific exam or in the course and/or expulsion from the course. Students have the right to appeal such action to the Student Behavior Committee.”

“The syllabus is not a binding legal contract. It may be modified by the instructor when the student is given reasonable notice of the modification.”

“Your professor may elect to use a plagiarism detection service in this course, in which case you will be required to submit your paper to such a service as part of your assignment.”

“Attendance requirements & excused absences: The University expects regular attendance at all class meetings. An instructor may choose to have an explicit attendance requirement. Physical attendance may be used as a criterion in determining the final grade only where it indicates lack of participation in a class where student participation is generally required or as required by accrediting bodies. Any particular attendance requirements of a course must be available to students at the time of the first class meeting.”

“Students absent from class to participate in officially sanctioned University activities (e.g., band, debate, student government, athletics) or religious obligations, or with instructor's approval, shall be permitted to make up both assignments and examinations. The University expects its departments and programs that take students away from class meetings to schedule such events in a way that will minimize hindrance of the student's orderly completion of course requirements. Such units must provide a written statement to the students describing the activity and stating as precisely as possible the dates of the required absence. The involved students must deliver this documentation to their instructors, preferably before the absence but in no event later than one week after the absence.”

“Some of the readings, lectures, films, or presentations in this course may include material that may conflict with the core beliefs of some students. Please review the syllabus carefully to see if the course is one that you are committed to taking. If you have a concern, please discuss it with me at your earliest convenience. For more information, please consult the University of Utah's Accommodations Policy, which appears at: www.admin.utah.edu/facdev/accommodations-policy.”

***From the Proposal for IR designation of Econ 5430: “Asian Economic History and Development”

These responses regarding the course were directed to the criteria for the IR designation. They will contribute to a more complete view of the course.

1. Course primarily has an international, transnational, or comparative focus that includes a variety of perspectives.

The course focuses on economic developments in and among the ten economies that make up the Association of Southeast Asian Nations, in comparison to those in the newly industrialized East Asian economies of South Korea, Taiwan and Hong Kong, against a backdrop of economic developments in India, China and Japan. The course is inherently comparative and international. Various perspectives are employed: historical narrative, theoretical and empirical. The assigned readings are from authors who are American, Australian, Burmese, Chinese, Dutch, Indian, Japanese, Korean, Malaysian New Zealander, Swedish and Singaporean. Students write a 15-20 page research paper – as if it were a journal article, cutting down a longer draft. They are encouraged to develop a bibliography that reflects diverse perspectives on the topics they individually choose (so long as it has something to do with some part of Asia and something to do with the academic discipline of economics in some period of historical time, including the present).

2. Course focuses on cross-border phenomena (borders conceived in the broadest sense: language, cultural, economic, political, etc).

The economies (a word to be preferred over countries: is Taiwan a country separate from China? Is Hong Kong? Each separately belongs to the World Trade Organization) are highly diverse in local language, cultural, economic and political senses. Differences and comparisons across these borders are explicitly explored (with the exception of language which gets some but little treatment – here perhaps more than any other region English is the lingua franca of the modern economy). Neither cultural nor economic borders coincide with the political ones in this part of the world.

9. Students will be able to examine and explain how different nationalities may use different frameworks to understand issues.

The first two class meetings address cultural and traditional Asian values (e.g., “doing with less earns merit” in Theravada Buddhism; we are “one with” and governed by the forces of the cosmos) versus Western economic thought (“more is better;” rational, autonomous beings can reorder the world to achieve their goals). Students will be able to explain the philosophical foundations of the latter and the conflict with the former. Asians that adopt the same philosophical perspective as that which underlies Western thought behave similarly to Westerners but political institutions (based on cosmological beliefs) change more slowly than material institutions (responding to changes in technology and resources) setting up potential conflict between economic development and political institutions – that may slow or reverse economic development. Students must address these issues in the essay course examinations. They are the subject of the reading assignments and lectures of January 12th and 19th on the syllabus.

10. Students will be able to communicate across language, cultural, and political borders.

We have no practice in the course at communicating across political borders but the frequent presence of substantial numbers of Asian international students as well as Asian American students in the class along with a majority of non Asian, non Asian Americans, gives the students opportunity by questioning and discussion to communicate across cultural borders. Typically the Asian and Asian American students share almost equally with the other students a general ignorance of the subject matter – except a modicum of knowledge and a lot of misinformation regarding the economic history of their own heritage nation. Students coming out of the American high schools typically have a blank slate in this area. All generalize inappropriately about Asia. So, their remarks are really about their own culturally based priors.

AN ASIAN VIEW OF CULTURAL DIFFERENCES

ASIANS SAY --

OF THEMSELVES:

We live in time.
We are always at rest.
We are passive.
We like to contemplate.
We accept the world as it is.

We live in peace with nature.
Religion is our first love.
We delight to think about the
meaning of life.
We believe in freedom of silence.
We lapse into meditation.

We marry first, then love.
Our marriage is the beginning
of a love affair.
Ours is an indissoluble bond.
Our love is mute.
We try to conceal it from the
world.

Self-denial is a secret to our
success.
We are taught from the cradle
to want less and less.
We glorify austerity and
renunciation.
Poverty is to us a badge of
spiritual elevation.

In the sunset of life we
renounce the world and
prepare for the hereafter.

OF AMERICANS:

You live in space.
You are always on the move.
You are aggressive.
You like to act.
You try to change it according to
your blueprint.

You try to impose your will on her.
Technology is your passion.
You delight in physics.

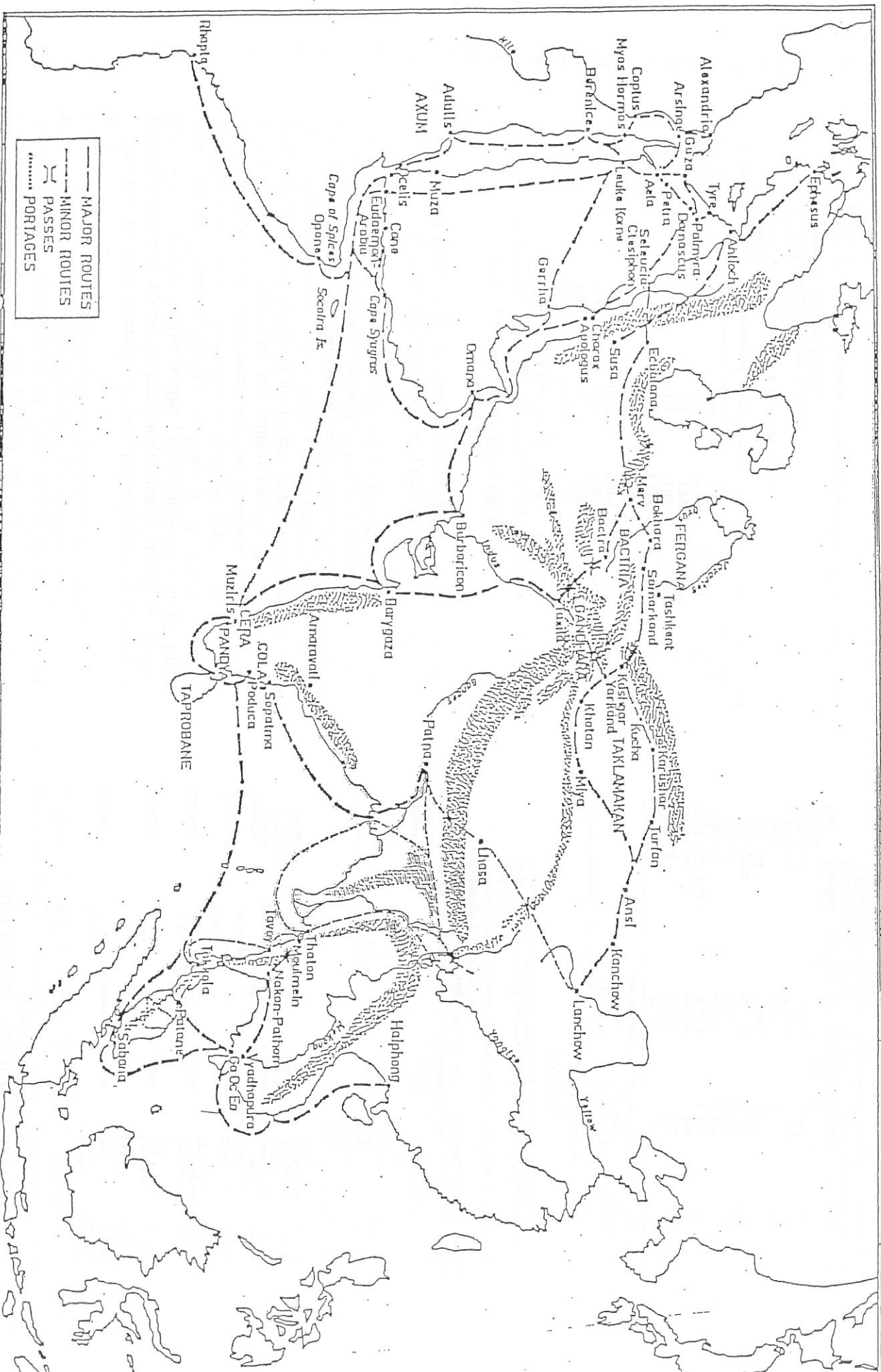
You believe in freedom of speech.
You strive for articulation.

You love first, then marry.
Your marriage is the happy end of a
romance.
Yours is a contract.
Your love is vocal.
You delight in showing it to
others.

Self-assertiveness is the key to
your survival.
You are urged every day to want
more and more.
You emphasize gracious living and
enjoyment.
It is to you a sign of degradation.

You retire to enjoy the fruits of
your labor.

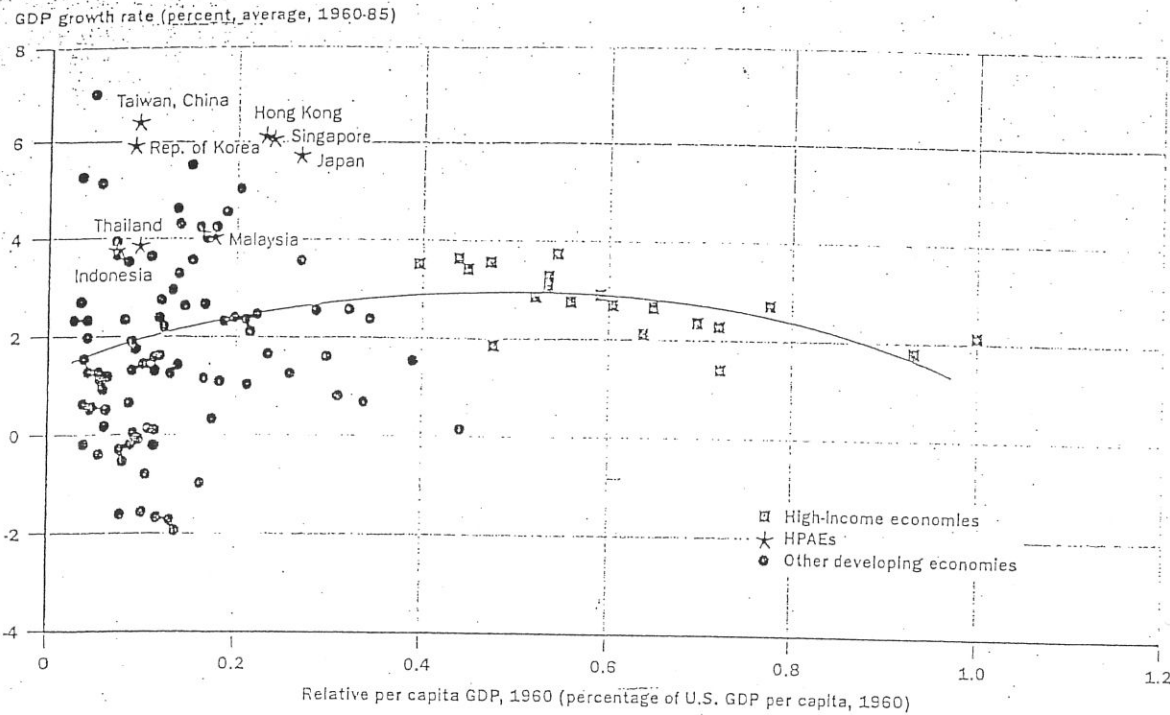
[Source: Indochinese Materials Center -- with thanks to Dr. Mai Yan Trang]



——— MAJOR ROUTES
 - - - MINOR ROUTES
 ——— PASSES
 PORZIAGES

TRADE ROUTES A.D. 100

Figure 1.1 GDP Growth Rate, 1960–85, and GDP per Capita Level, 1960



Note: This figure plots this regression equation: $GDPG = 0.013 + 0.062RGDP60 - 0.061RGDP60^2$. $N = 119$; $\bar{R}^2 = 0.056$.
 (0.004) (0.027) (0.033)

Sources: Summers and Heston (1991); Barro (1989); World Bank data.

to move from the bottom to the top of the distribution of growth rates between the two periods.

GROWTH, EQUITY, AND ECONOMIC CHANGE

Table 1.1 Changes in Selected Indicators of Poverty

(1985)

Economy	Year	Percentage of population below the poverty line			Number of poor (millions)		
		First year	Last year	Change	First year	Last year	Percent change
<i>HPAEs</i>							
Indonesia	1972–82	58	17	-41	67.9	30.0	-56
Malaysia ^a	1973–87	37	14	-23	4.1	2.2	-46
Singapore	1972–82	31	10	-21	0.7	0.2	-71
Thailand ^{a,b}	1962–86	59	26	-30	16.7	13.6	-18
<i>Others</i>							
Brazil ^{a,b}	1960–80	50	21	-29	36.1	25.4	29.6
Colombia	1971–88	41	25	-16	8.9	7.5	-15.7
Costa Rica ^a	1971–86	45	24	-19	0.8	0.6	-25
Côte d'Ivoire	1985–86	30	31	1	3.1	3.3	6.4
India	1972–83	54	43	-9	311.4	315.0	1
Morocco	1970–84	43	34	-9	6.6	7.4	12
Pakistan	1962–84	54	23	-31	26.5	21.3	-19
Sri Lanka ^a	1963–82	37	27	-10	3.9	4.1	5

Note: This table uses economy-specific poverty lines. Official or commonly used poverty lines have been used when available. In other cases the poverty line has been set at 30 percent of mean income or expenditure. The range of poverty lines, expressed in terms of expenditure per household member and in terms of purchasing power parity (PPP) dollars, is approximately \$300–\$700 a year in 1985 except for Costa Rica (\$960), Malaysia (\$1,420), and Singapore (\$860). Unless otherwise indicated, the table is based on expenditure per household member.

a. Measures for these entries use income rather than expenditure.

b. Measures for these entries are by household rather than by household member.

Source: World Bank (1990b, tables 3.2 and 3.3).