

## POLITICAL ECONOMY OF EAST ASIA

<b>Instructor</b>	Trevor Incerti
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<b>Class time</b>	Mondays 11:00-14:00
<b>Location</b>	REC C3.03
<b>Office Hours</b> (for essay topic discussion)	November 24 & 28 (sign up <a href="#">online</a> )
<b>Course Catalogue Number</b>	7324E108IY

*Note: This course manual may be updated during the course. Updates will be communicated via Canvas. Make sure you always use the most recent version of this manual.*

### **Course Overview:**

This course is designed to provide students with an understanding of the economic and political dynamics that have shaped the postwar development of East Asian economies, with a focus on China, Japan, South Korea, and Taiwan. We will begin by exploring the historical events that shaped the development of each country's political system and its relations with its neighbors. Next, we will examine the role of governmental strategies in driving economic development in each state, such as choice of economic model, industrial policies, trade policies, and regional and global economic integration. In doing so, we will cover the academic debate on the role of the state and bureaucracy in East Asian economic development, with a focus on critically analyzing conflicting theoretical and empirical arguments. We will conclude by examining contemporary challenges facing the region, such as globalization, regional tensions, energy and climate change policy, and Japan's recent economic stagnation.

### **Course Objectives and Learning Outcomes:**

- Analyze the complex inter-relationship between the market and the state.
- Understand the role of the state in shaping economic policies and industrial development.
- Understand the developmental strategies behind rapid economic growth in China, Japan, South Korea, and Taiwan.
- Gain familiarity with the academic debates surrounding the causes of the East Asian economic "miracle."
- Understand how East Asia is affected by and shapes global economic governance and integration.
- Critically analyze contemporary issues and challenges facing the region's political economies.

### **Instruction language**

English

### **Entry requirements:**

This class includes readings from economics and political science that are technical in nature. In addition to internalizing the findings of the articles, students will be required to engage with the strengths and weaknesses of research designs and empirical findings. Familiarity with microeconomic theory, experimental methods, and/or econometrics is therefore helpful but not required.

## Readings/books:

There is no textbook for this course. All readings will be posted on Canvas or accessible through UvA wifi/VPN.

## Grading and course requirements

- Reading comments on Perusall (10%)
- Active participation (10%)
- Policy presentations (30%)
- Essay proposal – Due 4 December (10%)
- Final essay - Due 19 January (40%)

## Attendance

Attendance is required in order to take part in practical exercises aimed at acquiring skills, such as presenting research and policy findings, providing constructive and evidence-based feedback, and developing research collaboration skills. This includes small group work such as debates based on the literature, analyzing the required readings and/or applying them to specific case studies, giving feedback on each other's oral or written work, and giving prepared or unprepared presentations.

## Perusall

We will be using Perusall as a tool to get a sense of which debates, theories, empirical findings, etc. from the readings students would like to discuss in seminar. These comments should therefore reflect your take on the academic debate, and your thoughts perhaps on how the debate could be pushed forward theoretically or empirically. Don't worry if you are uncertain about what to write; you will get the hang of it as you go along. You may skip one week of providing Perusall comments, and are exempted from providing comments the week of your presentation (i.e., you should provide comments in 6 of 8 meetings).

## Policy presentations

Depending on the week and topic, students will give policy presentations that either:

- (a) critically evaluates a country's development strategies and if you would recommend it be emulated by current policymakers, or
- (b) recommends strategies for solving one of the contemporary challenges topics.

Your presentations should incorporate the theoretical and empirical findings from the readings for the week into your recommendations. Students should review the topics in the syllabus prior to the first course meeting, and *sign up for a presentation on the first day of class. Students presenting in a given week are exempt from providing comments on Perusall.* Students not presenting are *expected to attend* and provide comments, questions, and feedback during after classmates' presentations. Presentations should be roughly 10 minutes in length, with 10 minutes left for Q&A/discussion. You may present either alone or in a group. If you present in a group, your presentation should be 1.5x-2x longer per additional person (e.g., 20-30 minutes for a 3-person group). Please see the "Policy Presentations" guide for grading criteria.

## Final essay

Prior to writing your final essay, students are required to *submit a proposal* outlining their topic. This proposal will be graded and is worth 10% of the final grade. Students should *see me in office hours in December* prior to submitting this proposal to discuss their topic. *Office hours will be held November 24 & 28* to accommodate 1-on-1 meetings. There is a 2% per day grade penalty for late submissions.

Please note that I want this assignment to be useful to you, and students are therefore strongly encouraged to tailor their papers to their own substantive interests and course of study. For example, policy-oriented students may consider writing a theoretically and empirically rigorous policy proposal, and others may consider a more theoretically driven academic question.

This essay is an opportunity to develop an empirically documented argument, using a well-constructed research design, that explores an aspect of political or economic development of one or more of the countries studied in this course.

The final essay should be a *maximum* 4,000 words and is worth 40% of the final grade. Please see the “Research Proposal and Paper” guide for more grading criteria.

The deadline for the essay is **Friday, the 19th of January 2024**.

Grading criteria can be found in “Research Proposal and Paper Guidelines” on Canvas. Feedback will be provided within 15 working days of the date of submission, and will be in the form of written comments within the paper itself.

### **Rewrite period**

Students should hand in an essay by the deadline if they want to qualify for a rewrite opportunity (a so-called reparation). According to the faculty’s examination policies, the deadline for a repaired essay is 4 weeks after the end of the course. Considering that the initial grading period for teachers is max 3 weeks (15 working days), students who get a repair opportunity will have no less than 1 week for this task. In case of extenuating circumstances the student can request the study adviser for an exception.

### **Participation**

Students are expected to do the readings before class and to come to class prepared to discuss the readings. Because of the interactive nature of this course, attendance and participation is required. Please let me know if you will need to miss more than one course meeting. **THERE WILL BE NO IN-PERSON MEETING ON DECEMBER 18. THIS WILL BE AN ONLINE MEETING.**

Be respectful to your peers by being on time and silencing your cell phone and other notifications. You are encouraged to participate in class discussion and share your thoughts. In this field, there are no objectively “right” or “correct” ideas or opinions. Everything is interpreted and up for re-interpretation. The readings are based on the author’s interpretation of the observed reality of the world. Therefore, you should neither hesitate to question their interpretation nor to share your perspectives, even if you may feel like it differs from that of the author, me, or your peers. Remember that your perspective is informed by your unique experiences in the world and by sharing this perspective you will also be helping your peers and me see the world through a lens that is not available to us.

### **Office hours and getting help**

I am here to help you, both with course materials and assignments, as well as larger struggles or discussions about your discipline or program. You can also feel free to arrange a (virtual) meeting on my [Calendly](#) if there are issues you would like to discuss.

You never owe me personal information about your health (mental or physical). You are always welcome to talk to me about things that you're going through, though. If I can't help you, I may know somebody who can. I will never judge you or think less of you for your struggles, whether professional or personal.

## **Social Safety**

We want students to be assured they have a positive environment and a safe basis for their studies. We hope you never experience an unsafe situation or undesirable behaviour at the UvA, but should this occur there are different individuals and institutions you can turn to. See <https://student.uva.nl/en/content/az/social-safety/social-safety.html> for more information.

## **Inclusivity**

I hope to foster a sense of community in this classroom and consider this classroom to be a place where you will be treated with respect and where you will treat others with respect. I welcome individuals of all backgrounds, beliefs, ethnicities, national origins, gender identities, sexual orientations, religious and political affiliations – and other visible and nonvisible differences. If you have a documented disability and need any accommodations, please let me know. All members of this class are expected to contribute to a respectful, welcoming, and inclusive environment for every other member of the class. To do so, it is important that we approach every class discussion with an open mind and a willingness to appreciate different experiences and perspectives, even when they do not align with our own. Every member of this class should feel empowered to offer their opinions in class but should be respectful to every other member of this class while doing so. If you believe that this standard is not being upheld, please do not hesitate to speak candidly with me. I am committed to ensuring that every student feels heard in this classroom. Critiques of an intellectual nature are permitted, while *ad hominem* (personal) attacks are never permitted.

## **Academic integrity**

To ensure that you do not accidentally violate the University of Amsterdam's academic integrity policies, please review the University's policies [here](#) and the provisions of the [Regulations Governing Fraud and Plagiarism](#), which apply in full. As you will be conducting your own research projects, please also review the [Netherlands Code of Conduct for Research Integrity](#).

Please note that, unless the course instructor has explicitly given permission to use AI in an assignment, any *use of ChatGPT or other AI-tools to generate or edit (parts of) assignment texts or exams is considered to be fraud.*

We will begin by exploring the historical events that shaped the development of each country’s political system and its relations with its neighbors.

Next, we will examine the role of governmental strategies in driving economic development in each state, such as choice of economic model, industrial policies, trade policies, and regional and global economic integration. In doing so, we will cover the academic debate on the role of the state and bureaucracy in East Asian economic development, with a focus on critically analyzing conflicting theoretical and empirical arguments.

We will conclude by examining contemporary challenges facing the region, such as globalization, regional tensions, energy and climate change policy, Japan’s recent economic stagnation, gender inequality, discrimination, and demographic challenges.

### **Course Outline**

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## Historical origins

- *How and why did Japan become a regional colonial empire in the 1930s?*
- *What is the legacy of Japan's wartime aggression on its relations with its neighbors?*
- *Why does such a strong negative relationship between Japan and its neighbors persist relative to, for example, Germany and its neighbors?*
- *What explains the difference in present-day attitudes towards Japan in Taiwan vs. South Korea?*

## Meeting 1 (October 30): War and Colonialism in Asia

- Gordon, David. "The China-Japan War, 1931-1945," *The Journal of Military History*, 70.1 (1996): 137-182
- McClain, James L. "The Acquisition of Empire," *Japan: Modern History*. W. W. Norton & Company. (2002): 283-315. (on Canvas)
- Noguchi, Yukio. "The 1940 System: Japan Under the Wartime Economy." *American Economic Review* 88.2 (1998): 404-7.
- Mattingly, Daniel. "Colonial Legacies and State Institutions in China: Evidence from a Natural Experiment." *Comparative Political Studies*. 50.4 (2017): 434 - 463.

### *Suggested readings:*

- McClain, James L. "A Period of National Emergency," *Japan: Modern History*. W.W. Norton & Company. (2002): 405-440. (on Canvas)

## Role of government in economic development

- *Is there a singular “East Asian” economic development model?*
- *Was government intervention in the market process essential for East Asian economic development, or a hindrance that did more harm than good?*
- *How did the “developmental state” and associated governmental intervention differ in the cases of Japan, South Korea, Taiwan, and China?*
- *What is the role of bureaucrats in “developmental state” dynamics? What is the role of politicians? Who is more powerful and instrumental to economic development?*
- *Under what conditions can government play an active role in economic coordination and enhance or motivate the development of self-sustaining private-sector institutions?*

## Meeting 2 (November 6): Setting the stage

- Stiglitz, Joseph E. Some lessons from the East Asian miracle. *The World Bank Research Observer*, 11.2 (1996):151-177.
- Read “Beyond the East Asian Miracle: Introducing the market-enhancing view,” in Aoki, Masahiko, Hyung-Ki Kim, and Masahiro Okuno-Fujiwara, eds. *The role of government in East Asian economic development: Comparative institutional analysis*. Clarendon Press (1997). (on Canvas)
- Young, Alwyn. “The tyranny of numbers: confronting the statistical realities of the East Asian growth experience.” *The Quarterly Journal of Economics* 110.3 (1995): 641-680.
- Read Chapter 9, “A Japanese Model?” in Johnson, Chalmers. *MITI and the Japanese miracle: the growth of industrial policy, 1925-1975*. Stanford University Press (1982) (on Canvas)

## Meeting 3 (November 13): Japan

- Schachter, Hindy Lauer, & Akira Nakamura. “MITI and the Japanese Miracle Revisited: Reevaluation of the Administrative-Centered Government” [Review of *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925-1975*, by C. Johnson]. *Public Administration Review*, 71.4 (2011): 931–933.
- Beason, Richard and David Weinstein. “Growth, Economies of Scale, and Targeting in Japan,” *The Review of Economics and Statistics*. 78.2 (1996): 286-295.
- Read Chapter 5: “Japan’s Postwar Political Economy,” in Rosenbluth, Frances, and Michael Thies. *Japan Transformed: Political Change and Economic Restructuring*. Princeton: Princeton University Press (2010).
- Read Chapter 7: “Japan’s New Political Economy,” in Rosenbluth, Frances, and Michael Thies. *Japan Transformed: Political Change and Economic Restructuring*. Princeton: Princeton University Press (2010).
- Catalinac, Amy, and Lucia Motolinia. “Geographically targeted spending in mixed-member majoritarian electoral systems.” *World Politics* 73.4 (2021): 668-711.

## *Suggested readings:*

- Ramseyer, Mark, and Frances Rosenbluth. *Japan’s Political Marketplace*. Cambridge: Harvard University Press (1993). (Chapter 1 on Canvas)
- Cox, Gary W., and Michael F. Thies. “How Much Does Money Matter? “Buying” Votes in Japan, 1967-1990.” *Comparative Political Studies* 33.1 (2000): 37-57.

#### Meeting 4 (November 20): China

- Zhu, Xiadong. "Understanding China's growth: Past, present, and future." *Journal of Economic Perspectives*, 26.4 (2012): 103-124.
- Truex, Rory. "The Returns to Office in a 'Rubber Stamp' Parliament." *American Political Science Review*. 108.2 (2014): 235-251.
- Gallagher, Mary E. "'Reform and Openness': Why China's Economic Reforms Have Delayed Democracy." *World Politics* 54.03 (2011): 338-72.
- Read the introduction of: Hou, Yue. *The private sector in public office: Selective property rights in China*. Cambridge University Press (2019).

#### *Suggested readings:*

- Mattingly, Daniel. "How The Party Commands the Gun: The Foreign-Domestic Threat Dilemma in China." *American Journal of Political Science* (Forthcoming).
- Wang, Yuhua. *Tying the Autocrat's Hands: The Rise of the Rule of Law in China*. New York: Cambridge University Press (2014).
- Lau, Lawrence J. "The role of government in economic development: some observations from the experience of China, Hong Kong, and Taiwan." In *The role of government in East Asian economic development: Comparative institutional analysis* (1997): 41-73.

#### Meeting 5 (November 27): South Korea and Taiwan

- Lee, Chung H. "The government, financial system, and large private enterprises in the economic development of South Korea." *World Development* 20.2 (1992): 187-197.
- Kang, David. "South Korean and Taiwanese Development and the New Institutional Economics." *International Organization* 49.3 (1995): 555-87.
- Ji Yeon Hong, Sunkyoung Park, and Hyun Joo Yang. "In Strongman We Trust: The Political Legacy of the New Village Movement in South Korea." *American Journal of Political Science* (Forthcoming).
- Tien, Hung-Mao, and Chyuan-Jeng Shiau. "Taiwan's democratization: A summary." *World Affairs*. 155 (1992): 58.
- Radelet, Steven, and Jeffrey Sachs. "What have we learned, so far, from the Asian financial crisis?" *Harvard Institute for International Development* (1999).

#### *Suggested readings*

- Clark, Cal. "The Taiwan exception: Implications for contending political economy paradigms." *International Studies Quarterly*, 31.3 (1987): 327-356.
- Cumings, Bruce. "The origins and development of the Northeast Asian political economy: industrial sectors, product cycles, and political consequences." *International Organization*, 38.1 (1984): 1-40.
- Cho, Yun Je. "Government intervention, rent redistribution, and economic development in Korea." In *The role of government in East Asian economic development: Comparative institutional analysis*.



## Contemporary challenges

### Meeting 6 (December 4): Globalization, regional tensions, and energy and climate change

#### **Note: Essay proposal due!**

- *What are the barriers to regional economic integration in East Asia?*
- *Why does Japan remain a laggard in terms of climate change mitigation? How does Japan compare to China, South Korea, and Taiwan on climate change mitigation?*
- *Why is security cooperation between East Asia's democracies not as strong as, e.g., NATO in Europe?*
- Davis, Christina. "Japanese Trade Policy." In *The Oxford Handbook of Japanese Politics* (2021).
- Nahm, Jonas. "The energy politics of China." In *The Oxford Handbook of Energy Politics* (2018).
- Incerti, Trevor, and Phillip Y. Lipsky. "The energy politics of Japan." In *The Oxford Handbook of Energy Politics* (2018).
- Cha, Victor, and Christopher Johnstone. "Japan and South Korea Can No Longer Let History Thwart Cooperation." *Foreign Affairs* (2022). (On Canvas).

#### *Suggested readings:*

- Naoi, Megumi, and Ikuo Kume. "Explaining mass support for agricultural protectionism: Evidence from a survey experiment during the global recession." *International Organization* 65.4 (2011): 771-795.
- Incerti, Trevor, Daniel Mattingly, Frances Rosenbluth, Seiki Tanaka, and Jiahua Yue. "Hawkish partisans: How political parties shape nationalist conflicts in China and Japan." *British Journal of Political Science* 51.4 (2021): 1494-1515.
- Incerti, Trevor, and Phillip Y. Lipsky. "The politics of energy and climate change in Japan under Abe." *Asian Survey* 58.4 (2018): 607-634.
- Manyin, Mark. Council on Foreign Relations Discussion Paper "Managing Japan-South Korea Tensions." (2015).

### Meeting 7 (December 11): Japan's lost decades (and is China next?)

- *What factors that previously were cited as integral to Japan's rapid economic development later became blamed for its economic stagnation?*
- *What explains Japan's recent relative inward focus on domestic consumers in many sectors vs South Korea's increasing export-oriented internationalization?*
- *Is China's period of rapid economic growth ending? If so, what are the implications for China's domestic politics and the global economy?*
- Bernanke, Ben S. "Japanese monetary policy: a case of self-induced paralysis?" *Japan's financial crisis and its parallels to US experience* (2000): 149-166.
- Vogel, Steven K. "The crisis of German and Japanese capitalism: stalled on the road to the liberal market model?" *Comparative Political Studies* 34.10 (2001): 1103-1133.
- Huang, Yasheng. "China's Economic Slowdown Was Inevitable: The Illusory Success of State Capitalism." *Foreign Affairs* (2023). (On Canvas).
- Caballero, Ricardo J., Takeo Hoshi, and Anil K. Kashyap. "Zombie lending and depressed restructuring in Japan." *American Economic Review* 98.5 (2008): 1943-1977.

#### *Suggested readings:*

- Kushida, Kenji E. "Leading without followers: how politics and market dynamics trapped innovations in Japan's domestic "Galapagos" telecommunications sector." *Journal of Industry, Competition and Trade* 11 (2011): 279-307.

- Center for Strategic and International Studies. “Experts React: China’s Economic Slowdown: Causes and Implications.” Commentary by Scott Kennedy, Logan Wright, John L. Holden, and Claire Reade. Published August 30, 2023

Meeting 8 (December 18): Gender inequality, discrimination, and demographic challenges

**Note: this is a virtual meeting, and will take place from 15:00-17:00 CET!**

**Join at: <https://uva-live.zoom.us/my/trevorincerti>**

**Guest speaker: Dr. Charles McClean (Yale University)**

- *Why is the gender wage gap and gap in political representation by gender particularly acute in China, Japan, and South Korea? Why is it comparably better in Taiwan?*
- *Why are various forms of discrimination still pervasive despite formal institutions that ban discrimination?*
- *Why are societies aging quickly in East Asia, how does this effect political and economic outcomes, and what can be done about it?*
- Watch “Deciphering Japan” Episode 1, “Why is Japan’s gender gap so wide?”  
<https://www.youtube.com/watch?v=5dsD6FWfZHE&list=PLkMf14VQEvTZdpNn-JG5pu9Iu6c6o3fTL&index=2>. *Mediacorp*.
- Watch “Deciphering Japan” Episode 3, “Coping with a super aging population.”  
[https://www.youtube.com/watch?v=HQU-NeP\\_spU&list=PLkMf14VQEvTZdpNn-JG5pu9Iu6c6o3fTL&index=4](https://www.youtube.com/watch?v=HQU-NeP_spU&list=PLkMf14VQEvTZdpNn-JG5pu9Iu6c6o3fTL&index=4). *Mediacorp*.
- McClean, Charles T. “Does the Underrepresentation of Young People in Political Institutions Matter for Social Spending?” *Working Paper* (2022).
- Kage, Rieko, Frances M. Rosenbluth & Seiki Tanaka. The Fiscal Politics of Immigration: Expert Information and Concerns over Fiscal Drain, *Political Communication* (2022) 39:6, 826-844.

*Suggested readings & videos:*

- Kage, Rieko, Frances M. Rosenbluth, and Seiki Tanaka. “What explains low female political representation? Evidence from survey experiments in Japan.” *Politics & Gender* 15.2 (2019): 285-309
- Crabtree, Charles, & Kiho Muroga. Measuring Gender Role Attitudes in Japan. *Socius* (2021) 7.