

NS 3645: EAST ASIAN POLITICAL ECONOMY

SUMMER 2018

NAVAL POSTGRADUATE SCHOOL
DEPARTMENT OF NATIONAL SECURITY AFFAIRS

Professor Naazneen Barma

Office: Glasgow 355

Email: nhbarma@nps.edu

Phone: 831-656-6250

Class hours and location:

Tuesday & Thursday, 1–3pm, GL130

Office hours:

Monday 12–2pm and by appointment

COURSE DESCRIPTION AND OBJECTIVES

This course examines how politics, economics, and society have interacted in contemporary East Asia through the lens of the region's extraordinary growth and development in the post-World War II period. We will begin by characterizing the "East Asian Miracle" and examining explanations for the region's economic success—covering economic policy, international and domestic political context, and institutional, social, and cultural foundations. We will then examine different country trajectories, beginning with Japan and the four "Asian tigers" (South Korea, Taiwan, Singapore, and Hong Kong) and moving to economic achievements and challenges in Southeast Asia and the Pacific. Turning to China, we will analyze the characteristics, successes, and drawbacks of its political economic transition from socialism to capitalism. From the perspective of regional financial crisis, we will interrogate the vulnerabilities, resilience, and stability of the political economies of East Asia. Finally, we will examine how evolving forces of economic regionalism and geopolitics might shape the road ahead for East Asia.

The course has two inter-related core objectives. First, it aims to deliver a theoretical and empirical understanding of the contemporary East Asian political economic experience, along with a lens through which to assess the strengths and weaknesses of these systems in comparative and international context. Second, it aims to provide a foundation in basic international, macro, and micro economics as well as theories of comparative political and institutional development. In both respects, a premium will be placed on ensuring that students are equipped to analyze competing paradigms of economic success and development on the basis of real-world empirical evidence.

COURSE LEARNING OUTCOMES

By the end of this course, students will be able to:

- Assess the comparative economic development status of Asian and other countries using basic quantitative and qualitative data.
- Evaluate the merits of alternative approaches used by governments in the quest for industrialization and economic success, in the context of an evolving global economy.
- Analyze the political, economic, institutional, and societal underpinnings of economic success, stagnation, and transition in the Asia-Pacific region, with a particular emphasis on how political economic trajectories evolve over time.
- Understand the root causes—both international and domestic—of financial crises, the dynamics of how these crises unfold, and the potential policy responses to mitigate their economic consequences.

- Identify contemporary political economic challenges in the Asia-Pacific, along with their consequent implications for regional security and stability, and assess the prospects for their resolution.

COURSE REQUIREMENTS

Active class engagement:

20% of course grade

This course will be conducted as an introductory graduate seminar with a significant discussion component and requirement. Each session will constitute a mix of lecture and guided discussion. Successful participation will require thorough and thoughtful reading of the assigned materials and constructive engagement with your classmates in discussion. You will be graded on the quality rather than the quantity of your contributions: the highest engagement grades will go to students who explicitly incorporate the course material in their comments and questions. In addition to participating in class discussion, you can be actively engaged in the class by demonstrating close listening, attending office hours, sending me written thoughts on the course via email, and so on.

Successful engagement will also require familiarity with contemporary political economy news, which is covered extensively in high quality newspapers (recommended: the *New York Times*, the *Financial Times*, the *Wall Street Journal*) and news magazines (recommended: the *Economist*). The Project Syndicate Economists' Club is a great source of commentary on contemporary economic issues (<http://www.project-syndicate.org/economists-club>); and there are also numerous lively blogs and podcasts that cover political economy issues. I will often distribute news clips for discussion; and I encourage you to point me to any you think are worthwhile.

NOTE: Please let me know if you are missing class for a valid reason. Repeated class absences will affect your participation grade.

One reading analysis essay, 1500 words (~5 pages):

30% of course grade

Write an analytical essay on the full set of readings assigned for a class session of your choice. These essays are due in hard copy at the beginning of the class session for which the readings are assigned (late submissions will not be accepted for this assignment, so please plan ahead accordingly). The essay must be completed by Tuesday August 14.

The goal of this assignment is to help focus and organize your thoughts on the set of readings before we cover them in class. The key with these mini-essays is that they should be analytical—you should minimize summary of the readings and focus on writing an essay that delivers your own analytical argument about the set of readings. To do that, briefly (in less than one page) outline the core arguments of the readings; then examine how they relate to each other and other course material, or how they shed light on contemporary issues that pertain to the course.

You may focus more on one particular reading than on the rest of the set but you must at least consider how the different readings relate to each other. A good essay will do one or more of the following:

- Compare and contrast how the different readings in the set treat a particular subject and discuss which you find most compelling;
- Provide a reasoned critique of the set of readings, using empirical evidence or referring to other assigned course material to make your case;
- Pose a question raised by the set of readings and attempt to answer it; and/or

- Identify how particular insights from the set of readings help us understand a real-world puzzle or phenomenon.

For further advice on writing these essays, refer to the handout on *Practical Tips for Critical Reading*, the reading questions posted on Sakai, and the writing resources listed below.

Take-home final exam, 2 short essays, 2400 words (~8 pages) total: 50% of course grade

I will distribute the final exam on Tuesday 11 September. It will be an open book exam comprising several questions and you will be responsible for writing two short essays (1200 words each) in response to questions of your choosing. The two essays will be graded separately, each counting for 25 percent of the course grade. The final is due no later than Tuesday 18 September at 1700, in electronic format submitted via the course Sakai site. Late exams will be docked one-third of a grade for each day they are late unless you have made prior arrangements with me.

WRITING GUIDELINES AND RESOURCES

- The NSA department’s grading policies provide guidance as to what constitutes good writing for the assignments in this course: <http://my.nps.edu/web/nsa/policies>
Please also read the two writing-related articles posted in the class handouts folder on Sakai: Henry Farrell’s “Good Writing in Political Science” and Daniel Drezner’s “On Writing a Paper.”
- You are required to cite all works you quote, paraphrase, or draw ideas from (including Internet sources). For citation style, use the Chicago Manual of Style, guidelines for which can be found on Sakai and at: http://www.chicagomanualofstyle.org/tools_citationguide.html
- Your work will be marked down for sloppy writing—so please check your spelling and grammar, and proofread your assignments before submitting them.
- The NPS Graduate Writing Center is an excellent on-campus resource for help with writing, through both one-on-one coaching and workshops on various topics: <https://my.nps.edu/web/gwc/home>

ACADEMIC INTEGRITY

The NPS Honor Code applies to your conduct in this class, including all written assignments. Plagiarism, cheating, and other forms of academic dishonesty violate the NPS Honor Code and, in accordance with university and department policy, I will not tolerate such violations. Assignments with any instance of plagiarism will be given a failing grade; and you may be subject to more extensive disciplinary penalties, as prescribed by NPS and the NSA department.

Please read, carefully, the NSA departmental policies and guidelines on what constitutes plagiarism and violations of academic integrity: <http://my.nps.edu/web/nsa/policies>

The bottom line is that the work you submit must be your own, with explicit acknowledgment of the ideas and content that you have drawn from other people’s work. If you have questions at all regarding academic integrity, don’t hesitate to contact me. I will be happy help you work through how best to acknowledge other ideas and work in the course of creating your own.

READING MATERIALS

The reading load for this class is moderate, typically around 100–150 pages per week—less in weeks with challenging readings and more in weeks with easier readings. To get the most that you can from this class, make an effort to read the assigned materials with careful, analytical attention. To help you do that:

- A full set of reading questions is posted on the Sakai site.
- Look at the *Practical Tips for Critical Reading* handout, which is available on the class Sakai site.
- The NPS Graduate Writing Center offers workshops to assist you with analytical reading.

I have assigned a handful of materials that are more for reference than for close reading. Some are marked in the reading assignments below as “(SKIM)”—you are still responsible for knowing the content of these pieces but they require less analytical attention. Other readings are marked “(FOR REFERENCE)”—these serve only as reference for more technical material covered in class.

Required Books

The following two books will be used quite extensively for the course. They are available for purchase at the bookstore or online, and are also on reserve at Knox Library:

- Dwight H. Perkins, *East Asian Development: Foundations and Strategies*. Cambridge: Harvard University Press, 2013.
- T.J. Pempel and Keiichi Tsunekawa, eds. *Two Crises, Different Outcomes: East Asia and Global Finance*. Ithaca: Cornell University Press, 2015.

Recommended Books

The following books are classics on East Asian political economy and are complementary to the required books. We will read a couple of chapters from each (posted on Sakai). Many of the other chapters are also worthwhile reading and these books overall serve as good references.

- Henry S. Rowen, ed. *Behind East Asian Growth: The Political and Social Foundations of Prosperity*. New York: Routledge, 1998.
- Frederic C. Deyo, ed. *The Political Economy of the New Asian Industrialism*. Ithaca: Cornell University Press, 1987.
- Stephan Haggard, *Pathways from the Periphery: The Politics of Growth in the Newly Industrializing Countries*. Ithaca: Cornell University Press, 1990.
- Andrew MacIntyre, T. J. Pempel, and John Ravenhill, eds. *Crisis as Catalyst: Asia's Dynamic Political Economy*. Ithaca: Cornell University Press, 2008.
- Barry Naughton, *The Chinese Economy: Transitions and Growth*. Cambridge: MIT Press, 2007.

Sakai Website

All other required readings will be available for download electronically on the Sakai website for the course. For copyright reasons, this website will be available only to NPS users (requiring an NPS username and password).

SCHEDULE OF CLASSES AND READING ASSIGNMENTS

PART I—THE EAST ASIAN MIRACLE: WHAT AND HOW?

1. July 3—Introduction

- Perkins, Introduction: 1–13

2. July 5—Some Basic Principles of Economics and Political Economy

- Dani Rodrik, *Economics Rules: The Rights and Wrongs of the Dismal Science* (2015), 1–29, 147–175
- Charles Wheelan, *Naked Economics: Undressing the Dismal Science* (2010), 3–29
- Frank Stillwell, *Political Economy: The Contest of Economic Ideas* (2011), 2–9, 40–50, glossary
- N. Gregory Mankiw, “*Macroeconomics* (2007), 1–41 (FOR REFERENCE)

July 10—No class—Shift Day

3. July 12—What is the East Asian ‘Miracle’?

- Perkins, Ch. 2: 48–65
- World Bank, *The East Asian Miracle* (1993), 1–60
- Dwight H. Perkins, Steven Radelet, David L. Lindauer, and Steven A. Block, *Economics of Development* (2013), Chs. 2 & 6 (FOR REFERENCE)

4. July 17—Economics and Industrial Policy

- Robert Wade, “East Asia’s Economic Success: Conflicting Perspectives, Partial Insights, Shaky Evidence,” *World Politics* 44:2 (January 1992), 270–320
- James Fallows, “How the World Works,” *The Atlantic* (December 1993), 1–16
- World Bank, *The East Asian Miracle* (1993), 347–68 (FOR REFERENCE)

5. July 19—The Political and Historical Context

- Perkins, Ch. 1: 14–47
- Minxin Pei, “Constructing the Political Foundations of an Economic Miracle”, in Henry S. Rowen, ed. *Behind East Asian Growth: The Political and Social Foundations of Prosperity* (1998), 39–59
- Bruce Cumings, “The Origins and Development of the Northeast Asian Political Economy,” in Frederic C. Deyo, ed., *The Political Economy of the New Asian Industrialism* (1987), 44–83 (SKIM)

6. July 24—Institutions, Culture, and Governance

- Hilton Root, “Distinctive Institutions in the Rise of Industrial Asia,” in Henry S. Rowen, ed. *Behind East Asian Growth: The Political and Social Foundations of Prosperity* (1998), 60–77

- Stephan Haggard, “Institutions and Growth in East Asia,” *Studies in Comparative International Development* 38:4 (2004), 53–81
- World Bank, *The East Asian Miracle* (1993), 157–89 (*FOR REFERENCE*)
- View 1 hour-long episode of *The Pacific Century* documentary. Download [Part 3](#) from Class Videos folder under Resources on Sakai site; watch from the beginning of this file to 0:57 on the clock. [Tip: Watch the video at double speed!]

PART II—PATHWAYS TO GROWTH AND DEVELOPMENT

7. July 26—Japan: The Developmental State

- Chalmers Johnson, *MITI and the Japanese Miracle* (1982), 3–34
- Ha Joon Chang, “Lazy Japanese and Thieving Germans,” in Ha Joon Chang, *Bad Samaritans: The Myth of Free Trade and the Secret History of Capitalism* (2007), 167–208 (*SKIM*)

8. July 31—The Asian Tigers: South Korea, Taiwan, Singapore, and Hong Kong

- Perkins, Ch. 3: 66–99
- Chalmers Johnson, “Political Institutions and Economic Performance: The Government-Business Relationship in Japan, South Korea, and Taiwan,” in Frederic C. Deyo, ed., *The Political Economy of the New Asian Industrialism* (1987), 136–64
- Fareed Zakaria, “A Conversation with Lee Kuan Yew,” *Foreign Affairs* 73:2 (1994), 109–26

9. August 2—Southeast Asia: A Mixed Picture

- Perkins, Ch. 4: 100–21
- Richard Doner, Bryan Ritchie, and Dan Slater, “Systemic Vulnerability and the Origins of Developmental States: Northeast and Southeast Asia in Comparative Perspective,” *International Organization* 59:2 (2005), 327–61
- Raymond Fisman and Edward Miguel, “Suharto, Inc.” in *Economic Gangsters: Corruption, Violence, and the Poverty of Nations* (2008), 22–52

10. August 7—The Outliers? Poor Governance, Patronage, and the Resource Curse

- Sophal Ear, “The Political Economy of Aid and Governance in Cambodia,” *Asian Journal of Political Science* 15:1 (2007), 68–96
- Paul Hutchcroft and Joel Rocamora, “Strong Demands and Weak Institutions: The Origins and Evolution of the Democratic Deficit in the Philippines,” *Journal of East Asian Studies* 3 (2003), 259–92
- Naazneen Barma, “Mixed Blessings,” *Advance: Essays, Opinions and Ideas on Public Policy* (September 2014), 3–4

PART III—SOCIALISM AND TRANSITION TO THE MARKET

11. August 9—Traditional and Socialist Economics in China

- Loren Brandt, Debin Ma, and Thomas G. Rawski, “From Divergence to Convergence: Reevaluating the History Behind China’s Economic Boom,” *Journal of Economic Literature* 52:1 (2014): 45–123

12. August 14—China’s Transition to the Market and Economic Success

❖ Deadline for reading analysis essay

- Perkins, Ch. 5: 122–152
- Yingyi Qian, “How Reform Worked in China,” in Dani Rodrik, ed., *In Search of Prosperity: Analytical Narratives on Economic Growth* (2003), 297–333
- Barry Naughton, *The Chinese Economy: Transitions and Growth* (2007), 85–110, 139–59 (SKIM)

13. August 16—China’s (and North Korea’s) Emerging Political Economic Challenges

- Pempel and Tsunekawa, Ch. 5: 110–134 (Barry Naughton, “China and the Two Crises: From 1997 to 2009”)
- Andrea Boltho and Maria Weber, “Did China Follow the East Asian Development Model?” in Barry Naughton and Kellee S. Tsai, eds. *State Capitalism, Institutional Adaptation, and the Chinese Miracle* (2015), 240–264
- Minxin Pei, “The Twilight of Communist Party Rule in China,” *The American Interest* 11:4 (November 2015), 1–12
- Byung-Yeon Kim and Gerard Roland, “Scenarios for a Transition to a Prosperous Market Economy in North Korea” *International Economic Journal* 26:3 (2012), 511–539

August 21—No class—Instructor on leave

PART IV—CRISIS AND RECOVERY

14. August 23—The East Asian Financial Crisis

- Stephan Haggard, *The Political Economy of the Asian Financial Crisis* (2000), 1–14, 47–72, 87–125
- Joseph Stiglitz, *Globalization and its Discontents* (2002), 89–132 (SKIM)

15. August 28—Reform and Recovery

- Andrew MacIntyre, T. J. Pempel, and John Ravenhill, “East Asia in the Wake of the Financial Crisis,” in Andrew MacIntyre, T. J. Pempel, and John Ravenhill, eds., *Crisis as Catalyst: Asia’s Dynamic Political Economy* (2008), 1–22
- T. J. Pempel, “Restructuring Regional Ties,” in Andrew MacIntyre, T. J. Pempel, and John Ravenhill, eds., *Crisis as Catalyst: Asia’s Dynamic Political Economy* (2008), 164–80

16. August 30—Contemporary Political Economy Challenges and Trajectories

- Pempel and Tsunekawa, Chs. 1, 7 & 8: 17–38, 163–183, 185–215 (T. J. Pempel, “Two Crises, Two Outcomes;” Richard Doner, “Success as Trap: Crises and Challenges in Export-Oriented Southeast Asia;” and Keiichi Tsunekawa, “Japan: The Political Economy of Long Stagnation”)

PART V—GEOPOLITICS AND REGIONALISM

17. September 4—Regional Geopolitical Economy

- Stephan Haggard, “The East Asian Political Economy: Stylized Facts and Debates.” *Rich Region, Strong States: The Political Economy of Security in Asia Policy Brief* (2013), 1–8
- Mark Beeson and Troy Lee-Brown, “The Future of Asian Regionalism: Not What It Used to Be?” *Asia & the Pacific Policy Studies* 4:2 (2017), 195–206.
- Joshua Kurlantzick, “ASEAN’s Future and Asian Integration,” Council on Foreign Relations Working Paper (November 2012), 1–25

18. September 6—Sino-American Rivalry in the Asia Pacific

- Peter Harrell, Elisabeth Rosenberg, and Edoardo Saravalle, “China’s Use of Coercive Economic Measures,” Center for a New American Security (June 2018), 1–40
- CSIS Asia Economic Strategy Commission, “Reinvigorating U.S. Economic Strategy in the Asia Pacific,” Center for Strategic & International Studies (January 2017), 1–37

19. September 11—The Road Ahead and Class Review

- Perkins, Ch. 6: 153–174
- Pempel and Tsunekawa, Conclusion: 216–233 (T. J. Pempel and Keiichi Tsunekawa, “Toward a Second East Asian Miracle?”)

❖ **FINAL EXAM will be distributed on Tuesday September 11 and is DUE no later than Tuesday 18 September at 1700**