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Economics 382
Fall, 2012

ASIAN ECONOMIC HISTORY

Course Scope and Goals: The countries of Asia seem likely to be central participants in the global economy and hence influences on your economic prospects for the foreseeable future. This course will focus on the history of three major Asian economies: China, India, and Japan. However, we will also consider some other regions of Asia, especially in the last few weeks of the course. Hopefully, at the end of this course you will have some understanding of and be able to explain:

- a) the factors that have contributed to the contrasting courses of development of China, India, and Japan as well as some of the other Asian economies considered.
- b) the similarities and differences between how Asian economies and those of Western countries, such as the United States, have been organized.
- c) general factors affecting the course of economic growth and development. Particular attention will be given to the influence of culture and economic, political, and social institutions.
- d) A term paper analyzing the role of institutions in the economic development of an Asian economy is required for this course. Hopefully, at the end of this course you will have written a well-argued paper that you will be willing to show to others as a sample of your writing.

Course Requirements :

1) Two in-class exams covering the material presented in class and the in the readings. Each exam will count for approximately 25 percent of your final grade. Both exams are scheduled to occur before the end of classes. The format of both exams will consist of three types of questions: a) questions asking you to identify and explain the significance of key terms and concepts in Asian Economic History b) a short essay question asking you to summarize the basic arguments and conclusions that have been made with regard to a specific issue in Asian Economic History and c) a longer essay question asking you to tie together and integrate a number of topics covered in class and readings in addressing some broad issue in Asian Economic History. You will also be asked to write an in-class essay during the final exam date, Dec. 13 comparing other countries and regions of Asia with the cases of China, India, and Japan. This essay will count for 5 percent of your overall course grade.

2) Four or five videos will be shown in class and there will be a quiz at the end of each video to test comprehension. These quizzes will count for a total of 5 percent of your final course grade.

3) This course has been designated as a “writing intensive course”. A Term paper is required. Preparing the paper itself will be broken up into smaller components. Graded writing assignments will be due at various points in the term prior to the final due date of the paper. A rough draft of your paper of sufficient quality to be graded at the C- level or higher must be submitted Thurs, Nov. 29, in order to be eligible to submit final draft of your paper by the final draft due date, Thurs. Dec. 13 . This is to allow time for me to provide feedback for you to incorporate in the final version of your paper. At one of the last four class meetings, Dec.4, Dec. 6, Dec. 11, or Dec. 13 you will be expected to make a brief (10 minute) oral presentation of your paper. There will be an oral presentation component to your overall paper grade. The combined component, paper, and oral presentation grades will count for 40 percent of your overall course grade; the bulk (35 percent) of this will be determined by your final term paper grade.

Grading Requirements for graduate students registered for Econ 682: Graduate students registered for this course as Econ 682 will be expected to do a separate takehome midterm based on further assigned readings than those on this syllabus and to submit a 5000 word term paper based on quantitative analysis of some topic in Asian Economic History. The specific details of each assignment will be worked out in discussion with the instructor.

UMBC Statement on Academic integrity, from the Provost’s website:

By enrolling in this course, each student assumes the responsibilities of an active participant in UMBC’s scholarly community in which everyone’s academic work and behavior are held to the highest standards of honesty. Cheating, fabrication, plagiarism, and helping others to commit these acts are all forms of academic dishonesty, and they are wrong. Academic misconduct could result in disciplinary action that may include, **but is not limited to**, suspension or dismissal. To read the full Student Academic Conduct Policy, consult the UMBC Student Handbook, the Faculty Handbook, or the UMBC Policies section of the UMBC directory.

A Note on Grades: I grade on an absolute scale, not on a curve.

In grading essay questions and papers, I will use the following scale for converting from numerical percentages to letter grades:

85-100 A 40-59 C 0-19 F
60-84 B 20-39 D

Readings:

Many of the readings from the course will come from Electronic Reserves that have been set up for this course at the UMBC library. These readings have been designated on the syllabus below by **ER**. To access readings for this course on electronic reserves, go to the UMBC Library

website, www.umbc.edu/aok, then the link for “services for undergraduate students, then the link for UCORES, then select Department of Economics, and then select Econ 382. This will pull up a menu with the various individual items designated **ER** in the readings below. When you click on the link for one of these readings, you will be prompted for a username and password. For Econ 382, the user name = econ382fa12
password = hungergames

In addition, I have ordered the following books for purchase at the bookstore. A number of exam questions will be based on material in these books. The one **truly REQUIRED** item not available on Electronic reserves but that will be covered on the midterm and that is available at the UMBC bookstore is:

Lloyd Eastman, Family, Fields and Ancestors: Constancy and Change in China’s Social and Economic History, 1550-1949. (Oxford University Press, 1988). ISBN 0-19-505270-6.

The following are some additional books that will provide further perspective on the Asian countries considered in this course. These books have NOT been ordered at the bookstore. However, they have been placed on reserve at the library. I will not require or expect you to have read them to prepare for the in-class exams. I list these books and cite some of them in the further readings under specific topics below for those who may be interested in doing further readings on these topics.

One book that does provide a general overview of Asian history with some although predominant attention to economic issues is:

Mark Borthwick, Pacific Century: The Emergence of Modern Pacific Asia (Westview Press, 2007) Third Edition. (RECOMMENDED ONLY)ISBN: 0813343550)

This book is a companion to the video series mentioned under alternative media below.

Some other books to consider according to your specific interests::

Tirthankar Roy. The Economic History of India, 1857-1947. Second Edition. (Oxford). ISBN: 0195684303.

W.J.Macpherson, The Economic Development of Japan c.1868-1941. (Cambridge University Press, 1995). 0-521-55792-5

Ezra F. Vogel, The Four Little Dragons. The Spread of Industrialization in East Asia. (Harvard University Press, 1991. 0-674-31526-X.

Barry Naughton. The Chinese Economy: Transitions and Growth. M.I.T. Press (2007) ISBN:

0262640643.

Arvind Panaagariya, India: The Emerging Giant. Oxford University Press, 2008. ISBN: 978-0-19-975156-3.

Daron Acemoglu and James Robinson, Why Nations Fail .

Alternative Media: The following movies/videos are relevant to Asian Economic History and segments from these will be shown in class. They are also available on various internet sites.

a)the Good Earth

b)The Multipart series, The Pacific Century.

Tentative Schedule and Reading Assignments :

August 30: 1) Introduction; Why Study Economic History ?
Why Study the Asian Case ? Some basic features of the economies of Asia.

September 4: The Economics of Rice Agriculture.

Suggested Reading: "The Rice Plant: Diversity and Intensification" and "Paths of Technical Development" from Francesca Bray, The Rice Economies, Chaps.1 and 2 (U. of California Press, 1986). **ER** .

September 6: Perspectives on the nature and role of the State in Asian Economies.

Suggested readings: "Frederic C, Lane. Economic Consequences of Organized Violence. *Journal of Economic History*. vol. XVIII. no. 4. p. 401-17. 1958. **ER**; The Conceptual Framework. *Violence and Social Orders*. North, Douglass C., Wallis, John Joseph, Weingast, Barry R.. p. 1-29. New York. Cambridge University Press. 2009. **ER**.

Daron Acemoglu and James Robinson, *Why Nations Fail*. See summary, info on purchase and links to reviews at <http://whynationsfail.com/>. For a critical review by Francis Fukuyama see <http://blogs.the-american-interest.com/fukuyama/2012/03/26/acemoglu-and-robinson-on-why-nations-fail/>.

For a critical review by Jared Diamond, putting more emphasis on natural resource situations see:

<http://www.nybooks.com/articles/archives/2012/jun/07/what-makes-countries-rich-or-poor/>

<http://www.nybooks.com/articles/archives/2012/jun/07/what-makes-countries-rich-or-poor/?pagination=false>

For the response by Acemoglu and Robinson to Diamond see:

<http://www.nybooks.com/articles/archives/2012/aug/16/why-nations-fail/>

Sept. 11 to Sept. 18: China from early origins to the 1949 revolution.

September 11:

1)The Formation of the State in China.

Suggested Reading: Empires and Their Size, The Early Chinese Empire, The Crisis of the Third Century AD. *The Pattern of the Chinese Past*. Elvin, Mark. p. 17-41. Stanford, CA. Stanford University Press. 1973. **ER**; The Middle Empire, Manorialism without Feudalism. *The Pattern of the Chinese Past*. Elvin, Mark. p. 54-83. Stanford, CA. Stanford University Press. 1973. **ER**.

2)Trends in Population and Agriculture in China until 1949.

Reading: Eastman, Chapters 1,4, and 5.
Naughton, Chap.1.

3)Family Organization and Economic Performance in the Chinese Rural Economy. Reading: Eastman, Chap.2.

September 13: Video: The Good Earth

September 18:

1)Trends in Commerce and Manufacturing in China until 1949.

Readings: a)Eastman, Chapters 6,7,8.
b)Borthwick, pp.80-100, 162-180.
c)Naughton, Chap.2.

2)The Puzzle of Chinese Stagnation.

Readings:a) Eastman, Chap.7.
b)Borthwick, pages 9-17, 27-39, and 43-47.
c)Kenneth Pomeranz, The Great Divergence.

September 18: Video, Pacific Century: The Two Coasts of China.

Sept. 20 to Sept. 25: The Economic History of India prior to and under British Rule.

Sept.20 The Economy of India Prior prior to Colonial Rule.

Readings: a) Transition to Colonialism. *The Economic History of India 1857-1947 Second Edition*. Roy, Tirthankar. p. 31-72. New Delhi, India. Oxford University Press. 2006. **ER**.
b)Borthwick, pp.74-80.

September 25: The Economy of India under British Rule.

Readings: Roy, chaps. 3 to 11.

Sept. 27 to Oct.4: The Economic Development of Japan from the Tokugawa era through World War II.

September 27:

1)The Agrarian and Feudal Origins of the Modern Japanese Economy.

Readings: a)Macpherson, Economic Development of Japan, Chapters 1 and 3.

Tokugawa Background, The role of the State. *The Economic Development of Japan 1868-1941*. Macpherson, W.J.. p. 17-36. Cambridge. Cambridge University Press. 1995. **ER.**

b) 1.The Land System, 5.The organization of Political Power, 6.The Growth of the Market, 7.Agricultural Technology, 13.Agrarian Change and Modern Japan. *The Agrarian Origins of Modern Japan*. Smith, Thomas C.. p. 1-11, 50-107, 201-213. Stanford, CA. Stanford University Press. 1959. **ER**

c)Borthwick, pp.40-43.

September 27: Video: Pacific Century, The Meiji Revolution.

October 2 to October 4

2)The Economic Development of Japan after the Meiji Revolution to World War II.

Readings: a) Growth and Structural Change. *The Economic Development of Japan 1868-1941*. Macpherson, W.J.. p. 7-16. Cambridge UK. Cambridge University Press. 1995. **ER.**

b) Crawcour, E.Sydney. 1.Economic Change in the Nineteenth Century, 2.Industrialization and Technological Change, 1885-1920. *The Economic Emergence of Modern Japan*. Yamamura, Kozo. p. 1-115. Cambridge, England. Cambridge University Press. 1997. **ER.**

b)Borthwick, Chap.3 (pp.109-130, 145-50), pp.191--201.

Oct. 9: Review.

Oct. 11: 1st in-class examination

Oct.16 to Oct. 18: The Japanese Miracle -- Economic Growth in Japan since 1945.

Readings: a) Growth and Structural Change. *The Economic Development of Japan 1868-1941*. Macpherson, W.J.. p. 7-16. Cambridge UK. Cambridge University Press. 1995. **ER.**

b)Borthwick, pp.231-250, 255-264.

Japanese Corporate Forms -- Zaibatsu and Keiretsu.

Readings: a) Borthwick, pp.250-251.

The Role of Government in Promoting Growth in Japan since 1945.

Readings:

a) Gregory Noble, "The Japanese Industrial Policy Debate." *Pacific Dynamics: The International Politics of Industrial Change*. Haggard, Stephen. p. 53-95. Boulder, CO. Westview Press. 1989. **ER**.

b) Kosai, Yutaka. Government-Business Relations and Competitiveness: The Japanese Case. *The Japanese Civil Service and Economic Development: Catalysts of Change*. Kim, Hyung-Ki; Muramatsu, Michio; Pempel, T.J.; Yamamura, Kozo. p. 188-212. Oxford. Clarendon Press. 1995. **ER**.

c) Choi, Hyungsub. Technology Importation, Corporate Strategies, and the Rise of the Semiconductor Industry in the 1950s. *Comparative Technology Transfer and Society*. vol. 6. no. 2. p. 103-126. August, 2008. **ER**.

d) Johnson, Chalmers. A Japanese Model?. *MITI and the Japanese Miracle. The Growth of Industrial Policy, 1925-1975*. Johnson, Chalmers. p. 305-324. Stanford, CA. Stanford University Press. 1982. **ER**.

a) Borthwick, pp.251-255.

Oct. 16: Video Inside Japan Inc.

Oct. 23:

The Japanese Employment System: A Job for Life? Quality Control and the Toyota Production System.

Readings: a) Shini Sugayama, "Work Rules, Wages, and Single Status: The Shaping of the Japanese Employment System" from Abe and Fitzgerald eds., Origins of Japanese Industrial Power. **ER**

b) "William M. Tsutsui, "W. Edwards Deming and the Origins of Quality Control in Japan." *Journal of Japanese Studies* Vol.22 (2), Summer: 295-325. **ER**.

Oct.25 to Oct.30 The Economic Development of India since 1945 -- Achievements and Frustrations.

a) Foster, Andrew and Rosenzweig, Mark. Technical Change and Human-Capital Returns and Investments: Evidence from the Green Revolution. *American Economic Review*. vol. 86. no. 4. p. 931-953. Sept. 1996. **ER**.

b) DeLong, J. Bradford. India Since Independence: An Analytical Growth Narrative. *In Search of Prosperity: Analytical Narratives on Economic Growth*. Rodrik, Dani. p. 184-204. Princeton, NJ. Princeton University Press. 2003. **ER**.

c) S. Ahluwalia Montek, "Economic Reforms in India since 1991: Has Gradualism Worked?" *Journal of Economic Perspectives* Vol.16 (3). Summer, 2002: 67-88. **ER**

d) Gurav Dutt, Martin Ravallion, "Is India's Economic Growth Leaving the Poor Behind?" *Journal of Economic Perspectives*, vol.16,(3). Summer, 2002: 89-108. **ER**

Nov.1 to Nov.13: The Chinese Economy since 1949 -- Revolution and Transformation.

Readings: a)Barry Naughton, *The Chinese Economy: Transitions and Growth*, Chaps.3, 4, 10, 11, 12.

b) D.Gale Johnson, *The People's Republic of China 1978-1990*. **ER**

c)Borthwick, Chap.10.

d)Justin Yifu Lin, "Collectivization and China's Agricultural Crisis in 1959-1961" *Journal of Political Economy*, 1990, Vol.98, no.6. **ER**.

e)Justin Yifu Lin, "The Household Responsibility System Reform in China: A Peasant's Institutional Choice," *American Journal of Agricultural Economics*, May, 1987, Vol.69: 410-415.**ER**.

f) Qian, Yingyi and Weingast, Barry. Institutions, State Activism, and Economic Development: A Comparison of State-Owned and Township-Village Enterprises in China. *The Role of Government in East Asian Economic Development. Comparative Institutional Analysis*. Aoki, Masahiko; Kim, Hyung-Ki; and Okuno-Fujiwara, Masahiro. p. 254-275. Oxford. Clarendon Press. 1997. **ER**.

g)Lawrence J. Lau, Yingyi Qian, Gerard Roland, "Reform without Losers: An Interpretation of China's Dual-Track Approach to Transition," *Journal of Political Economy*, 2000, Vol.108, No. 1. **ER**

Nov. 15: Review

Nov.20: : 2nd in-class examination

Nov. 27 to Dec. 13: Other countries of Asia Paper presentations and feedback on papers.

Nov. 27:

Video: Big Business and the Ghost of Confucius

Thurs., Dec. 13: Final presentations. Quiz on other countries. Final Draft of term papers due.