

# Varieties of Capitalism in East Asia: Japan, South Korea, Taiwan, and China Spring 2021

On-line

Tue 16:40-18:10 (JST) (asynchronous)

Thu 16:40-18:10 (JST) (live)

## Section 1

Instructor/Title	Dr. Wolf Hassdorf
Office/Building	Main Administration Building, Nakamiya Campus, Room 910

### 【Course Outline / Description】

East Asia is of increasing economic and political importance in the global economy. East Asian states have not only achieved economic success by following a similar path of economic development. They have also developed distinct national formations of organized capitalism. This course analyses and compares the nature of the capitalist systems of modern Japan, South Korea (henceforth: Korea), Taiwan, and China. Taking a political economy approach, it will compare the political and institutional settings which govern the economies of the four countries. What are the country-specific institutions which govern their economies? What is the historical trajectory of these four varieties of the Asian Developmental State? Can the four countries' economic systems adjust to cope with challenges of globalization?

The course will have two main sections. The first section will be theoretical-conceptual, mapping out the analytical framework for the analysis of the four countries cases: a combination of the Developmental State approach and the Varieties of Capitalism (VoC) approach of CPE. The second part will be case studies of the four main North East Asian Economies: Japan, Korea, Taiwan and China. How has the national governance regime of these success stories of East Asian Developmentalism transformed over time? How are the governments of these countries responding to the need for reform? The course will conclude by outlining the unique combination of continuity and change which characterizes the dynamics of capitalist development in North East Asia.

## Section 2

### 【Course Objectives/Goals/Learning Outcomes】

By the end of this course students will have acquired a good general knowledge of the history and institutional structure the Asian Developmental State of Japan, South Korea, Taiwan, and China. They will be able to analyze and systematically compare how national economic systems are governed. They will be able to critically evaluate the comparative performance of national economics systems in the age of globalization, using political economy approaches and methods.

## Section 3

## 【Class Schedule/Class Environment, Literature and Materials】

	Schedule of Instruction	Work Outside of Classroom Activities
Class 1 Jan 26	LECTURE: Introduction of the Course	Read syllabus carefully and prepare questions regarding the course.
<i>Class 2</i> <i>Jan 28</i> <i>(live)</i>	CLASS INTRODUCTION/DISCUSSION: What do we know about East Asia's political economy?	GROUP WORK: Reviewing East Asia's Political Economy
Class 3 Feb 2	LECTURE: What is Comparative Political Economy (CPE)?	READING: 'Asia's Stunted Economic Development'. Ch. 2 in: West (2018) 'Asian Century on a Knife-edge'
<i>Class 4</i> <i>(live)</i> <i>Feb 4</i>	STUDENT-LED CLASS (Group work): Review of the key facts of the four economies	GROUP WORK: Macroeconomic indicators (CIA: 'The World Factbook')
Class 5 Feb 9	LECTURE: Economic history of J/K/T/C: different historical trajectories - different outcomes	READING: 'The Historical Origins of the East Asian Political Economy', Ch. 2 in Cai (2008)
Class 6 Feb 16	LECTURE: What economic institutions matter? The 'Developmental State Model' (1)	READING: Johnson (1999). 'The Developmental State, Odyssey of a Concept'. Ch. 2 in Woo-Cumings, 'The Developmental State'
<i>Class 7</i> <i>(live)</i> <i>Feb 18</i>	STUDENT-LED CLASS: Pre-modern economy of imperial China and Tokugawa Japan	GROUP WORK: Sugihra (2004) 'The State And The Industrious Revolution in Tokugawa Japan'  Lin (1995) 'The Needham Puzzle: Why the Industrial Revolution Did Not Originate in China'
<i>Class 8</i> <i>(live)</i> <i>Feb 25</i>	STUDENT-LED CLASS: The Asian Developmental State and the Flying Geese Paradigm	GROUP WORK: Furuoka (2005) 'Japan and the 'Flying Geese' Pattern of East Asian Integration'
Class 9 March 2	LECTURE: What economic institutions matter? The Developmental State Model'(2)	READING: Johnson (1999). 'The Developmental State, Odyssey of a Concept'. Ch. 2 in Woo-Cumings, 'The Developmental State'
<i>Class 10</i>	STUDENT-LED CLASS:	GROUP WORK:

<i>(live)</i> March 4	Japanese network capitalism and corporate governance problems: Corporate Scandals in 'Japan Inc.'	Case studies of Corporate Governance Scandals in Japan: Olympus, Toshiba, Nissan
Class 11 March 9	LECTURE: What economic institutions matter? The 'Varieties of Capitalism' (VoC) approach	READING: Hall, and Soskice (2001) 'An Introduction to Varieties of Capitalism', Ch 1 in: Hall and Soskice: 'Varieties of Capitalism'  Walter, and Zhang (2012), 'Debating East Asian Capitalism', Ch 1 in: Walter and Zhang
<i>Class 12</i> <i>(live)</i> March 11	SPECIAL SESSION: Instruction meeting on the long essay (topics, structure, deadline)	READING: 'How to write an argumentative essay'
Class 13 March 23	LECTURE: Japan: state-market relationship	READING: 'The Japanese Political Economy Since 1945', Ch. 4 in Cai (2008)
<i>Class 14</i> <i>(live)</i> March 25	STUDENT-LED CLASS: Japan: Bubble, boom and bust, lost decades	GROUP WORK: Tsutsui and Mazzotta(2014) 'The Bubble Economy and the Lost Decade: Learning from the Japanese Economic Experience'
Class 15 March 30	LECTURE: Japan: institutional domains	READING: 'The Japanese Political Economy Since 1945', Ch. 4 in Cai (2008)
<i>Class 16</i> <i>(live)</i> Apr 1	STUDENT-LED CLASS: Japan: Abenomics	GROUP WORK: Hilpert (2015) 'Japan After Two Years of "Abenomics" '
Class 17 Apr 6	LECTURE: Korea: state-market relationship	READING: 'The South Korean Political Economy Since 1945', Ch.5 in: Cai (2008)
<i>Class 18</i> <i>(live)</i> Apr 8	STUDENT-LED CLASS: Japan, the TPP and regional economic integration	GROUP WORK: J.T. Pempel (2018) 'Japan in the Driver's Seat: Reshaping the Regional Trade Order without the US'
Class 19 Apr 13	LECTURE: Korea: institutional domains	READING: 'The South Korean Political Economy Since 1945', Ch.5 in: Cai (2008)
<i>Class 20</i> <i>(live)</i>	STUDENT-LED CLASS: Chaebols and Industrial Policy in Korea	GROUP WORK: Lim (2012) 'Chaebol and Industrial Policy in Korea'

<i>Apr 15</i>		
Class 21 Apr 20	LECTURE: China: state-market relationship	READING: 'The Chinese Political Economy Since 1945', Ch. 7 in: Cai (2008)
<i>Class 22</i> <i>(live)</i> <i>Apr 22</i>	STUDENT-LED CLASS: China: The limits of China's state-led economic governance	GROUP WORK: Lardy (2018) 'The State Strikes Back- The End of economic Reform in China'.
Class 23 Apr 27	LECTURE: China: institutional domains	READING: 'The Chinese Political Economy Since 1945', Ch. 7 in: Cai (2008)
<i>Class 24</i> <i>(live)</i> <i>Apr 29</i>	STUDENT-LED CLASS: Crony Capitalism and the case of Korea	GROUP WORK: Kang (2002) 'Bad Loans and Good Friends_ Money Politics in Korea'
<i>Class 25</i> <i>(live)</i> <i>May 6</i>	STUDENT-LED CLASS Crony Capitalism and the case of China:	READING: Ang, Yuen Yuen (2020) 'China's Gilded Age: The Paradox of Economic Boom and Vast Corruption' (Introduction).
Class 26 May 11	LECTURE: Taiwan: The government-market relationship	READING: 'The Taiwanese Political Economy Since 1945', Ch. 6 in: Cai (2008)
<i>Class 27</i> <i>(live)</i> <i>May 13</i>	STUDENT-LED CLASS: Taiwan and Mainland China: Chinese Economic Statecraft and Taiwanese Industrial Policy	GROUP WORK: Chatham House (2019) 'Taiwan's Geopolitical Challenges and Domestic Choices - A State of Ambiguity'
Class 28 May 18	LECTURE: The regional dimension of national economic diversity in North East Asia	READING: 'The Political Economy of Regional Integration in East Asia', Ch.8 in Cai (2008)
<i>Class 29</i> <i>(live)</i> <i>May 20</i>	REVISION: Revision for the final exam: review of the course content	

**Course Organization:**

The course will be taught on-line, using Zoom and Blackboard. It combines weekly lectures by the course instructor (asynchronous) with weekly live student-led classes (group work and discussion). Each meeting has a core reading assignment: normally a chapter of the textbook. Students will have to read the assigned core reading *before* class. Knowledge of the reading assignments will be tested in quizzes. Students will be

required to participate in group work and give at presentations. They are expected to form their own opinions and actively partake in class discussion.

**【Textbooks/Reading Materials】**

**Textbook:**

**Cai, Kevin G. 2008. *The Political Economy of East Asia: Regional and National Dimensions*. London: Palgrave.**

**Essential Readings:**

The course makes extensive use of the following book:

Walter, Andrew and Xiaoke Zhang, eds. 2012. *East Asian Capitalism: Diversity, Continuity, and Change*. Oxford: Oxford University Press.

**Recommended Readings**

- Ang, Yuen Yuen. 2020. *China's Gilded Age: The Paradox of Economic Boom and Vast Corruption*. Cambridge: Cambridge University Press.
- Auslin, Michael R. 2017. *The End of the Asian Century: War, Stagnation, and the Risks to the World's Most Dynamic Region*. New Haven & London: Yale University Press.
- Barma, Naazneen H. and Steven K. Vogel, eds. 2007. *The Political Economy Reader: Markets as Institutions*. London: Routledge.
- Chung, Duck-Koo and Barry J. Eichengreen. 2005. *The Korean Economy Beyond the Crisis*. Cheltenham: Edward Elgar Publishing.
- Economy, Elizabeth C. 2018. *The Third Revolution: Xi Jinping and the New Chinese State*. New York: Oxford University Press.
- Gilpin, Robert. 2001. *Global Political Economy: Understanding the International Economic Order*. Princeton: Princeton University Press.
- Hall, Peter A. and David Soskice, eds. 2001. *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*. Oxford: Oxford University Press.
- Hayes, Louis D. 2012. *Political systems of East Asia: China, Korea, and Japan*. Armonk, N.Y.: M.E. Sharpe.
- Heilmann, Sebastian. 2018. *Red Swan: How Unorthodox Policy Making Facilitated China's Rise*. Hong Kong: University Press
- Naughton, Barry J. 2006. *The Chinese Economy: Transitions and Growth*. Cambridge MA: MIT Press.
- Norris, William S. 2016. *Chinese Economic Statecraft: Commercial Actors, Grand Strategy, and State Control*. Ithaca; London: Cornell University Press.
- Pei, Minxin. 2016. *China's Crony Capitalism: The Dynamics of Regime Decay*. Cambridge, MA.: Harvard University Press.
- Pempel, T. J. (2018). *Japan in the Driver's Seat: Reshaping the Regional Trading Order without the US*. KEI: Korea Institute of America. Joint Korea US Academic Studies.
- Shambaugh, David. 2016. *China's Future?* Cambridge: Polity Press.
- Shin, Jang-Sup. 2013. *The Global Financial Crisis and the Korean Economy*. London: Routledge.
- Vogel, Stephen K. 2006. *Japan Remodeled: How Government and Industry are Reforming Japanese Capitalism*. Ithaca: Cornell University Press.
- Witt, Michael. 2006. *Changing Japanese Capitalism: Societal Coordination and Institutional Adjustment*. Cambridge: Cambridge University Press.

**Section 4**

**【Learning Assessments/Grading Rubric】**

**Grading**

Final Exam	30%
Weekly Quizzes (instead of midterm exam)	10%
Writing Assignment (Essay)	25%
Group Work and Presentations	35%

Group work refers to students presenting and leading class discussion and participating actively. Weekly quizzes (multiple choice) will be given on the weekly core reading (textbook chapter). The final exam will be in the format of argumentative essay writing. The final exam will be preceded by a review session. A 1500-2000 word paper individually written by students has to be submitted (e-mail attachment) to the instructor on the day of class meeting 28. Essay topics must relate to the course topic, but the exact focus can be chosen individually by students in line with their research interests, in coordination with the instructor.