

EASTD 98K - Spring 2022
Economic Governance in East Asia

Thursday 12:45 – 2:45 pm
Room 213 at 2 Divinity Avenue (“Yenching Library”)

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Office hours: Friday 2:00 – 3:30pm
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Course Description: East Asia has given rise to models of development with distinct visions for the relationship between the state and the market. Hallmarks of the designs are powerful ministries, gigantic conglomerates, state-supervised labor unions, and spectacular corruption. The first part of the tutorial revisits four decades of “miraculous” growth in Japan and the Asian Tiger economies (South Korea, Taiwan, Hong Kong, and Singapore), in order to illuminate underlying development strategies from a political science perspective, including through theories of late industrialization and varieties of capitalism. The second part of this course focuses on China, whose strategists have drawn on its neighbors’ experience. It highlights the vast differences between economic regions in China (the Pearl River versus the Yangtze Delta, versus lagging Western regions), as well as the significant transformation of the country’s approach over the last three decades. Students will develop a deeper comprehension of phenomena such as national champions, tycoons in the digital economy, Communist party control, international expansion, and slogans such as “Made in China 2025.” Throughout the course, we will occasionally go back in time to historical foundations of economic governance. This junior tutorial provides individualized support in the research process toward a final paper.

Course Objectives:

- Familiarize students with development models of East Asia, discussing theories along with their practical implications for business and society. Students will learn to see the various national models, including the “China model,” in their historical and regional context.
- Introduces the concepts and language for nuanced expert discussions of industrial policy.
- Students -some with more prior training than others- will improve their skill in researching and writing a paper in the social sciences, thanks to (1) the assigned readings, (2) gradually building up to the final product over the course of the semester, and (3) feedback from peers and the instructors (in writing and consultation).

Grades:

Student work will contribute to the final grade in the following proportions:

- Participation
 - Contributions to classroom discussion 15%
 - Eight responses to the readings (due to the Canvas website noon on Wednesday before class, 200-250 words) 15%
 - Quiz (April 7) 10%
- Final paper process
 - Book review (800 - 1,000 words, due February 21) 15%
 - Prospectus (700 - 900 words, due March 28) 10%
 - Final paper (6,000 +/-100 words, negotiably due May 2) 35%

Collaboration & Academic Honesty: Collaboration is vital to academic research and encouraged throughout the class. Products of group assignments belong jointly to all group members. You must credit others (outside the group) for any ideas or evidence that they contribute to the project in your citations. Direct quotes must be marked by quotation marks. Both direct quotes and paraphrases (as well as ideas) must always be attributed with explicit citations. Instances of plagiarism or academic dishonesty are reported to the Honor Council.

Accommodations for students with disabilities: Students needing academic adjustments or accommodations because of a documented disability must present their Faculty Letter from the Accessible Education Office (AEO) and speak with the professor by the end of the second week of the term, February 5. Failure to do so may result in the Course Head's inability to respond in a timely manner. All discussions will remain confidential, although Faculty are invited to contact AEO to discuss appropriate implementation.

Language of Instruction: This course is taught in English and has no other language requirement. Please consult instructor for additional resources in other languages, especially in Chinese and Japanese.

Readings: All readings will be available online on the course website.

Weekly meetings:

PART I: INTRODUCTION AND CONCEPTS

1/27

Week 1: Introduction

2/3

Week 2: The State in the the Economy

- Alexander Gerschenkron. 1962. *Economic Backwardness in Historical Perspective: A book of Essays*. Cambridge: Belknap Press of Harvard. Read first essay "Economic Backwardness in Historical Perspective."
- Yasheng Huang. 2010. "Debating China's Economic Growth: The Beijing Consensus or The Washington Consensus." *Academy of Management Perspectives*, 24(2): 31-47.

PART II: ECONOMIC "MIRACLES" IN EAST ASIA

2/10

Week 3: The Japanese Model

- Ezra F. Vogel. 2013. *Japan as Number One: Lessons for America*. Cambridge: Harvard University Press, 53-130.
- Chalmers A. Johnson. 1982. *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925-1975*. Stanford: Stanford University Press. Read chapter 9, pp. 305-324.
- Daniel I. Okimoto. 1989. *Between MITI and the Market: Japanese Industrial Policy for High Technology*. Stanford: Stanford University Press.
 - Review by Marie Anghodoguy. 1990. *The Journal of Japanese Studies* 16(1), 236.
 - Review by Richard P. Barke. 1989. *The American Political Science Review* 84(3), 1044-1045.
 - Review by Kent E. Calder. 1990. *Pacific Affairs* 63(1), 103-104.

- Review by Frederic C. Deyo. 1990. *Annals of the American Academy of Political and Social Science* 509, 167.
- Review by Bob Johnstone. 1990. *Far Eastern Economic Review* 148(22), 37.
- Review by Earl H. Kinmonth. 1991. *Administrative Science Quarterly* 36(2), 304.
- Review by MB Williamson. 1990. *Journal of Asian Studies* 49(1), 165-167.

2/17

Week 4: South Korea's developmental state

- Peter M. Beck. 1998. "Revitalizing Korea's Chaebol." *Asian Survey* 38(11): 1018-1035. Read only pp. 1018-1021.
- Atul Kohli. "Where Do High-Growth Political Economies Come From? The Japanese Lineage of Korea's 'Developmental State'" *World Politics* 22(9): 1269-1293.
- David C. Kang. 2002. *Crony Capitalism: Corruption and Development in South Korea and the Philippines*. New York: Cambridge University Press. Read pp. 96-121.
- Hwasook Nam. 2009. *Building Ships, Building a Nation*. Seattle: University of Washington Press. Read pp.183-193.

Optional/references:

- Kristen E. Looney. 2021. "Mobilization Campaigns and Rural Development: The East Asian Model Reconsidered." *World Politics*, 73(2): 205-242.
- Carter Eckert. 2014. *Offspring of Empire: The Koch'ang Kims and the Colonial Origins of Korean Capitalism, 1876-1945*. Seattle: University of Washington Press.
- Stephen Haggard, David Kang, Chung-in Moon. 1997 "Japanese colonialism and Korean development: A critique." *World Development* 25(6): 867-881.

2/24

Week 5: The road to Taiwan's semiconductors (with business school case)

- Michael Shih-ta, William C. Kirby, Keith Wong. 2008 (revised 2015). "Taiwan Semiconductor Manufacturing Company Limited: A Global Company's China Strategy." Harvard Business School case.
- William C. Kirby, Billy Chan, Dawn H. Lau. 2019 (updated 2020). "Taiwan Semiconductor Manufacturing Company Limited: A Global Company's China Strategy."
- Mark Liu. 2021. "Taiwan and the Foundry Model." *Nature Electronics* 4, pp. 318-320.
- Alice H. Amsden and Wan-wen Chu. 2003. *Beyond Late Development: Taiwan's Upgrading Policies*. Cambridge: MIT Press. Skim pp. 77-118.

PART III: CHINA'S DEVELOPMENT MODEL

3/3

Week 6: Revolutionary economic models

- Sherman Cochran. 2007. "Capitalists Choosing Communist China: The Liu Family of Shanghai, 1948-56." in Jeremy Brown (ed.) *Dilemmas of Victory: The Early Years of the People's Republic of China*. Cambridge: Harvard University Press. Pp. 359-385.
- Elizabeth J. Perry. 2006. *Patrolling the Revolution: Worker Militias, Citizenship and the Modern Chinese State*. Rowman & Littlefield. Read chapter 4.

3/10

Week 7: Searching for lessons from China's development

- Nara Dillon. 2019. "What Can China Teach Us about Fighting Poverty?" in Jennifer M. Rudolph and Michael Szonyi. *The China Questions: Critical Insights into a Rising Power*. Cambridge: Harvard University Press. Pp. 155-161.

12/16/21

3

- Yuen Yuen Ang. 2016. *How China escaped the Poverty Trap*. Ithaca: Cornell University Press. Read pp. 1-17 and 184-221.
- Sebastian Heilmann. 2007. "Policy Experimentation in China's Economic Rise." *Studies in Comparative International Development* 43(1):1-26.

Optional/references:

- C. Cindy Fan. 1995. "Of Belts and Ladders: State Policy and Uneven Regional Development in Post-Mao China." *Annals of the Association of American Geographers* 85(3): 421-449. (Note the discussion of Special Economic Zones in the second half.)

3/24

Week 8: Chinese business practices

- Desmond Shum. 2021. *Red Roulette: An Insider's Story of Wealth, Power, Corruption, and Vengeance in Today's China*. New York: Scribner. Read pp. 79-117.
- Minxin Pei. 2018. *China's Crony Capitalism: The Dynamics of Regime Decay*. Cambridge: Harvard University Press. Read pp. 1-22.
- Yuen Yuen Ang. 2020. *China's Gilded Age: The Paradox of Economic Boom and Vast Corruption*. New York: Cambridge University Press. Skim pp. 119-152 ("Corrupt and Competent").

3/31

Week 9: State-Owned Companies under Xi Jinping

- Bruce J. Dickson. 2003. *Red Capitalists in China: The Party, Private Entrepreneurs, and Prospects for Political Change*. Cambridge: Cambridge University Press. Read chapter 4 "The Politics of Cooptation."
- Wendy Leutert. 2018. "Firm Control: Governing the State-owned Economy Under Xi Jinping." *China Perspectives* 1-2: 27-36.
- Daniel Koss. 2021. "Party-Building as Institutional Bricolage: Asserting Authority at the Business Frontier." *China Quarterly* 248: 222-243.

4/7

Week 10: Race to Digital Supremacy (with quizz)

- Marc Szepan. 2012. "Changing the Rules of the Game: The Commercial Aircraft Industry in China." *Harvard Asia Quarterly* 14(1/2), 112-122.
- Kai-Fu Lee. 2018. *AI Superpowers*. Boston: Houghton Mifflin Harcourt. Read pp. 51-80.
- Yu Hong. *Networking China*. Baltimore: University of Illinois Press. Read pp. 79-100.

4/14

Week 11: International Implications

- Mark Wu. 2019. "Is China Keeping Its Promises On Trade?" in Jennifer M. Rudolph and Michael Szonyi. *The China Questions: Critical Insights into a Rising Power*. Cambridge: Harvard University Press, pp. 141-147.
- Ching-kwan Lee. 2018. *The Specter of Global China: Politics, Labor, and Foreign Investment in Africa*. Chicago: University of Chicago Press. Read pp.1-10 and pp. 31-47.
- Christopher A. McNally. 2012. Sino-Capitalism: China's Reemergence and the International Political Economy. *World Politics*, 64(4), 741-776.

4/21

Week 12: Final paper prospectus presentations, no required readings