

Economic 469
Asian Economic Systems
TTH 8-915AM

Spring 2020
Professor Rosefielde
Gardner 307

Syllabus

Asia Economic Systems elaborates the workings of the Japanese, Taiwanese, North Korean, Chinese and Thai culture-based economies in neoclassical perspective. The course outlines the fundamentals of Japanese communalism, Taiwanese Confucianism, North Korean command communism, Chinese market communism, and Thai Theravada Buddhism. It shows precisely why North Korea's economy is a failure, while other East Asian systems are viable competitors. It describes East Asia's various economic strategies, highlights their characteristics, including socialist features, investigates their economic potential and assesses their merit using the competitive consumer sovereignty standard. Political economic issues are considered. At the end of the course, students will be able to judge the comparative prospects of East Asia's systems in a globalist perspective.

Asian Economic Systems emphasizes "critical learning". Students will be required to assess the extent to which neoclassical economic theory illuminates Asian economic realities.

Asian Economic Systems meets the requirements of the "New General Education Curriculum (IDEAs in Action)". It is a FOCUS CAPACITY course that enables students to encounter key capacities (Identify, Discover, Evaluate, Act) under the category of Global Understanding and Engagement.

This category has associated Student Questions and Learning Outcomes.

Questions for Students

1. What forces connect and distinguish the experiences of people societies, and human organization around the world?
2. How can I understand and compare differing worldviews?
3. What connections and differences exist between particular world views, experiences, societies, or power structures?

4. What ideas, approaches, and international sources allow scholars to compare societies?

Learning Outcomes

1. Students will be taught the communalist, Confucian, socialist and Theravada Buddhist concepts and theories that shape Asia's civilizations and will be shown how to evaluate these constructs with modern economic welfare theory. This will allow them to grasp Asian economic performance from the consumer utility and social wellbeing standpoints.

2. Students will be taught how to apply neoclassical economic hypothesis testing to objectively assess the comparative merit of Asia's communalist, Confucian, socialist and Theravada Buddhist systems.

3. Students will be taught how to evaluate economic science-related claims and information from popular and/or peer-reviewed sources by examining the relationship between the evidence, arguments, and conclusions presented and by assessing consistency with existing knowledge from valid and reliable scientific sources.

4. Students will be taught how to identify, assess, and make informed decisions about ethical issues connected with Asia's communalist, Confucian, socialist and Theravada Buddhist systems.

COURSE OUTLINE AND READING LIST

READINGS

READING ASSIGNMENTS

The primary textbook is *Asian Economic Systems*. Students are responsible for the entire work, even though class coverage will be selective. Part III Core Asian Systems, Chapters 5-9 will be thoroughly discussed in class [China, Thailand, and Japan]. Supplementary readings including those pertinent to the midterm and final exam will be indicated at the appropriate time. Steven Rosefielde, *China's Market Communism: Challenges, Dilemmas, Solutions* will be essential for the final exam. There is no rigid schedule. It will unfold in the fullness of time.

COLLATERAL READINGS

Students are not required to read everything on the list below. Most entries are for your edification.

Key readings also are available on Sakai.

TEXTS

UNC Student Store Link: <https://tinyurl.com/econ-469-001-unc-w20>

Steven Rosefielde, *Asian Economic Systems*, Singapore: World Scientific, 2013.
(Purchase).

Steven Rosefielde, *China's Market Communism: Challenges, Dilemmas, Solutions (with Jonathan Leightner)*, Routledge, 2017. **(Purchase)**

Steven Rosefielde, Masaaki Kuboniwa and Satoshi Mizobata, eds., *Two Asias: The Emerging Postcrisis Divide*, Singapore: World Scientific Publishers, 2012. **(Purchase Recommended)**

Steven Rosefielde, Masaaki Kuboniwa and Satoshi Mizobata, eds., *Prevention and Crisis Management: Lessons for Asia from the 2008 Crisis*, Singapore: World Scientific, 2012.
(Purchase Recommended)

Steven Rosefielde, *Asian Economic Culture: Visualizations of the Ideal*, **Sakai (listed as Ackland source book)**

Books designated as Purchase and Purchase Recommended contain material covered on the midterm and final exams.

SUPPLEMENTARY BOOKS

Daniel Kahneman, *Thinking, Fast and Slow*, New York: Farrar, Straus and Giroux, 2011.

Steven Rosefielde and Ralph W. Pfouts, *Inclusive Economic Theory*, Singapore: World Scientific Publishers, 2014.

Steven Rosefielde, *Red Holocaust*, Routledge, 2010. (Candidate for Purchase).

Books designated as Candidate for Purchase contain material likely to be covered on the midterm and final exams.

COURSE OUTLINE

PART I: UNIVERSAL ECONOMY

Steven Rosefielde, "Competitive Ideal," **Sakai**

Steven Rosefielde, "Bounded Rationality," **Sakai**

Steven Rosefielde, "Why Reason Fails," **Sakai**

Steven Rosefielde, "Umbrella of Complementary Paradigms," **Sakai**

Steven Rosefielde, *Asian Economic Systems*, Chapter 1, Universal Standard.

Samuel Huntington, "The West: Unique, Not Universal," *Foreign Affairs*, Vol.75, No.6 (November/December 1996), pp.28-46.

PART II: ASIAN ECONOMY

Steven Rosefielde, *Asian Economic Systems*, Chapter 2, Contemporary Asia.

Steven Rosefielde, *Asian Economic Systems*, Chapter 3, Asia Culture.

Steven Rosefielde, *Asian Economic Systems*, Chapter 4, Asian Economic Performance 1500-2006.

PART III: CORE ASIAN SYSTEMS

COMMUNALISM

JAPAN

Rosefielde, *Asian Economic Systems*, Chapter 8, Japan.

Steven Rosefielde, *Comparative Economic Systems*, Chapter 9, Japan.

Steven Rosefielde and Quinn Mills, *Masters of Illusion*, Chapter 8, pp.151-61.

Toshihiro Nishiguchi and Alexandre Beaudet, "The Toyota Group and the Aisin Fire" MIT Sloan School of Management Review, Fall 1998.

<http://sloanreview.mit.edu/article/the-toyota-group-and-the-aisin-fire/> Sakai

Ryuhei Wakasugi, "Collapse, and Consequences and Prospects of Japan's Trade," in Rosefielde; Kuboniwa and Mizobata, eds., *Two Asias: The Emerging Postcrisis Divide*, Singapore: World Scientific, 2011, Chapter 12.

Satoshi Mizobata, "Japan," in Rosefielde; Kuboniwa and Mizobata, eds., *Two Asias: The Emerging Postcrisis Divide*, Singapore: World Scientific, 2011, Chapter 6.

Arthur Alexander, *Arc of Japan's Economic Development*, Routledge, 2008.

William Overholt, "Japan's Economy at War with Itself," *Foreign Affairs*, Vol.81, No.1 (January/February 2002), pp.134-47.

Kent Calder, "China and Japan's Simmering Rivalry," *Foreign Affairs*, Vol.85, No.2 (March/April 2006). 129-41.

BUDDHISM

THAILAND

Steven Rosefielde, *Asian Economic Systems*, Chapter 9, Thailand.

CIA Factbook, Thailand

Teerana Bhongmakapat, "Buddhist Sufficiency Strategy," in Rosefielde; Kuboniwa and Mizobata, eds., *Prevention and Crisis Management: Lessons for Asia from the 2008 Crisis*, Singapore: World Scientific, 2012, Chapter 13.

Somchai Jitsuchon, "Income Inequality, Poverty and Labor Migration in Thailand," *The Singapore Economic Review*, Volume: 59, Number: 01, March 2014.

Phongpaichit Pasuk and Chris Baker, *Thailand: Economy and Politics*, Oxford University Press, 2002.

Peter Jackson, *Buddhadas: Theravada Buddhism and Modernist Reform in Thailand*, University of Washington, 2003.

Danny Unger, *Building Social Capital in Thailand*, Cambridge University Press, 1998.

Duncan McCargo and Ukrist Pathmanand, *The Thaksinization of Thailand*, Nordic Institute of Asia Studies, 2004.

James Ingram, *Economic Change in Thailand Since 1950*, Palo Alto: Stanford University Press, 1955.

MYANMAR

Steven Rosefielde, *Asian Economic Systems*, unpublished version, chapter 10, Myanmar.

Myat Thein, *Economic Development of Myanmar*, Singapore: Institute of Southeast Asian Studies, 2004.

Marie-Aimie Tourres, *Economic Development of Myanmar*, Oxford University Press, 2005.

CONFUCIANISM

TIGERS: TAIWAN, SINGAPORE, HONG KONG, SOUTH KOREA

Steven Rosefielde, *Asian Economic Systems*, Chapter 7, Taiwan, Singapore, Hong Kong, South Korea.

Chi Yun Chang, *Confucianism: A Modern Interpretation*, Singapore: World Scientific, 2012.

Mustaq Khan, and K.S. Jomo(eds.), *Rent-seeking and Economic Development: Theory and Evidence in Asia*, Cambridge: Cambridge University Press, 2000, chapters 3-4.

Anthony Chin, Ng Hock Guan, *Economic Management and Transition Towards a Market Economy*, Singapore: World Scientific, 1996.

Yong-oak Kim and Jung-kyu Kim, *Confucianism, China and the 21st Century*, Singapore: World Scientific, 2013.

Nicholas Eberstadt, "The global flight from the family," *The Wall Street Journal*, February 20, 2015. <http://www.aei.org/publication/global-flight-family/>

Dae Ryun Chang, "The We-Me" Culture: Marketing to Korean Consumers," *Advances in International Marketing*, Volume 18, 2007, pp.141–157.

COMMUNISM

NORTH KOREA

Steven Rosefielde, *Asian Economic Systems*, Chapter 5, Command Communism: North Korea.

CIA Factbook: North Korea.

Paul Hare, "Industrial Policy for North Korea - Lessons from Transition," *International Journal of Korean Unification Studies*, KINU, December 2007.

Haggard, Stephan and Noland, Marcus (2007), "North Korea's External Economic Relations", *Working Paper WP 07-7*, Washington, DC: The Peterson Institute for International Economics, August

Haggard, Stephan and Noland Marcus (2007), *Famine in North Korea: Markets, Aid, and Reform*, New York: Columbia University Press.

Kim, Byung-Yeon; Kim, Suk Jin; and Lee, Keun, "Assessing the Economic Performance of North Korea, 1954-1989: Estimates and Growth Accounting Analysis", *Journal of Comparative Economics*, vol.35(3), pp.564-582

Nanto, Dick K. and Chanlett-Avery, Emma (2007), "The North Korean Economy: Overview and Policy Analysis", *CRS Report for Congress*, Washington, DC: Congressional Research Service

Report of the Commission of Inquiry on Human Rights in the Democratic People's Republic of Korea, United Nations High Commissioner for Human Rights. 7 February 2014.

<http://www.ohchr.org/EN/HRBodies/HRC/CoIDPRK/Pages/ReportoftheCommissionofInquiryDPRK.aspx>

Nicholas Eberstadt, "Time for the 'never agains' on North Korea
A new U.N. report erases any doubts or excuses that might have been made for the murderous Pyongyang regime," *The Wall Street Journal*, February 18, 2014.

http://www.aei.org/article/foreign-and-defense-policy/regional/asia/time-for-the-never-agains-on-north-korea/?utm_source=today&utm_medium=paramount&utm_campaign=042114

CHINA, VIETNAM, CAMBODIA, LAOS

Steven Rosefielde, *Asian Economic Systems*, Chapter 6, Market Communism: China and Indochina

Steven Rosefielde, *Red Holocaust*, Chapter 9, Overlapping Empires, pp. 101-114.

Steven Rosefielde, *Red Holocaust*, Chapter 10, Killing Fields, pp. 115-122.

Steven Rosefielde, *Red Holocaust*, introduction, and chapters 1-10, and 12.-14.

Deborah Mayersen and Annie Pohlman, eds., *Genocide and Mass Atrocities in Asia: Legacies and Prevention*, Routledge: London, 2013.

Xiaolong Qui, *Death of a Red Heroine*, New York: Soho Crime, 2003.

Michael Pillsbury, *The Hundred-Year Marathon: China's Secret Strategy to Replace America as the Global Superpower*, New York: Henry Holt, 2015.

Jinjun Xue, Chuliang Luo and Shi Li "Globalization, Liberalization and Income Inequality: The Case of China," *The Singapore Economic Review*, Volume: 59, Number: 01, March 2014.

Steven Rosefielde, "Export-led Development and Dollar Reserve Hoarding," in Rosefielde; Kuboniwa and Mizobata, eds., *Two Asias: The Emerging Postcrisis Divide*, Singapore: World Scientific, 2011.

Jonathan Leightner, "Chinese Overtrading," in Rosefielde; Kuboniwa and Mizobata, eds., *Two Asias: The Emerging Postcrisis Divide*, Singapore: World Scientific, 2011, Chapter 10.

Kai Kajitani, "China," in Rosefielde; Kuboniwa and Mizobata, eds., *Two Asias: The Emerging Postcrisis Divide*, Singapore: World Scientific, 2011, Chapter 7.

Ivan Tselichtchev, *China versus the West: The Global Power Shift of the 21st Century*, Singapore: John Wiley & Sons Singapore PTE. LTD, 2012, vii-xxviii, pp.227.

Steven Rosefielde, *China versus the West: The Global Power Shift of the 21st Century*, (Book Review), *Asia Pacific Business Review*, Vol.?, No.?, 2013,

Office of the Secretary of Defense, Annual Report to Congress, *Military and Security Developments Involving the People's Republic of China 2011*.
www.defense.gov/pubs/pdfs/2011_cmpr_final.pdf

World Bank, *China 2030: Building a Modern, Harmonious, and Creative High-Income Society* (2012).

Michael Pettis, *Avoiding the Fall: China's Economic Restructuring*, Carnegie Endowment for Peace, Washington DC, 2013.

Paul Gregory and Kate Zhou, "How China Won and Russia Lost," *Hoover Institution's Policy Review*, December 2009, <http://www.hoover.org/publications/72997307.html>.

Steven Rosefielde, *Comparative Economic Systems*, Chapter 10, China.

Steven Rosefielde, and Quinn Mills, *Masters of Illusion*, Chapter 8, pp. 142-46.

Steven Rosefielde, "The Illusion of Westernization in Russia and China," *Comparative Economic Studies*, Winter 2007.

Thomas Rawski, "Economic Influence in China's Relations With the West," *Foreign Policy Research Institute*, Newsletter, Vol.13, No.9, August 2008. www.fpri.org.

Thomas Rawski, *China's Rise and the Balance of Influence in Asia*, University of Pittsburgh Press, 2007.

Thomas Rawski, *China's Great Economic Transformation*, Cambridge University Press, 2008.

Gregory Chow, *China's Economic Transformation*, Blackwell, Oxford, 2002.

Angus Maddison, *Chinese Economic Performance in the Long Run*, OECD: Paris, 1998.

Angus Maddison and Harry X. Wu, "China's Economic Performance: How Fast Has GDP Grown; How Big Is It Compared With the USA?" 2007.
<http://www.qgdc.net/Maddison/>

Dwight Perkins, *The Challenges of Chinese Economic Growth*, AEI Press, 2007.

Barry Naughton, *The Chinese Economy: Transitions and Growth*, MIT Press, 2007.

Jung Chang and Jon Halliday, *Mao-The Unknown Story*, Jonathan Cape, London, 2005.

Susan Shirk, *China: Fragile Superpower*, Oxford University Press, Oxford, 2007.

John Thornton, "Long Time Coming" [Is China Democratizing)], *Foreign Affairs*, Vol.87, No.1 (January/February 2008), pp.2-22.

G. John Ikenberry, "The Rise of China and the Future of the West," *Foreign Affairs*, Vol. 87, No.1(January/February 2008), pp.23-37.

Stephanie Kleine-Ahlbrandt and Andrew Small, "China's New Dictatorship Diplomacy," *Foreign Affairs*, Vol.87, No.1(January/February 2008), pp.38-56.

David Hale and Lyric Hughes Hale, "Reconsidering Revaluation," *Foreign Affairs*, Vol.87, No.1(January/February 2008), pp.57-67.

Elizabeth Economy, "The Great Leap Backward?[China's Coming Environmental Crash], *Foreign Affairs*, Vol.86, No.5(September/October 2007), pp.38-60.

Kishore Mahbubani, "Understanding China," *Foreign Affairs*, Vol.84, No.5 (September/October, 2005), pp.49-61.

Steven Rosefielde, *Russian Economics*, Chapter 5, Command Communism: 1929-1953.

Jonathan Rigg, *Living with Transition in Laos: Market Integration in Southeast Asia*, Routledge, 2005.

Melanie Beresford, Phong, Dang, Ang Phong, *Economic Transition in Vietnam*, Edward Elgar, 2001.

David Dollar, "Macroeconomic Management and the Transition to the Market in Vietnam," *Journal of Comparative Economics*, Vol.18(3), 1994.

Suiwah Leung and James Riedel, "The Role of the State in Vietnam's Economic Transition," *International Development Economics Working Paper*, 2001.

Garry Rodan, Kevin Hewison and Richard Robinson, *Political Economy of South-East Asia: Markets, Power and Contestation*, Oxford University Press, 2006.

Richard Robinson and Kevin Hewison, *East Asia and the Trials of Neo-Liberalism*, Routledge, 2006.

Gordon C.K Cheung, *Intellectual Property Rights in China: Politics of Piracy, Trade and Protection*, Routledge, 2011.

Intellectual Property Rights (IPR) infringement is so rampant in China that counterfeit goods - from general household merchandise, garments and media consumables to specialist products including pharmaceutical products and super computer chips - can be found in roadside stalls, markets, shops, department stores

and even laboratory of leading universities. If allowed to continue these infringements may further engender a socially accepted culture of ‘fakeness’ that may seriously hamper innovation and economic progress.

INDIA PART IV

Robert Levy and Kedar Rāj Rājopādhyāya, *Mesocosm: Hinduism and the Organization of a Traditional Newar City in Nepal*, Berkeley: University of California Press, 1990.

Jean Dreze and Amartya Sen, *An Uncertain Glory: India and its Contradictions*, Princeton: Princeton University Press, 2013.

PART IV: PERFORMANCE

Steven Rosefielde, “Asian Economic Performance 1500-2010” (with Huan Zhou) in Rosefielde, Kuboniwa, Mizobata, eds., *Two Asias: The Emerging Postcrisis Divide*, Singapore: World Scientific, 2011.

Steven Rosefielde, *Asian Economic Systems*, Chapter 11, Performance After 2000.

Steven Rosefielde, *Asian Economic Systems*, Chapter 12, Two Asias: The Emerging Divide.

Peter Hoeller, Isabelle Joumard and Isabell Koske, “Reducing Income Inequality While Boosting Economic Growth: Can it be Done? Evidence from OECD Countries,” *The Singapore Economic Review*, Volume: 59, Number: 01, March 2014.

Amartya Sen, *Inequality Reexamined*, Harvard University Press, 2004.

Alastair Greig, David Hulme and Mark Turner, *Challenging Global Inequality: Development Theory and Practice in the 21st Century*, Palgrave, Basingstoke, 2007.

James Angresano, "Orthodox Economic Education, Ideology and Commercial Interests: Relationships that Inhibit Poverty Alleviation," *Post-Austrian Economics Review*, No.44, pp.37-44. <http://www.paecon.net/PAERReview/issue44/Angresano44.pdf>

Hal Hill, *The Economic Development of Southeast Asia*, Australian National University, 2002.

Michael Todaro and Stephen Smith, *Economic Development*, Addison and Wesley, 2005.

Steven Rosefielde, *Comparative Economic Systems*, Chapter 16, Principles of International Security.

Steven Rosefielde and Quinn Mills, *Masters of Illusion*, chapter 13-20

Paul Krugman, "The Myth of Asia's Miracle," *Foreign Affairs*, Vol.73, No.6 (November/December 1994).

Ravi Abdelal and Adam Segal, "Has Globalization Passed its Peak?" *Foreign Affairs*, Vol.86, No.1 (January/February 2007), pp.103-114.

David Dollar and Aart Kraay, "Spreading the Wealth," *Foreign Affairs*, Vol.81, No.1 (January/February 2002), pp.120-133.

PART V: CRISIS

Steven Rosefielde and Quinn Mills, Preventing Another Financial Crisis and Restoring Asian Economic Growth, Singapore: World Scientific Publishers, 2014.

Steven Rosefielde "Global Economic Turmoil: An Inclusive Economic Perspective," *The Journal of Comparative Economic Studies*, Spring 2014.

Steven Rosefielde and Assaf Razin, "Asian Currency and Financial Crises During the 1990s," in in Rosefielde, Kuboniwa and Mizobata, eds., *Two Asias: The Emerging Postcrisis Divide*, Singapore: World Scientific, 2012.

Steven Rosefielde, "Introduction," in Rosefielde, Kuboniwa and Mizobata, eds., *Two Asias: The Emerging Postcrisis Divide*, Singapore: World Scientific, 2012.

Steven Rosefielde, "Global Financial Crisis" (with Assaf Razin), in Rosefielde, Kuboniwa and Mizobata, eds., *Two Asias: The Emerging Postcrisis Divide*, Singapore: World Scientific, 2012.

Steven Rosefielde, "East-West Convergence and Intra-Asian Stratification," in Rosefielde, Kuboniwa and Mizobata, eds., *Two Asias: The Emerging Postcrisis Divide*, Singapore: World Scientific, 2012.

Mia Mikic, "Counter-Crisis Trade Expansion," in Rosefielde, Kuboniwa and Mizobata, eds., *Two Asias: The Emerging Postcrisis Divide*, Singapore: World Scientific, 2011, Chapter 12.

PART VI: EVOLUTION

Steven Rosefielde, "Communist Asia," in Paul Hare and Gerard Turley, eds., *The Economics and Political Economy of Transition: Handbook*, Routledge 2012.

Steven Rosefielde, “East-West Convergence and Intra-Asian Stratification,” in Rosefielde, Kuboniwa and Mizobata, eds., *Two Asias: The Emerging Postcrisis Divide*, Singapore: World Scientific, 2011.

Steven Rosefielde, *Asian Economic Systems*, Chapter 13, Asian Epochs

Amartya Sen, *Inequality Reexamined*, Harvard University Press, 2004.

Vladimir Popov, “Why the West Got Rich, Why China is Catching Up, and Why Russia is Not, June 27, 2014. <http://http-server.carleton.ca/~vpopov/documents/Mixed%20Fortunes-Oxford%20scholarship%20online-July%202014.pdf>

Vladimir Popov, *Mixed Fortunes: An Economic History of China, Russia, and the West*, available on Oxford Scholarship Online, 2014.
<http://www.oxfordscholarship.com/view/10.1093/acprof:oso/9780198703631.001.0001/acprof-9780198703631?rskey=kQs6j8&result=1>

PART VII: BENCHMARKS

Steven Rosefielde, *Asian Economic Systems*, Chapter 1.
Steven Rosefielde, *Inclusive Economic Theory*, World Scientific, 2014.