

## Course Outline

2017

### **ECON 343: EAST ASIAN GROWTH AND TRADE (15 POINTS)**

**Semester 2 (1175)**

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#### **Course Prescription**

A study of the economic factors underlying the trade and growth performance of the major economies of the dynamic East Asian region, and of the impact of their development on New Zealand's international trading environment. Study of individual East Asian economies is strongly emphasised.

#### **Programme and Course Advice**

*Prerequisite:* ECON 201 Microeconomics *or* ECON 232 (Development of the International Economy) *or* ECON 241 International Economics

*Complementary courses:* Students will also find it useful to have completed ECON 211 Macroeconomics, and will find that ECON 343 combines well with study of ECON 341 International Trade and/or ECON 352 International Finance.

#### **Goals of the Course**

East Asia continues to be the most economically dynamic region in the world economy, and is increasingly central to New Zealand's economic and trading future. Given the rapidly growing business linkages between New Zealand and East Asia, and the profound impact of developments in major East Asian economies on the global and regional economies, understanding of the East Asian economies is increasingly important for the New Zealand businessmen and businesswomen of the future.

The purpose of this course is to provide students with an understanding of the distinctive features of major East Asian economies including China, Japan, and Korea as well as ASEAN and selected Southeast Asian economies. Major economic issues and lessons to be drawn from East Asia's economic development are also covered. The course also aims to provide an understanding of key issues in the evolution of trading relationships in East Asia, including the spread of production networks, the current proposal for a Regional Comprehensive Economic Partnership (RCEP) and the issues surrounding the current states of play relating to the Trans-Pacific Partnership (TPP) and the proposal for a Free Trade Area of the Asia Pacific (FTAAP), as well as other key policy issues facing the East Asian economies, including concerns over the so-called "middle-income trap", perception of increasing income inequality in a number of East Asian economies, and issues related to the increasing economic influence of China in the region and the world at large.

## Learning Outcomes

By the end of this course it is expected that the student will be:

1. able to understand the salient economic features of each major phase in the recent economic development of East Asia, and the major issues that have been raised in the economic analysis of each phase.
2. familiar with the main distinctive features of the economic structure and development of China, Japan, Korea, and selected Southeast Asian economies, and the main economic issues currently faced by these economies.
3. familiar with, and able to critically analyse the main patterns observed in evolution over time of trading relationships and economic integration initiatives within the East Asian region, including the spread of preferential trading arrangements and recent emergence of proposals for "mega-regional" trade agreements.
4. familiar with the economic background to selected key policy issues facing East Asian economies, including issues related to the so-called "middle-income trap", perceptions of rising income inequality in some East Asian economies, and the growing economic importance of China in the region and in the world economy.
5. familiar with issues relating to the financial linkages of East Asian economies among themselves and with the rest of the world.

## Content Outline

The course surveys the major phases in the recent economic development of East Asia, including the so-called "East Asian Miracle" phase, the East Asian economic crisis of the late 1990s, the recovery phase in the early twenty-first century with its emphasis on new regional economic integration initiatives, and the global financial crisis and its aftermath. Major issues raised in the economic analysis of each phase will be examined, along with distinctive features of the economic structure and development of the three major Northeast Asian economies, China, Japan, and Korea, and selected Southeast Asian economies. The evolution of trade relationships and trading arrangements in East Asia is also covered, along with a selection of current policy issues of particular relevance to East Asian economies. Financial linkages within the region and with the rest of the world, and the lessons of 1997-98 East Asian crises and the more recent global financial crisis are also covered.

## Course Programme (Provisional)

Week 1:	Introduction to East Asian Economies and the Phases of East Asian Development
Week 2:	Introduction to the Analysis of Growth and Trade in East Asia Current Issues: "Middle-Income Trap", East Asian Production Networks
Weeks 3, 4:	The Japanese Economy
Week 5:	The Korean Economy
Weeks 5, 6, 7:	The Chinese Economy
Weeks 8, 9, 10:	ASEAN and Selected Southeast Asian Economies
Weeks 10, 11, 12:	Trade and Economic Integration in East Asia
Week 12:	Financial and Monetary Integration in East Asia

## Learning and Teaching

Learning in this course is through lectures, tutorials and through personal study. The course will be taught in the second semester.

**Lectures** are held as follows:

Thursday, 2.00pm to 4.00pm – HSB 370

Friday, 2.00pm to 4.00pm - HSB 370

Visiting lecturers with first-hand experience of the economies being studied will be introduced as the opportunity arises.

Videos will be shown occasionally, where useful in reinforcing material covered in lectures.

**Tutorials** are an essential part of the course and coursework, and **are compulsory**. Tutorials are scheduled as follows:

Monday, 12.00pm to 1.00pm – OGGB Room 317

Tuesday, 1.00pm to 2.00pm - OGGB Room 317

Wednesday, 1.00pm to 2.00pm - OGGB Room 317

Friday, 1.00pm to 2.00pm - OGGB Room 317

Students will need to commit to a tutorial at one of these times.

## Teaching Staff

**Associate Professor Rob Scollay**

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## Learning Resources

Assignments, tutorials and reading references will be posted on CANVAS.

Reading is an essential part of this course. There is no text book for the course, and references will be provided for each topic. These will be divided into required readings (approximately two per topic) and additional readings. Availability will be indicated for each reference. In the majority of cases references will be available from the General Library in electronic form and in some cases in hard copy form as well. Wherever possible electronic copies will be provided via CANVAS.

## Some Journals and Periodicals of interest:

The World Economy

Journal of Asian Economics

World Bank Economic Review

The Economist

Asian Economic Policy Review

China Economic Journal

Journal of the Japanese and International Economies

Asian Economic Papers

Asian-Pacific Economic Literature

Journal of Economic Perspectives

The Far East Economic Review

World Development

China Economic Review

Journal of Japanese Studies

Bulletin of Indonesian Economic Studies

## Some Useful Websites:

East Asia Forum: <http://www.eastasiaforum.org/>

World Bank: <http://www.worldbank.org/>

WTO: <http://www.wto.org/>

UNCTAD: <http://unctad.org/en/Pages/Home.aspx>

OECD: <http://www.oecd.org/index.htm>

Asian Development Bank: <http://www.adb.org/>

Asian Development Bank Institute: <http://www.adbi.org>

Economic Research Institute for ASEAN and East Asia (ERIA): <http://www.eria.org/>

Institute of Southeast Asian Studies (Singapore): <http://www.iseas.edu.sg/>

Korea Institute of International Economic Policy (KIEP): <http://www.kiep.go.kr/eng/>

Peterson Institute for International Economics: <http://www.iie.com/>

Pacific Economic Cooperation Council: <http://www.pecc.org>

Research Institute of Economy, Trade and Industry (Japan): <http://www.rieti.go.jp/en/>

Project Syndicate: <https://www.project-syndicate.org>

International Centre for Trade and Sustainable Development: <http://www.ictsd.org/>

United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP): <http://www.unescap.org/>

## Assessment

Assessment will be based on two components:

Coursework (50%) and a Final Examination (50%).

Coursework consists of:

- One compulsory Test (20%)
- One compulsory Assignment, consisting of an essay of 1000-1200 words (20%)
- Tutorial participation and attendance (10%)

Mid Semester Test Date	
Semester 2 - Week 8	Monday, 25 <sup>th</sup> September 2016 6pm-8pm

The Assignment will be handed out early in the second half of the semester and will be due around the end of week 10 (hand in at assignment boxes on Level 0 of the Owen G. Glenn Building). Exact dates will be advised prior to the start of the second semester.

More details will be provided at lectures and on CANVAS.

The requirements for participation in the (compulsory) Tutorials will also be explained at the start of the course.

Plussage does **NOT** apply.

Learning Outcome	Test	Assignment	Tutorial work	Final Examination
1	X	X	X	X
2	X	X	X	X
3	X	X	X	X
4	X	X	X	X
5	X	X	X	X