

BUS491(4 credits), BUS492/ECN480 Case Studies V (BRICs) (3 credits)

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DESCRIPTION:

- 1) In recent global economic crisis, it is often said more cooperation from G20, particularly BRICs, is essential for recovery from the global economic crisis. We can recognize BRICs are now more powerful to have impact on the world economy than BRICs in early 2000's.
- 2) In this course, we discuss on the past, present and future of the BRICs, Brazil, Russia, India and China. BRICs are the fastest growing economies in the world. BRICs have been firstly introduced as good markets to invest in 2003 by Goldman Sachs. We will discuss why BRICs could make such successful development since early 1990s when BRICs were still at under developed situation in the market economy system. The future of the BRICs will be discussed also.
- 3) We will also consider on how we can apply the experience of and lessons learned from BRICs to the other developing countries to follow after BRICs.
- 4) Instructor, who has worked for financing to developing countries including 4 BRICs for more than forty years in public financial institutions like the Export Import Bank of Japan, ADB and IDB. Therefore Instructor will discuss on BRICs from the view points of finance. Instructor will introduce interesting financial issues/deals of 4 BRICs as case studies.
- 5) They are a debt problem of Brazil in 80s, structural adjustment loans in Russia in early 90s, ODA finance scheme for PPP infrastructure in India and infrastructure development in China supported by both Japanese ODA (Official Development Assistance) and OOF (Other Official Flow) in 1980s-90s.

OBJECTIVES:

Upon completion of this course, students will:

- 1) understand the meaning of the emergence of BRICs in the world economy in 2003
- 2) study growth reasons of BRICs from five angles, e.g. budget, finance, foreign assistance, trade, investment
- 3) learn "development finance" with which BRICs could make such a rapid growth,

- 4) understand the position and expected roles of the BRICs in the present economic crisis
- 5) discuss experience/lessons learned of BRICs and apply them to other following developing countries
- 6) recognize what are the International Financial Institutions (IFIs) like WB, IMF, ADB, IDB and EBRD with their role and functions, which made financial assistance to BRICs.
- 7) recognize bilateral financial assistance given by DAC countries to BRICs
- 8) understand relations between BRICs countries and Japan

STUDY MATERIALS:

(Textbooks)

No particular textbook will be used, but **Handouts** will be distributed before the class.

(Reference books, sources of readings and other information)

- 1) Roopa Purushothaman: "Dreaming With BRICs: The Path to 2050" Goldman Sachs Global Economics Paper No99, 1st October 2003 (to be distributed in advance)
 - This is the report which has firstly introduced "BRICs". The report could be found in website of Goldman Sachs.
- 2) Stefano Pelle: "Understanding Emerging Markets: Building Business BRICs"
 - This is one of a few books to deal with BRICs as a whole
- 3) 小林英夫：「BRICsの底力」ちくま新書、2008
- 4) みずほ総合研究所：「BRICs 持続的成長の可能性と課題」東洋経済新報社、2006
- 5) There are so many reference books on an individual country of BRICs, you may choose any of them to deepen your understanding on the country. However, if you want to understand economic aspects, any one of the country economic reports of IBRD, ADB, EBRD and IDB would be the most recommendable. Annual reports of those institutions would be also very informative.
- 6) Bill Emmont. "Rivals: How the Power Struggle Between China, India and Japan will Shape our Next Decade" AWG Literary Agency Ltd, London
(邦訳)ビル・エモット：「アジア三国志 中国・インド・日本の大戦略」日本経済新聞社
- 7) IMF: "International Financial Statistics" Copies of BRICs will be distributed in advance)
- 8) 波多野淳彦：「中国経済の基礎知識」2006 JETRO
- 9) 椎野幸平：「インド経済の基礎知識」2006 JETRO
- 10) 二宮康史：「ブラジル経済の基礎知識」2007 JETRO

ASSESSMENT:

Student performance will be assessed and graded as follows:

Class Attendance	20%
Group Presentation	20%
Discussion & Quizzes	20%
Essay & Presentation	40%

CLASS FORMAT AND ACTIVITIES:

-Expected student numbers of the class will be 12-16.

-The course (45units) will be conducted intensively, namely 2 days per week (Tuesday 5units, Wednesday 4 units) for 5 weeks (26th of January through 24th of February 2010) are expected.

-Students will be classified into 4 groups, Brazil, Russia, India and China upon their preference. Each group will prepare materials by collecting and analyzing data and make a presentation on a case of the assigned country on the topic(s) of the day. Details of the way will be explained at the first class.

A student will have to write an essay on a subject assigned on the last day in the class. After submission of the essay, the student will have to make a presentation individually on the subject in the class. The essay will be evaluated by the classmates.

SCHEDULE:

1st Day

Class Introduction

Title: What is BRICs? — Overall Introduction of BRICs in its outside framework

1. BRICs now.
2. Why are BRICs firstly introduced in 2003 for investors by Gold man Sach's report?
3. Common aspects and different among BRICs
4. Historical review of BRICs in international society(G6, G20, EU, EFTA etc)
5. Expected roles of BRICs in environment in addition to economy and politics

2nd Day

Title: Comparative Study on growth reasons of BRICs (Inside framework)

We will review each country in the following points and find reasons of its fast growth

1. Population, Geology, Culture (Sport, Music, Painting, Architect etc) Political System, Society, Natural Resources, Food and Human Resources, Environment Issue

2. GDP and Balance of Payment
3. Budget and finance
4. Foreign assistance
5. Trade
6. Foreign Direct Investment (FDI)

3rd Day

Title: GDP and Its Composition and Balance of Payment

4 Country groups will study on the the captioned of their BRICs countries and make presentation in the class. Discussion will be followed.

4th Day

Title: Budget and Finance

4 Country groups will study on the the captioned of their BRICs countries and make presentation in the class. Discussion will be followed

5th Day

Title: Introduction of Development Finance

1. What is Development Finance (DF)?

Development finance and trade, investment, money flow, budget and B/P

2. Development finance structure/scheme and Development Banks in 4 BRICs
3. Debt Problems
4. International Financial Institutions and BRICs (1) – World Bank Group and IMF
5. International Financial Institutions and BRICs (2) – ADB, IDB, EBRD

6th Day

Title: Foreign Assistance

1. Bilateral assistance given by DAC countries headed by Japan and BRICs
2. Bilateral assistance given by BRICs to other countries

7th Day

Title: Trade of BRICs

4 Country groups will study on the the captioned of their BRICs countries and make presentation in the class. Discussion will be followed

8th Day

Title: Foreign Direct Investment of BRICs

4 Country groups will study on the the captioned of their BRICs countries and make presentation in the class. Discussion will be followed

9th Day

Title: Japanese relations with BRICs and its future

1. Relations between Japan and BRICs (past, present and future)
2. Japan's Direct Foreign Investment to BRICs(using report of JBIC research works on the subject made in November 2008)

10th Day

Essay and presentation