

## JAS 230 Japanese Economy (3 credit)

Instructor: Hiroya Ichikawa, Ph.D

Office Hour: Tuesday, 13:30-14:30 pm

Website: <http://www.intra.aiu.ac.jp/-ichikawa>

Semester: Spring

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Meeting times: XXX

**Description:** This is an applied course of economics for the contemporary Japanese economy. The course will examine the roots of recent instability in the financial system, Koizumi Reform (privatization/deregulations), and the effectiveness of current government economic policies. In order to understand the current Japanese economy, economic model of the post-war Japan will critically be examined. After a historical review, topics such as an aging population, the social security system, burden of government debt, competition policy, and deregulation (including financial) will be discussed. Other topics include; corporate governance, government-business relations, trade disputes, foreign direct investments, ODA policy, environmental issues, and Japan's civil society. Students are expected to discuss current economic and financial news in each class. If class size permits, the course will be conducted in seminar format.

**Objectives:** This course is aimed at students who have ideally completed at least a one-semester micro economic course and macro economic course. Students from abroad are encouraged to take this course, and contribute to the class discussion by comparing Japan's experience with their experiences in their own countries on similar topics. The course will emphasize the theoretical approach as well as the real world experience of the instructor. Students are expected to actively participate in class discussion / group presentation based on reading assignments and researches. A term-paper will be required.

### **Study Materials:**

< Textbook >

**Academic Preparation:** There are no prerequisites, but basic familiarity with macroeconomics and microeconomics is recommended.

**Policies:** All assignments and exams must be completed to receive a passing grade for this course. Students are reminded not to engage in acts of plagiarism or other forms academic dishonesty. **No unexcused absence allowed.**

**Course Format and Activities:** Every class starts with brief discussion on news articles related to current Japanese economic and financial problems. Class sessions will alternate

between lecture and students presentation. Students will have completed the reading assignment before student's team's sessions. Classes are interactive and seminar type.

### **Study Materials:**

#### **<Textbook>**

Takafusa Nakamura .The Postwar Japanese Economy. University of Tokyo Press .1995/96.

#### **<Reference books, sources of readings and other information>**

- Michael E.Porter, Hirotaka Takeuchi & Mariko Sakakibara,Can Japan Compete? Macmillan Press.2000.
- Paul Krugman "The Myth of Asia's Miracle" , *Foreign Affairs*, November/December. 1994.
- Richard Katz, Japanese Phoenix-the long road to economic Revival, M.E.Sharp.2003.
- Thomas F. Cargill, Michael M. Hutchison, Takatoshi Ito, The Political Economy of Japanese Monetary Policy, Chapter 5.*The Bubble Economy and its Collpase*",
- Adam S. Posen, Restoring Japan's Economic Growth, Institute for International Economics, 1998.
- Toshiaki Tachibanaki.ed. The Economics of Social Security in Japan, The ESRS Studies Series on Ageing, Edward Elgar Publishing Inc .2004

**Assessment:** Students achievement of this course's objectives will be measured in the following five areas: (1) class discussion and presentation (20%) (2) News brief analysis (10 %) (3) Midterm exam (30%) (4) Final exam (30 %) (5) Overall assessment (10 %)

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< **Website for statistics and documents on Japanese economy**

<http://www.stat.go.jp> (Japanese Government's statistics)

<http://www.boj.or.jp/> (Bank of Japan)

<http://www.goo.ne.jp> Government documents)

### **Schedule:**

<Week1-3>

Introduction/ Identification of major economic and financial problems/  
Discussion on Paul Krugman *The Myth of Asia's Miracle*.

<Week 4-6>

Immediate postwar Japanese economy/ reform and reconstruction/  
The mechanism and policies of rapid growth

<week 7-10>

End of rapid growth/ international environment/ the collapse of bubble  
economy/macroeconomic policy mistakes

<Week 11-14>

Structural reforms/restoring Japanese economy/corporate reforms/  
Rethinking Japanese management/social security system/world financial  
crisis and its impact on Japanese economy

<Week 15>

Summing up and Final Examination