Course Outline and Assigned Readings

This course covers Japan’s economic organization, structure and performance from the mid-nineteenth century to the present, focusing on the postwar period. Special emphasis is placed on the character of Japanese economic policy making as well as on the behavior of Japanese enterprises, financial institutions, labor force and households. In addition, there is considerable discussion of Japan’s recent economic conditions.

Class notes: Class notes, handouts, previous exams, and important announcements will be posted on my webpage: www.columbia.edu/~dew35. Students should check this web page frequently. Class notes should be downloaded and printed the day before class. I will not bring extra copies to class. Class notes do not cover my lectures completely and should not be viewed as a substitute for regular class attendance.

Requirements:

- Midterm Exam: 20%
- Paper: 40%
  (2500-3500 words)
- Final Exam: 30%
- Class Participation 10%
Explanation of Requirements

1. Students who have not had a two semester principals of economics course should not take this course. Ideally students will have had four semesters of principals.

2. **Regular class attendance** and regular participation in class discussion

3. **Midterm Exam.** A midterm exam consisting of short-answer questions based on the readings and lectures will be given on **October 23.**

4. **An analytical paper** about the Japanese economy. Due date: **December 4 at 9:10 AM** (at the beginning of class). Ideally your paper will ask a question relevant to understanding an aspect of the Japanese economy that we have not covered in class. The paper should then seek to answer the question. Previous successful topics include, what factors explain changes in female labor force participation, were firms with main banks particularly successful during the 1980’s, etc. You should make an effort to use some primary source material such as the Japan Statistical Yearbook, the Yearbook of Labor Statistics, or National Accounts data. Try to avoid writing a paper that simply describes an industry or a firm. Description may be necessary to answer the question, but it should not be the point of the paper. The paper should be typewritten, double-spaced, about 15 pages (**maximum 3500 words**), plus tables/exhibits (with your sources indicated), footnotes, and bibliography of sources used. If you strongly desire to do a different kind of paper, consult with me.

Unpleasant Issues: The paper must contain references and footnotes; all quotations must be encapsulated in quotation marks and properly referenced. *I strongly urge you to read the MLA Handbook for Writers of Research Papers or similar style guide’s section on plagiarism and proper citation before writing.* Students who plagiarize in this course will fail and may face disciplinary action by the University.

Papers arriving after the start of class will receive a penalty of one grade off, with an additional grade off for each day late. These will cumulate until you receive the minimum of either my evaluation of your paper or a C-.

5. **Final Exam.**
Readings


EC 4325 Course Pack - articles bound in the course pack. The course pack is available at the Village Copier (Broadway between 111th and 112th Streets.) In addition, all readings are on reserve at Lehman Library.

Other References and Sources

The three most comprehensive books on the Japanese postwar economy prior to the publication of *The Japanese Economy* are:


*Japanese Economic Studies* is a useful quarterly journal of translations of contemporary Japanese scholarship on economy and management, including occasional industry studies. A useful newspaper is *The Nikkei Weekly*, the English-language version of Japan's excellent economics daily newspaper. The Japan Economic Institute (Washington) also provides weekly news summaries and useful, concise descriptions and studies on current topics. The Economist Intelligence Unit publishes a Country Report on Japan (Quarterly) and a Country Profile for Japan (Annual) that are useful up-to-date references.

*The Journal of the Japanese and International Economies* is an excellent, more analytically advanced source of original articles, some of which have been used in NBER conferences.

*Pacific Economic Papers* series, published by the Australia-Japan Research Centre of the Australian National University, contains papers on a number of interesting and relevant topics.

A great websites for finding statistical information or links to it are [http://www-1.gsb.columbia.edu/japan/japanlinks.htm](http://www-1.gsb.columbia.edu/japan/japanlinks.htm)
September 2: (Class 1) Introduction and Overview

September 4: (Class 2) Japanese Economic History to 1850


September 9: (Class 3) The Opening of Japan


September 11: (Class 4) Prewar Industrial Policy


September 14 7PM: (Class 5) Prewar Banking and Finance

Hoshi and Kashyap, Chapter 2

September 16: (Class 6) The Rise of Concentration


September 18: No Class

September 23: (Class 7) Zaibatsu


September 25: (Class 8) Prewar Labor Markets

September 30: (Class 9) The Wartime Japanese Economy

Hoshi and Kashyap, Chapter 3
October 2: (Class 10) Japanese Economic Growth


October 7: (Class 11) Japanese Labor Practices I: Theory


October 9: (Class 12) Japanese Labor Practices II: Empirics


October 14: (Class 13) Recent Development in Japanese Labor Markets


October 16: (Class 14) Zaibatsu Dissolution and the Formation of the Main Bank System

Hoshi and Kashyap, Chapter 4

October 21: (Class 15) The Economics of the Main Bank System

Hoshi and Kashyap, Chapter 5

****** October 23: (Class 16) Midterm ******

October 28: (Class 17) Savings and the Cost of Capital

October 30: (Class 18) Vertical Groups and Buyer-Supplier Relationships

November 6: (Class 19) Formal Industrial Policy

November 11: (Class 20) Informal Industrial Policy

November 13: (Class 21) The Bubble Economy
   Hoshi and Kashyap, Chapter 7

November 18: (Class 22) The Bursting of the Bubble

November 20: (Class 23) Fiscal Policy

November 25: (Class 24) Monetary Policy
   Krugman, Paul “Japan’s Trap” http://web.mit.edu/krugman/www/japtrap.html

November 27: Thanksgiving – No Class
December 2: (Class 25) Banking Policy

Hoshi and Kashyap Chapter 8.

December 4: (Class 26) The Big Bang and Beyond

Hoshi and Kashyap Chapter 9.