The course is divided in three main modules.

**Module 1 - Development Economics and Policymaking.**
In this module we will develop a comprehensive framework for tracing the evolution of national economies. We will establish the condition for economies to climb through the development ladder, from poverty to middle income, and then from escaping the middle-income trap. We will also describe and analyze the most important events in East Asian modern history (from 1900--onwards).

Students should be able to answer/understand the following questions/concepts:

-- What are the long--term sources of economic growth and why is productivity so important?
-- Why is it difficult for poor countries to catch-up with developed economies.
-- What were the unique challenges and solutions brought by East Asian policymakers?
-- Which 20th century events changes East Asia dramatically?
-- How did Japan and South Korea overcome the middle-income trap?

**Module 2 – Policies and mains issues related to East Asia development.**
Here we divide the economies into its main components and analyze the pattern of development and how public authorities deal with the main issues facing East Asian societies.

Here are the main dimensions of East Asian development that we will cover
  -- New public management and the role of the state
  -- Financial and currency regulation
  -- Human capital and education policies
  -- Health care systems design
  -- Urbanization and sustainability
  -- Agricultural policies
  -- Trade policies
  -- Income inequality and taxation

**Module 3 - East Asian politics in a globalized world.**
The final module of the course brings together all the material discussed in the course to:

-- Provide students with the foundation for the term papers
-- Discuss which policy changes should be pursued by East Asian policy makers, which constraints they face, and how policy changes reverberate across the world.
7. Literature:

The course does make use of a textbook that will be the basis of the first module. The textbook is called Economics of Global Business (2018, The MIT Press), ISBN-13: 978-0262535625 (marked as EGB for the rest of the syllabus). Readings related to China are all required and often draw on Loren Brandt & Thomas G. Rawski China's Great Economic Transformation (Cambridge University Press, 2008) marked as B&R below, which is available as an e-Book via the NYU library system. Other than these books, readings are divided in:

1 – Mandatory readings: those are short, sometimes very short pieces, that illustrate the concepts discussed in class and academic papers.
   - Articles usually come from magazines such as The Economist, newspapers such as Wall Street Journal and Financial Times, websites, blogs etc. These short readings complement the more substantial ones. Unless labeled optional or expert, readings are mandatory.
   - Academic papers and reports: they offer in-depth empirical evidence on the issues we will be discussing throughout the course. Students are NOT required to read and make detailed notes on the paper but should read enough of the article to get its main thesis, the strength of the evidence and how it relates to East Asia development.

2 – Optional readings: those are sophisticated and mostly longer pieces on the subjects discussed in class.

3 – Expert: recent academic papers that go in-depth about some issues of the course and should be cornerstones of your final report. They should be treated as optional readings for the lectures.

You should not be worried about the amount of additional literature, as optional readings are not going to be required for the final term paper. The idea behind providing more options is to allow you more choices regarding how you approach PEEA. Readings also include some additional case studies written for the EGB textbook. And students can divide the readings among the team, focusing on the main takeaways and studying together. In the end, students can choose between:

1 – Studying just for the term paper: I don’t like this choice, but I respect it. Students need to read the required readings (individually or not) and the specific literature related to their final paper.

2 – Choosing some specific aspects to get a deeper knowledge: let’s say students really want to understand better the relationship between human capital and development. They will be able to read the optional and expert texts on those subjects to get a more sophisticated knowledge on those concepts and relationships.

3 – A comprehensive approach: in this scenario students would delve into all optional readings, trying to get the most of their experience in PEEA. This would be difficult, but doable.
Finally, the last few lectures are not given main readings because I expect that for some topics the number of lectures allocated will not be enough. Thus, it will be necessary to move the entire schedule further by one and two lectures. Finally, in the last lectures we will integrate the term papers you will develop throughout the course.

8. Provisional schedule:

The following is a provisional schedule, and below are the initial selected readings for the course. Please be advised that this list will be updated continuously.

BPEP-UB 9042-001 – Political Economy of East Asia
This is a preliminary schedule. It is subject to change.

Main Readings (see Case studies and Expanded readings below)

<table>
<thead>
<tr>
<th>Class</th>
<th>Date</th>
<th>Content</th>
</tr>
</thead>
</table>
| 1     | Feb 12 | **I Understanding Political Economy**
|       |        | Globalization and economic growth                                         |
| 2     | Feb 14 | Economics in the long run                                               |
| 3     | Feb 19 | The recent evolution of East Asian economies                            |
| 4     | Feb 21 | The recent evolution of East Asian economies                            |
| 5     | Feb 26 | Momentous events in East Asia                                            |
| 6     | Feb 28 | Momentous events in East Asia                                            |
| 7     | Mar 05 | Transformations and transitions (Japan and South Korea)                  |
| 8     | Mar 07 | Transformations and transitions (China, HK, Mongolia, Taiwan)            |
| 9     | Mar 12 | The political system and the role of the state                           |
| 10    | Mar 14 | The political system and the role of the state                           |
| 11    | Mar 19 | New public administration, corruption and public innovation              |
| 12    | Mar 21 | Financial and currency regulation                                        |
| 13    | Mar 26 | International Financial Institutions and East Asia                       |
| 14    | Mar 28 | Human capital and education                                              |
| 15    | Apr 02 | Urbanization, sustainability and ageing populations                      |
| 16    | Apr 09 | Urbanization, sustainability and ageing populations                      |
| 17    | Apr 11 | Government debt, firm governance and innovation                          |
| 18    | Apr 14 | Health-care national systems                                             |
| 19    | Apr 16 | Pension reforms and the welfare system                                   |
| 20    | Apr 18 | Agricultural policy, food security and property rights                   |
| 21    | Apr 23 | Trade policies, agreements and globalization                            |
| 22    | Apr 25 | Trade policies, agreements and globalization                            |
| 23    | Apr 30 | Inequality and taxation                                                  |
| 24    | May 02 | Inequality and taxation                                                  |
| 25    | May 07 | East Asian politics in a globalized world                               |
| 26    | May 09 | East Asian politics in a globalized world                               |
| 27    | May 14 | Putting it all together                                                  |
| 28    | May 16 | Putting it all together                                                  |
| 29    | May 21 | Final Exam                                                               |
9. Readings:

Case studies:
Case studies were written for the Economics of Global Business textbook and present more details into the issues pertaining to PEEA. They will be delivered in bulk alongside the textbook.

<table>
<thead>
<tr>
<th>Class</th>
<th>Case study</th>
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<tbody>
<tr>
<td>2</td>
<td>Reconstruction aid and economic outcomes.</td>
</tr>
<tr>
<td>3</td>
<td>The world in 2060</td>
</tr>
<tr>
<td>4</td>
<td>The Importance of Institutions in Economic Development: The Case of Pakistan</td>
</tr>
<tr>
<td>9</td>
<td>The implementation of Fiscal Policy: monitoring local governments.</td>
</tr>
<tr>
<td>12,13</td>
<td>The output and fiscal impact of financial crises.</td>
</tr>
<tr>
<td>23</td>
<td>Pre and post transfer income inequality – beyond the flat tax in Italy.</td>
</tr>
<tr>
<td>24</td>
<td>Poverty alleviation, development and elephant trails in Africa.</td>
</tr>
<tr>
<td>25</td>
<td>China’s Belt and Road Initiative: A Chance for Prosperity or Debt-Trap Diplomacy?</td>
</tr>
</tbody>
</table>

Expanded Readings (number refer to class schedule):

<table>
<thead>
<tr>
<th>1</th>
<th>Feb 12</th>
<th>I Understanding the Macro Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Globalization and economic growth</td>
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</tbody>
</table>

- Economics of Global Business, chapters 1,3.

2 | Feb 14 | Economics in the long run |

- Economics of Global Business, chapters 1,3.
- Catch-Up: Possible, but not Certain (https://courses.lumenlearning.com/boundless-economics/chapter/assessing-growth/)
- For richer, for poorer _ The Economist.pdf
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>3</td>
<td>Feb 19</td>
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<td>4</td>
<td>Feb 21</td>
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<td>5</td>
<td>Feb 26</td>
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<td>6</td>
<td>Feb 28</td>
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<td>7</td>
<td>Mar 05</td>
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</tbody>
</table>

• Optional: Long Run Trend Rate of Growth (http://www.economicshelp.org/blog/5105/economics/long-run-trend-rate-of-growth/)

8 Mar 07  Transformations and transitions (China, HK, Mongolia, Taiwan)

• B&R 1 - China's Great Economic Transformation
• B&R 2 - China and Development Economics
• B&R 4 - A Political Economy of China's Economic Transition
• Optional: CHINA Economic Growth and Rebalancing.pdf
• Optional: The People Republic of China Potential Growth Rate - Long Run Constraints.pdf

9 Mar 12  The political system and the role of the state

10 Mar 14  The political system and the role of the state


<table>
<thead>
<tr>
<th>11 Mar 19</th>
<th>New public administration, corruption and public innovation</th>
</tr>
</thead>
</table>

- Christensen, T., & Laegreid, P. (2011). Democracy and administrative policy: contrasting elements of New Public Management (NPM) and post-NPM. European Political Science Review, 3(1), 125-146.


12 Mar 21 Financial and currency regulation

• EGB, Chapters 5 and 10.


• Optional: The financial cycle and macroeconomics: What have we learnt? (http://www.bis.org/publ/work395.pdf)


13 Mar 26 International Financial Institutions and East Asia
• East Asia's Foreign Exchange Rate Policies (https://fas.org/sgp/crs/row/RS22860.pdf)

<table>
<thead>
<tr>
<th>14</th>
<th>Mar 28</th>
<th>Human Capital and Education</th>
</tr>
</thead>
</table>

• B&R 7 - Education in the Reform Era
• Teaching the teachers. https://www.economist.com/briefing/2016/06/11/teaching-the-teachers
• What other countries can learn from Singapore’s schools. https://www.economist.com/leaders/2018/08/30/what-other-countries-can-learn-from-singapores-schools
• Pakistan is home to the most frenetic education reforms in the world. https://www.economist.com/briefing/2018/01/04/pakistan-is-home-to-the-most-frenetic-education-reforms-in-the-world

<table>
<thead>
<tr>
<th>Date</th>
<th>Title</th>
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<tbody>
<tr>
<td>Apr 02</td>
<td>Urbanization, sustainability and ageing populations</td>
</tr>
<tr>
<td>Apr 09</td>
<td>Urbanization, sustainability and ageing populations</td>
</tr>
</tbody>
</table>

• EGB, chapter 13.


• Optional: How Are Populations Shifting within Developed Countries?, [https://www.stlouisfed.org/on-the-economy/2016/august/how-populations-shifting-developed-countries](https://www.stlouisfed.org/on-the-economy/2016/august/how-populations-shifting-developed-countries)


**17** Apr 11  Government debt, firm governance and innovation

• In China, private companies walk a fine line, Nikkei Asian Review, May 23, 2018.
• Improving public finances is both a moral and technical challenge - FT.pdf


Optional: Alan Blinder_ The Long and Short of Fiscal Policy – WSJ.pdf

Optional: Alan Blinder_ Our Fiscal Policy Paradox – WSJ.pdf

Optional: Fiscal policy should not be decided by simplistic rules – FT


• Expert: Participating for Protection: Legislatures, Private Entrepreneurs, and Property Security in China

**18** Apr 14  Health-care national systems


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<thead>
<tr>
<th>Date</th>
<th>Topic</th>
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<tbody>
<tr>
<td>Apr 16</td>
<td>Pension reforms and the welfare system</td>
</tr>
</tbody>
</table>

- Pension Reform in Asia is Extremely Difficult to Get Right, [https://international.thenewslens.com/article/67311](https://international.thenewslens.com/article/67311).
- Optional: Emerging Asia’s Public Pension Systems: Challenges and Reform Efforts.pdf

| Apr 18 | Agricultural policy, food security and property rights |

- The Economist - Why China needs bigger farms - Dreaming big
- The Economist - China's inefficient agricultural system - The Economist explains
- The Economist - Up on the farm - Inequality in China
• Optional: Can trade improve food security.pdf
• Optional: Understanding International Trade in Agricultural Products.pdf

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<tr>
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<td>Trade policies, agreements and globalization</td>
</tr>
<tr>
<td>22 Apr</td>
<td>Trade policies, agreements and globalization</td>
</tr>
</tbody>
</table>

• Trade Policy and Growth in Asia.pdf
• How can East Asia defend the WTO?, http://www.eastasiaforum.org/2018/02/09/how-can-east-asia-defend-the-wto/
• Do Tariffs Protect an Infant Industry? (http://www.forbes.com/sites/davidmarotta/2013/05/05/do-tariffs-protect-an-infant-industry/)
• Free-trade agreements _ Opening up the Pacific _ The Economist.pdf
• Optional: The Infant Industry Argument and Dynamic Comparative Advantage (http://internationalecon.com/Trade/Tch100/T100-4.php)
• Optional: krugman_lecture.pdf
• Optional: Tariff Deal Is Big Step for Trade, Tech Firms - WSJ.pdf
• Optional: WTO bans Chinese tariffs on US steel - FT.pdf
• Optional: U.S.-China Trade Relations: Ideas for Improvement (http://www.chinausfocus.com/finance-economy/u-s-china-trade-relations-ideas-for-improvement/)
• Optional: Krugman - Intraindustry.pdf
• Optional: New Aspects of Intra-Industry Trade in EU Countries - advanced intra industry.pdf
• Optional: When and how should infant industries be protected? (http://scholar.harvard.edu/files/melitz/files/infant_jie.pdf)
• Optional: Trade policy_ Taking aim at imports _ The Economist.pdf

23 Apr 30 Inequality and taxation

24 May 02 Inequality and taxation

• EGB, Chapter 12.
• Taxes and mandatory contributions that a medium-size company must pay or withhold in a given year in Asia. https://www.business-in-asia.com/asia/taxation_asia.html
• Optional: Income Inequality in Asia. Articles published by the ADB. https://www.adb.org/adbi/research/income-inequality-asia

25 May 07 East Asian politics in a globalized world

26 May 09 East Asian politics in a globalized world

• Optional: The Age of Chinese Capital.pdf

27 May 14 Putting it all together