

PRELIMINARY, STILL UNDER REVISION

BRANDEIS INTERNATIONAL BUSINESS SCHOOL

Econ 253a, Fall 2012 Asia: Center of the World Economy Syllabus

CONTACT INFORMATION

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Email is the most efficient means of communicating with me outside of class or office hours.

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COURSE DESCRIPTION

With half the world's population, one quarter of its output, and twice its growth rate, Asia is becoming the center of the world economy. The course examines what is "different" about the economics of Asia, and the companies, investments and policies that account for its dynamism. This course is offered once every two years.

LEARNING GOALS

Why is studying Asia important?

- As a global citizen, you will gain insight into how this extraordinary economic machine works and interacts with the rest of the world.
- As a prospective investor or manager, you will analyze Asian business practices, the opportunities Asia offers, and the competition it brings to world markets.
- As a prospective policy maker, you will assess how Asia's rise is shaping the rules of world trade and finance. Global cooperation will be essential in many areas, yet Asia and the West disagree on issues such as intellectual property rights, environment, agriculture, labor, finance, and the regulation of sovereign wealth funds.

The class will address these topics with *lectures* by the professor and visiting experts on theory, policy and strategy; *case discussions* that use the analytical framework to explore "real world" decisions; and *assignments and presentations* to familiarize you with "country work," that is, the analysis done by key institutions that operate in Asia (e.g. data sources, priorities, logic of policy and business decisions, format of presentations). Readings will be eclectic, including business school case studies, academic papers, reports from international organizations, think tanks and investment banks, and media articles. You will be expected to attend every class session well prepared and will be graded for participation.

ACADEMIC HONESTY

Students are expected to be honest in all academic work. The University policy on academic honesty is distributed annually as section 5 of the Rights and Responsibilities handbook. Instances of alleged dishonesty will be forwarded to the Office of Campus Life for possible referral to the Student Judicial

System. Potential sanctions include failure in the course and suspension from the University. If you have *any* questions about these expectations, please ask. Academic dishonesty will not be tolerated and will be rigorously prosecuted.

LAPTOPS AND SPECIAL ACCOMMODATIONS

There will be no open laptops or other electronic communications devices allowed during lectures, discussions and exams. Exceptions must be negotiated with the professor directly, based on a letter from the University's *Coordinator of Disabilities Services and Support*.

If you are a student with a documented disability on record at Brandeis University and if you wish to have a reasonable accommodation for this class, please see the professor immediately. Accommodations will not be provided retroactively.

GRADING

- Class Participation/Preparation (30%)
- Short Assignments (40%)
- Midterm Exam (30%)

ASSIGNMENTS

Student teams will be assigned a country to analyze over the course of the semester. They will be required to submit three projects and make short presentations on them.

- Assignment 1: A case for a loan for a high priority project (based on a short country profile, country policy priorities, and an actual recent ADB loan).
- Assignment 2: An economic forecast and risk analysis (based on historical data and a growth model).
- Assignment 3: A private-sector investment proposal, based on an actual or hypothetical company, to an equity fund, such as those sponsored by the International Finance Corporation (comparable to similar past investments).

Further details will be provided online.

READINGS

The course website is on the University's LATTE system and will be used extensively for communicating assignments, readings and changes in schedule or the syllabus. Students should check the site frequently. Readings will be often in PDF form, typically with several shorter readings collected into a packet that accompanies a specific lecture or case. To read PDF files, install Adobe Acrobat Reader on your computer: (<http://www.adobe.com/products/acrobat/readstep.html>)

The main readings not provided online are cases for purchase and download from the Harvard Business School Publishing website. The first batch of cases, those that will be covered before the Midterm Exam, is available at the start of the semester. A second batch will be made available at the time of the exam for the second half of the semester. (This permit us to adjust the content of the course due to unexpected events or student interest.) Instructions for purchasing the cases are on LATTE.

Course Schedule

Date	Topic	Readings	Assignments
I. The Asian Miracle			
Aug 30 Th	LECTURE: A bird's eye view of Asia	<i>Asia</i> (PDF packet) - Friedman, "A Biblical Seven Years," 2008. - Mahbubani, "Ringing in the Asian Century," 2008.	
Sep 4 T	CASE: Finding the center of Asia	<i>The Women's Tennis Association in Asia</i> (Ivery 910M26)	
Sep 6 Th	LECTURE: Asia 2030	<i>Asia 2030</i> (PDF packet) - Lin and Petri, "The Great Transformation," 2012. - Goldman Sachs, "Is this the 'BRICs Decade'?" 2010.	
Sep 11 T	CASE: China rises	<i>To get rich is glorious</i> (HBS 9-707-022)	
Sep 13 Th	LECTURE: Was it a miracle?	<i>The miracle debate</i> (PDF packet) - Petri, "Growth accounting," 2010. - Krugman, "The Myth of Asia's Miracle," 1994. - Stiglitz, "From Miracle to Crisis to Recovery," 2001. - Pivot Capital, "China's Investment Boom: the Great Leap into the Unknown," 2009.	
Sep 18 T	No class		
Sep 20 Th	No class		
Sep 25 T	LECTURE: Asia and the financial crisis	<i>Global Crisis</i> (PDF packet) - IMF, "Asia is staging a vigorous and balanced recovery," 2010, pp. 47-51. - Bergsten, "Correcting the Chinese exchange rate: an action plan," 2010. - Huang, "Krugman's Chinese renminbi fallacy," 2010.	
Sep 27 Th	LECTURE: Analytics of Asian economies	<i>Relationships</i> (PDF packet) - Rajan and Zingales, "Which capitalism? Lessons from the East Asian crisis," 1998. - Mahbubani, "From Confucius to Kennedy," 2007.	
Oct 2 T	CASE: From relationships to markets	<i>Korean Chaebol</i> (HKU143)	
Oct 4 Th	LECTURE: The Beijing Consensus	<i>Trade and development policy</i> (PDF packet)	#1 ADB loan

Oct 9 T	No class		
Oct 11 Th (Seoul)	CASES: State-owned enterprise	<i>China Construction (B): Baha Mar Resort</i> (HBS9-911-411) <i>China Highspeed Railway</i> (PDF packet)	
II. The Asian economic landscape			
Oct 16 T	STUDENT PRESENTATIONS	Country loans (Assignment #1)	
Oct 18 Th	CASE: Where things are made	<i>Yu Yuen Holdings: Site Selection</i>	
Oct 23 T	EXAM (based on section I topics)		
Oct 25 Th	CASE: Selling people	<i>Peoplepower in the Philippines</i> (HBS 9-706-052)	
Oct 30 T	CASE: Getting everything wrong	<i>North Korea</i> (PDF packet) - Haggard and Noland, "Pyongyang attacks the market," 2010. - See, "An East Asian Development Fund for North Korea,"	
Nov 1 Th	CASE: Infrastructure	<i>Financing the Theun-Hinboun Hydro</i> (HKS183)	
Nov 6 T	CASE: Investing in resources	<i>NFC in Mongolia</i> (Tsinghua-Ivey 909M09)	
Nov 8 Th	CASE: Contract manufacturing	<i>Foxconn v BYD</i> (HKU908)	
Nov 13 T	CASE: Moving up	<i>Remaking Singapore</i> (HBS 9-710-483)	
Nov 15 Th	CASE: Falling down	<i>Japan: Deficits, Demography, Deflation</i> (HBS 9-706-004)	#2 Forecast
Nov 20 T	STUDENT PRESENTATIONS	Country forecasts (Assignment #2)	
Nov 23 Th	No class		
III. Where next?			
Nov 27 T	LECTURE: An Asian development model?		
Nov 29 Th	LECTURE: Asia's complicated future		
Dec 4 T	LECTURE: Asia-Pacific economic integration	ADB, <i>Emerging Asian Regionalism</i> , 2008.	
Dec 6 Th	CASE: Trans-Pacific Partnership	<i>The Trans-Pacific Partnership</i> (PDF Packet) - Petri and Plummer, "The Transpacific Partnership: Policy Recommendations" PIIE 2012. - Barfield, Levy, "Tales of South Pacific," VOX Jan 28, 2010	#3 Investment

		<ul style="list-style-type: none"> - Chan, "Republican House," <i>NYT</i> Nov 3, 2010 - Fergusson, Vaughn, "The Trans-Pacific Strategic Economic Partnership Agreement," CRS Report 2009. 	
Dec 11 T	STUDENT PRESENTATIONS	Country investments (Assignment #3)	