SCHOOL OF ECONOMICS


ECON 983 INDUSTRY AND TRADE IN EAST ASIA 6 CP

SPRING 2007 WOLLONGONG CAMPUS

Subject Coordinator and Lecturer

DR KANKESU JAYANTHAKUMARAN

School of Economics and Information Systems

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Consultation: Wednesday Time: 15.30 – 17.30
Thursday Time: 15.30 – 17.30

Tutor/Instructor

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Consultation: TBA Time: TBA
# SECTION A: GENERAL INFORMATION

## LECTURE TIMES

Lectures will be held on Wednesday 8.30 to 10.30 Room 104, Building 67

## LECTURE PROGRAM

<table>
<thead>
<tr>
<th>Date</th>
<th>Topics Covered</th>
<th>Readings</th>
</tr>
</thead>
<tbody>
<tr>
<td>25/07/07</td>
<td>Emergency Evacuation Procedures</td>
<td>Das, D.K. Chapter 2</td>
</tr>
<tr>
<td></td>
<td>INTRODUCTION TO THE REGIONAL ECONOMY</td>
<td></td>
</tr>
<tr>
<td>01/08/07</td>
<td>STRUCTURALIST VIEW ON INDUSTRIALISATION</td>
<td>Weiss, J. Chapter 3</td>
</tr>
<tr>
<td>08/08/07</td>
<td>NEO-CLASSICAL VIEW ON INDUSTRIALISATION</td>
<td>Weiss, J. Chapter 5 and Jayanthakumaran, K.</td>
</tr>
<tr>
<td>15/08/07</td>
<td>ASEAN</td>
<td>Pugel, T.A. Chapter 11, Kettunen, E. and Ariff, M.</td>
</tr>
<tr>
<td>22/08/07</td>
<td>FOREIGN DIRECT INVESTMENT</td>
<td>Dicken, P.</td>
</tr>
<tr>
<td>29/08/07</td>
<td>EXPORT PROCESSING ZONES</td>
<td>Amirahmadi, H. and Jayanthakumaran, K.</td>
</tr>
<tr>
<td>05/09/07</td>
<td>MID-SESSION TEST</td>
<td></td>
</tr>
<tr>
<td>12/09/07</td>
<td>BALANCE OF PAYMENTS AND IMF</td>
<td>Pugel, T.A. Chapter 15, and Hill, C.W.L. Chapter 10</td>
</tr>
<tr>
<td>19/09/07</td>
<td>TRADE AND INDUSTRY: SOUTH KOREA AND TAIWAN</td>
<td>Danny, M.L.</td>
</tr>
<tr>
<td></td>
<td>MID-SESSION RECESS</td>
<td></td>
</tr>
<tr>
<td>03/10/07</td>
<td>TRADE AND INDUSTRY: JAPAN</td>
<td>Das, D.K. Chapter 21</td>
</tr>
<tr>
<td>10/10/07</td>
<td>ASIAN MELTDOWN</td>
<td>Brain, P. and Islam M.F.</td>
</tr>
<tr>
<td>17/10/07</td>
<td>AFTERMATH OF ASIAN MELTDOWN</td>
<td>Brain, P. and Garran, R.</td>
</tr>
<tr>
<td>24/10/07</td>
<td>REVISION</td>
<td></td>
</tr>
<tr>
<td>03/11/07 to 16/11/07</td>
<td>STUDY RECESS AND EXAMINATION</td>
<td></td>
</tr>
</tbody>
</table>
TUTORIAL/ LABORATORY TIMES

Tutorials will be held on

<table>
<thead>
<tr>
<th>Day</th>
<th>Time</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuesday</td>
<td>9.30 – 10.30</td>
<td>19.2100</td>
</tr>
<tr>
<td>Tuesday</td>
<td>12.30 – 13.30</td>
<td>19.1084</td>
</tr>
<tr>
<td>Tuesday</td>
<td>13.30 – 14.30</td>
<td>19.1084</td>
</tr>
<tr>
<td>Wednesday</td>
<td>11.30 – 12.30</td>
<td>19.G005</td>
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<tr>
<td>Friday</td>
<td>11.30 – 12.30</td>
<td>19.1059</td>
</tr>
<tr>
<td>Friday</td>
<td>12.30 – 13.30</td>
<td>19.1059</td>
</tr>
</tbody>
</table>

TUTORIAL/ LABORATORY PROGRAM

TWO students are expected to give verbal presentations per week. A student is required to choose ONE of the tutorial questions from any one-week outlined below for verbal presentation and essay during the 2nd week tutorial. Please do avoid repeating the same tutorial question in a class for verbal presentation. Students are expected to write approximately 2000 words of their respective questions and to give a verbal presentation. Verbal presentations will be held during the tutorial hour starting in the 3rd WEEK of spring session. Essays are to be typed and double-spaced. Individual submissions must be handed in at the tutorial following the presentation.

<table>
<thead>
<tr>
<th>Week</th>
<th>Topics Covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Week 1  No Tutorials</td>
</tr>
<tr>
<td>2</td>
<td>Week 2  INTRODUCTION</td>
</tr>
</tbody>
</table>
| 3    | Week 3  1. DESCRIBE THE STRUCTURALIST VIEW ON TRADE AND INDUSTRIALISATION (WEISS, J.)
|      | 2. “IMPORT-SUBSTITUTING INDUSTRIALISATION IS THE SUITABLE POLICY FOR DEVELOPING COUNTRIES” EXPLAIN (WEISS, J.) |
| 4    | Week 4  1. BRIEFLY EXPLAIN THE TERM ‘TRADE LIBERALISATION’. WHAT ARE THE COSTS AND BENEFITS TO A COUNTRY OF TRADE LIBERALISATION? DISCUSS BOTH ECONOMIC AND SOCIAL COSTS. (JAYANTHAKUMARAN, K.)
|      | 2. (A) WHAT IS A TARIFF? HOW DOES IT OPERATE TO REDUCE TRADE? WHAT ARE THE ECONOMIC ARGUMENTS FOR A TARIFF?
<table>
<thead>
<tr>
<th></th>
<th>(B) ASSUME THAT THE RATIO OF THE COST OF THE IMPORTED INPUT TO THE PRICE OF A MOTOR CAR IN THE ABSENCE OF TARIFFS IS 0.7. THE NOMINAL TARIFF RATE ON THE CAR IMPORT IS 0.1. FIND THE EFFECTIVE PROTECTION IF THE NOMINAL TARIFF RATE ON THE IMPORTED INPUT IS 0, 0.05 AND 0.1. FIND THE EFFECTIVE PROTECTION IF THE NOMINAL TARIFF RATE ON THE CAR IMPORT IS 0, 0.03 AND 0.05. INTERPRET YOUR RESULTS. (JAYANTHAKUMARAN, K.)</th>
</tr>
</thead>
</table>
| Week 6 | 2. (A) Briefly explain the concept ‘economic integration’.
(B) Malaysia is about to join Indonesia in ASEAN. Before the union, Malaysia imports 10 million toys from the USA at $100 and adds a tariff of $30 on each toy. It takes $110 to produce each toy in Indonesia. Once the ASEAN is formed, what will be the cost to Malaysia of the toy trade diverted to Indonesia? How much extra imports would have to be generated in Malaysia to offset this trade-diversion welfare cost? How should a firm from outside world that currently exports to Malaysia respond to the creation of Malaysia-Indonesia single market?
© Are trade blocks consistent with the most favoured nation principle? Explain.
3. What are the advantages for Australia in joining the ASEAN free trade area (AFTA)? Any disadvantages? Discuss (Gionea, J., Chapter 8). |
| Week 7 | 1. “Export Processing Zones (EPZs) have lack of contact with domestic economy”, explain. What are the costs and benefits of EPZs? (Reference: Amirahmadi, H. and Jayanthakumaran, K.)
2. Evaluate the performance of EPZs in Asia. (Reference: Amirahmadi, H. and Jayanthakumaran, K.) |
| Week 8 | 1. What are the benefits and costs of globalisation?
2. Inward FDI is bad for East Asian economies and should be subjected to strict controls! Discuss. (Reference: Hill, C.W.L., Chapter 6) |
| Week 9 | 1. What role does the IMF play in the world economy? What are the main costs and benefits of IMF adjustment policies? (Hill, C.W.L.)
2. What were the original purposes of the IMF? Have they changed since Bretton Woods? What is the justification for IMF surveillance? (Hill, C.W.L.)
| Week 10 | 1. “East Asian countries directed their resources into targeted sectors by not believing market forces.” Explain. (Reference: Danny, M.L.).
2. “Favourable external environment was the principal reason that led East Asian success.” Write your arguments for and against to this statement. (Reference: Danny, M.L.)
3. List the main pros and cons of taking the import-replacing road to
**INDUSTRIALISATION VERSUS DEVELOPING EXPORT-ORIENTED INDUSTRIALISTION.** *(REFERENCE: WEISS, J.)*

**11 Week 11**

1. "**SOUTH EAST ASIAN ECONOMIES ARE NOT ALL ALIKE**" *DO YOU AGREE ABOVE STATEMENT? WHY?* *(REFERENCE: DANNY, M.L.)*

2. "**MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI) CONTRIBUTED SIGNIFICANTLY TO JAPAN'S ECONOMIC SUCCESS.**" *WRITE YOUR ARGUMENTS FOR AND AGAINST TO THIS STATEMENT.* *(REFERENCE: DAS, D.K, CHAPTER 21)*

3. **IT APPEARS THAT CHINA IS ATTRACTING ALONE MORE FDI INFLOWS THAN ANY OTHER REGIONAL GROUPING IN EMERGING MARKET AND DEVELOPING ECONOMIES. WHAT ARE THE REASONS? DISCUSS (GIONEA, J., CHAPTER 4)*

**12 Week 12**

1. **(A) EXPLAIN THE FUNDAMENTAL REASONS FOR THE ASIAN CRISIS?**

   **(B) CRITICALLY ANALYSE THE IMF'S ROLE IN ASIAN CRISIS. (REFERENCE: BRAIN, P., GARRAN, R. AND HENDERSON, C.)*

2. "**THE IMMEDIATE CAUSES FOR THE ASIAN MELTDOWN WERE BALANCE OF PAYMENTS CRISIS AND EXCHANGE-RATE CRISIS THAT TRIGGERED BANKING CRISIS**" *DISCUSS. (REFERENCE: BRAIN, P. AND ISLAM, M.F.)*

3. **HAS THE ASIAN FINANCIAL CRISIS AFFECTED FDI TO THE REGION? (GIONEA, J. CHAPTER 7)**

**13 Week 13**

1. **HOW TO PROTECT EAST ASIAN COUNTRIES FROM VOLATILITY OF CAPITAL FLOWS? (REFERENCE: GARRAN, R. AND BRAIN, P.)*

2. **WITH THE BITTER AND PAINFUL EXPERIENCE OF THE ECONOMIC CRISIS BEHIND THEM, WHAT WOULD BE AN APPROPRIATE ROLE FOR ASIA PACIFIC GOVERNMENTS TO ADOPT IN RELATION TO BUSINESS? (REFERENCE: KAHAL, S.E. CHAPTER 4 AND HENDERSON. C.)*


**BRIEF OUTLINE**

In this course we will develop the neo-classical, structuralist and culturalists views on industrialisation in Asia using country specific examples. Special attention will be given to trade policy, foreign direct investment, economic integration and international monetary system. Asian meltdown and aftermath are also examined.

**STUDENT LEARNING OUTCOMES**

1. To provide students with sufficient economic tools to enable them to analyse significant economic policy issues such as protectionism, reforms, integrations, foreign direct investment and international monetary systems.
2. To provide students with sufficient knowledge to read and understand current published articles on economics and the broader Asian issues, and interpret these as to their effect on Asian economies.

3. To develop students data collection and analytical skills by applying economic concepts to a range of economic problems.

4. To provide students a clear appreciation of the nature of the economic forces impacting on economic crisis and recovery in the international environment.

ATTENDANCE REQUIREMENTS

In order to maximise learning outcomes, it is strongly recommended that students attend all lectures.

PERFORMANCE LEVEL

To be eligible to pass this subject, students must achieve an overall mark of at least 45%, and at least 40% on the final examination.

REQUIRED TEXT(S)

Overhead files, additional readings and other support materials are provided on the WebCT site and library site for this subject. Material made available on that site will be assumed to be available to all students, and it is students’ responsibility to ensure that they are correctly enrolled such that they can access the WebCT site. Students can access WebCT site by going to the website: http://www.uow.edu.au/student/LOL

RECOMMENDED BACKGROUND AND FURTHER READING


Web sites


This is not an exhaustive list of references. Students should also use the library catalogue and databases to locate additional resources.
WRITTEN ASSESSMENT

Assessment 1: Verbal presentation and a written assignment

Topic
As specified above

Marking criteria
The presentations and the formal assignments allow students to show their researching and analytical skills in obtaining and analysing data and published materials, and presentation skills in demonstrating persuasive arguments based on economic theory.
Students should demonstrate:
• ability to interpret statistics
• understanding of relevant economic theory
• ability to apply economic theory
• attempts at wider readings
• ability to clearly and succinctly put a logical argument together

(see p.3 for more details)

Length:
Each student is required to make a 15 to 20-minute presentation of the chosen topic on the date specified. Approximately 2000 words (A4 size type-written pages of at least 1.5 spacing).

Weighting:
Verbal presentation 10%, written assignment 15%

Due date
During the tutorial hour as specified

IN SESSION TEST

Weighting
25%

Date
05/09/07

The in-session test will be of 1 hour and 20 minutes duration and will comprise 30 (thirty) true or false, and 2 (two) short answer questions all of which must be answered. The test will be held during the lecture time of Wednesday, 05 September 2007 (Week 7), 8.40 – 10.00, and will be based solely upon the materials presented from weeks 1-6.
EXAMINATIONS

**Final Examination**

<table>
<thead>
<tr>
<th>Weighting</th>
<th>50%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>To be advised, during 03-16 November examination period. Final examination date will be confirmed during the course of the subject and published on SOLS 3 to 4 weeks before the examination period.</td>
</tr>
<tr>
<td>Time allowed</td>
<td>3 hours, 15 minutes</td>
</tr>
<tr>
<td>Structure of paper</td>
<td>The final examination will comprise a set of multiple choice, short-answers and essay questions. The test will be based upon the materials presented in lectures and tutorials from weeks 1-13.</td>
</tr>
</tbody>
</table>

**Additional Information**

The following is the Official University marking scale:

<table>
<thead>
<tr>
<th>Grade of Performance</th>
<th>Range of Percentage Mark</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Distinction (HD)</td>
<td>85 to 100</td>
</tr>
<tr>
<td>Distinction (D)</td>
<td>75 to 84</td>
</tr>
<tr>
<td>Credit (CR)</td>
<td>65 to 74</td>
</tr>
<tr>
<td>Pass (P)</td>
<td>50 to 64</td>
</tr>
<tr>
<td>Pass Conceded (PC)</td>
<td>45 to 49</td>
</tr>
<tr>
<td>Fail (F)</td>
<td>0 to 44</td>
</tr>
</tbody>
</table>

**Submission, Retention and Collection of Written Assessment**

Material should be handed personally to the lecturer or placed in the designated box in the department of economics foyer and will be returned in class whenever possible. Students may also collect material from the lecturer’s office after that return date, during consultation times. Signed receipts will be provided on request. Assignments must be handed in to the lecturer by the due date. Late assignments will only be accepted in exceptional circumstances and where new submission dates have been approved by prior arrangement with the lecturer.

All prior arrangements must be completed and handed in before any requests for extensions or special consideration will be considered. Students who fail to demonstrate satisfactory progress throughout the subject in terms of completion of assignments and attendance in lectures and
tutorials may be refused special consideration for assessment tasks. If a student is experiencing any difficulties during this course, either with the material or of a personal nature that is affecting their progress, they should inform the lecturer as soon as possible to assist in requests for special consideration.

A Faculty of Commerce assignment cover sheet should be attached to each piece of written assessment.

This cover sheet can be obtained from the website:

**PENALTIES FOR LATE SUBMISSION OF ASSESSMENT**

Assessed work must be handed in by the date and time given. Assessed work handed in late can be penalised by the deduction (from the mark given to the assessed work) of 5 percentage points per 24 hours of the weekday or part thereof. The operation of this rule will not result in a negative mark being carried forward.

**PLAGIARISM**

Plagiarism means using the ideas of someone else without giving them proper credit. For example, that someone else may be an author, critic, journalist, artist, composer, lecturer, tutor or another student. Unintentional plagiarism can result if you don’t understand and use the acceptable scholarly methods of acknowledgement. Whether plagiarism is deliberate or unintentional, the University may impose penalties, which can be very severe. When it is desirable, or necessary, to use other people's material, take care to include appropriate references and attribution. *Plagiarism will not be tolerated and has led to expulsion from the University.*

Students should visit the following University website and become familiar with the University's policy on Plagiarism.

SECTION C: RULES, CODES OF PRACTICE & POLICIES

C1 UNIVERSITY POLICIES

Information on the following University Policies can be found at the websites below:

<table>
<thead>
<tr>
<th>Policy</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical objection by students to the use of animal and animal products in coursework subjects</td>
<td><a href="http://www.uow.edu.au/about/policy/ethicalobjectionanimals.html">http://www.uow.edu.au/about/policy/ethicalobjectionanimals.html</a></td>
</tr>
</tbody>
</table>

* see brief explanation of policy below.

C1.1 Non-discriminatory Language

The Faculty of Commerce supports the University’s policy on the use of non-discriminatory language. It is the responsibility of students to ensure that they understand and abide by this policy. The policy is available at:

http://staff.uow.edu.au/eeo/nondiscrimlanguage.html
C1.2 Special Consideration Policy

The Faculty of Commerce recognises that it has a responsibility to ensure equity and consistency across its subjects for all students. Sometimes, in exceptional circumstances, students need to apply for special consideration in order to complete all assessable work.

The University applies strict criteria to the granting of special consideration. Before applying for special consideration students should carefully read the University’s policy. The policy can be found at:


C1.3 Student Academic Grievance Policy

The Faculty of Commerce aims to provide a fair, equitable and productive learning environment for all its students. The Student Academic Grievance Policy seeks to support the achievement of this goal by providing a transparent and consistent process for resolving student academic grievances.

Any student who has a grievance over a result should obtain a Faculty of Commerce Appeal of Assessment Form from the Schools or the Sub-Dean’s Unit. The student should firstly take the form to the marker/lecturer to discuss the matter and, if the student is still not satisfied, s/he should take the next step as outlined on the form.

Once the grievance has been considered by the Faculty, if the student still feels the situation has not been fully resolved s/he may consult the Dean of Students. However, the Dean of Students can have no input into the academic judgement of the lecturer and can only review the grievance to ensure proper procedure has been followed.

For more information, please consult the policy in full at


C2 FACULTY AND SCHOOL POLICIES

REFERENCING

WHY DO YOU NEED TO REFERENCE?

At University it is necessary to acknowledge the sources of information and ideas that you have incorporated in your assignments. Failure to do this thoroughly may result in accusations of plagiarism: this is the academic equivalent of stealing (because by not acknowledging someone else’s work, you are presenting it as your own). Plagiarism is taken very seriously by the University and may result in expulsion from the University.

Referencing is not only about acknowledging other people’s work: accurate referencing and lists of references are beneficial when researching a topic as they allow the reader to follow up information and read further into the area. In a sense, references provide readers with clues to help them explore different avenues of a topic. This aspect of referencing will become more valuable to you as you progress in your studies.

There is a correct procedure that must be followed when referencing and using footnotes. Not complying with these set techniques and format will most likely result in loss of marks.

When writing an essay it is easiest to reference as you go, making sure you are writing down all relevant information. This will save hours trying to find the source again in the library.

THE HARVARD SYSTEM OF REFERENCING

The Faculty of Commerce uses the Harvard system of referencing. This system makes use of short references within the body of the text. It is supplemented by a detailed list of references at
the end of the text, which provides all the information necessary to find the source material. In-text references include the author and year of publication, and where necessary the page number(s).

It is the responsibility of students to ensure that they are familiar with the Harvard system of referencing and that they use it accurately in all written work submitted.

Students should consult the following University Library website for a detailed explanation and examples of the Harvard system of referencing.


CITATION OF ELECTRONIC SOURCES

It is necessary for students to reference all sources used in their written work, including file transfer protocol sites, worldwide web sites, telnet sites, synchronous communications (MOOs, MUDs, IRC, etc.) GOPHER sites, and email, Listserv and Newsgroup citations.

It is the responsibility of students to ensure that they are familiar with the accepted Faculty of Commerce practice for referencing electronic material and that they use it accurately in all written work submitted.

Students should consult the following University Library website for a detailed explanation and examples of how to reference electronic material.


OCCUPATIONAL HEALTH AND SAFETY WHERE RELEVANT, INCLUDING SAFETY IN LABORATORIES AND ON FIELD TRIPS

C3 SUPPORT SERVICES AND FACILITIES

{The following details of C3 are relevant to the Wollongong campus.

Off-campus sites should include their relevant support service details and delete areas which are not relevant}.

LEARNING RESOURCE CENTRE

Learning Development offers a range of free services to all enrolled students who wish to improve their academic or English language skills. There are a range of workshops available including; essay writing and editing; reading for assignments; grammar; presentation skills; pronunciation and exam preparation.

For information on language and academic skills workshops, or to make appointments for consultations, please visit the Learning Resource Centre (LRC), Building 19, Ground Floor, Room G102, or Phone 02 4221 3977. For further information visit the website:


FACULTY LIBRARIANS

Each faculty has a Faculty Librarian who is available to help with research related enquiries. Research Help Desk staff are also available in the Library to assist with research needs.

The Faculty Librarians for Commerce can be contacted as follows:
DISABILITY LIAISON OFFICER

The **Disability Liaison Officer** (DLO) can provide advice on how particular disabilities affect university study and information on resources available at the University for assisting students with disabilities. Students commencing courses are advised to contact the Disability Liaison Officer prior to the beginning of their first session of study.

For further information on services offered, consult the Disability Services website or contact the office.

- web address: http://www.uow.edu.au/student/services/ds/
- telephone: 42 213445
- fax: 42 215667

FACULTY DISABILITY ADVISERS

Faculty Disability Advisers are academic staff who provide assistance and support to students with disabilities within their Faculty and act as an intermediary between the student and the Faculty’s academic and general staff. They provide support, educational advice and referral to appropriate staff on issues related to teaching and learning within the Faculty and the University. Students are advised to communicate specific information about the ways in which their disability affects learning to the Faculty Disability Adviser as soon as possible after enrolment.

The Faculty of Commerce Disability Adviser is Mr. Ron Perrin. Mr Perrin can be contacted as follows:

- Office location: Building 40, room 224
- email address: ron_perrin@uow.edu.au
- telephone: 42 214118

WOOLYUNGAH INDIGENOUS CENTRE

The Woolyungah Indigenous Centre provides academic and personal support for Aboriginal & Torres Strait Islander and other indigenous students. The Centre also runs an Indigenous Specific Orientation Program for students who gain entry to the University through the alternative admissions program.

For further information on services offered, consult the Woolyungah Indigenous Centre website or contact the office.