

MACQUARIE
UNIVERSITY



FACULTY OF
BUSINESS AND ECONOMICS

ECON394 THE JAPANESE ECONOMY

Semester 1, 2011

Department of Economics

ABOUT THIS UNIT

Our aim in this subject is to gain an understanding of the Japanese economy, both for its own sake as the world's third largest economy, and also as an exercise in Applied Economics. However in around forty class contact hours and a semester's worth of reading and discussion, we can only scratch the surface.

So for both our purposes, our method will be to give you a set of basic concepts and information. This will include a set of economic theories useful in analysing the Japanese and other economies, such as theories of growth (given Japan's past "miracle" growth rates), of saving (given its until recently well deserved reputation as a high saving economy) and of development (given its status as the first developing economy to catch up from labour surplus and technical backwardness to become a major industrial state). We will analyse also its long lasting Heisei Recession. In particular we will look at the failure of conventional economic remedies to rescue the economy from its two decades or low or negative growth. Japan is in many ways a test case for applied economic theory, and has acted as a harbinger of the problems facing the wider global economy since 2008.

This Unit will also include a knowledge and understanding of the set of key economic and business institutions which have made the Japanese economy distinctive, and indeed are often unique to it. These institutions include the well known *zaibatsu*, and more recently the different forms of *keiretsu*, as well as the *sogo shosha* and other business structures which continue to characterise Japanese economic life despite huge recent changes in the economy.

Few areas are as prone to myth-making as is the study of the Asian economies, and this is as true of Japan as of any other. This Unit will be sceptical in its approach to Japan in explaining its past high growth and economic power and the sources of its present economic malaise.

Finally, this is a subject offered by the Department of Economics. It is an Applied Economics subject, and some background in Economics is assumed as a prerequisite for taking the Unit. Having said this, there will be no assumed knowledge as such, and you can rely on being taught the concepts, in particular the Economic theory, that you need for its completion. Where economic concepts are necessary, you will be taught them in class;

TEACHING STAFF

Alex Blair (unit coordinator), Room: E4A418
Phone: 9850 7897, email: alexander.blair@mq.edu.au

CLASSES

- This unit provides 3 hours face-to-face teaching per week consisting of 1 x 2 hour lecture and 1 x 1 hour tutorial
- The timetable for lectures and tutorials can be found on the University web site at: <http://www.timetables.mq.edu.au/>

There is one stream of lectures each week at the following times and places:

Lectures: Monday 4-6pm W5C 220

Tutorials: See Macquarie University timetables website

Your tutorial allocation may be changed in the first week of semester. Consult the lecturer-in-charge if you have difficulties with the tutorial time to which you are allocated.

REQUIRED AND RECOMMENDED TEXTS

In the first few weeks we will rely entirely on handouts provided by the lecturer (these and the lectures themselves will be the major source for the mid-Semester Exam).

There is no textbook that completely covers the ground we wish to look at, and very few try. After we have finished the material in your handouts, then a set of readings will be offered online.

UNIT WEB PAGE

Lecture and tutorial material as well as up to date information concerning any aspect of the unit, including any changes to the schedule, will be available to students by logging on to Blackboard at <http://learn.mq.edu.au>.

LEARNING OBJECTIVES AND OUTCOMES

Subject specific learning outcomes:

- An understanding of the characteristics and business institutions of the Japanese economy;
- An understanding of the development strategy and growth path that created these economic and business institutions;
- An introduction to macro and microeconomic theory useful in analysing the past behaviour and future prospects of the Japanese and other economies.

Generic learning outcomes:

- An openness to new ways of thinking and an appreciation of the importance of intellectual curiosity and reflection as the foundation for continuous learning.
- Demonstration of a capacity to work, both independently and as part of a coordinated team, with the honing multiple skills including the ability to plan and achieve goals.
- An ability to critically evaluate policy prescriptions put forward in contemporary political debates and an appreciation of the economic theories underlying these debates
- A readiness to participate in public policy discussions arising in business and government contexts;
- An ability to manage, analyse, evaluate and make use of information, efficiently and effectively.

LECTURE NOTES AND HANDOUTS

For most (but not all) of the lectures, I will be providing a single page (four pages miniaturised) of lecture points. This will save some time, and help you (and me) understand the structure of the lecture. However these abbreviated points are inevitably (and sometimes deliberately) cryptic, and they cannot be a substitute for attending the lecture and for taking your own notes within it. There will also be a profusion of handouts, especially on the economic theory that may be unfamiliar to you – these will be especially helpful for the Mid-Semester Exam, and the short answer sections of the Final Exam. All this material will be available **only** on the day of the relevant lecture, in the lecture (and not in ERIC or on the web). Of course you are free to make your own arrangements to obtain them, though you would be very unwise to miss the lecture that they are designed to accompany.

I emphasise the importance of the material covered in the Mid-Semester Examination. As noted below, if necessary I will shift topics into subsequent weeks to spend more time on that material, if that seems warranted to maximise your grasp of it. (This would probably mean that we would lose the final 'Revision' lecture, which is left intentionally broad for that reason).

More is said about the tutorials below. However in brief, the tutorials in the first half of the lecture will be extensions of the lecture. They will give us time to go into the material more deeply, and reinforce the information or concepts that you are troubled by. Reading for the tutorials will be quite specific and manageable, consisting entirely of one or two handouts distributed to you in lectures. These tutorials are very important; they will help you to pass the Mid-Semester Exam, which in turn is a major factor in achieving a passing grade in the Unit.

Tutorials in the second half of semester are more in the manner of seminars; more information will be provided in the first tutorial.

ASSESSMENT

The aim of the assessment is as much to help with the learning process, and to give you usable skills and knowledge, as it is for the purpose of grading. The Mid-Session examination will help you focus on the useful information, the facts and concepts, that we want you to gain from the subject. The Final Examination will help here as well, with a section similar to the Mid-Session, but it will also contain an essay section where you will practice, and be tested on, your written communication skills as well as your knowledge of the material. The tutorials will be set up to give you maximum practice in your verbal skills, and allow interactive learning. The Essay will allow you to develop your research abilities, and to work on your writing skills without the pressure of exam conditions. No assessment component is worth more than 30% of your final mark, so you can afford to make mistakes, and learn from them, without seriously affecting your final performance. Overall the assessment (out of 100 marks) in this subject will be based on the following components:

1. Early Semester Test 10%

Date: March 14th in the tutorials.

This test will review some of the material covered in the early lectures. More than this however it is intended to give you practice in some of the skills and techniques you will need in the Mid-Semester and Final Exams.

2. Mid-Semester Examination 30%

Date: April 4th in the lecture.

The aim of this examination is to help with the learning process, as much as it is for purposes of assessment. The exam will focus on the ideas, facts and concepts that are the building blocks for understanding what is going on in our region. Most of it is amenable to rote learning, and perfect scores of 30 out of 30 are unlikely but not impossible. This is material that will be useful long after the subject is over. It is material we want you to understand, and we will spend as much time in class as is necessary to make sure you have a comfortable understanding of it. The examination itself will consist of short answers, with an emphasis on facts and some theory. It will be of 1.5 hours duration.

3. Essay

30%

Date Due: May 13th

Essay Length: *not less than 2,000 words, and not more than 3,000.*

The essay topic will be given in the lecture in Week 3, but it will be discussed in the second lecture. As the development of the student's written communication skills is an important aim of the subject, additional information will be given regarding requirements and suggestions for format, content and research methods for the essay.

4. Final Examination

30%

The final exam will be of 2.5 hours duration, and consist of essay-style questions plus some short answer material. More details regarding the final exam will be given towards the end of the semester.

Reading Lists: When I was a student a list of recommended or required readings was a staple component of any Unit Guide at university level. There was good reason for this: even with a large library with a well-designed catalogue system, the information costs for students seeking relevant references were very high. With the introduction of electronic systems, on-line academic journals and so on, these costs are far lower, and a printed reading list seems more restrictive than helpful. Therefore I provide no such reading list; instead, please find below what I hope will be more helpful, a guide (not exhaustive) to the electronic reference systems available to you as a Macquarie University student.

Some further notes (and a warning on Assessment):

Essays: In keeping with the objectives of the Unit as a whole, the intention of the essay is as much as a teaching tool, and a means of enhancing your skills, as it is for purposes of assessment. The ability to express yourself in writing and in your own words is a vital life asset. There are certain skills that are essential for the science of essay writing. **Your essay will not be passed** if you demonstrate that you have not mastered those skills. These essential attributes include, but are not limited to:

1. presentation of a **sufficient number and quality of references** for your essay;
2. citation of sources within your text using a **recognised citation system**;
3. expression of the points you make **entirely in your own words**, apart from selected and quotations from **fully identified sources**.

You will be given a handout expanding on these points in great detail. If any doubts remain in your mind and any questions remain unanswered, then you should discuss those questions with the lecturer well before the time comes for submission of the essay. To emphasise emphatically this point, **the essay will not receive a Pass grade if any one of these attributes (and the others which we will discuss in your essay handout) are found to be lacking**. Therefore this alone is enough to jeopardise your passing the Unit.

The University Library offers several avenues for finding sources for essays and other purposes. A particularly valuable source for this Unit is the EconLit database. Go to the Library homepage from the Macquarie University website, and under 'Find' you will see four possible types of resource. Enter the word "econlit" under the second option "Databases" and press 'search'. Then press on the EconLit hyperlink. You will be able to search the library's journals and other resources relating to economics, by author or other keywords.

A NOTE ON PASSING ECON394

The assessment breakdown is designed, firstly, to combine the task of assessment with the task of learning – it is designed to give your learning a focus. Secondly, it is structured so that students from any background, Economics or other, will have plenty of warning of the need to concentrate their efforts in order to pass the Unit.

In other words it should be very difficult to fail for students who make a genuine effort. A long held principle of Faculty policy is that 60% of assessment be in the form of unseen examination – this is an excellent principle which I would apply even if it were not required, as the clearest and fairest means of assessing a student's progress in a subject. Half of that 60% is accounted for by the Mid-Semester exam. A poor result here would be received in plenty of time to correct whatever problem has emerged in your study habits, so that you can retrieve the situation by better performance in the other assessments. **Do heed the warnings given by the Mid-Semester exam, and by the other in-semester assessments.** If you do give a poor performance during the semester, but do not heed that warning, then it will be **next to impossible to pass the Unit**. Assessment of your performance in the Unit is not arbitrary. On the contrary, there are a set of clearly identifiable skills and knowledge that you must have in order to pass, and for those who will fail the Unit it will be because they have failed to master, by any fair and objective measure, those skills and that knowledge. You will have plenty of warning, through your performance in tutorials and in the Mid-Semester Exam, that you are in danger of falling into this group. If you fail to heed those warnings when given to you, there will not be time for any remedial action.

PLAGIARISM

The University defines plagiarism in its rules: "Plagiarism involves using the work of another person and presenting it as one's own." Plagiarism is a serious breach of the University's rules and carries significant penalties. You must read the University's practices and procedures on plagiarism. These can be found in the *Handbook of Undergraduate Studies* or on the web at: <http://www.student.mq.edu.au/plagiarism/>

The policies and procedures explain what plagiarism is, how to avoid it, the procedures that will be taken in cases of suspected plagiarism, and the penalties if you are found guilty. Penalties may include a deduction of marks, failure in the unit, and/or referral to the University Discipline Committee.

FACULTY RULES ON SPECIAL CONSIDERATION

Failure to attend the Mid-Semester or Final Exam without the submission of an Application for Special Consideration, on the grounds of illness or other unavoidable disruption, together with the required supporting documentation, will result in a mark of zero for the assessment.

If you wish to advise of your absence from a Mid-Semester test for reason of illness or other unavoidable disruption you must fill out an Application for Special Consideration. The forms are available from the Student Enquiry Service or online at <http://www.reg.mq.edu.au/Forms/APSCon.pdf>. The completed form with appropriate supporting documentation must be submitted to the Student Enquiry Service, not to the Faculty of Business and Economics.

For absence related to illness you will need to include an EFS Professional Authority Advice Form. Students granted Special Consideration for a missed Mid-Semester exam will not be allowed to sit the Exam at a different time. The value of the Final Exam will be increased on

a pro rata basis. Granting of Special Consideration for the Final Exam will permit students to sit for a supplementary examination.

More detail on the policy and required documentation can be found at http://www.mq.edu.au/policy/docs/s/procedure_specialconsideration.htm

A 2.5 (2 ½) hour Final Examination for this unit will be held during the University Examination period. You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. The timetable will be available in Draft form approximately eight weeks before the commencement of the examinations and in Final form approximately four weeks before the commencement of the examinations.
<http://www.timetables.mq.edu.au/exam>

The only exception to sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. Information about unavoidable disruption and the special consideration process is available at the policy and required documentation can be found at http://www.mq.edu.au/policy/docs/s/procedure_specialconsideration.htm

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled after the conclusion of the official examination period

You are advised that it is Macquarie University policy not to set early examinations for individuals or groups of students. All students are expected to ensure that they are available until the end of the teaching semester, the final day of the official examination period.

The Academic Senate has a set of guidelines on the distribution of grades across a range from fail to high distinction. Your final result will include one of these grades plus a standardised numerical grade (SNG).

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COVER SHEET – RESEARCH ESSAY

ECON394

Due Date: May 13th 2010 6pm

The essay is to be submitted to the office of the lecturer in charge, in E4A 418. Online submission by email to alexander.blair@mq.edu.au as a Word or pdf file is also possible as long as it is within the deadline and is followed up by a printed version of the essay in the following lecture.

Please print or type your essay in a legible fashion.

You are required to fill in the entire form and to sign the plagiarism declaration on the reverse side.

Make sure you have followed all the requirements requiring essay format as described in the subject outline and essay handout. Failure to do this will jeopardise your mark for the essay and your passing of the subject.

Family Name

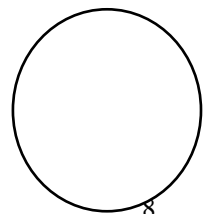
Personal Names

Student Number

Essay Question

Marker's Comments:

Mark x/25



ACKNOWLEDGEMENT OF UNIVERSITY POLICY ON PLAGIARISM AND ASSIGNMENT DECLARATION

I certify that:

- This assessment is my own work, based on my personal study and/or research;
- I have acknowledged all material and sources used in the preparation of this assessment, including any material generated in the course of my employment;
- If this assessment was based on collaborative preparatory work, as approved by the teachers of the unit, I have not submitted substantially the same final version of any material as another student;
- Neither the assessment, nor substantial parts of it, have been previously submitted for assessment in this or any other institution;
- I have not copied in part, or in whole, or otherwise plagiarised the work of other students;
- I have read and I understand the criteria used for assessment;
- The assessment is within the word and page limits specified in the unit outline;
- The use of any material in this assessment does not infringe the intellectual property / copyright of a third party;
- I understand that this assessment may undergo electronic detection for plagiarism, and a copy of the assessment may be retained in a database and used to make comparisons with other assessments in future. *Work retained in a database is anonymous and will not be able to be matched to an individual student;*
- I take full responsibility for the correct submission of this assessment in the appropriate place with the correct cover sheet attached and I have retained a duplicate copy of this assessment.

Unit: ECON394 (Essay)

Name:

Student Number:

Signature:

Date/Year :