

MACQUARIE
UNIVERSITY



FACULTY OF
BUSINESS AND ECONOMICS

ECON394 THE JAPANESE ECONOMY

Session 1, 2012

Department of Economics

**MACQUARIE UNIVERSITY
FACULTY OF BUSINESS AND ECONOMICS
UNIT GUIDE**

Year and Semester:	2012, Session 1
Unit convenor:	Alex Blair
Prerequisites	27cp and (ECON110 or ECON111 or BBA103)
Credit points:	3

Students in this unit should read this unit guide carefully at the start of semester. It contains important information about the unit. If anything in it is unclear, please consult one of the teaching staff in the unit.

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

CONTACTING STAFF

Consultation times Wednesday 2-4, 6-7 (any changes in these times will be advised on the ilearn website)

You are encouraged to seek help at a time that is convenient to you from a staff member teaching on this unit during their regular consultation hours. In special circumstances, an appointment may be made outside regular consultation hours. You may, however, phone staff during their consultation hours. You can also contact the lecturer via email, though extensive consultation by email on academic content will not be possible.

Students experiencing significant difficulties with any topic in the unit must seek assistance immediately.

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: Tuesday 3-5pm E6A 102

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 AND/OR MATERIALS

No textbook succeeds in covering all the aspects of the topic that we wish to cover, and few try. As a Third Year unit we will rely on academic journal articles to supplement the lecture material.

TECHNOLOGY USED AND REQUIRED

- Much of the unit's material will be available at its ilearn website.

- Access to Powerpoint software would also be an advantage.

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:

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

GRADUATE CAPABILITIES

In addition to the discipline-based learning objectives, all academic programs at Macquarie seek to develop the capabilities the University's graduates will need to develop to address the challenges, and to be effective, engaged participants in their world.

This unit contributes to this by developing the following graduate capabilities:

1. Students completing this Unit will acquire specific knowledge of the development path and current characteristics of the Japanese economy, and of a set of development theory by which the development of the Japanese and similar economies can be analysed.
2. The Unit aims to hone student abilities in critical, analytical and integrative thinking, problem solving and research capability, and as noted above, aims to provide the skills necessary for lifelong learning.
3. Written and verbal communication skills, and written comprehension skills.

RELATIONSHIP BETWEEN ASSESSMENT AND LEARNING OUTCOMES

	Assessment 1	Assessment 2	Assessment 3	Assessment 4
Title/Name	Introductory Class Test	Class Test	Essay *	Final Exam
Description	Written short answer test, 40 minutes in tutorial	1.5 hours (90 minutes) short answer format	2000 to 3000 words research essay	Short answer and essay questions
Due date	Week beginning March 19 th	April 30 th	10am May 21 st	Examination period
% Weighting	10%	30%	30%	30%
Grading method	Students will be judged on their retention of material in the early lectures – written communication and other learning skills will be observed	Assessment of rote learning of essential material, and grasp of relevant economic theory	Essential essay skills will be required for a Pass grade – also research skills, and written expression	Assessment of student ability to master the rote learnt material, and to apply relevant theory
Submission method	Written exam in class	Written exam in class	By email, as Word document in attachment	Formal examination
Feedback	Exam script will be returned with comments	Exam script will be returned with comments	Essay will be returned with comments	Available for Post-exam viewing
Estimated student workload (hours)	5 hours	30 hours	30 hours	30 hours
Learning outcomes assessed				
1		✓	✓	✓
2		✓		✓
3		✓		
Graduate capabilities assessed				
1		✓		✓
2	✓		✓	
3	✓	✓	✓	✓

* Essays submitted after the due date, up to 6pm on the last day of Session 1, will be accepted and marked without penalty. However the essay will not be returned to the student and the mark received will not be released.

A final examination is included as an assessment task for this unit to provide assurance that:

- i) the product belongs to the student and
- ii) the student has attained the knowledge and skills tested in the exam.

A 2.5 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:// exams.mq.edu.au/](http://exams.mq.edu.au/)

The only exception to not 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. The University's policy on special consideration process is available at

http://www.mq.edu.au/policy/docs/special_consideration/policy.html

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. (Individual Faculties may wish to signal when the Faculties' Supplementary Exams are normally scheduled.)

The Macquarie university examination policy details the principles and conduct of examinations at the University. The policy is available at:

<http://www.mq.edu.au/policy/docs/examination/policy.htm>

LEARNING AND TEACHING ACTIVITIES

The core of the teaching of ECON394 is the lecture program. It is vital that students maintain consistent attendance at lectures. Students unable to meet this requirement should consult the lecturer at the beginning of semester. Consistent attendance at tutorials is similarly vital to success in the unit. The lectures will be supplemented by a discrete set of journal articles reflecting the major themes of the Unit. Assimilation of the material in these articles and in the lectures and tutorials will form an excellent basis for success in the Unit.

ADDITIONAL DETAILS ON 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. Introductory Class Test

10%

Date: Week beginning March 19th 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. Class Test (Mid-Semester Examination)

30%

Date: Week beginning April 30th 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 rare 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: Monday May 21st at 10am (as Word file by email)

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. Note that it will be submitted by email as a Word document. This will then be marked and returned by email as a pdf file. If you face difficulties in gaining access to the necessary software or online access that might affect your ability to complete the essay, then let Alex Blair know as soon as practicable.

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 (it is best to do this from an on-campus computer, to ensure access) and you'll see the following:

MultiSearch

one-stop search across Library resources [\[Search\]](#)

[Catalogue](#) [Databases](#) [e-Reserve](#) [Journal Finder](#)

Click the second option "Databases" and enter the name Econlit. This will lead you to the Econlit hyperlink; click on it and you will enter the Econlit search page. You can commence a search using the three search boxes in the top left corner (you can add additional rows as necessary). As an example, enter the words "Japan", "Liquidity" and "Trap" (one word in each row; no need at this stage to specify the field).

It is likely that at the top of the list you will find:

Chow, Peter C. Y.; Foster, Kevin R. "Liquidity Traps or Minsky Crises: A Critical Review of the Recent U.S. Recession and Japan's Heisei Recession in the 1990s", *Journal of Post Keynesian Economics*, Summer 2010, v. 32, iss. 4, pp. 571-90

This is a typical, refereed academic journal article, of the type upon which you will rely when completing your essay, and for other research for this unit (similar journal articles will be the basis of your required reading for the Unit).

Note that below the title you will find a hyperlink to a pdf file of the full text of the article. If you find the article listed in Econlit, but without the link to the pdf file, then make note of the Date, Volume, and Issue of the article you want, in this case Summer 2010, v. 32, iss. 4, pp. 571-90. Then go back to the Library homepage and copy the name of the journal, in this case *Journal of Post Keynesian Economics*, into the "Journal Finder". Follow the links; for most journals you will be able to find a pdf file of the article you want from the journal itself.

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.

ACADEMIC HONESTY

The nature of scholarly endeavour, dependent as it is on the work of others, binds all members of the University community to abide by the principles of academic honesty. Its fundamental principle is that all staff and students act with integrity in the creation, development, application and use of ideas and information. This means that:

- all academic work claimed as original is the work of the author making the claim
- all academic collaborations are acknowledged
- academic work is not falsified in any way
- when the ideas of others are used, these ideas are acknowledged appropriately.

Further information on the academic honesty can be found in the Macquarie University Academic Honesty Policy at

http://www.mq.edu.au/policy/docs/academic_honesty/policy.html

GRADES

Macquarie University uses the following grades in coursework units of study:

HD - High Distinction

D - Distinction

CR - Credit

P - Pass

F - Fail

Grade descriptors and other information concerning grading are contained in the Macquarie University Grading Policy which is available at:

<http://www.mq.edu.au/policy/docs/grading/policy.html>

GRADING APPEALS AND FINAL EXAMINATION SCRIPT VIEWING

If, at the conclusion of the unit, you have performed below expectations, and are considering lodging an appeal of grade and/or viewing your final exam script please

refer to the following website which provides information about these processes and the cut off dates in the first instance. Please read the instructions provided concerning what constitutes a valid grounds for appeal before appealing your grade.

http://www.businessandconomics.mq.edu.au/new_and_current_students/undergraduate_current_students/how_do_i/grade_appeals

SPECIAL CONSIDERATION

The University is committed to equity and fairness in all aspects of its learning and teaching. In stating this commitment, the University recognises that there may be circumstances where a student is prevented by unavoidable disruption from performing in accordance with their ability. A special consideration policy exists to support students who experience serious and unavoidable disruption such that they do not reach their usual demonstrated performance level. The policy is available at: http://www.mq.edu.au/policy/docs/special_consideration/policy.html

STUDENT SUPPORT SERVICES

Macquarie University provides a range of Academic Support Services. Details of these and other services for students can be accessed at <http://www.student.mq.edu.au>.

IT CONDITIONS OF USE

Access to all student computing facilities within the Faculty of Business and Economics is restricted to authorised coursework for approved units. Student ID cards must be displayed in the locations provided at all times.

Students are expected to act responsibly when using University IT facilities. The following regulations apply to the use of computing facilities and online services:

- Accessing inappropriate web sites or downloading inappropriate material is not permitted. Material that is not related to coursework for approved units is deemed inappropriate.
- Downloading copyright material without permission from the copyright owner is illegal, and strictly prohibited. Students detected undertaking such activities will face disciplinary action, which may result in criminal proceedings.

Non-compliance with these conditions may result in disciplinary action without further notice.

Students must use their Macquarie University email addresses to communicate with staff as it is University policy that the University issued email account is used for official University communication.

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.

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