

Economics 507
The Japanese Economy
Fall 1999
Exam 1
Friday, September 24, 1999, 8:30-9:25
E. W. Nafziger
Throckmorton 1012

1. Explain two meanings of Japan's economic dualism: (1) dualism in the 70 or so years before World War II, and (2) dualism today (for example, you may use Katz's concept of dualism. (33 points)
2. Katz uses a similar explanation to explain Japan's "miracle economic growth" from 1950 to 1990 and the "souring" of Japan's economic system in the 1990s. What is Katz's explanation? Evaluate and criticize his explanation. (33 points)
3. Compared to other industrialized countries, does Japan rank as: one of the free-traders, highly protectionist, or somewhere in between. Discuss. (33 points)

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Exam 2
Friday, November 12, 1999
8:30-9:25 A.M.

Write on all 4 questions. Note that for you have a choice for #3 and a choice for #4.

1. Discuss the nature of cartels in Japan in the last two decades or so. What contributed to the maintenance of cartels, despite their disadvantage to many parts of the economy? Discuss.

2. Chalmers Johnson explains postwar Japan as being a “developmental state” that led the way to industrialization. How much is Japan’s “developmental state” approach relevant for the United States? Discuss.

3. For question 3, choose either *a* or *b*:

3/ a/ What were the major sources of economic growth and productivity growth in Japan since World War II? How have these sources change from 1953-71 to 1971-99? Discuss.

3/ b/ In what ways was Japan anorexic on both supply and demand sides in the 1980s and 1990s? How did this compare with the the 1950s and 1960s? Discuss.

4. For question 4, choose a or b:

4/ a/ Katz compares Japan to the Soviet Union and to Poland. Are these good comparisons to make? Indicate why or why not.

4/ b/ Discuss how the macroeconomic position of Japan and the macroeconomic position of the US in the 1980s and 1990s affected each other, especially with regard to their international trade and investment relationships with each other.

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Friday, December 3, 1999
8:30-9:25 a.m.

1. What was the Asian financial crisis of 1997-98? What role, if any, did Japan play in the Asian financial crisis? Discuss.
2. What has happened to Japan's trend in international trade/GDP over time since the early 1950s? How does international trade/GDP and the growth of international trade/GDP in Japan compare to other industrialized countries and to the newly industrialized countries? Discuss.
3. Indicate the views and controversies among US economic writers on the Japanese economy and international trade in the last one-half century or so, and how these views and controversies have changed over time. Discuss.

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Final Exam
Wednesday, December 15, 1999
11:50-1:40

Write on 5 of the 6 questions; that is, you are to omit one question.

1. Summarize the views of Yoshihara Kunio and Richard Katz regarding Japan's economy and economic development, indicating their differences and whether they have any similar views. Discuss.
2. Indicate differences between the US and Japan in their educational systems. What impact have these differences had on economic patterns in the US and Japan? Discuss.
3. What does Katz mean by the "hollowing out" of exports and of manufacturing? How does Katz think that the domestic sector has adversely affected Japan's more efficient export sector? Discuss.
4. What are the components of the Japanese economic development model? What implications, if any, does this model have for today's developing countries? Discuss.
5. Is the Japanese experience with industrial policy relevant for the United States? Discuss.
6. Explain the reasons for Japan's rising trade surplus in recent years.