

Course Syllabus

Course Title: **The Postwar Japanese Economy**

Spring term in 2013

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I. Course outline

This course studies the postwar Japanese economy from both historical and empirical perspectives. The Japanese economy achieved high economic growth and overcame the oil crises after World War II. The course analyses the factors that lay behind the development of the Japanese economy, focussing on the roles of the government and of the private sector. The contemporary Japanese economy is also subjected to empirical analyses.

In the first half of the term, we intend to analyze the Japanese economy dividing the postwar period into four periods as follows.

- Economy under the occupation, 1945-1950
- High economic growth period, 1951-1972
- Oil crises and adjustment period, 1973-1985
- Period of appreciation of yen, and bubble economy, 1986-1990

In the latter half of the term, the course makes empirical analyses of the contemporary Japanese economy after the bursting of the bubble (1991-), focusing on 1) Supply-side and demand-side economy, 2) Prices and wage rates, 3) Labor market and income distribution, 4) Money and finance, 5) Public finance and taxation system, 6) International trade and finance, etc.. The main theme of the empirical studies is “Macro-imbalances and long-term stagnation under the deflationary economy”, so that we will discuss the various issues and problems in the contemporary Japanese economy.

At the end of the term, we are going to have a field trip to deepen our understanding of the Japanese economy.

II. Procedures and evaluation

We have ten sessions in this term, Spring, 2013. Every student is requested to participate in the session and to discuss various issues. For each session, three to five page course materials (handout) will be provided. Based on the course materials, we will analyze the Japanese economy in the class and make an interactive discussion among participants (seminar style course).

During the term we have a small quiz (small essay with one-two pages) and a final examination.

Evaluation depends on the class participation and discussion with 20%, results of the small essay with 30% and the final examination with 50%.

III. Course schedule

- (1) Opening the session and introductory discussion (April 5)
- (2) Japanese economy under the occupation(1945-50), high economic growth(1951-72), and government policy (April 12)
- (3) Japanese economy in the changes of the world system (Nixon shock, floating system, oil crises, etc.) (1972-1985) (April 19)
- (4) Economy in the bubble, yen appreciation and the bursting of the bubble (1985-1991) (April 26)
- (5) Supply-Demand structure, Price mechanism and Wage rates in the contemporary Japanese economy (May 10)
- (6) Labor market, income distribution and productivity in the geriatric society in the contemporary Japanese economy (May 17)
- (7) Money and finance, and the role of government finance in the contemporary Japanese economy (May 24)
- (8) International trade and finance in the contemporary Japanese economy (May 31)
- (9) Macro-economic policies for improving the current long-term slump (Abenomics) and future forecasts of the Japanese economy (June 7)

- (10) Field trip: 9:00-16:00. We are planning to visit Niigata Fishery Wholesale Market and Tsubame-Sanjo Regional Industry Museum (Seeing once is more effective than hearing one hundred times) (June 8)

IV. Final examination (Take-home Exam. June 7-14).

Each student will submit the Final Exam. Answer Sheet to the Office by 17:00 on Friday, June 14, 2013.

V. Text books:

- “*The Postwar Japanese Economy*”, by Nakamura, Takafusa, The University of Tokyo Press, Second edition (1995)
- “*The Japanese Economy*”, by Ito, Takatoshi, The MIT Press (1992)
- “*Income Distribution and Economic Growth of Japan under the Deflationary Economy : Theory and Evidence based on an Econometric Analysis*”, Nakamura, Osamu, World Scientific (2013)

Additional course materials will be supplied in the class.