

April 2, 2012

Stanford Center for Technology and Innovation

Political Economy of Japan:
Growth, Challenges and Prospects for a Well-Being Nation
Spring Semester, 2012

Time: Monday, 3:00 p.m. to 6:00 p.m.

Instructor: Professor Toshihiko Hayashi, Graduate School of Policy and Management, Doshisha University

Course Outline

This course consists of three parts; eight basic lectures on the political economy of contemporary Japan, eight guest seminars on the challenges Japan faces today, and a field trip to Kobe. Altogether the course intends to give students from varied academic backgrounds a perspective on the transition of the Japanese economy from the high growth epoch led by the manufacturing sector to a sustainable growth phase with an eye toward building a well-being nation.

The basic lecture will focus on the macroeconomic performance of the Japanese economy from 1960s to the present, always bearing two questions in mind: how it was made possible and why. The guest lectures will shed lights on the recent change in Japanese politics, Japan's civil society, the current state of information, energy and pharmaceutical industries, changing labor markets, and the global strategy for the Japanese economy.

Class Format

Classes meet for three hours on Mondays from April 2 to June 4. Class meetings are organized in two sessions; lecture and seminar. The lecture session is devoted to a lecture by the principal instructor on the political economy of Japan for sixty minutes, and the seminar session is to a seminar given by guest speakers on the selected topics. Students are encouraged to participate actively in both sessions. Guest seminars are open to anyone.

On Friday May 17, the class will take a field trip to the Disaster Reduction and Human Renovation Institution (earthquake museum) in Kobe. After the tour in the museum, there will be a seminar given by the principal instructor on Japan's post-disaster reconstruction policies. Anyone can sign up for the trip.

Requirements

Students are responsible for a final research paper of approximately 10 pages long, and a final examination. The seminar session of each class meeting will be particularly useful for the research paper. The final examination will be based on the lecture materials. The final grade will give 50% weight to the research paper and 50% to the final examination.

Textbook

Toshihiko Hayashi, *Political Economy of Japan: Growth, Challenges and Prospects for a Well-Being Nation*, Hosodaigaku Kyoiku Shinkokai, 2010.

Three copies of the book will be reserved in the library. Also, relevant chapters will be distributed for the class in pdf.

Class Schedule

The dates and topics of guest seminars are tentative and subject to change.

1) April 2 (Mon)

<Lecture 1> **Japan in the World Today**

Statistics shows that the Japanese economy ranks the third in the world GDP share. The Newsweek ranks Japan the first in overall assessment including economy, education and health among countries with population above 50 million. Still another, KOF index of globalization, ranks Japan at the 45th among 200 countries in the world. Where exactly does Japan stand today? Let us take a look at comparative statistics in life expectancy, natural disaster, criminal records, demography, growth rate and per capita GDP. Chapter 1.

<Seminar 1> **Professor Koji Murata**, Dean of the Faculty of Law and Professor of Political Science, Doshisha University, talks on “**Japan’s Foreign and Security Policy.**”

2) April 9 (Mon)

<Lecture 2> **The High-Growth Epoch**

Japan’s high-growth epoch of 1955-1973 is already a history. One can now place the "Japanese miracle", or the seemingly unique development path of Japan in a global perspective. What factors, exogenous and endogenous, prompted the high growth? Will they be repeated in other times and in other regions in the world? Chapter 2.

<Seminar 2> **Professor Kazuo Ogawa**, Professor, Institute of Social and Economic Research, Osaka University, talks on “**The Bubble Economy and Its Aftermath.**”

3) April 16 (Mon)

<Lecture 3> **What Has Happened to Japan's Household Saving?**

The household saving rate came down from 15% in the 60's to a mere 3% in 2007. Where has the Japanese virtue of thriftiness gone? Has she become a spendthrift, or, are there any other reasons behind the statistics? What are the implications of the low household saving rate for financial markets, government deficit, and social insurance program? Chapter 5.

<Seminar 3> **Professor Noriko Hama**, Doshisha Business School, Doshisha University, talks on **"Making Sense of the Global Economy."**

4) April 23 (Mon)

<Seminar 4> **Professor Shigeyuki Abe**, Faculty of Policy Studies, Doshisha University, talks on **"Japan and Asian Economies."**

<Lecture 4> **The Aging Population and Growing Disparity**

The Japanese population is aging more quickly than that in any other advanced countries.

Moreover, the Japanese population has started to decline. These trends are expected to continue until 2055. The demographic change is bound to have profound implications for the economy. We will look into what is happening in income distribution in what used to be one of the most egalitarian nations. Chapter 6.

5) April 27 (Fri) **Field Trip to Kobe**

Visit the earthquake museum in Kobe (<http://www.dri.ne.jp/>). Anyone can sign in for the trip. Details will be announced in late April.

<Lecture 5> **Japan's Post-Disaster Reconstruction Efforts: From Kobe to Tohoku.**

Japan is a natural disaster prone country. 6,434 lives were lost in the Great Hanshin-Awaji Earthquake of 1995 and 20,000 people are dead or missing in the Tohoku Triple Disaster of 2011. How did the post-disaster reconstruction proceed 17 years ago and what lessons can we learn for Tohoku?

6) May 7 (Mon)

<Seminar 5> **Professor Yutaka Tsujinaka**, Provost and Professor of Political Science, The University of Tsukuba, talks on **"Is Japan a Civil Society?"**

<Seminar 6> **Professor Munemori Nomura**, School of Economics, Kwansei Gakuin University, talks on **"Japan's Energy Industry."**

7) May 21 (Mon)

<Lecture 6> **Isn't It Happiness That Counts?**

Will economic development as measured by increases in per capita GDP produce happiness among a nation's people? Has Japan become a happier nation as a result of economic development? Can Japan be a Bhutan whose preoccupation is in "gross national happiness"? Chapter 11.

<Seminar 7> **Mr. Iwao Yokoyama**, Chairman of the Board of Trustees, The Takeda Science Foundation, talks on "**Pharmaceutical Industry: Things in Japan and Worldwide Trend.**"

8) May 28 (Mon)

<Lecture 7> **The Age of Population Onus**

With a 30% decline in population from 2005 to 2055, the per capita GDP of the Japanese is estimated to diminish by 50%. This is shaking the political and economic infrastructure of this country. What can be done about it? Will Japan be able to show the way to other countries? Chapter 15.

<Seminar 8> **Mr. Shigeki Suzuki**, Ministry of Internal Affairs and Communications, talks on "**Japan's Radio Communication Policy and Bandwidth Auction.(Tentative)**"

9) June 4 (Mon)

<Seminar 9> **Professor Masatsugu Tsuji**, University of Hyogo, talks on "**What Happened to Japanese Technology?**"

<Lecture 8> **Toward a Well-Being Nation**

Assessing the current position of Japan from the economic and political perspective, what kind of scenario can we write for the next generation? A secular decline into insignificance? A long swing back to regain economic strength? A cultural softpower? What does "sustainable society" mean to Japan? Chapter 15.

10) June 11 (Mon)

Take-home examination.

Sample questions will be given a week before the examination. Students are asked to turn in their answers by e-mail by the deadline which will be announced in the class.