

THE AUSTRALIAN NATIONAL UNIVERSITY

**(ECHI2109/2119) ASIAN GIANTS: Japan, China and India: Alternative paths
to prosperity
(Pass and Honours)**

Study period: 15 minutes duration

Writing period: 2 (TWO) hours duration

**Permitted materials: Dictionaries for students with written departmental
approval only**

**Answer THREE question, ONE from Part A, ONE from Part B and ONE from
Part C**

Part A

1. Discuss the major factors that influenced the rate of growth of the Japanese economy between the 1960s through the present.
2. 'The methods used Japanese society to acquire new foreign technology from the 1860s on contributed in an important way to the Japanese economy growing at a relatively rapid rate between the mid-1880s up to 1914.'

Discuss this statement.

3. Answer either:

'Recent empirical research by Acemoglu et al., and Rodrik et al. suggests that there are substantial economic gains to be made by a nation improving the quality of its institutions. Historical examples that demonstrate this point are Japan during the period of the Meiji Restoration, and China since the late 1970s up to the present.'

Discuss this statement.

Or

‘The presence of a political oligarchy in China blocked economic reform in that country in the mid- to late-nineteenth century and beyond. In contrast the absence of such an oligarchy in Japan in the mid- to late-nineteenth century facilitated beneficial economic reform in that country.’

Discuss this assertion.

Part B

4. The following table sets out the changes in the structure of the industrial sector in China between 1978 and 1997. Explain what factors have been at work causing this change in structure.

Year	SOEs %	TVEs %	Private enterprises %	Other %
1978	77	22.4	0	0
1990	54.6	35.6	5.4	4.4
1997	25.5	38.1	17.9	18.5

5. Why did China not experience the *first* industrial revolution?
6. Assess poverty mitigation policy in China from 1978 up to about 2000.
7. According to Deng Xiaoping, ‘The purpose of allowing some regions and some people to become prosperous before others is to enable all of them to prosper eventually. We have to make sure there is no polarisation of society – that’s what socialism means.’

What factors enabled some regions and people to become prosperous before others during China’s economic reform period? What factors will enable other regions and people to prosper eventually?

India

8. From 1850 to 1950 average per capita income in India grew by no more than 0.5% a year. How would you explain this slow rate of economic growth?

9. 'The development strategy pursued in India between 1951 and 1991 fell significantly short of expectations. In fact, it created problems of such a magnitude that its replacement was inevitable'. Discuss the major economic problems that were associated with the development strategy followed in India from the early 1950s to the early 1990s. Do you think its replacement was 'inevitable'? Give reasons for your answer.

 10. What, in your estimation, were the predominant reasons for the Indian government's decision in 1991 to introduce economic reforms? Do you think the reforms have been successful? Give reasons for your answer.
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