#### Economic Policies and Economic Development in Korea

#### 8754.519, Fall 2012

**Professor Jang-won Suh**

*Graduate School of International Studies (GSIS)*

*Seoul National University*

**Class:** **Friday 14:30-17:30, Room 140/107**

**Course Description**

This course intends to review development experiences of Korea with a focus on policy implications for emerging market economies. Over the past four decades, Korea transformed herself from one of the poorest in the early 1960s' to an industrialized country with the 11th largest GDP in the world. The Korea's economic development has been so drastic that it deserves to be called “the miracle of the Han River.” On the other hand, it is not difficult to find trial and error in the process, such as blunders leading to the 1997 financial crisis. After presenting basic facts about Korea's economic development, we analyze what kinds of economic and non-economic factors worked together behind it. We will also discuss the Korean economy after the financial crisis with some interests in policies in various fields.

**Classes and Course Evaluation**

Classes will meet once a week on Friday. For this course, students are responsible for the material covered in the lecture and assigned readings from various reading materials. Course grading will be based on exams (80%) and class attendance and participation (20 %)

**References**

***Development Experience of the Korean Economy,***Keuk Je Sung (ed.) Kyung Hee University Press,2010.

***A New Paradigm for Korea’s Economic Development***, Sung Hee Jwa, Palgrave, 2001

***The East Asian Miracle,***World Bank, Oxford University Press, 1993.

**Course Outline**

**September 7: Introduction by Professor Jang-won Suh, GSIS, Seoul National University followed by the lecture by Joon-Kyung Kim, Professor, KDI School of Public Policy and Management: Economic Development of Korea**

* Trend of Korean economic growth
* Myth of rapid growth: Engine of growth
* 5 year economic development plan
* Recent sluggish growth: Causes and prospects
* Challenges for advanced economy

**September 14: Lecturer: In Soo Kang, Professor, Sookmyung Women’s University: Inflation and Real Estate**

* Reminiscence of high inflation
* Inflation, medicine or poison pill
* Real estate policies and economic bubble
* Inflation targeting policy and its consequences

**September 21: Lecturer: Hongyul Han, Professor, Hanyang University: Industrial Structure of Korea**

* Profile of Korean industrial structure
* Industrial Policies of Korea
* Sectoral analysis of Korean industry
* From planning to market mechanism

**October 5: Lecturer: Yeongseop Rhee, Professor, GSIS, Seoul National University:**

**Changing Financial Market**

* From government regulation to liberalization
* Financial crisis and consequent reforms of financial market
* Changes of exchange rate policy
* Challenges of capital market opening: unfinished reforms

**October 12: Lecturer: Young-Beom Park, Professor, Hansung University: Changing Labor Market**

* Recent changes in labor market
* Structural problems of Korean labor market
* From stability to flexibility?
* Social agreement as labor policies

**October 19:** **Lecturer: Dukgeun Ahn, Professor, GSIS, Seoul National University: International Trade Policies**

* Changes of trade structure: from chronic deficit to surplus
* Export promotion vs. import substitution
* Changes of international trade circumstances: GATT/WTO, FTA
* FTA policy of Korea

**October 26: Lecturer: Jinsoo Yoo, Professor, Sookmyung Women’s University:**

**Industrial Policies**

* Globalization of Business
* Pros and cons of large conglomerates(Chaebol)
* SMEs(Small and Medium Enterprises) policies
* Competition policies of Korea

**November 2: Mid-term Exam (Covering lectures up to October 19)**

**November 9: Lecturer: Yoochul Song, Professor, Dongduk Women’s University:**

**Agricultural Policies**

* Current status of agricultural sector in Korea
* Failure of agricultural policies: critical review
* Impediments to market opening (DDA and FTA)?
* Agricultural policies in global era

**November 16: Lecturer: Junghun Kim, Senior Fellow, KIPF: Fiscal Policies**

* Overall Fiscal Policy
* Tax Policy
* Intergovernmental Fiscal Relations

**November 23: Lecturer: Jai-won Ryou, Professor, Konkuk University: Welfare Policies**

* Changes in income distribution
* Policies for poverty reduction
* Insufficient social safety net

**November 30: Lecturer: Hosaeng Rhee, Professor, Myungji University: Emerging Issues: Environment and Aging Society**

* Environment as economic issue
* Global environment issues
* The most aging country in the world
* Problems of aging society

**December 7: Lecturer: Sung-Hoon Park, Professor and Dean, GSIS, Korea University: Challenges and Prospects**

* Diagnosis of Korean economy
* Future of Korean economy
* Challenges of Korean economy

**December14: Final Exam (Covering lectures from October 26 to December 7)**