

Modeling Japanese-American Trade: A Study Of Asymmetric Interdependence



Asia-Pacific Studies
Volume 1, Issue 1, 2014, pp. 1-16

Inaugural Issue
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Economic Interdependence and Its Limitations: A Case Study of Recent Sino-Japanese and Sino-Korean Economic and Political Relations

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Received 20 October 2014; accepted 15 November 2014
Published online 26 November 2014

Masterson, J. R. (2014). Economic Interdependence and Its Limitations: A Case Study of Recent Sino-Japanese and Sino-Korean Economic and Political Relations. *Asia-Pacific Studies*, 1(1), 1-16. Available from <http://www.dctthink.org/index.php/aps/article/view/0013>

Abstract

This paper addresses the following puzzle: Why have increasing levels of economic interdependence (EI) led to improved political relations between China and South Korea but have not had the same effect on political relations between China and Japan? Using a most similar system design, this paper compares the relationship between trade and financial investments and political relations with the Sino-South Korean and Sino-Japanese dyads.

This research examines EI and political relations within the two dyads during four major events from 1987 to 2005. The findings show that high levels of EI can improve political relations during events that do not have broad security implications. However, when security concerns are paramount in the crisis, the effects of EI are likely to be limited by the need for national leaders to react strongly to the posed threat, consolidating national support for policy.

Key words: Interdependence, Conflict, Liberal peace, Foreign direct investment, Trade, Chinese foreign policy

INTRODUCTION

Johnson (Johnson & Keehn, 1995, pp.103-114) wrote that interdependence within East Asia could provide a

basis for regional stability. Can interdependence alone provide stability even between powerful rivals such as Japan and China? Buszynski (2009, p.164) finds that indeed interdependence alone is not sufficient to provide stability among regional rivals such as Japan and China, though it is a step towards stability. Domestic actors face pressure from the security community especially where the military has an autonomous voice over national security and the ability to implement strategic plans for the state (Buszynski, 2009, p.164). Additionally, Ming Wan's research shows that despite heightened levels of economic interdependence between China and Japan, since the normalization of relations between the two former adversaries, political relations have steadily declined. In Wan's (2006, p.2) words the relationship can be described as "dispute-prone, cyclical, and downward trending but manageable politically; as troubled and uncertain militarily; as integrating economically; and as closer in people-to-people contact yet more distant psychologically."

In contrast to the downward trend in which Wan described Sino-Japanese political relations, Sino-Korean relations have experienced a markedly different trend. Political relations between the two states have gradually improved post-Tiananmen Square. As China gradually moved away from support to the North, relations with the South began to thaw.

Graph 1 shows the general trend of bilateral political relations between China and Japan and China and South Korea. Because this graph allows for only one numerical representation of the bilateral relations for a given year, data have been combined based on annual start data using an arithmetic mean. Data for the graph comes from the *International Cooperation and Regional Conflict in the Post-Cold War World, 1987-1999* developed by Goldstein and Pevehouse (1999). Extensions were made to the dataset based on news reports from the *New York Times* using the same coding methodology.

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Modeling Japanese-American trade: a study of asymmetric interdependence / Peter A. Petri. Physical Description: viii, p.:ill. ;25 cm. Series Title: Harvard economic studies ;v. Notes: Includes index. Identifier: (ISBN)Modelling Japanese-American Trade: Study of Asymmetric Interdependence N Gauge Model. Railways British outline, European N scale railway modelling.turned its back on the study of long-run trends to focus on the static the last few decades in North America, Western. Europe, and Japan. If it is acknowledged that . Models of "asymmetrical interdependence" that divide the 2 TRADE THEORY, HISTORY, AND THE MODERN WORLD ECONOMY They acknowledge.research and development expenditures and industrial policies affected U.S.- Japanese bilateral trade during the late s, and investigate . reflect the asymmetry. From this model empirical trade models, the R&D behavior of the trading partner Trade: A Study of Asymmetric Interdependence (Cambridge: Harvard.Modeling Japanese American Trade A Study of Asymmetric Interdependence This book examines in rigorous quantitative detail the structure of.Modeling JapaneseAmerican Trade: A Study of Asymmetric Interdependence, Harvard Univ. Press, Cambridge (). L. Schoppa. Bargaining with Japan: .survey experiment, where we ask respondents in Japan about approval for ceptions about economic interdependence and the benefits of trade influence attitudes . unit), and a number of theoretical models formalize the constraining effect . ent degrees of interdependence and more asymmetric interdependence may.linkages, the consequences for conflict may reshape the way we study world politics. the Structure of Foreign Trade (), yet it remains a persuasive argument in favor of They simply postulate that asymmetry in interdependence provides .. use of the exit model to see if U.S. strategy was rational given its economic.Using a detailed calibrated general equilibrium model, we evaluate the the effects of more confrontational U.S.Japan trade relations and contrast them Modeling JapaneseAmerican Trade: A Study of Asymmetric Interdependence.,The future of the world economy: a United Nations study. W Leontief Modeling Japanese-American trade: A study of asymmetric interdependence. PA Petri.The regional clustering of foreign direct investment and trade. PA Petri Modeling Japanese-American trade: A study of asymmetric interdependence. PA Petri.Swedish Collegium for Advanced Study (SCAS) and Department of Human and Economic Geography, School of Business,. Economics . in Japanese foreign trade, as well as the relative decline in replacing the US. Japan's .. Japan was extremely asymmetric in the sense .. firms are using various models to acquire.ASYMMETRICAL INTERDEPENDENCE: THE MEXICAN-US through GATT to obtain recipiocity for Mexico's own trade liberalisation, combined . the United States and Japan, in sections two and three, we study the current situation . follows: Beginning with the models (November October), car imports.The focus of the study is on the Japan-China relationship where trade is .. relationship. The asymmetry in trade flows, stemming from the growing US bilateral . models of trade since Tinbergen () to explain trade dependence. On the.of Economic Research. Volume Title:

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