Homework VI

due Friday, March 9th in class

Type out the answers, use single-spacing, and a size 12 font.

1. **Short Descriptions (3 points)** In two to three coherent sentences, explain and/or define each of the following concepts.
   
   (a) Flexicurity
   (b) Wage drift
   (c) Keiretsu

2. **Labor Markets (3 points)** Why is an active labor market policy a *vital* component of promoting full employment in Sweden? Why is an active labor policy more important in Sweden than in a more laissez-faire economy such as the US?

3. **Trust in Institutions (3 points)** The article “The secret of their success” states that Nordic governments are endowed with two powerful resources: trust in strangers and belief in individual rights. Discuss how this has shaped institutions in the nordic economic system.

4. **Wages (3 points)** Describe how the EFO model has been used to determine wages in Sweden. Explain why it is conceptually even needed.

5. **Lewis Model (3 points)** Within the Asian Economic Model, considerable emphasis is given to the Lewis two-sector model as an approach or framework to understand industrialization in Asia. What is the essence of this model, and why is it of relevance to understanding economic growth in Asia?

6. **Abenomics (2 points)** According to the article “Three-piece dream suit,” what are the main elements of Mr. Shinzo Abe’s proposed economic reforms in Japan?

7. **Corporate Governance (3 points)** According to the article “The Corporate Governance Model of Japan: Shareholders are not rulers,” what are the main differences between the Anglo-American and Japanese models of corporate governance?