**Li, J.** (2003). “Relation-based versus Rule-based Governance: An Explanation of the East Asian Miracle & Asian Crisis”, *Review of International Economics*, 11(4): 651-673.

**Questions**

**Q1:** What is the main argument of this paper?

**Q2:** What is the distinction between rule-based governance & relation-based governance in terms of definition, nature, & dynamics?

**Q3:** Which type of governance is more effective in overcoming transaction & agency costs?

**Q4:** Please discuss the causes of the Asian Economic Miracle from the perspective of relation-based governance.

**Q5:** Is relation-based governance a substitute for rule-based governance or does it compliment?

**Q6:** Why does the author argue that the Japanese Model is based on relation-based governance?