

PACIFIC RIM ECONOMIC DEVELOPMENT (ECON 410 - B1)

Winter 2014-2015, MWF, 9:00-9:50 pm, T1-105

Department of Economics

University of Alberta

Office Hours: 3:00-4:00 PM, M/W

Personal Website: <https://sites.google.com/a/ualberta.ca/yingfeng-xu/>

Course Website: <https://eclass.srv.ualberta.ca/course/view.php?id=21328>

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Tory 7-24

Phone: 7804927631

Prerequisites

The formal prerequisite is Econ 281 or consent of Department. But in addition, students are expected to know how to use MS-Excel. Econ 299 is strongly recommended.

Past or representative evaluative course material

Available at the eClass Course site.

Additional mandatory instructional fees (approved by Board of Governors)

None.

Course description and objectives:

The focus of this year's course is on a select group of Asian economies: China, South Korea, Thailand and India. They all have achieved stellar economic growth in recent years. We will discuss theoretical and policy issues regarding the rise of these economies and the related regional economic issues. In particular, emphasis is given to develop the capacity of students to apply economic theories to policy issues of economic development and relate theories to empirical facts.

Coursework and grading

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|---------------------------------------|-----|
| ● 2 quizzes (randomly scheduled) | 5% |
| ● Term paper, due on Mar 30 | 30% |
| ● Midterm exam on Feb 13 | 25% |
| ● Final examination (2 hours), Apr 20 | 40% |

You should submit your paper by emailing me an e-copy, Google doc/Word/pdf, by the midnight of March 30. Unless there are exceptional exigencies that warrant a legitimate waiver, late submissions are penalized as follows: 10% deduction of marks for each day in the next five working days (excluding weekend days) and no credits thereafter.

Term paper instruction

Choose either of the following two topics:

- To review the growth performance of either China or India. In particular, you should cover: 1) what kind of economic reform is carried out; 2) how economic growth is related to investment; 3) how economic growth is related to human capital accumulation; 4) what the role of trade expansion is; 5) what the role of urbanization is.
- To review the financial crisis experience of either Thailand or South Korea. In particular, you should cover: 1) economic growth before 1996; 2) capital inflow; 3) the exchange rate regime; 4) domestic credit supply; 5: asset price boom and bust; 6) what happened during the Asian crisis in 1997; 7) policy lessons.

You are expected to recapture what is covered in my lectures. You also need to expand the substance of your paper with your own research. You need to consult, at least, three additional academic references, especially journal articles and their equivalent. A significant positive factor for demonstrating your knowledge and scholarship would be to annotate your bibliography, summarizing the contents and arguments of the sources you have used for your paper.

Other requirements are:

- Citation style requirement: [American Psychological Association](#).
- Be free of grammatical errors.
- The paper must be typed and double-spaced.
- There is a title page that contains a title, an abstract, your name and ID.
- Minimum four and maximum five pages for the main text excluding the title page, reference pages, and tables and figures.
- The help for writing term papers can be found at:
<http://guides.library.ualberta.ca/content.php?pid=57725&sid=1857812>.

Grading

Marks for assignments, tests, and exams are given in percentages, to which letter grades are also assigned according to the following table.

Percentage – letter grade conversion

Letter	%	Pts
A+	$95 \leq x \leq 100$	4.0
A	$90 \leq x < 95$	4.0
A-	$85 \leq x < 90$	3.7
B+	$80 \leq x < 85$	3.3

B	$75 \leq x < 80$	3.0
B-	$70 \leq x < 75$	2.7
C+	$65 \leq x < 70$	2.3
C	$60 \leq x < 65$	2.0
C-	$56.7 \leq x < 60$	1.7
D+	$53.3 \leq x < 56.7$	1.3
D	$50 \leq x < 53.3$	1.0
F	$0 \leq x < 50$	0.0

Readings and data

Asian Development Bank, *Key Indicators for Asia and the Pacific 2014* at:

<http://www.adb.org/publications/key-indicators-asia-and-pacific-2014>.

Daly, M. (2011). Evolution of Asia's Outward-Looking Economic Policies: Some Lessons from Trade Policy Reviews. Staff Working Paper ERSD-2011-12.

Krumm, K. L. and H. J. Kharas (2004). *East Asia Integrates a Trade Policy Agenda for Shared Growth*. New York, World Bank.

Obstfeld, M. (2013). Never Say Never: Commentary on a Policymaker's Reflections. the 14th Jacques Polak Annual Research Conference. Washington, DC.

Rodrik, D. (2010). Diagnostics before Prescription. *Journal of Economic Perspectives*, 24(3), 33-44. doi: <http://www.aeaweb.org/jep/>

Stiglitz, J. E. and S. Yusuf (2001). *Rethinking the East Asia miracle*. Washington, D.C. New York, World Bank; Oxford University Press.

World Bank. (1993). *The East Asian Miracle : Economic Growth and Public Policy*. New York, Oxford University Press.

World Bank (2010). *An East Asian Renaissance*. Washington, DC, World Bank.

Topics and schedule

1. East Asian miracle (Jan 8 - 13)

Bosworth, B., & Collins, S. M. (2008). [Accounting for Growth: Comparing China and India](#). *Journal of Economic Perspectives*, 22, 45-66.

Xu, Y. (2012). [Where does the current international monetary system fail? - evidence from deviations from purchasing power parity](#). Paper presented at the on the reform of the

international monetary system and the internationalization of the renminbi, Shanghai.

2. Trade and industrial policy (Jan 15 - 20)

3. Saving and investment (Jan 22 - 27)

Basu, K., & Maertens, A. (2007). [The Pattern and Causes of Economic Growth in India](#). Oxford Review of Economic Policy, 23(2), 143-167. doi: 10.1093/oxrep/grm012.

4. Financial sector development (Jan 29 - Feb 3)

5. Macroeconomic policy (Feb 5 - 7)

6. Labor market and income distribution (Feb 10 - 12)

7. The Asian financial crisis (Feb 24 - 28)

8. Domestic factors (Mar 3 - 7)

The Economist. (2014, March 15). [The countries where politically connected businessmen are most likely to prosper](#). The Economist.

9. International factors (Mar 10 - 14)

Soyoung Kim, Sunghyun H. Kim, & Yunjong Wang. (2009). [Fear of floating in East Asia?](#) Pacific Economic Review, 14(2), 176-193.

IMF. (2014). Global liquidity: issues for surveillance. IMF Policy Paper.

10. Regional integration (Mar 17 - 21)

11. Global financial crisis of 2008 and reform of the IMS (Mar 24 - 31)

12. Reassessing the East Asian model (Apr 2 - 7)

Li, YF & Zhang, B. (2008). [Development Path of China and India and the Challenges for their Sustainable Growth](#). World Economy, 31(10), 1277-1291.

McKingsy Global Institute. (2013). [Beyond Korean style: Shaping a new growth formula](#).

Required notes

“Policy about course outlines can be found in Section 23.4(2) of the University Calendar.”

Academic integrity

“The University of Alberta is committed to the highest standards of academic integrity and honesty. Students are expected to be familiar with these standards regarding academic honesty and to uphold the policies of the University in this respect. Students are particularly urged to familiarize themselves with the provisions of the Code of Student Behaviour (online at <http://www.governance.ualberta.ca/en/CodesofConductandResidenceCommunityStandards/CodeofStudentBehaviour.aspx>) and avoid any behaviour that could potentially result in suspicions of cheating, plagiarism, misrepresentation of facts and/or participation in an offence. Academic dishonesty is a serious offence and can result in suspension or expulsion from the University.”

Learning and working environment

The Faculty of Arts is committed to ensuring that all students, faculty and staff are able to work and study in an environment that is safe and free from discrimination and harassment. It does not tolerate behaviour that undermines that environment. The department urges anyone who feels that this policy is being violated to:

- Discuss the matter with the person whose behaviour is causing concern; or
- If that discussion is unsatisfactory, or there is concern that direct discussion is inappropriate or threatening, discuss it with the Chair of the Department.

For additional advice or assistance regarding this policy you may contact the student ombudservice: (<http://www.ombudservice.ualberta.ca/>). Information about the University of Alberta Discrimination and Harassment Policy and Procedures is described in UAPPOL at <https://policiesonline.ualberta.ca/PoliciesProcedures/Pages/DispPol.aspx?PID=110> .

Academic honesty

All students should consult the information provided by the [Office of Judicial Affairs](#) regarding avoiding cheating and plagiarism in particular and academic dishonesty in general (see the [Academic Integrity Undergraduate Handbook](#) and [Information for Students](#)). If in doubt about what is permitted in this class, ask the instructor.

Students involved in language courses and translation courses should be aware that on-line “translation engines” produce very dubious and unreliable “translations.” Students in language courses should be aware that, while seeking the advice of native or expert speakers is often helpful, excessive editorial and creative help in assignments is considered a form of “cheating” that violates the code of student conduct with dire consequences.

An instructor or coordinator who is convinced that a student has handed in work that he or she could not possibly reproduce without outside assistance is obliged, out of consideration of fairness to other students, to report the case to the Associate Dean of the Faculty. See the [Academic Discipline Process](#) .

Recording of lectures

Audio or video recording of lectures, labs, seminars or any other teaching environment by students is allowed only with the prior written consent of the instructor or as a part of an approved accommodation plan. Recorded material is to be used solely for personal study, and is not to be used or distributed for any other purpose without prior written consent from the instructor.

Attendance, absences, and missed grade components

Regular attendance is essential for optimal performance in any course. In cases of potentially excusable absences due to illness or domestic affliction, notify your instructor by e-mail within two days. Regarding absences that may be excusable and procedures for addressing course components missed as a result, consult sections [23.3\(1\)](#) and [23.5.6](#) of the University Calendar. Be aware that unexcused absences will result in partial or total loss of the grade for the “attendance and participation” component(s) of a course, as well as for any assignments that are not handed-in or completed as a result.

Policy for late assignments

The penalty for late submission is 10% for each business day in the first following week. Thereafter, it will not be accepted. There is no makeup for missed quiz.

Specialized support & disability services

If you have special needs that could affect your performance in this class, please let me know during the first week of the term so that appropriate arrangements can be made. If you are not already registered with Specialized Support & Disability Services, contact their office immediately (2-800 SUB; Email ssdsrec@ualberta.ca; Email; phone 780-492-3381; WEB www.ssds.ualberta.ca).

Date of deferred final examination

April 27, 2015.