Essay (15%)

Student is required to write an essay (approximately 1,000-1,500 words). Its objective is to encourage student to read, think, analyse and write academic essay. *Plagiarism will not be tolerated.*

***Date of submission**: April 29th,2014*

Essay questions

1. During the past 40 years, the basic structure of Thai GDP has radically changed in all aspects. Please discuss and demonstrate your insights by using Thailand's macroeconomic data.

2. Thai economy has, in the past decade, overcome the trade-off between the inflation and unemployment. Discuss this observation through data, and propose your idea on why this has happened?

3. We will never be able to fully take into account the environment as a part of the GDP measurement. Discuss.

4. Creating government debt will put costs on future generations. Discuss

5. In order for the economy to be in the safe and sound, the central bank needs to be left to have full independence in their decision makings. Discuss.

6. The strength of the Thai macro-economy has been due to the Thai government's successful use of Keynesian macroeconomic policies. Do you agree? Why?

Marking criteria

In order to get good marks, a student need to demonstrate that he/she has achieved the following qualities in their essay;

1. A sufficient compilation of data and reading of articles and other materials, in order to support an argument in response to the selected question.
2. A decent analysis, with the use of knowledge in macroeconomics, in order to make an argument that is well-thought through. A good argument is also an argument that "answers" the question.
3. An explicit showing of a good self-made research into the topic. This can be demonstrated through the quality of citations and references.

Recommended readings

For Q1

Warr, Peter. 2007. "Long-term Economic Performance in Thailand". *ASEAN Economic Bulletin* Vol.24, No.1. pp.138-63

Students should find updated information and statistics from sources such as the Bank of Thailand, National Economic and Social Development Board, National Statistic Office, the World Bank Thailand etc. to analyse current situation.

<u>For Q2</u>

Find information on unemployment and inflation in Thailand and in other countries from the World Bank at http://data.worldbank.org/

Kumagai, Shotaro. 2012. Why is the unemployment rate in Thailand so low?. *A Presentation at the ESRI Workshop*. Japan Research Institute. The paper can be found at http://www.esri.go.jp/jp/workshop/120803/120803-05.pdf

<u>For Q3</u>

Damstadter, Joel. 2000. “Greening the GDP: Is it Desirable? Is it Feasible?” *Resources*. Issue 139. pp. 11-15

European Commission. 2013. Progress on ‘GDP and beyond’ actions. Commission Staff Working Document.

<u>For Q4</u>

Reinhart, Carmen M.; Vincent R. Reinhart; and Kenneth S. Rogoff. 2012. “Public Debt Overhangs: Advanced-Economy Episodes Since 1800." *Journal of Economic Perspectives*, 26(3): 69–86

<u>For Q5</u>

Crowe, Christopher, and Ellen E. Meade. 2007. "The Evolution of Central Bank Governance around the World." *Journal of Economic Perspectives*, 21(4): 69-90.

Taylor, John. 2013. “The Effectiveness of Central Bank Independence Versus Policy Rules.” *SIEPR Discussion Paper* No. 12-009

<u>For Q6</u>

Read Chapter 4 “Thaksinomics” from Pasuk Phongpaichit and Chris Baker. 2004. *“Thaksin: The Business of Politics in Thailand*”. Silkworm Books

Sundaram, J. K. (Ed.). 2004. *After the storm: crisis, recovery and sustaining development in four Asian economies*. NUS Press.

Schmidt, J. D. 2003. “Crisis Management in Thailand: The Ambivalence of” New” Keynesian Response”. *Working Paper No. 115. Development Research Series*. Research Center on Development and International Relations (DIR)