



B.E. International Program

Faculty of Economics, Thammasat University



Course Outline

EE360: INTRODUCTION TO THAI ECONOMY

Semester 1/2015 (August 18 – December 3, 2015)

Number of credits	3 credits
Lecture Time	Tuesday and Thursday, 9.30 – 11.00
Lecture Venue	Room 204 , Economics Building Thammasat University, ThaPrachan campus
Instructor	Bhanupong Nidhiprabha, Office: Room 517, Faculty of Economics Email: bhanupong.460@gmail.com Office hours: Tuesday and Thursday: 11: 00 – 13:30

Course Description

Thailand's economic structure has gradually changed since 1961. We examine economic growth and intricate relationships between poverty, income distribution, urbanization, and globalization. Implementation of monetary, exchange rate, and fiscal policies are discussed.

Prerequisites: EE 211 and EE 212

Course Objectives

The objective of this course is to provide basic understanding of current issues in emerging economies by using the Thai economy as a case study. It is expected that students compare and contrast Thailand's economic issues with those in their home countries.

Course Evaluation

Grading is based on midterm exam (25%), homework and presentation (25%) and final exam (50%). Class attendance will count at the margin to help those who are on the border of two grades.

Lecture 1: Minimum wage, unemployment, inflation, and deflation

What are the consequences of raising Thailand's minimum wage to 300 baht per day?

What does deflation mean to household and business sector?

Nidhiprabha, B. (2009) "The hard road ahead for Thailand's economic recovery," *Asian Economic Papers* 8(3), 113-137.

Lecture 2: Rethinking Growth Strategy

Does Thailand need a new growth model?

McCleary, William (2013) Book Reviews "Why Nations Fail" by Daron Acemonglu and James A. Robinson, *Thammasat Economic Journal*, 31(1) 109-117.

Lecture 3: Early Economic Development--The first three decades: 1961-1990

What can we learn from the historical path of Thailand's economic development? What were factors contributing to rapid growth in the first three decades of Thailand's development planning?

"Thailand" in *Asia Rising*, Hal Hill and Maria Socorro Gochoco-Bautista (eds.) Cheltenham: Edward Elgar and ADB, pp. 345-384. 2013.

Lecture 4: Resilience of the Thai economy

Under global fluctuations, is the Thai economy resilient enough to regain its pre-shock growth path in a V-shaped recovery?

Nidhiprabha, B. (2006) "Resilience of the Thai economy" in *Thailand's Economic Recovery* Cavan Hogue (ed.), Institute of South East Asian Studies, Singapore, 2006.

Lecture 5-6

The Thai economy after the coup: 2006-2009

In 2007, Thai economy grew at the lowest pace among countries in the region. How has the 2006 coup changed the Thai economy?

Nidhiprabha, B. (2009) “The Thai economy after the coup”, in John Funston (ed.) *Divided over Thaksin*, Institute of Southeast Asian Studies.

Nidhiprabha, B. (2006) “The buffeting of Thailand by the unholy trinity of Avian Influenza, tsunami, and the oil price shock” *Asian Economic Papers*, Vol. 5, no.2,

Lecture 7-9

Dynamism of Thai Agriculture

What are factors contributing to Thailand’s agricultural productivity over the past four decades? Can dynamism of the Thai agriculture enable Thailand to cope with new challenges? How did the agricultural sector cope with external shocks and fluctuations in the terms of trade?

Nidhiprabha, B. (2005) “Dynamism of the Thai Agriculture” *East Asian Economic Perspectives*, Vol. 12, No. 2, August.

Lecture 10-14

Manufacturing

We explore four major industries: processed food, information technology, textile, and automobile. While facing non-tariff barriers imposed by developed countries, these industries are still leading exporters of Thailand. What has gone wrong in 2015?

Nidhiprabha, B. and ChalernpolChamchan (2005) “SPS and Thailand’s Exports of Processed Food” in *Food Safety Regulation Concerns” The Developing Country Perspective*, in Rajesh Mehtha and J George (eds.) Delhi: Macmillan India.

Rick Doner and George Aboryi (2013) *Upgrading Thailand’s rubber industry: Opportunities and Challenges*, Thammasat Economic Journal, Vol. 31 no. 4, 44-66.

Lecture 15-16

Still a growth engine: Thailand's exports?

How important is the export sector as an engine of growth? What are factors contributing to high degree of trade openness? Should we adopt a domestic demand-led growth policy?

“Thailand” in *Asia Rising*, Hal Hill and Maria Socorro Gochoco-Bautista (eds.) Cheltenham: Edward Elgar and ADB, pp. 345-384. 2013.

Lecture 17

Tourism industry: vulnerable but resilient

A background of tourism industry in Thailand is presented. We investigate how the industry was adversely affected by shocks such as the tsunami, political unrests, and China's economic slowdown? Can we rely on service-led growth strategy?

Nidhiprabha, B. (2010) “Thailand” in *The Asian Tsunami: Aid and Reconstruction after a disaster*, Jayasuriya, Sisira and Peter McCawley (eds.) Cheltenham: Edward Elgar, 2010.

Koonnathamdee, Pracha. (2013) “A turning point for the service sector in Thailand” in *Developing the Service Sector as an engine of growth for Asia*, Donghyun Park and Marcus Noland (eds.) Manila: Asian Development Bank

Lecture 18 World Business Synchronization

How is Thailand's economic growth related to China and other ASEAN countries?

Nidhiprabha, B. (2015) “The global financial crisis and macroeconomic policy in Southeast Asia” In *Hand Book of Southeast Asian Economies*, edited by Ian Coxhead, Routledge

Lecture 19-20 The dollar, yen, renminbi, the ruble, and the baht

The impact of yuan devaluations and falling oil prices

Nidhiprabha, B. (1998) “Economic crises and debt-deflation episode in Thailand, *Asian Economic Bulletin*, December.

Lecture 21-22 The Global Financial Crisis

The ongoing ripple effect of the GFC and the adjustment of the Thai economy.

Nidhiprabha, B (2011) “The Global Financial Crisis and Resilience of the Thai Banking Sector” *Asian Development Review*, vol. 28, no. 2, 110–132

Lecture 23-24 Quantitative Easing and Unconventional Monetary Policy

What are the impact of the expansion in the assets of The Fed and the BOJ

Nidhiprabha, B. (2003) “Premature liberalization and economic crisis in Thailand” in *Financial liberalization and the economic crisis in Asia* edited by Chung Lee, London: RoutledgeCurzon.

Lecture 25-26 Public Debt and fiscal policy

How sustainable is Thailand’s fiscal deficit? What is the role of institutions in shaping the country’s financial stability? How is the long-term growth path affected by fiscal structure and fiscal space?

Nidhiprabha, B. (2015) “Lessons from Thailand’s Fiscal Policy” *Asian Economic Papers* Vol.14, no.3

Lecture 27-28

Income distribution and poverty

The nexus between income distribution, growth, and poverty are discussed. How is income distribution and external liberalization connected? What is the impact of social policy on poverty and distribution? How did agricultural pricing and income policies affect poverty? Does inheritance and property tax address the issue of mal income distribution?

P.G. Warr, (2004) “Globalization, growth, and poverty reduction in Thailand,” *ASEAN Economic Bulletin* Vol. 21(1) April, 1-18.

Lecture 29-30

Urbanization and environment

What is the relationship between urbanization and output growth in Thailand? We discuss the declining primacy of Bangkok and the importance of its satellite cities. Negative consequences of urbanization are explored. Is Thailand a good example of sustainable urbanization? Does rapid economic growth imply unsustainable urbanization?

Toh MunHeng (2012) Competitive cities and urban economic development in Southeast Asia in *Urbanization in Southeast Asia: Issues and Impacts*, Singapore: Institute of Southeast Asian Studies

Important Dates

Class Begins	August 18, 2015
Midterm Exam Period	October 5-10, 2015
Midterm Exam	October 8, 2015, 09.30-11.00
Adding and Dropping Course	October 12-26, 2015
Course Withdrawal with "W"	October 21-26, 2015
Class Ends	December 3, 2015
Final Exam	December 8, 2015