



Course Outline

EE 462 Development Macroeconomics

Semester 1/2024

Number of credits: 3 credits (3-0-6)

Lecture Time: Tuesday, 09:00-12:00 hrs.

Lecture Venue: Room 203, 2nd Floor, Faculty of Economics

Instructor: **Assoc. Prof. Dr. Phatta Kirdruang**
Office: Room 15, 4th Floor, 60th Anniversary Building
Email: phatta@econ.tu.ac.th
Office Hours: By appointment

Course Description:

The analysis of development economics issues that are important and related to the macro economy of developing countries, such as concepts explaining economic growth, development policies of various countries, the analysis of monetary policies, exchange rates, balance of payments, flow of capital, financial crisis, international aids affecting economic growth, the effects of international trade and foreign direct investments on economic development, the relationship between economic growth and the level of poverty and income distribution, etc.

Course Objectives:

- (a) Students will learn about macroeconomic development concepts and theories.
- (b) Students will be able to apply the theoretical concepts to understand the process of economic growth and the developmental policies of developing countries.

Prerequisites: EE312
Class code for Google classroom: 7hmydrh

Required Textbooks and Readings:

- Perkins, D. H., Radelet, S., Lindauer, D. L., & Block, S. A. (2013). *Economics of Development*. Seventh Edition. W.W. Norton & Company.
- World Bank. (2024). *World Development Report 2024: The Middle-Income Trap*. Washington, DC: World Bank. Doi:10.1596/978-1-4648-2078-6.
- Jones, C. I. (2002). *Introduction to Economic Growth*. Second Edition. W. W. Norton & Company.
- Todaro, M., & Smith, S. (2011). *Economic Development*. Eleventh Edition. Prentice Hall.
- Journal articles as specified in the lecture schedule.

Complementary Textbooks:

- de Janvry, A., & Sadoulet, E. (2016). *Development Economics: Theory and Practice*. Routledge.
- Van den Berg, H. (2001). *Economic Growth and Development: An Analysis of Our Greatest Economic Achievements and Our Most Exciting Challenges*. Boston: McGraw-Hill.
- Ray, Debraj. (1998). *Development Economics*. Princeton University Press.
- Agenor, Pierre-Richard and Montiel, Perter J. (2012). *Development Macroeconomics*. Second Edition. Princeton University Press.

Expected Learning Outcomes:**1. Morality and Ethics**

Applicability	Learning Goals	Expected Learning Outcomes
●	1.1 Students demonstrate integrity.	Students do not cheat on exams or engage in plagiarism.
●	1.2 Students prioritize social and public benefits over personal ones.	Students study hard and seek good jobs.
●	1.3 Students are punctual and comply with the code of conduct of the institution and society at large.	Students come to class on time.
●	1.4 Students are responsible and accountable to society, the nation, and the subject of economics.	Students study hard and know that they should be responsible.
○	1.5 Students realize the cultural and environmental value of the sustainable society.	

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2. Knowledge

Applicability	Learning Goals	Expected Learning Outcomes
●	2.1 Students know and understand modern economics principles and theories, and are up to date with new developments.	Students know about the process of economic development.
●	2.2 Students know and understand Thai and global economic structure, and the importance of major international economic events.	Students know about macroeconomic development processes in Thailand and its relation to the global environment.
●	2.3 Students know and understand instruments of economic analysis.	Students learn about important economic tools from reading journal articles.
●	2.4 Students know and understand applied fields in economics, including monetary, public, international, business, natural resource and environmental, industrial, agricultural, cooperative, political, developmental, and entrepreneurial economics as well as agribusiness.	Students know about applied macroeconomics related to developing countries such as Thailand.
●	2.5 Students are informed about related fields including sociology, business administration, education, law policy, and science.	Students learn about other related field from reading journal articles.

3. Intellectual Development

Applicability	Learning Goals	Expected Learning Outcomes
●	3.1 Students have developed individual critical thinking.	Student can think critically as developed through their course work.
●	3.2 Students are sufficiently trained in research skills.	Students research their research papers.
●	3.3 Students demonstrate an ability to analyze and synthesize data, as well as appropriately integrate economics concepts to understand causes of current economic problems in Thailand. Based on	Through their essay assignment and exams students know how to analyze data and apply

	analysis and synthesis, students demonstrate an ability to propose policy guidelines to resolve problems.	concepts of macroeconomics.
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4. Interpersonal Skills and Responsibilities

Applicability	Learning Goals	Expected Learning Outcomes
●	3.1 Students are responsible for assigned tasks and work in groups effectively.	Students work in groups each week and undertake a joint essay project.
●	3.2 Students have problem-solving skills.	Students do problem solving in the course.
○	3.3 Students show leadership skills and team spirit.	
●	3.4 Students are always improving themselves.	Students are evaluated based on their course work and can use that as a benchmark to improve themselves.
○	3.5 Students have good interpersonal skills, adapting and working under different conditions.	

5. Quantitative Analysis, Communication and Information Technology

Applicability	Learning Goals	Expected Learning Outcomes
●	5.1 Students select and apply appropriate statistical and mathematical methods for data processing, interpretation, conclusions, and recommendations to resolve problems.	Students can gather data from available data source and analyze them well.
●	5.2 Students communicate effectively and select appropriate presentation methods.	Students effectively participate in class discussion and present their work.
●	5.3 Students use information and communication technologies appropriately to gather data as well as process, interpret, and present results.	Students are able to gather data, , understand, analyze, write a synthesis, and present the report in class.

Note: ● Primary expected outcome ○ Secondary expected outcome

Data/Information Sources:

Websites

- World Bank <http://www.worldbank.org/>
- International Monetary Fund <http://www.imf.org/>
- Center for Global Development <http://www.cgdev.org/>
- Center for Economic Policy Research <http://www.cepr.net/>
- Peterson Institute for International Economics <http://www.iie.com/>
- Asian Development Bank www.adb.org
- World Trade Organization www.wto.org
- National Bureau of Economic Research <http://www.nber.org/>

Data and Reports

- World Development Indicators <http://data.worldbank.org/data-catalog/world-development-indicators>
- [World Development Reports](#)
- World Factbook <https://www.cia.gov/library/publications/the-world-factbook/>
- International Financial Statistics <http://elibrary-data.imf.org/finddatareports.aspx?d=33061&e=169393>
- Penn World Tables <http://www.ggdcc.net/pwt>

Assessment

Class participation and attendance	10%
Leading class discussion	15 %
Book review	20 %
Mid-term exam (October 3, 2023; 9-11 hrs.)	25 %
Final exam (December 15, 2023; 9-12 hrs.)	30 %

Class Attendance

Students are encouraged to actively participate in the discussion by contributing answers, comments and questions. Attendance will be taken regularly. No marks are given for attendance if a student is absent for more than 10% of the total times that attendances are observed.

Class Discussion

Each lecture will be divided into two parts. The first part is the lecture based on textbook reading. The second part will be discussion based on assigned readings, which are selected journal articles and some chapters from WDR 2024. Each student will be assigned to lead class discussion based on a selected paper/chapter¹. (A powerpoint presentation is recommended.) Other students should read before class, and actively participate in the discussion.

Book Review

Each student will read a chapter in the book "*Power and Progress: Our Thousand-Year Struggle over Technology and Prosperity.*" By Daron Acemoglu and Simon Johnson. (2024). Student will present the chapter in class after midterm, and also write a 3-page book review that should be submitted by December 1, 2024.

¹ This is to be decided after the add-drop period.

Lecture Schedule - 2024

Week	Topics and Readings
<p>1 (Aug 13)</p>	<p>Introduction to Economic Development</p> <p>*Perkins et al., chapters 1-2</p> <p>The prospects for developing countries are not what they once were. <i>The Economist</i>. July 31, 2021. https://www.economist.com/briefing/2021/07/31/the-prospects-for-developing-countries-are-not-what-they-once-were</p> <p>Deaton, A. (2008). Income, health and well-being around the world: Evidence from the Gallup World Poll. <i>Journal of Economic Perspectives</i>, 22(2), 53-72.</p>
<p>2 (Aug 20)</p>	<p>Patterns and Concepts of Growth and Development</p> <p>*Perkins et al., chapter 3</p> <p>WDR (2024), Chapter 1</p> <p>Brandt, L., Van Biesebroeck, J., & Zhang, Y. (2012). Creative accounting or creative destruction? Firm-level productivity growth in Chinese manufacturing. <i>Journal of Development Economics</i>, 97(2), 339-351.</p> <p>Jones, C. I. (2016). The facts of economic growth. In <i>Handbook of macroeconomics</i> (Vol. 2, pp. 3-69). Elsevier. https://www.nber.org/system/files/working_papers/w21142/w21142.pdf</p> <p>Bosworth, B., & Collins, S. M. (2008). Accounting for growth: Comparing China and India. <i>Journal of Economic Perspectives</i>, 22(1), 45-66.</p>
<p>3 (Aug 27)</p>	<p>Growth Theory: Basic Growth Model and Neoclassical (Solow) Growth Model</p> <p>*Perkins et al., ch. 4</p> <p>Jones, chapter 2</p> <p>*Mankiw, N. G., Romer, D., & Weil, D. N. (1992). A contribution to the empirics of economic growth. <i>The Quarterly Journal of Economics</i>, 107(2), 407-437.</p> <p>Lee, J.-W. and K. Hong. 2012. Economic growth in Asia: Determinants and Prospects. <i>Japan and the World Economy</i>, vol. 24, pp. 101-113</p>

<p>4, 5 (Sept 3, 10)</p>	<p>Endogenous Growth Models – Role of Technology</p> <p>*Jones, chapter 5, 8</p> <p>WDR (2024), Chapter 2, 4</p> <p>Herzer, D. (2022). The impact of domestic and foreign R&D on TFP in developing countries. <i>World Development</i>, 151, 105754.</p> <p>Balart, P., M. Oosterveen and N. Webbink. 2018. Test scores, noncognitive skills and economic growth. <i>Economics of Education Review</i>, vol. 63, pp. 134-153</p>
<p>6, 7 (Sept 17, 24)</p>	<p>Human Capital and Growth</p> <p>*Perkins et al, chapters 7, 8, 9</p> <p>WDR (2024), chapter 3, 5</p> <p>Cruz, M. and S.A. Ahmed. 2018. On the impact of demographic change on economic growth and poverty. <i>World Development</i>, 105. Pp. 95-106.</p> <p>Bloom, David E.; Kuhn, Michael; Prettnner, Klaus (2018) : Health and Economic Growth, IZA Discussion Papers, No. 11939, Institute of Labor Economics (IZA), Bonn https://www.econstor.eu/handle/10419/193233</p> <p>Jones, C. I., & Romer, P. M. (2010). The new Kaldor facts: ideas, institutions, population, and human capital. <i>American Economic Journal: Macroeconomics</i>, 2(1), 224-45.</p>
<p>8</p>	<p style="text-align: center;">MIDTERM:</p> <p style="text-align: center;">Tuesday, October 1, 2024, 9-11 hrs.</p>
<p>9 (Oct 8)</p>	<p>Investment and Savings</p> <p>*Perkins et al., ch. 10</p> <p>WDR (2024), Chapter 9</p> <p>Mottaleb, K. A., & Kalirajan, K. (2010). Determinants of foreign direct investment in developing countries: A comparative analysis. <i>The Journal of Applied Economic Research</i>, 4(4), 369-404.</p> <p>P-C. Athukorala and S. Wagle. 2011. Foreign direct investment in Southeast Asia: Is Malaysia falling behind? <i>ASEAN Economic Bulletin</i> 28(2), pp. 115-133</p>

<p>10 (Oct 15)</p>	<p>Foreign Debt and Financial Crises</p> <p>*Perkins et al., ch.13</p> <p>Lin, J. Y. (2008). The Impact of the Financial Crisis on Developing Countries. World Bank, Washington, DC.</p> <p>Radelet, D., & Sachs, J. (1998). The East Asian financial crisis: Diagnosis, remedies, prospects. <i>Brookings Papers on Economic Activity</i> 1, 1-90. (Downloadable from http://www.brookings.edu/~media/Projects/BPEA/1998%201/1998a_bpea_radelet_sachs_cooper_bosworth.PDF)</p>
<p>11, 12 (Oct 22, 29)</p>	<p>Managing Short-Run Crisis in an Open Economy</p> <p>*Perkins et al. ch. 15</p> <p>Mieno, F., & Demachi, K. (2024). Macroeconomic imbalance, external debt, and the financial system in Laos. <i>Asian Economic Policy Review</i>.</p> <p>Davies, M. H., & Schröder, M. (2022). A Simple Model of Internal and External Balance for Resource-Rich Developing Countries. <i>Asian Development Bank Economics Working Paper Series</i>, (660).</p>
<p>13, 14 (Nov 5, 12)</p>	<p>Trade and Development</p> <p>*Perkins et al., chapter 18</p> <p>Itakura, K. (2020). Evaluating the impact of the US–China trade war. <i>Asian Economic Policy Review</i>, 15(1), 77-93.</p> <p>Jones, B., Nguyen-Tien, V., & Elliott, R. J. (2023). The electric vehicle revolution: Critical material supply chains, trade and development. <i>The World Economy</i>, 46(1), 2-26.</p> <p>Santos-Paulino, A. U. (2005). Trade liberalisation and economic performance: theory and evidence for developing countries. <i>World Economy</i>, 28(6), 783-821.</p> <p>Chang, H. J. (2003). Kicking away the ladder: Infant industry promotion in historical perspective. <i>Oxford Development Studies</i>, 31(1), 21-32.</p>
<p>15 (Nov 19)</p>	<p>Student Presentations</p>

16 (Nov 26)	Class wrap-up
	FINAL EXAM: Due Monday December 9, 2024, 13:30-16:30 hrs.

*Remark: Class schedule and required readings may be adjusted during the course as needed.

Academic Calendar (Semester 1/2024):

Activities	Time Period
Classes Begin	August 13, 2024
Add-drop period	August 13 – 26, 2024 (from 9.00 AM of August 13 to 10.30 PM of August 26)
Mid-term Examination Period	September 29 – 30, October 1 – 6, 2024
Substitution for H.M. King Bhumibol Adulyadej the Great Memorial Day*	October 14, 2024
King Chulalongkorn's Day*	October 23, 2024
Withdrawal period with “W” on record	August 29 – October 20, 2024 (from 9.00 AM of August 29 to 10.30 PM of October 20)
Special Withdrawal with “w” on record	October 21 – November 20, 2024
Last day of class for Semester 2/2023	December 2, 2024
Final exam period	December 3-4, 6-9, 11-19, 2024
H.M. King Bhumibol Adulyadej the Great's Birthday*	December 5, 2024
Constitution Day*	December 10, 2024

Remark * Holiday, No classes during this period