



B.E. International Program

Faculty of Economics, Thammasat University



Course Outline

EE 482 Public Policy and Industrialization

Semester: 2/2011 (January 9– May 20, 2012)

Instructor: Assoc. Prof. Dr. Somsak Tambunlertchai
Office: Room 444, Fourth floor, Faculty of Economics

Time: Wednesday, 2 – 3.30 pm

Venue: 206, Faculty of Economics

Course description

EE 482 Public Policy and Industrialization (2004 curriculum)
Prerequisite: EE312

Study of importance of industrial sector and industrial development on Thai economic development, evolution of industrial policy, role of government and related laws and strategies of industrial development in Thailand

EE 482: Public Policy and Industrialization (2009 curriculum)
Prerequisites: EE312

Industrial development strategy theories, the importance of industrial sector and industrial development on Thailand economic system, the evolution of industrial policy in Thailand, the role of government in industrial sector, laws related to industrial sector.

Texts

1. Tom Hewitt, Hazel Johnson and Dave Wield, Industrialization and Development, Oxford University Press (1995)
2. Somsak Tambunlertchai, Tracking Manufacturing Performance: A Review of the Industrial Sector in Thailand, UNIDO (2002).
3. Akira Suehiro, Catching-up Industrialization: The Trajectory and Prospects East-Asian Economics. (Translation by Tom Gill), University of Hawaii Press (2008)

Evaluation

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|---------------------------------------|-----|
| 1. Term paper | 20% |
| 2. Class Participation and discussion | 20% |
| 3. Final Examination | 60% |
- (Tuesday May 8, 2012, 13.30 – 16.30.)

Remarks:

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| ♦ Second semester begins | Jan. 9, 2012 |
| ♦ Period of withdrawal without “W” | Jan. 9-23, 2012 |
| ♦ Mid-Term Examination | Feb. 27 – March 3, 2012 |
| ♦ Last day of withdrawal with “W” | March 21, 2012 |
| ♦ Last day of class | Apr. 29, 2012 |
| ♦ Final Examination | May 4 - 20, 2012 |

Outline

1. Introduction (3 hours)
 - 1.1 Industrialization and economic development
 - 1.2 Classification of industrial activities
 - 1.3 Indicators of Industrial development* Hewitt, Johnson & Wield, Introduction and Ch.1
2. Industrial Policy and Approaches on Industrial Development (9 hours)
 - 2.1 Different theories and arguments on the role of government
 - 2.2 Alternative strategies for industrial development* Hewitt, Johnson & Wield, Ch. 5
* Ha-Joon Chang, The Political Economy of Industrial Policy, St. Martin’s Press, 1994, Ch.1, 2
* Suehiro, Introduction, Ch. 1 and Ch.2
Rajesh Chandra, Industrialization and Development in the Third World, Routledge, 1992, Ch.1, 6
H. Shapiro and L. Taylor, “The State and Industrial Strategy” in World Development, Vol. 18, 1990, pp. 861 – 878 or in Patrick O’Brien (ed.), Industrialization: Critical Perspectives on the World Economy, Routledge, 1998, Vol. 2, ch. 21, pp.286-320
Ippei Yamazawa (et.al.), “Transmission of Industrial Development and Industrial Adjustment”, in Dynamic Interdependence among the Asia-Pacific Economies, Japan, Economic Planning Agency, March 1993, ch.2
Paul R. Krugman and Maurice Obstfeld, International Economics: Theory and Policy:, 7th Edition (2006) ch. 10, 11, pp 243 – 275
Joseph E. Stiglitz, Some Lessons from the Asian Miracle “The World Bank Research Observer” Vol. 11, No. 2. August 1996, pp. 151-77
3. International Trade, Investment and Industrial Development (9 hours)
 - 3.1 International trade and industrialization
 - 3.2 Multinational enterprises and foreign direct investment
 - 3.3 Regional economic integration
 - 3.4 Effects of international trade and investment on industrial development in Thailand* Hewitt, Johnson & Wield, Ch. 1

* Somsak, Ch. 4, 5

* Suehiro, Introduction, Ch. 6, 8

Imad A. Moosa, Foreign Direct Investment: Theory, Evidence and Practice, Polgrave (2002), ch. 1, 2 pp. 1 – 62.

Richard E. Caves, Multinational Enterprise and Economic Analysis, Cambridge University Press, 2007, Ch.2, 9

M. Casson and R.D. Pearce, “Multinational Enterprises in LDCs” in P.K. O’Brien (ed.) Industrialization: Critical Perspectives on the World Economy, Routledge (1998), vol. II, pp. 442-489

4. Issues Relating to Industrial Development (9 hours)

4.1 International competitiveness

4.2 Technology and the new economy

4.3 Manpower development

4.4 Industrial clusters

4.5 Problems arising from rapid industrialization

* Hewitt, Johnson & Wield, Ch. 7, 10

* Somsak, Ch. 6-8

* Porter, M (1998), “Cluster and New Economics of Competition”, Harvard Business Review (November – December)

* Suehiro, Introduction, Ch. 10

Suehiro, Introduction, Ch. 3, 7, 9, 11, 12

Middleton, John and Zafiris Tzanatos (1998), “Skills for Competitiveness” in Witte, John and Stefan Koeberle (eds.), Competitiveness and Economic Recovery in Thailand Vol II, NESDB and the World Bank Office in Thailand

Falkus, M. (1995), “Thai Industrialization: An Overview”, in Medhi Krongkaew (ed.) Thailand’s industrialization and Its Consequences, Macmillan Press, Ch. 1

Pranee Tinakorn, “Industrialization and Welfare: How Poverty and Income Distribution Are Affected?” in Medhi Krongkaew (ed.), Ch.10

Siriluksana Khoman, “Thailand Industrialization: Implications for Health, Education, and Science and Technology”, in Medhi Krongkaew (ed.) Ch. 14

Lall, S. (1998), “Thailand’s Manufacturing Competitiveness: An Overview”, in Witte and Koeberle (eds.) pp. 211-234

5. Present, Past and Future Industrial Growth in Thailand (6 hours)

5.1 Evolution of Industrial Policy in Thailand

5.2 Past records and factors conducive to industrial growth

5.3 Industrial growth after the economic crisis in 1997

5.4 Future direction

* Somsak, Ch. 3, 8

Somsak Tambunlertchai (1993), “Manufacturing” in Peter Warr (ed.), The Thai Economy in Transition, Cambridge University Press

6. Industrial Policy in Thailand (9 hours)

6.1 Meaning and rationale of industrial policy and regulation

6.2 Evolution of industrial policy in Thailand

6.3 Role of the government in policy implementation

6.4 Laws, regulations and policy measures

* Somsak, Ch. 2

* Ha-Joon Chang, The Political Economy of Industrial Policy, St. Martin's Press, 1994, Ch. 3

* Suehiro, Introduction, Ch. 4, 5

Nipon Poapongsakorn (2002), "The New Competition Law in Thailand: Lessons for Institution Building", Review of Industrial Organization. Vol.21 No.2.

Somsak Tambunlertchai and Niramorn Suthammakid, (2006), "Industrialization and the Environment", paper submitted to the UNIDO.

7. Industrial Policy in Some Developing Countries

(3 hours)

7.1 Korea

7.2 Taiwan

7.3 Brazil

* Suehiro, Introduction, Ch. 4, 5

Korea : Hewitt, Johnson and Wield, Ch.4, Ha-Joon Chang, The Political Economy of Industrial Policy, Ch. 4

Taiwan: Laurids S. Lauridsen, State, Institutions and Industrial Development, shaker Verlag Aachen, 2008, vol. 2, Ch.24

Brazil: Hewitt, Johnson & Wield, Ch. 3

Term Paper

Students are required to write a term paper. The topic of the term paper can be anything relating to industrial development-such as:

1. A literature survey of any topic relating to industrial development (see course outline)
2. The structure, conduct, and performance of an industry
3. Industrial subsectors: agro-industries, export industries, small-scale industries, etc.
4. The issues on the industrial development in Thailand: foreign direct investment, finance, linkage effects, pollution control, intellectual property rights protection, etc.
5. Industrial policies: import promotion, promotion of small enterprises, decentralization of industrial locations, promotion of industrial clusters, technology and manpower development etc.
6. Examples of industrial development in other countries.
7. Institutions for industry promotion: Board of Investment, Industry Institutes (Food, Textiles, etc.
8. Growth and evolution of an industrial enterprise: How an enterprise grows over time and what are the factors leading to the successful development of the enterprise.
9. International competitiveness of a Thai industry (compared to other countries)
10. Evolution of industrial policies in Thailand.

The instructor is willing to advise students on the term paper at any time during the semester. Any student seeking advice must submit a one-page outline specifying the proposed topic and major issues discussed in the paper.

The term paper (including graphs and tables but excluding the appendices) is to be double-spaced and should be approximately 30 pages long. The paper must also have proper references, footnotes, and data sources. **Plagiarism will not be tolerated.** All students have to produce their original reports. If any part of the paper is found to have been plagiarized, the student will receive a **Zero** for the term paper.

The term paper should be submitted before May 8, 2012. Any late submissions will be penalized (one point will be deducted each day after May 8, 2012).

Class Discussion

To encourage discussions in the class, 3-4 students will be called upon to ask questions or to discuss any course material in every class 3-5 pop-quizzes will be carried out during the semester.

Students will be asked to select and submit a typed-out summary of one of the reading assignments (3-4 pages each; but not more than 5 pages double-spaced) assigned in the course outline. This selection will be done on a first-come first-served basis and the summary is to be submitted to the instructor before the end of the semester.
