



## Course Outline

### EE 462 Development Macroeconomics

Semester 1/2021

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

**Lecture Time:** Tuesdays and Thursdays, 12:30 –2:00 pm

**Lecture Venue:** Online via Zoom  
**Zoom Meeting ID: 916 5263 2918**  
**Passcode: 427502**

**Instructor:** **Asst. Prof. Dr. Phatta Kirdruang**  
**Office:** Room 15, 4<sup>th</sup> Floor, 60<sup>th</sup> 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

**Enrollment key for BE Moodle:** 4678 (<http://bemoodle.econ.tu.ac.th/>)

**Required Textbooks and Readings:**

- Perkin, D. H., Radelet, S., Lindauer, D. L., & Block, S. A. (2013). Economics of Development. Seventh Edition. W.W. Norton & Company. (The book is on reserve in the library.)
- 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.	

## 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 analysis and synthesis, students	Through their essay assignment and exams students know how to analyze data and apply concepts of macroeconomics.

Applicability	Learning Goals	Expected Learning Outcomes
	demonstrate an ability to propose policy guidelines to resolve problems.	

#### 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](http://www.adb.org)
- World Trade Organization [www.wto.org](http://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 %
Research paper and presentation	25 %
Mid-term exam	30 %
Final exam	35 %

**Class Participation (and attendance)**

Thursday will be a discussion class based on assigned readings. Students should read before class. Students are encouraged to actively participate in the discussion by contributing answers, comments and questions. Attendance will be taken on Thursday, but not on Tuesday. No marks are given for attendance if a student is absent from 4 or more Thursday classes, marks will be deducted from her or his participation mark.

**Research Paper and Presentation**

Research paper is a data-oriented report. Each student will select a topic of their own, set up a research question, conduct a literature review, collect and analyze data, and write a report. Students will give a presentation of findings in November. After receiving comments from the instructor and classmates, students will revise and finalize the paper and submit it 2 weeks after your presentation. Details about the topics and the format of the paper will be provided.

**Remarks:**

- ◆ **Proctored Mid-Term Examination:** Thursday, September 30, 2021, noon – 2 pm.
- ◆ **Take-Home Final Examination:** Due Tuesday, November 30, 2021, 4 pm. (Note: Exam questions will be posted online on November 28, 2021 at noon.)

## Lecture Schedule - 2021

Week	Topics and Readings	Discussion Session
<p><b>1</b> (Aug 10)</p>	<p><b>Introduction to Economic Development</b></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. (<a href="https://www.economist.com/briefing/2021/07/31/the-prospects-for-developing-countries-are-not-what-they-once-were">https://www.economist.com/briefing/2021/07/31/the-prospects-for-developing-countries-are-not-what-they-once-were</a>)</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><b>2</b> (Aug 17, 19)</p>	<p><b>Patterns and Concepts of Growth and Development</b></p> <p>*Perkins et al., chapter 3</p> <p>*Jones, C. I. (2016). The facts of economic growth. In <i>Handbook of macroeconomics</i> (Vol. 2, pp. 3-69). Elsevier. (<a href="https://www.nber.org/system/files/working_papers/w21142/w21142.pdf">https://www.nber.org/system/files/working_papers/w21142/w21142.pdf</a>)</p> <p>Bosworth, B., &amp; Collins, S. M. (2008). Accounting for growth: Comparing China and India. <i>Journal of Economic Perspectives</i>, 22(1), 45-66.</p>	Jones (2016)
<p><b>3</b> (Aug 24, 26)</p>	<p><b>Growth Theory: Basic Growth Model and Neoclassical (Solow) Growth Model</b></p> <p>*Perkins et al., ch. 4</p> <p>Jones, chapter 2</p> <p>*Mankiw, N. G., Romer, D., &amp; 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>	*Mankiw, Romer, & Weil (1992)

Week	Topics and Readings	Discussion Session
<p><b>4</b></p> <p>(Aug 31, Sept 2)</p>	<p><b>Endogenous Growth Models</b></p> <p>*Jones, chapter 5, 8</p> <p>* Jones, C. I., &amp; 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>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>Jones and Romer (2010)</p>
<p><b>5</b></p> <p>(Sept 7, 9)</p>	<p><b>Human Capital and Growth: Population</b></p> <p>*Perkins et al, chapters 7</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>Cruz &amp; Ahmed (2018)</p>
<p><b>6</b></p> <p>(Sept 14, 16)</p>	<p><b>Human Capital and Growth: Education</b></p> <p>*Perkins et al, chapters 8</p> <p>* Psacharopoulos, G., &amp; Patrinos, H. A. (2018). Returns to investment in education: a decennial review of the global literature. <i>Education Economics</i>, 26(5), 445-458.</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 (<a href="https://www.econstor.eu/handle/10419/193233">https://www.econstor.eu/handle/10419/193233</a>)</p> <p>Jones, C. I., &amp; 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>Psacharopoulos &amp; Patrinos (2018)</p>
<p><b>7</b></p> <p>(Sept 21, 23)</p>	<p><b>Human Capital and Growth: Health</b></p> <p>*Perkins et al, chapters 9</p>	<p>Bloom et al. (2018)</p>

Week	Topics and Readings	Discussion Session
	*Bloom, David E.; Kuhn, Michael; Prettner, Klaus (2018) : Health and Economic Growth, <i>IZA Discussion Papers</i> , No. 11939, Institute of Labor Economics (IZA), Bonn ( <a href="https://www.econstor.eu/handle/10419/193233">https://www.econstor.eu/handle/10419/193233</a> )	
<b>8</b>	<b>MIDTERM:</b> <b>Thursday, September 30, 2021, noon - 2 pm.</b>	
<b>9</b> (Oct 5, 7)	<b>Inequality and Poverty</b> *Perkins et al., chapter 6 *Deaton, A. (2021). <i>Covid-19 and global income inequality</i> (No. w28392). National Bureau of Economic Research. ( <a href="https://www.nber.org/system/files/working_papers/w28392/w28392.pdf">https://www.nber.org/system/files/working_papers/w28392/w28392.pdf</a> )	Deaton (2021)
<b>10</b> (Oct 12, 14)	<b>Investment and Savings</b> *Perkins et al., ch. 10 *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	Athukorala & Wagle (2011) pp. 115-131
<b>11</b> (Oct 19, 21)	<b>Foreign Debt and Financial Crises</b> *Perkins et al., ch.13 *Arellano, C., Bai, Y., & Mihalache, G. P. (2020). <i>Deadly debt crises: COVID-19 in emerging markets</i> (No. w27275). National Bureau of Economic Research. ( <a href="https://www.nber.org/system/files/working_papers/w27275/w27275.pdf">https://www.nber.org/system/files/working_papers/w27275/w27275.pdf</a> ) 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 <a href="http://www.brookings.edu/~media/Projects/BPEA/1998%201/1998a_bpea_radelet_sachs_cooper_bosworth.PDF">http://www.brookings.edu/~media/Projects/BPEA/1998%201/1998a_bpea_radelet_sachs_cooper_bosworth.PDF</a> )	Arellano et al. (2020)

Week	Topics and Readings	Discussion Session
<p><b>12</b> (Oct 26, 28)</p>	<p><b>Foreign aid</b></p> <p>*Perkins et al., ch. 14</p> <p>*Cardwell, R., &amp; Ghazalian, P. L. (2020). COVID-19 and International Food Assistance: Policy proposals to keep food flowing. <i>World Development</i>, 135, 105059.</p> <p>Young, A. and L. Sheehan. 2014. Foreign aid, institutional quality and growth. <i>European Journal of Political Economy</i>, no. 36, pp. 195-208</p> <p>Clemens, M. A., Radelet, S., Bhavnani, R. R., &amp; Bazzi, S. (2012). Counting Chickens when they Hatch: Timing and the Effects of Aid on Growth. <i>The Economic Journal</i>, 122(561), 590-617.</p>	<p>Cardwell &amp; Ghazalian (2020)</p>
<p><b>13</b> (Nov 2, 4)</p>	<p><b>Trade and Development</b></p> <p>*Perkins et al., chapter 18</p> <p>* Maliszewska, M., Mattoo, A., &amp; Van Der Mensbrugghe, D. (2020). The potential impact of COVID-19 on GDP and trade: A preliminary assessment. <i>World Bank Policy Research Working Paper</i>, (9211).</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>Maliszewska et al. (2020)</p>
<p><b>14</b> (Nov 9, 11)</p>	<p><b>Managing Short-Run Crisis in an Open Economy</b></p> <p>*Perkins et al. ch. 15</p> <p>*Sangsubhan, K. and M. C. Basri. 2012. Global financial crisis and ASEAN: Fiscal policy response in the case of Thailand and Indonesia. <i>Asian Economic Policy Review</i>. 7, pp. 248-269.</p> <p>Wiboonchutikula, P. et al. 2011. An analysis of Thailand's net capital inflows surges after the 1997 crises. <i>ASEAN Economic Bulletin</i> 28(3), pp 281-314.</p>	<p>Sangsubhan &amp; Basri (2012). pp. 248-269</p>

<b>Week</b>	<b>Topics and Readings</b>	<b>Discussion Session</b>
<b>15</b> (Nov 16, 18, 23, 25)	<b>Student Presentations</b>	None
	<b>TAKE-HOME FINAL EXAM:</b> <b>Due Tuesday November 30, 2021, 4 pm.</b>	

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

**Academic Calendar (Semester 1/2021):**

<b>Activities</b>	<b>Time Period</b>
Classes Begin	August 9, 2021
*National Mother's Day	August 12, 2021
Add-drop period	August 16 – 19, 2021
Prince Mahidol Day	September 24, 2021
Mid-term Examination Period	September 26 – October 3, 2021
King Bhumibol Adulyadej Memorial Day	October 13, 2021
Withdrawal period with "W" on record	October 11 – November 15, 2021
Substitution Day for King Chulalongkorn Day	October 22, 2021
Last day of class	November 27, 2021
Substitution Day for National Father's Day	December 6, 2021
Constitution Day	December 10, 2021
Final exam period	November 29 – December 17, 2021

*Public Holiday in red. No classes during this period*