

## Module Outline

### Current Economic Issues I (Asia) - L11116

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**Credits: 10**

**Level: 1**

**Coordinator:** Camilla Jensen - t: +(603) 8924 8255, e: [Camilla.Jensen@nottingham.edu.my](mailto:Camilla.Jensen@nottingham.edu.my)

**Other module convenors:** Teo Wing Leong, Chandran Govindaraju, Wyn Morgan

**Time and place:** Wednesdays, 11.00-12.00/13.00, Room EA23

### Module description & content

This module focuses on a range of current economic issues facing the Asian economies. The course seeks to illustrate how economists model and analyse such issues, and examines potential policy responses.

### Course schedule

WEEK	SESSION	Topic and convenor
2 28 <sup>th</sup> Sept	Intro (1 hour)	<b><i>Introduction to Current Economics Issues</i></b> Camilla Jensen
3 5 <sup>th</sup> Oct	Lectures 1+2 (2 hours)	<b><i>Regional Economic Development and Policy Options</i></b> Camilla Jensen
4 12 <sup>th</sup> Oct	Lectures 3+4 (2 hours)	<b><i>Economic Integration in ASEAN</i></b> Teo Wing Leong
5 19 <sup>th</sup> Oct	Lecture 5 (1 hour)	<b><i>Science, Innovation and Technology in Malaysia</i></b> Chandran Govindaraju
6 26 <sup>th</sup> Oct		Public Holiday
7 2 <sup>nd</sup> Nov	Tutorial I (1 hour)	See separate instructions below Problem sets will be posted on WebCT
8	Lecture 6 (1 hour)	<b><i>Food: The next global crisis?</i></b> Wyn Morgan
9	Lectures 7+8 (2 hours)	<b><i>Exchange Rate Policies in Asia</i></b> Teo Wing Leong
10	Tutorial II (1 hour)	See separate instructions below Problem sets will be posted on WebCT
11	Lecture 9+10 (2 hours)	<b><i>Economic Growth – China and India Compared</i></b> Camilla Jensen
12	Tutorial III (1 hour)	See separate instructions below Problem sets will be posted on WebCT
13	Q&A (1 hour)	<b><i>Preparing for the exam</i></b> Camilla Jensen

## Aims and objectives

### 1. Education aims

The key aims of this module are to:

- Examine critically a number of current economic challenges facing the Asian economies;
- Use economic analysis to investigate and clarify the underlying drivers of these challenges;
- Identify potential gainers and losers and the role of economic policy in maximising the net benefits/ minimizing the net costs;

### 2. Learning outcomes

On completing this module, the learning outcomes are such that students will be able to:

#### Knowledge and Understanding:

A2 Apply core economic theory and economic reasoning to applied topics.

A3 Show understanding of analytical methods, both theory- and model-based.

A4 Demonstrate understanding of verbal, graphical, mathematical and econometric representation of economic ideas and analysis, including the relationship between them.

A6 Discuss and analyse government policy

#### Intellectual Skills:

B2 work with abstract concepts and in a context of generality

B3 reason logically and work analytically

B5 understand the context in which a problem is to be addressed.

#### Professional / Practical Skills:

C1 develop appropriate economic models

C2 select and apply appropriate techniques to solve problems

C3 justify conclusions using economic arguments with appropriate rigour.

#### Transferable Skills:

D1 apply statistical and graphical techniques in an appropriate manner

D2 communicate effectively and clearly in written and oral formats.

## Module downloads

Lecture slides and other materials for this module can be found on Webct at <http://webct.nottingham.ac.uk> - restricted to registered students only.

## Attendance

Attendance at lectures and tutorials is compulsory and attendance will be taken.

## Module Assessment

Method of Assessment: 1.5 hour written exam (100%)

## Module Readings and Assignments

### Lectures

#### Lecture 1+2 - Regional Economic Development and Policy Options

Birthal, Pratap S., Harvinder Singh and Shiv Kumar (2011): 'Agriculture, Economic Growth and Regional Disparities in India', *Journal of International Development*, Vol. 23, pp 119-131.

Sala-i-Martin, Xavier X. (1996): 'Regional Cohesion: Evidence and theories of regional growth and convergence', *European Economic Review*, Vol. 40, pp 1325-1352.

Shankar, Raja and Anwar Shah (2003): 'Bridging the Economic Divide Within Countries: A Scorecard on the Performance of Regional Policies in Reducing Regional Income Disparities', *World Development*, Vol. 31: 8, pp 1421-1441.

Weil, David N. (2009): 'Geography, Climate and Natural Resources', Chapter 15, *Economic Growth*, Boston: Pearson.

World Bank (2009): *Reshaping Economic Geography*, (Read especially Chapter 7) World Development Report 2009, Washington: The World Bank. Downloadable at <http://www.wdronline.worldbank.org/> - or try this version which includes documentaries and alternative ways to read the report:

<http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTRESEARCH/EXTWDRS/EXTWDR2009/0,,menuPK:4231145~pagePK:64167702~piPK:64167676~theSitePK:4231059,00.html>

#### Lecture 3+4 - Economic Integration in ASEAN

Hill, H. and Menon, J. 2010. ASEAN Economic Integration: Features, Fulfillments, Failures and the Future. ADB Working Paper Series on Regional Economic Integration No. 69. Available at

[http://aric.adb.org/pdf/workingpaper/WP69\\_Hill\\_Menon\\_ASEAN\\_Economic\\_Integration.pdf](http://aric.adb.org/pdf/workingpaper/WP69_Hill_Menon_ASEAN_Economic_Integration.pdf)

Bun, M., Klaassen, F. and Tan, J. 2009. Free Trade Areas and Intra-Regional Trade: The Case of ASEAN. *Singapore Economic Review*, 54(3) pp. 319-334.

<http://search.ebscohost.com/login.aspx?direct=true&db=buh&AN=43503986&site=ehost-live> (Note that this link requires subscription, you might have to log in to the university network to access the link. This is a technical paper, so read the Introduction, Background of ASEAN and AFTA, and Concluding Remarks sections only.)

Krugman, P. 1994. Ricardo's Difficult Idea. Available at

<http://web.mit.edu/krugman/www/ricardo.htm>

Landsburg, S.E. 1997. My Personal Trade Deficit. *Slate: Everyday Economics*. June 27, 1997. Available at <http://www.slate.com/id/2040/>

#### Lecture 5 – Science, Technology and Innovation in Malaysia

Chandran V.G.R. (2009) Multinationals, Technology and Localization in Automotive Firms in Asia (Book Review), *Journal of Contemporary Asia*, 39 (4); 705-708. Routledge.  
Impact Factor: 0.622

*OECD Review of Innovation in South-East Asia: A Country Profile of Malaysia on Innovation*, 25 March 2011.

Towards Effective Policies for Innovation Financing in Asia: Financing Innovation- The Experience of Malaysia, *IDRC*, Canada. (Draft Final Report, March 2011)  
National Innovation Policy – Chapter writer Jun 2010 – Jan 2011- Ministry of Science, Technology and Innovation, Malaysia & MIGHT.

#### Lecture 6 – Food: The next global crisis?

Derek Headey and Shenggen Fan (2008) “Anatomy of a crisis: the causes and consequences of surging food prices” [Volume 39, Issue Supplement s1](#), pages 375-391 DOI: 10.1111/j.1574-0862.2008.00345.x

Funk, C.C. and Brown, M. E. (2009) “Declining global per capita agricultural production and warming oceans threaten food security” *Food Security*, Volume 1 (3), pp 271-289, DOI: 10.1007/s12571-009-0026-y

Gilbert, C.R. and Morgan C.W. (2010) “Food Price Volatility” *Philosophical Transactions of the Royal Society B* 365 (1554) pp 3023-3034 DOI: 10.1098/rstb.2010.0139

Godfray, H.C.J., Beddington, J.R., Crute, I.R., Haddad, L., Lawrence, D., Muir, J.F., Pretty, J., Robinson, S., Thomas, S.M. and Toulmin, C. (2010) “Food Security: The Challenge of Feeding 9 Billion People”, *Science*, Vol. 327 no. 5967 pp. 812-818 DOI: 10.1126/science.118538

Godfray, H.C.J., Crute, I.R., Haddad, L., Lawrence, D., Muir, J.F., Nisbett, N., Pretty, J., Robinson, S., Thomas, S.M., Toulmin, C. and Whiteley, R. (2010) “The future of the global food system”, *Philosophical Transactions of the Royal Society B* 365, 2769-2777. doi: 10.1098/rstb.2010.0180  
Mitchell, D., (2008) “A note on rising food price” Policy Research Working Paper No. 4682. The World Bank, Washington, DC.

Rosen, S. and Shapouri, S. (2008) “Rising Food Prices Intensify Food Insecurity in Developing Countries” *Amber Waves* Vol 6 Issue 1 (2008)

Timmer, C.P. (2010) “Reflections on food crises past” *Food Policy*, volume 35 issue 1, February 2010, Pages 1-11

Yang, J. Qiu, H., Huang, J. and Rozelle, S. (2008) “Fighting global food price rises in the developing world: the response of China and its effect on domestic and world markets” *Agricultural Economics* [Volume 39, Issue Supplement s1](#), pages 453–464, November 2008 DOI: 10.1111/j.1574-0862.2008.00351.x

KM Weinberger, WJ Easdown, Ray-yu Yang, J Donough H Keating (2009) “Food crisis in the Asia-Pacific region”, *Asia Pacific Journal of Clinical Nutrition* 18(4):507-515

#### Lecture 7+8 – Exchange Rate Policies in Asia

Rajan, Ramkishan S. 2010. The Evolution and Impact of Asian Exchange Rate Regimes. ADB Economics Working Paper Series No. 208. Available at <http://www.adb.org/Documents/Working-Papers/2010/Economics-WP208.pdf>

Martin, Michael F. 2009. East Asia’s Foreign Exchange Rate Policies. Available at <http://fpc.state.gov/documents/organization/128337.pdf>

## Lecture 9+10 – Economic Growth – China and India Compared

Bloom, David (2011): 'The Challenging Billions', [www.project-syndicate.org](http://www.project-syndicate.org)

Bosworth, Barry and Susan M. Collins (2008): 'Accounting for Growth: Comparing China and India', *Journal of Economic Perspectives*, Vol. 22, no. 1, pp 45-66.

Ghani, Ejaz (2011): 'Is Growth Incomplete without Social Progress', [www.project-syndicate.org](http://www.project-syndicate.org)

Hu, Zuli F. and Mohsin S. Khan (1997): 'Why Is China Growing So Fast?', *IMF Staff Papers*, Vol. 44:1, pp 103-131.

Rodrik, Dani (2011): 'Development in Reverse', [www.project-syndicate.org](http://www.project-syndicate.org).

Rodrik, Dani (2011): 'The Future of Economic Growth', [www.project-syndicate.org](http://www.project-syndicate.org)

Singh, Arvinder (2005): 'Comparisons between China and India', *China & World Economy*, Vol. 13:3, pp 72-79.

## *Tutorials*

### Tutorial 1 – Economic Integration in ASEAN

From the Hill and Menon text used in Lecture 1 you should identify 10 keywords and briefly explain what they mean. Upload your document on WebCT.

In another document you should identify the steps of economic integration and briefly explain how progressed economic integration is in ASEAN compared to the EU.

### Tutorial 2 – Regional Development

Go to WebCT to take the multiple choice test on regional development. In class you will get the correct answers and the explanations.

### Tutorial 3 – Factors that determine food prices

Write a short essay discussing the factors that affect world food prices. You should make reference to at least three of the readings from Lecture 6. Upload your essay on WebCT.

Do not write your name or id on the uploaded document. In class we will go over each essay (anonymously) and discuss in which aspects they are good and less good.

## **Useful resources and websites**

<http://www.project-syndicate.org/>

<http://econ.worldbank.org/wdr/>

<http://www.adb.org>

## **Further information**

If you have any questions regarding this module please feel free to contact the coordinator. At the end of the semester, your views and feedback on this module are greatly appreciated.