GEH1003 / GEK1018: Economic Issues in the Developing World

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Synopsis:

With the speed of game-changing technological disruptions, the nature and types of economic and development issues confronted by the developing Asian economies are undergoing through considerable changes. What used to be conventionally accepted as norm are no more normal. These issues are now demanding renewed critical assessments. Policy makers will have to take note of them as they formulate policy measures to keep their economies growing without the issue of income inequality, the structural unemployment in their labour market, and outdated education system etc.

Learning Outcomes:

- Students will learn the ways to apply theoretical understanding into applied cases with practical examples.

- Students will learn how the advent of Artificial Intelligence. (AI) has necessitated them to reassess their conventional understandings of the development issues and challenges under the new norm.

- Students will be updated and prepared for the changes being brought by unprecedented technological disruptions in the labour market, education sector just to name a few.

- Students will be exposed to reviewing the regional issues with the regional lens in the regional context which may periodically differ from the multilateral agencies like the World Bank and the IMF (as in the case of the 1997 Asian Financial Crisis).

- Foreign exchange students, in particular, will have broad appreciation and understanding of the structural economic changes occurring across the developing economies in Asia.
Syllabus:

(i) Short review of diverse and complex socio-economic issues prevailing in developing Asia during the Sixties and Seventies and how the post-WW II How conditions in today’s developed world were similar or different contemporary developing world;

(ii) Thematic issues – Asia’s massive progress in poverty alleviation and yet Asia remains as home of World’s poor; Policies being pursued to addressing this issue;

(iii) Growing income inequality amidst poverty in developing economies; income inequality as a serious issue in developed world as well accentuated by Artificial Intelligence;

(iv) Most developing economies’ graduation from low-income to middle-income status; The risk of getting stuck in the "middle-income country trap";

(v) Introduction to demographic concepts; Opportunity for developing economies to harvest ‘Demographic Dividend” and how AI could potentially deprive them of it;

(vi) Environmental sustainability amidst high growth, (e) Looming water crisis as an unacknowledged disaster waiting to happen;

(vii) Developing Asia’s regional efforts to overcome regional challenges forming regional blocs with particular focus on ASEAN efforts and developments like the ASEAN Economic Community (AEC 2025) vision towards converting the ASEAN region as one single market and production base in promoting trade, finance and foreign direct investment (FDI);

(viii) The fresh finalization of the ASEAN-led, the largest trade bloc, the Regional Comprehensive Economic Partnership (RCEP) covering nearly half of the world population and one-third of the world economy; What does it signify coming at a time when the wave of protectionism is prevailing in the Western world?

(ix) The operational significance of the China-led Asian Infrastructure Investment Bank (AIIB); the BRICS New Development Bank (NDB); and China’s initiative of the Belt and Road Initiative (BRI);

(x) The Asian Development Bank (ADB)-led Greater Mekong Sub-regional Cooperation (GMS) – a sub-regional bloc within the regional bloc; Will this help narrow the development divide among the rich and less rich countries within ASEAN bloc (like CLMV – Cambodia, Laos, Myanmar and Vietnam)
The 1997 Asian financial crisis;

a. The causes behind the crisis;
b. How IMF lost its image in Asia following the crisis;
c. The measures taken by the countries following the crisis like the Chiang Mai Initiatives Multilateralization (CMIM), and the ASEAN Macroeconomic Research Office (AMRO);
d. Will these measures help avoid the recurrence of such crisis?
e. Will these steps result in the IMF’s diminished influence on the ASEAN countries?

The 2008 global financial crisis that started in the US;

a. Replay of the 1997 crisis a decade after?
b. What were the causes and the consequences?
c. Are adequate remedial steps undertaken to prevent such reoccurrence?
d. What are the implications of the US administration’s step to repeal part of Dodd-Frank Law passed after the 2008 financial crisis?
e. Have enough lessons been learned?

Is the world economy entering into a new phase with the Asian economies opting for free trade (as highlighted by the finalization of RCEP) and the West tilting towards protectionism?

Can next big financial crisis emanate, not from the big banks, but from the big-tech companies? How so?

Note: The coverage of all above items will be subjected to time availability.

Readings:

- Given the evolving nature and variety of the current development issues to be covered under the module, no particular textbooks will be recommended.

- Instead, students will be required, for their reading materials, to focus on the ongoing regular research studies being carried out by regional and multilateral institutions like the IMF, the World Bank, the Asian Development Bank (ADB), the ASEAN Macroeconomic Research Office (AMRO), and the ASEAN Secretariat.

- Attention will also be given to the relevant research studies/articles coming out from academia, and from the agencies and institutions like the Economic Intelligence Unit (EIU), the McKinsey Global Institute (MGI), Bloomberg and other similar major management consultancy firms.
Assessments:

- **Class participation - 20%**

- **Two Research Papers Submission - 50%**

  Depending on the class size, each student will be placed into various groups of three to five students. Each group will be assigned two research topics during the module period based on the materials covered in the class. Each group will prepare two research papers on the development issues assigned to them. The papers will be 3 to 4 pages long and will give a good analysis of the problems, their socioeconomic implications, and finally the policy recommendations in addressing the issue. Each group will submit the first paper during the third week and the second research paper during the final week.

- **Two Group Presentations - 30%**

  Each group will be required to make two separate presentations of their papers - one during the third week, and the second presentation during the final week of the class. Considering that there will be formation of several groups and that each group will have three to five students, the presentations will be spread into two days with about 45 to 50 minutes time allocated for each presentation.

***Assessments are subjected to changes (as of 15 Jan 2020). An updated version will be uploaded once it is confirmed.***