

# **ASIAN ECONOMIC DEVELOPMENT AND INTEGRATION**

**Fall/Winter 2021**

**Friday 16:50 – 18:35**

**Graduate School of Public Policy**

**University of Tokyo**

**Offered by Professor Naoyuki Yoshino and ADBI staff**

## **Course Description**

The COVID19 pandemic has caused the economic shocks that drive governments in the world to react decisively to support firms, workers and households by channeling liquidity support measures, such as social assistance, government loans to SMEs, and tax cuts. From advanced countries to emerging and low-income economies, governments have invested a vast amount of fiscal stimulus into protecting their people and defending their economies from further downturn.

Furthermore, multiple lockdowns have also affected social aspects of development, such as education, food and nutrition, as well as closures of some small businesses. UNICEF (2020) noted that more than 1 billion children are at risk of falling behind due to school closures aimed at containing the spread of COVID-19. Even though countries have implemented remote education programs, children in the poorer areas may not have internet access, personal computers, TVs or even radio at home, amplifying the effects of existing learning inequalities. World Bank (2021) also pointed out that more countries are facing growing levels of acute food insecurity, higher than before COVID19 pandemic. The United Nations (2020) pointed out that, shaken by the COVID-19 pandemic, the world is not on track to achieve the Sustainable Development Goals by 2030. In terms of climate change action, the world is still far from meeting its Paris Agreement targets.

As revenues have decreased due to automatic stabilizer and extraordinary expenses, governments have increased their debts through selling bonds and direct borrowing. At the same time, corporations have increased their debt as they attempt to survive the negative effects from lockdowns and fewer customers. These conditions have contributed to debt levels even higher than the historic highs before the global financial crisis in 2007 (IMF, 2021)

This course reviews the key factors influencing the rapid growth and development of Asian economies since the Asian financial crisis of 1997-98 and how globalization and regional cooperation affect the development of countries in this region. The COVID-19 pandemic has been a game-changer in this area and has fundamentally transformed many aspects, including the process of policy formulation.

The course will examine a range of development challenges that the region has faced, and the response made by various economies. It will draw on diverse country, sub-regional, and regional experience to identify policies that seem to have contributed most significantly to growth and development, examine why they “worked,” and how they might be applied in other developing economies. It will consider current policy debates on a host of “hot” topics including poverty and social security, macroeconomic fiscal and monetary policies, infrastructure, the role of small medium enterprises (SMEs), financial sector development, industrial development, food security, and education. At the end of the course, students should understand the key drivers of Asian economic growth, development and integration in the past 50 years and be familiar with a range of development issues likely to influence future policy options in the region.

The course will be divided into a 60-minutes lecture and 45-minutes discussion. Students are expected to attend all lectures, participate actively in class discussions, write an essay on any topic related to economic development that can be used as a foundation of the term paper, write a term paper, and make a presentation on the term paper.

## Assessment

Each student will be assessed with the criteria as follows:

1. Class participation and class discussion (30%)

The class discussion is an integral part of the course. The purpose of the class discussion is to engage the students into deeply understanding the topic of the lectures.

2. Written term paper (40%) – Submission deadline: Final draft (**12 January 2022, 11:59PM JST at the latest**); Revised term paper (**25 January 2022, 11:59PM JST at the latest**)

The students should write a term paper under the guidance of one ADBI professional staff / lecturer. The paper should be maximum of 20 pages (using Arial font, 1.5 space, 11 pt.) including tables and figures. For more details on the term paper see the “Essay and Term Paper Process and Guidelines” note below.

- 3 Term paper presentation (30%) – Submission deadline: **14 January 2022, 12 NN at the latest**; Presentation Schedule: **18-19 January 2022**

The students will make presentations based on their term papers. The presentation session will be held at ADBI (or virtually using zoom or Microsoft teams account) and will be out of regular class hours. The presentation schedule will be finalized in consultation with students, most likely it will be on **18 January 2022 at ADBI Headquarter, Kasumigaseki Building 8F, 3-2-5, Kasumigaseki, Chiyoda-ku, Tokyo 100-6008, Japan**, or virtually using zoom.

## Lecturer and Course Coordinator

- Lecturer-in-charge: Naoyuki Yoshino
- Assistant Lecturer-in-charge: Nella Sri Hendriyetty

## Submission of Assignments

The assignment should be submitted to Alexander Boden (aboden@adbi.org). The subject of the email should be as follows:

1. The subject line for the submission of **term paper final draft and revised term paper**: “AEDI –Term Paper Final Draft / Revised Term Paper – Name (Student Number)”.
2. The subject line for the submission of **presentation material**: “AEDI – Presentation material – Name (Student Number)”.

Lecture Topics and Readings	Lecturer (Date/Time)
<p><b>[1] Overview / Development of Small and Medium-Sized Enterprises (SMEs) in Asia</b></p> <p>SME is important factor for economic growth since many developing countries are dominated by small scale companies. Big data can make credit rating for SMEs. SME can enhance the impact of infrastructure investment to its regional economy. The lecture covers the financing methods of hometown investment trust funds for startup businesses.</p> <p><b>References</b> Yoshino, Naoyuki, Farhad Taghizadeh-Hesary. 2014. Analytical framework on credit risks for financing small and medium-sized enterprises in Asia. Asia-Pacific Development Journal, 2(2), 1-21.</p> <p>Yoshino, Naoyuki, Farhad Taghizadeh-Hesary, Phadet Charoensivakorn</p>	<p><b>Naoyuki Yoshino</b> (October 1 / 16:50 – 18:35)</p> <p>Overview of the course by <b>Nella Hendriyetty</b> and <b>Alexander Boden</b></p>

<p>and Baburam Niraula. 2016. Small and medium-sized enterprise (SME) credit risk analysis using bank lending data: An analysis of Thai SMEs. <i>Journal of Comparative Asian Development</i>, 1-24.</p> <p>Yoshino, Naoyuki and Farhad Taghizadeh-Hesary, 2020, <i>Unlocking SME Finance in Asia</i>. (ADB and OECD) Taylor &amp; Francis by Routledge.</p> <p>Yoshino, Naoyuki and Hiroaki Miyamoto. 2017. Declined effectiveness of fiscal and monetary policies faced with aging population in Japan. <i>Japan and the World Economy</i>, 42, 32-44.</p>	
<p><b>[2] Fiscal Management and the COVID19 recovery: case study of Japan</b></p> <p>The COVID19 pandemic has caused the economic shocks that drive governments in advanced countries to emerging and low-income economies, spent vast amount fiscal stimulus to protect their people and defending their economies from further downturn. As their revenue decreased due to automatic stabilizer and extraordinary expenses, governments raise their debts through selling bonds and direct borrowing. At the same time, corporations also increase their debt to be able to survive from lockdowns and less customers. These conditions contributed to historically high debt levels that even higher than the debt level before the global financial crisis in 2007</p> <p>The lecture will discuss the importance of fiscal policy to promote macroeconomic stability through government budget and tax collection. Learnt from Asian Financial crisis, fiscal policy plays a role in sustaining aggregate demand and private sector incomes during an economic downturn and then moderating economic activities during periods of strong growth.</p> <p>Learning from Japan's effort to manage its debt through fiscal policy since 1990, this lecture aims to provide a case study and some policy options about debt management for developing countries using Japan experience.</p> <p><b>Required reading:</b></p> <p>Barta, Z. (2018). <i>In the Red: The Politics of Public Debt Accumulation in Developed Countries</i>. University of Michigan Press: Ann Arbor.</p> <p>IMF. (2021). <i>Fiscal Monitor: A Fair Shot</i>. International Monetary Fund. Retrieved from <a href="https://www.imf.org/en/Publications/FM/Issues/2021/03/29/fiscal-monitor-april-2021">https://www.imf.org/en/Publications/FM/Issues/2021/03/29/fiscal-monitor-april-2021</a></p> <p>Shikha, J., Mallick, S.K., Park, D. and Quising, P.F., (2014). Effectiveness of countercyclical fiscal policy: Evidence from developing Asia. <i>Journal of Macroeconomics</i>, 40 (2014) 82–98</p> <p><b>Suggested reading:</b></p> <p>Blanchard, O., (2017). <i>Macroeconomics</i> (7th ed). Pearson, Harlow, England</p> <p>Noord, Paul van den. 2000. "The size and role of automatic fiscal stabilizers in the 1990s and beyond" OECD Economics Department Working Papers No. 230</p>	<p><b>Nella Sri Hendriyetty</b> (October 8 / 16:50 – 18:35)</p>

<p>ADB. (2021). Asian Development Outlook 2021: Financing a Green and Inclusive Recovery. Asian Development Bank. Retrieved from <a href="https://www.adb.org/sites/default/files/publication/692111/ado2021.pdf">https://www.adb.org/sites/default/files/publication/692111/ado2021.pdf</a></p>	
<p><b>[3] Financial Inclusion, Financial Education and Financial Literacy</b></p> <p>In this lecture, we will examine issues of financial inclusion, financial literacy and financial education in Asia, including their implications for economic and financial development and financial stability.</p> <p><b><u>Required reading</u></b> Yoshino, N. and Morgan, P., eds. (2017). Financial Inclusion, Regulation, and Education: Asian Perspectives. Tokyo: ADBI Press.</p> <p><b><u>Other readings</u></b> Atkinson, A., and Messy, F., (2013). Promoting Financial Inclusion through Financial Education: OECD/INFE Evidence, Policies and Practice. OECD Working Papers on Finance, Insurance and Private Pensions 34. Paris.</p> <p>Demirgüç-Kunt, A., Klapper, L., Singer, D., Ansar, S., and Hess, J., (2018). The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution. Washington, DC: World Bank.</p> <p>Lusardi, A. and Mitchell, O., (2014). The Economic Importance of Financial Literacy: Theory and Evidence. Journal of Economic Literature 52(1): 5–44. <a href="http://dx.doi.org/10.1257/jel.52.1.5">http://dx.doi.org/10.1257/jel.52.1.5</a></p> <p>Morgan, P. and Pontines, V., (2018). Financial Stability and Financial Inclusion. Singapore Economic Review 63(1), pp. 111-124. 2018.</p> <p>Morgan, P. and Trinh, L.Q., (2017). Determinants and Impacts of Financial Literacy in Cambodia and Viet Nam. With Long Q. Trinh. ADBI Working Paper 754. Tokyo: Asian Development Bank Institute. 2017. Available: <a href="https://www.adb.org/publications/determinants-and-impacts-financial-literacy-cambodia-and-viet-nam">https://www.adb.org/publications/determinants-and-impacts-financial-literacy-cambodia-and-viet-nam</a></p> <p>Morgan, P. and Zhang, Y., (2018). Mortgage Lending, Banking Crises and Financial Stability in Asia. Singapore Economic Review 63(1), pp. 125-146. 2018.</p>	<p><b>Peter Morgan</b> (October 15 / 16:50 – 18:35)</p>
<p><b>[4] Social Protection: Shifting Trends in Developing Asia</b></p> <p>In this lecture, students will learn about social protection and the various systems used across developing Asia, like social insurance, basic income, cash transfers, etc. Students will also be expected to familiarize themselves with the social protection target under Goal 1 of the Social Development Goals and how countries in development Asia are progressing (or regressing) toward this target.</p> <p>The thrust of the lecture will be about how social protection is changing in developing Asia as a response to the COVID-19 crisis, and whether the</p>	<p><b>Linda Arthur</b> (October 22 / 16:50 – 18:35)</p>

<p>current measures will be sufficient to ensure many more are not plunged back into poverty. Case studies of various Asian countries and their social protection response to the crisis will be highlighted so that students can understand the various policy options available to governments and the constraints they face, in terms of low domestic revenue, weak data, large informal sector, etc.</p> <p><b><u>Required reading</u></b></p> <p>Asian Development Bank (2019). The Social Protection Indicator for Asia: Assessing Progress. Available: <a href="https://www.adb.org/sites/default/files/publication/516586/spi-asia-2019.pdf">https://www.adb.org/sites/default/files/publication/516586/spi-asia-2019.pdf</a></p> <p>United Nations Development Programme, 2020. Addressing the COVID-19 economic crisis in Asia through social protection. Available: <a href="https://www.undp.org/content/undp/en/home/librarypage/poverty-reduction/addressing-covid-19-economic-crisis-in-asia-through-social-protection.html">https://www.undp.org/content/undp/en/home/librarypage/poverty-reduction/addressing-covid-19-economic-crisis-in-asia-through-social-protection.html</a></p> <p><b><u>Suggested reading</u></b></p> <p>Handayani, S.W., (2016). Social Protection for Informal Workers in Asia. ADB Publication. Available: <a href="https://www.adb.org/publications/social-protection-informal-workers-asia">https://www.adb.org/publications/social-protection-informal-workers-asia</a></p> <p>International Labour Organization, (2020). Social protection responses to COVID-19 in Asia and the Pacific: The story so far and future considerations. <a href="https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_753550.pdf">https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_753550.pdf</a></p> <p>Gentilini, U. et al. (2020). Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures. Available: <a href="https://www.ugogentilini.net/wp-content/uploads/2020/06/SP-COVID-responses_June-12.pdf">https://www.ugogentilini.net/wp-content/uploads/2020/06/SP-COVID-responses_June-12.pdf</a></p>	
<p><b>[5] Nutrition and Food Security</b></p> <p>Despite scientific innovation and technological advancement in agriculture, food and nutritional insecurity continue to be a pressing issue worldwide. Therefore, food and nutritional security continue to be at the center of the global development agenda. The burgeoning demand for food due to exponential growth in world population and the mismatch between demand and supply due to multiple factors such as climate change, loss of soil fertility, land degradation, water scarcity, food loss and waste (FLW), and inefficient distribution system has exacerbated the problem of food insecurity. The threat posed by food and nutritional insecurity is particularly palpable in developing countries, which lack the resources, infrastructure, and technology to bolster the agricultural industry. With an aim to end poverty-induced hunger and malnutrition, the United Nations, in its Sustainable Development Goals (SDGs) of achieving ‘zero <i>hunger</i>’ has emphasized the need to steer public spending towards attaining food security, especially in</p>	<p><b>Dil Rahut</b> (October 29 / 16:50 – 18:35)</p>

developing economies. The Zero Hunger SDG emphasizes not only on eliminating hunger and improving nutrition, but also on achieving this by fostering sustainable agriculture, which is indispensable for achieving increased levels of food production that allows food to be affordable yet nutritious. Today 8.9% of the world population, i.e., 690 million people, suffers from hunger, and if this current trend continues, it will surpass 840 million by 2030 (FAO et al., 2020). Alarming, about 2 billion global population did not have regular access to safe, nutritious, and sufficient food in 2019 (UN, 2021). The nutritional situation in Asia and Africa is a cause of concern, with more than 381 million undernourished population in Asia and 250 million in Africa (UN, 2021). This necessitates building a sustainable model that caters to the nutritional needs of the growing world population and is resistant to external shocks such as the global financial crisis of 2007-08 and the current coronavirus pandemic.

The lecture aims to examine the food and nutritional problem in developing countries and examines the causes of food and nutritional insecurity. Students should be able to assess the gravity of the situation and challenges for ensuring food and nutritional security today and in the future.

### **Suggested reading**

FAO, IFAD, UNICEF, WFP and WHO. 2021. The State of Food Security and Nutrition in the World 2021. Transforming food systems for food security, improved nutrition and affordable healthy diets for all. Rome, FAO. <https://doi.org/10.4060/cb4474en>

Aryal, J.P., Rahut, D.B., Mottaleb, K.A., 2018. Untangling Gender Differentiated Food Security Gaps in Bhutan: An Application of Exogenous Switching Treatment Regression. Review of Development Economics (In press).

Delisle, H., Batal, M., 2016. The double burden of malnutrition associated with poverty. The Lancet 387, 2504-2505.

Gitz, V., Meybeck, A., Lipper, L., Young, C.D., Braatz, S., 2016. Climate change and food security: risks and responses. Food and Agriculture Organization of the United Nations (FAO) Report 110.

Mbow, C., Rosenzweig, C.E., Barioni, L.G., Benton, T.G., Herrero, M., Krishnapillai, M., Ruane, A.C., Liwenga, E., Pradhan, P., Rivera-Ferre, M.G., 2020. Food security.

Mottaleb, K.A., Rahut, D.B., Kruseman, G., Erenstein, O., 2017a. Changing Food Consumption of Households in Developing Countries: A Bangladesh Case. J. Int. Food Agribus. Mark., 1-19.

Mottaleb, K.A., Rahut, D.B., Mishra, A.K., 2017b. Consumption of food away from home in Bangladesh: Do rich households spend more? Appetite 119, 54-63.

<p>Popkin, B.M., Corvalan, C., Grummer-Strawn, L.M., 2020. Dynamics of the double burden of malnutrition and the changing nutrition reality. <i>The Lancet</i> 395, 65-74.</p> <p>Prentice, A.M., 2018. The double burden of malnutrition in countries passing through the economic transition. <i>Annals of Nutrition and Metabolism</i> 72, 47-54.</p> <p>Rahut, D.B., Ali, A., Imtiaz, M., Mottaleb, K.A., Erenstein, O., 2016. Impact of irrigation water scarcity on rural household food security and income in Pakistan, <i>Water Science and Technology: Water Supply</i>, pp. 675-683.</p>	
<p><b>[6] Green bonds for climate change: mitigation and adaptation</b></p> <p>Private green finance is imperative for climate change mitigation and adaptation, but the share of private green finance remains small, and the studies that have tackled the efficacy of policy instruments in promoting green finance are limited. Green bonds are ones that invest their proceeds in projects that promote climate change mitigation, climate change adaptation, natural resource conservation, and so on. Green bonds are gaining popularity in both developed and developing economies. The global issuance of green bonds increased from \$4 bn in 2010 to \$240 bn in 2019 (Bloomberg 2020). The People's Republic of China (PRC), Germany, the US, the Netherlands, and France represent 50% of the global issuance in 2019, with individual contributions ranging from \$22 bn to \$27 bn. However, despite the boom in the green bond market, the share of green bonds constitutes less than 2% of the global bond market. Many economies, especially in Asia, have implemented different policies to incentivize the private sector to issue green bonds.</p> <p>First, this lecture explains what green bonds are. Secondly, it provides an overview of the green bond market development globally and focuses specifically on the green bond markets in Asia. Third, it provides an overview of policies promoting green bond issuance globally and in Asia.</p> <p><b><u>References</u></b></p> <p>ICMA Green Bond principles <a href="https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/">https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/</a></p> <p>Climate Bond Initiative Climate Bond Standard <a href="https://www.climatebonds.net/standard">https://www.climatebonds.net/standard</a></p> <p>Blog Achieving policy objectives for green bonds in ASEAN Podcast As pandemic bonds hit the market, what can Asia do to ensure its green bond growth potential?</p> <p>ADBI e-learning course 'Green Investments: Renewable Energy' ADBI Working Papers</p> <p>Green Bonds for Financing Renewable Energy and Energy Efficiency in Southeast Asia: A Review of Policies</p> <p>The Viability of Green Bonds as a Financing Mechanism for Green</p>	<p><b>Dina Azhgaliyeva</b> (November 5 / 16:50 – 18:35)</p>

<p>Buildings in ASEAN</p> <p>Handbook of Green Finance Energy Security and Sustainable Development: Energy Security and Sustainable Development. Editors: Sachs, J., Woo, W.T., Yoshino, N., Taghizadeh-Hesary, F. (Eds.) <a href="https://link.springer.com/referencework/10.1007/978-981-10-8710-3">https://link.springer.com/referencework/10.1007/978-981-10-8710-3</a></p> <p>Special Issue ‘Scaling Up Green Finance in Asia’ Journal of Sustainable Finance &amp; Investment, Volume 10 Issue 2 (2020)</p> <p>Database Climate Bond Initiative <a href="https://www.climatebonds.net/">https://www.climatebonds.net/</a></p> <p>Database Bloomberg terminal</p>	
<p><b>[7] Spillover Effects of Infrastructure</b></p> <p>Infrastructure plays an important role in economic development. However private sectors are not eager to invest into infrastructure since lots of risks are associated with and the rate of return from infrastructure is low. The lecture will provide the new financing methods for infrastructure investment which can attract private investors.</p> <p><b>References:</b></p> <p>Yoshino, Naoyuki, Farhad Taghizadeh-Hesary and Masako Nakahigashi. 2019. Modelling the social funding and spill-over tax for addressing the green energy financing gap. <i>Economic Modelling</i>, 77, 34-41.</p> <p>Naoyuki Yoshino, Umid Abidhadjaev and Nella Sri Hendriyetty. 2019. High-quality infrastructure and land acquisition for infrastructure development through land trusts. <i>Global Solutions</i>, issue 4, 156-162.</p> <p>N. Yoshino, D. Azhgaliyeva, and R. Mishra, “Financing infrastructure using floating-interest-rate infrastructure bond”, <i>Journal of Infrastructure, Policy, and Development</i>, vol. 4, no. 2, 2020, pp. 306-315.</p> <p>N. Yoshino, N.S.Hendriyetty, and D. Hondo, “Private financing for Sustainable and Quality Infrastructure in the Face of Covid-19”, Chapter 1, <i>The Global Quest for Sustainability</i>, edited by Barlo Secchi and Alessandro Gili, ISPI, 2021, Milan Italy. DOI 10.14672/55265348.</p>	<p><b>Naoyuki Yoshino</b> (November 12 / 16:50 – 18:35)</p>
<p><b>[8] Regional Financial Integration: Comparative Perspective</b></p> <p>The lecture will explain the evolution of regional financial integration through a comparative perspective between Europe Union’s and ASEAN’s approaches. The lecture will also show empirical evidence of financial integration via a set of financial indicators as a part of the comparison. A set of policy recommendations is derived for ASEAN member countries.</p> <p><b>Required reading:</b></p> <p>ASEAN Secretariat. 2016. ASEAN Economic Community 2025 Strategic Action Plans (SAP) for Financial Integration from 2016–2025. <a href="https://asean.org/storage/2012/05/SAP-for-Financial-Integration2025-For-publication.pdf">https://asean.org/storage/2012/05/SAP-for-Financial-Integration2025-For-publication.pdf</a></p>	<p><b>Pitchaya Sirivunnabood</b> (November 19 / 16:50 – 18:35)</p>



<p>Ariyasajjakor, A., Sirivunnabood, S., and Molineris, M. Evolution of ASEAN Financial Integration: a Comparative Perspective. Economic Integration in Asia and Europe: Lessons and Policies, Chapter 6, pp. 113-155  <a href="https://www.adb.org/sites/default/files/publication/723506/adbi-book-economic-integration-asia-europe-lessons-policies.pdf">https://www.adb.org/sites/default/files/publication/723506/adbi-book-economic-integration-asia-europe-lessons-policies.pdf</a></p> <p>Berkofsky, A. 2005. Comparing EU and Asian Integration Processes – The EU a Role Model for Asia? European Policy Centre Issue Paper 23. Brussels: European Policy Centre</p> <p>Rillo, A. ASEAN Financial Integration: Opportunities, Risks, and Challenges  <a href="https://www.mof.go.jp/english/pri/publication/pp_review/ppr14_05_04.pdf">https://www.mof.go.jp/english/pri/publication/pp_review/ppr14_05_04.pdf</a></p>	
<p><b>9] Public Debt Management Exchange Rate Regime and Government Bond Market in East Asia</b></p> <p>The 1997 Asian financial crisis has convinced the East Asian economies the urgency for developing regional financial market. A robust bond market is needed in East Asia to channel cheaper and less volatile capital within the region instead of offshore borrowing. With recent increasing interest rates and upcoming tapering, effective public debt management and development of domestic government bond market has been important much than ever. In this lecture, we will discuss future risk factors, effective public debt management policies and development cases of government bond market. look at the East Asian bond market development after the 1997 Asian financial crisis. Besides, we will also discuss exchange rate regime in East Asia.</p> <p><b>Required reading</b>  Asian Development Bank. (2021). Asian Bond Monitor: March, 2021  Yoshino. N and Miyamoto, H. (2020). Revisit Public Debt Stability Condition: Rethinking of the Domar Condition, Global Solutions Journal.</p>	<p><b>Yongwook Lee</b>  (November 26 /  16:50 – 18:35)</p>
<p><b>[10] Financial Globalization, Capital Flows, and the Global Financial Cycle</b></p> <p>This lecture provides an overview of the benefits of financial globalization. The lecture also examines the drivers of capital flows in crisis and non-crisis periods and the role of the global financial cycle. Students are expected to understand recent developments in financial globalization, including why theoretical benefits do not always match what is observed empirically. Students are also expected to understand the factors driving capital flows and the role of the global financial cycle.</p> <p><b>Required reading</b>  Kose, A., Prasad, E., Rogoff, K. and Wei, S. (2009): “Financial Globalization: A Reappraisal”, IMF Staff Papers, Vol. 56, No 1, pp. 8-62, April.</p> <p>Yeyati, E.L. and Williams, T. (2011): “Financial globalization in emerging economies: Much ado about nothing?”, World Bank Policy Research Working Papers, April.</p>	<p><b>John Beirne</b>  (December 3 /  16:50 – 18:35)</p>

<p>Ahmed, S. and Zlate, A. (2014), Capital Flows to Emerging Market Economies: A Brave New World? <i>Journal of International Money and Finance</i>, Vol. 48, Part B, pp. 221-248.</p> <p>Fratzscher, M. (2012), Capital flows, push versus pull factors and the global financial crisis, <i>Journal of International Economics</i>, Vol. 88, No 2, pp. 341-356.</p> <p>Rey, H. (2015), Dilemma not Trilemma: The global Financial Cycle and Monetary Policy Independence, <i>NBER Working Paper</i>, No 21162, May.</p>	
<p><b>[11] Schooling and Learning Outcomes of Children in Low and Middle-income Countries</b></p> <p>This lecture will discuss stylized facts regarding schooling and learning outcomes in low and middle-income countries. It will also provide evidence on efforts to improve these outcomes.</p> <p>Students are recommended to read the following article prior to the lecture:</p> <p>Pritchett, Lant (2001) "Where Has All the Education Gone?" <i>World Bank Economic Review</i>, 15(3): 367-391.</p>	<p><b>Daniel Suryadarma</b> (December 10 / 16:50 – 18:35)</p>
<p><b>[2] Infrastructure Finance in Different Phases of Economic Development</b></p> <p>In this lecture, participants learn how the process of economic development can be classified into three major phases in terms of the possibility of private-sector finance of infrastructure. This exercise allows us to understand relatively easily the nature of possible solution to the challenging problem of infrastructure finance, compared with the case in which we mix different development phases together.</p> <p><b>Required reading</b></p> <p>Yoshino, N., Abidhadjaev, U., and Hendriyetty, N., (2019). High-quality infrastructure and land acquisition for infrastructure development through land trusts. Available: <a href="https://www.g20-insights.org/policy_briefs/high-quality-infrastructure-and-land-acquisition-for-infrastructure-development-through-land-trusts/">https://www.g20-insights.org/policy_briefs/high-quality-infrastructure-and-land-acquisition-for-infrastructure-development-through-land-trusts/</a></p> <p>Yoshino, N., Hendriyetty, N., Lakhia, S., and Alwarritzi, W., (2019). Innovative Financing for City Infrastructure Investment by Increasing the Rate of Return from Spillover Tax Revenues. ADBI Working Paper Series.</p> <p><b>Suggested reading</b></p> <p>Bruhn, M., Karlan, D., and Schoar, A., (2010). What Capital Is Missing in Developing Countries? <i>American Economic Review</i>, 100 (2): 629-33.DOI: 10.1257/aer.100.2.629</p> <p>Bloom, N., Eifert, B., Mahajan, A., McKenzie, D., and Roberts, J., (2013). Does Management Matter? Evidence from India. <i>The Quarterly Journal of Economics</i>, 128(1), p.1–51, <a href="https://doi.org/10.1093/qje/qjs044">https://doi.org/10.1093/qje/qjs044</a></p>	<p><b>Tetsushi Sonobe</b> (December 17 / 16:50 – 18:35)</p>

Arnott, R.J., Stiglitz, J.E., (1979) Aggregate Land Rents, Expenditure on Public Goods, and Optimal City Size, <i>The Quarterly Journal of Economics</i> , 93(4), p.471–500, <a href="https://doi.org/10.2307/1884466">https://doi.org/10.2307/1884466</a>	
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#### Guidelines on the term paper:

In preparing their **term paper** students should consider the following guidelines.

- The paper should ask a question(s) that is (are) interesting and relevant to economic growth, development and integration in Asia and the Pacific. It can be on a sub-topic e.g. macro, finance, trade, environment, labor, health, infrastructure, etc., but the paper must pose clear questions and present a hypothesis that it wants to support or reject.
- The paper should attempt to answer the question(s) in a methodical/analytical way. Basic econometrics is sometimes useful to answer the question(s) but is not always necessary. Simple analysis of trends, or a good analysis of what others have done before, can sometimes be appropriate. The student must show that he/she has an ability to define and think about an issue, analyze it in some depth using evidence, and draw important policy implications and conclusions from his/her investigation.
- The paper should include a review of literature that places the research in the context of what other people have done and makes clear why this paper is a contribution (no matter how small) to the body of knowledge. Through the review, the student should explain why the paper is worth doing. The review is not a simple listing of other people's work. It should examine how this work relates to the issues the student is investigating.