The course’s dual foci will be on Asia-Pacific economic development and the role played by Asia Pacific Economic Cooperation (APEC) in development processes—particularly by assisting Asia-Pacific economies to coordinate global and regional cooperative approaches to development. Economics 496 will be essentially an economic development course but with overriding attention being paid to APEC as a regional institution. The textbooks for the course are: LIM, Chong Yah, SOUTHEAST ASIA: THE LONG ROAD AHEAD; GILL, Indermit, et al, EAST ASIAN VISIONS: PERSPECTIVES ON ECONOMIC DEVELOPMENT; and KESAVAPANY, K. and Hank LIM, APEC AT 20: RECALL, REFLECTION AND REMAKE. The books are available in the University Bookstore. Readings from them should be completed during the period for which they are assigned.

Three equally weighted essay examinations will be given at the end of the second, fourth and sixth week of class. Examination questions will be based on reading assignments and classroom discussions. The structure and grading of the examinations will be explained during the first week of class.

Assigned readings and classroom discussions will cover the following development topics: the effects of external trade; adjustments to trade effects; regional economic integration as an adjustment mechanism; the foreign exchange market; the balance of payments; macro-economic performance in terms of national income, aggregate output, employment and price level. Touched upon will be the distribution of income and wealth; the incidences of poverty and its eradication and/or alleviation policies; and micro economic policy issues related to (i) the provision of public goods and services—e.g. health, education and housing; (ii) the importance of small and medium size enterprises (SMEs); (iii) the resource allocation distortion effects of market failures; and (iv) the importance of natural monopolies as a theoretical logic underlying infrastructure development in transportation, energy, water supply and communication systems.

A special and distinctive feature to the course will be an evaluation of how APEC fits into the Asia-Pacific’s economic and social development; that is, what kind of a job has it done and likely will do in the future? The evaluation will connect APEC’s activities to the topics covered in the course. The course will therefore examine APEC’s “reason for being,” its history, its country membership, its structure as an international organization, the character of its programs activities and most importantly its impact on national and regional economic in the Asia-Pacific region.

APEC’s secretariat is located in Singapore and it is scheduled to hold its 2011 annual Economic Leaders’ Summit in Honolulu on November 12-13, 2011. President Obama will host the Leaders, address the group and propose agenda
items that will include foci on (i) strengthening regional economic integration and expanding trade, (ii) promoting economic growth based on “green” energy development and (iii) expanding regulatory cooperation and advancing regulatory convergence.

APEC is not an inconsequential organization: its twenty one member economies include the People’s Republic of China, the United States of America, Russia, Japan, South Korea, Mexico and other Asia-Pacific countries. The twenty one members account for about 40 percent of the world’s population, 57 percent of its global economic product and 44 percent of world trade in goods and services. APEC is dedicated to the principle of growth with equity and not growth only and it is guided by three fundamental “pillars”: promoting economic growth by enhancing export and import trade potentials via regional economic cooperation; facilitating business development; and working towards improving and sharing scientific and technological knowledge among the member economies.

A set of academic references on APEC is included in the notes that follow the assignments schedule. Students are urged to “surf” APEC’s superb web site at [www.apec.org](http://www.apec.org) and to follow the web site’s instructions regarding accessing the journal *APEC Bulletin*. The Secretariat in Singapore will send to our class hard copies of materials that will present a more detailed focus on the Pacific component of the organization’s membership. The materials will be placed in on reserve in the Sinclair Library.

READING AND DISCUSSION SCHEDULE AND ASSIGNMENTS.

**July 5-9: Introduction: Asia-Pacific Economic Growth and Development.**

Gill, Ch. 1.
Lim, Chs. 1-2.
Kesavapany and Lim, Ch. 1.

**July 11-15: External Trade, Change and Adjustment.**

Gill, Ch. 8.
Lim, Chs. 3-6.
Kesavapany and Lim, Chs. 2-3.

**FIRST EXAMINATION:** July 15.

**July 18-22: External Trade and Regional Economic Integration and Cooperation (particularly APEC but also ASEAN and NAFTA).**

Gill, Chs. 2, 3, 6, 7 and 9
Lim, Chs. 7-8
Kesavapany and Lim, Ch. 4

Gill, Chs. 10, 14, 15 and 16.
Lim, Chs. 9, 10 and 12
Kesavapany and Lim, Ch. 5.

SECOND EXAMINATION: July 29

August 1-5: Development, Growth and Population Issues.

Gill, Chs. 5, 17 and 18.
Lim, Ch. 11.
Kesavapany and Lim, Ch. 6

August 8-12: Development Theory and APEC’s Role

Gill, Chs. 4, and 11-13.
Lim, Ch. 13.
Kesavapany and Lim, Chs. 7-8.

THIRD EXAMINATION: August 10

NOTES:

(a) An optional and companion reading is NAYA, Seiji, THE ASIAN DEVELOPMENT EXPERIENCE: OVERCOMING CRISES AND ADJUSTING TO CHANGE. A copy of Dr. Naya’s book will be on reserve at the Sinclair Library.