

Post-Covid-19 Economic Policy in Southeast Asia

ECON 3010 J Term Course

(3 Credits)

Malaysia: Post-Covid-19 Economic Policy in Southeast Asia

This syllabus is representative of a typical term. Because courses develop and change over time to take advantage of unique learning opportunities, actual course content varies from term to term.

Course Description

This course focuses on economic policy decision-making and their impacts in Malaysia and Southeast Asia (ASEAN), with a special focus on new forms of economic resilience and adaption in the context of Covid-19. Students enrolled in this course gain insight to key course themes from a range of experiences inside and outside of the formal classroom, including conversations with academics and finance industry professionals in Malaysia. Students will learn about the financial stability, key structural features of financial markets and explore the systemic risk indicators and models, differentiating between time series and cross-sectional approaches.

Post-Covid-19 policy-making is placed in context by analyzing the monetary policy framework of the Asia Pacific in managing price and ensuring financial stability pre-Covid-19 and studying the adaption pursued by the Central Banks in the ASEAN region during the pandemic. Students will understand the various strategies and measures that government implemented with focus on micro prudential and macro prudential policies to prevent a global economic crisis. On top of that, re-examine the legacies of the financial and regulatory framework which was devised in Malaysia during the Asian Financial crisis in the 1990s that geared financial institutions toward ethical banking during COVID-19, thus safeguarding the consumers 'well-being.'

Learning Outcomes

Upon conclusion of this course, students will be able to:

- Assess the Asian Financial Crisis and its legacies for Malaysia's financial markets and regulatory frameworks;
- Critically evaluate the effectiveness of the various government policies for the rescue of the faltering economy and assess how these policies in one country can impact others in the global economy;
- Analyse the effectiveness of the financial market and regulatory framework devised during the Asian Financial Crisis in cushioning the COVID 19 economic impact in Malaysia;
- Identify the financial stability risk of the ASEAN member countries;
- Identify the economic impact of COVID 19 and analyse the policy response of the government in the Asia Pacific region;
- Compare and Contrast the economic stimulus package in the ASEAN cooperation countries;
- Forecast the economic trends with the impact COVID 19 pace of spread with public health response and the effectiveness of economic policies;
- Examine the Ethical Banking measure that the Central Bank imposed during the time of crisis in Malaysia, Singapore and Indonesia;

- Forecast the effect of the COVID 19 crisis on the future path of growth and development for the global economy;

Course Requirements

Module 1: Financial Stability – Week One in Penang

Module Instructor Dr Hooy Chee Wooi, VP Malaysian Economics Association and Prof of Finance in University Sains Malaysia, Penang

- Understand the key structural features of financial markets
- Analyze the effect of financial crisis with a COVID 19 focus
- Determine the financial Shock that can cause propensity that initiate financial crises.
- Identify the economic stresses in the ASEAN market pre COVID-19, their influence on the post-Covid-19 stimulus package and the effects post COVID-19
- Analyze the legacies of Asian Financial Crisis's policy in Ethical banking
- A comparison of the stimulus package and its efficiency
- The effect of the stimulus package to SME in Malaysia
- Interactive session with students in University Sains Malaysia (USM) Penang to discuss the effect of the COVID-19 policies
- Site visits in Penang: retail, hospitality, health, manufacturing sectors to find out 1st hand information from the SME the effectiveness of the stimulus package

Reading Material

Pill, H., Tella, R. D., & Schlefer, J. (2008). Financial crisis in Asia: 1997-1998. Harvard Business School Case

Segel, A. I., & Creo, B. (2010). *Understanding the credit crisis of 2007-2008*. Harvard Business School Background Note.

Dániel Holló, Manfred Kremer, & Marco Lo Duca. (2012). Ciss - a composite indicator of systemic stress in the financial system. Retrieved from:

<http://search.ebscohost.com/login.aspx?direct=true&site=eds-live&db=edsbas&AN=edsbas.3DE4734>

Ben S. Bernanke. (2010). Causes of the recent financial and economic crisis: testimony before the Financial Crisis Inquiry Commission, September 2, 2010. Web Site. Retrieved from:

<http://search.ebscohost.com/login.aspx?direct=true&site=eds-live&db=edsrep&AN=edsrep.p.fip.fedgws.101>

Gary B. Gorton, & Andrew Metrick. (2012). Getting up to Speed on the Financial Crisis: A One-Weekend-Reader's Guide. NBER Working Papers. Retrieved from:

<http://search.ebscohost.com/login.aspx?direct=true&site=eds-live&db=edsrep&AN=edsrep.p.nbr.nberwo.17778>

Module 2: Public Policy and Economics – Week 2 in Kuala Lumpur region

Suggest Course Leader Ole Rummel, Director of The South East Asian Central Banks (SEACEN) Research and Training Centre or Mark Mc Kenzie, Senior Specialist of The South East Asian Central Banks (SEACEN) Research and Training Centre or with Tan Sri Noor Ghazali, Chairman of Malaysia's Stimulus Committee and Dean for UKM's Business School

- Understand the systematic risk of financial sector
- Identifying the systematic risk indicator using the time series and cross-sectional dimensions
- Measure the systemic financial sector risks
- Correlate the interrelation of the system and model for financial risk
- Risks associated with Shadow banks and Fintech

- Shariah compliant securities, an analysis using J programming with Marc Tarshis 's in Equities Tracker Berhad
- Site visit and lecture in South East Asian Central Banks (SEACEN), Kuala Lumpur
- Interactive session in ISRA
- Lecture by Tan Sri Noor Ghazali, Chairman of the Malaysian Stimulus Committee and Dean for UKM Business School

Reading Material

Case Study: The origins of the Global Financial Crisis Mishkin, F. S. (2009). Is monetary policy effective during financial crises?. *American Economic Review Papers and Proceedings*, 99(2), 573-577

Moss, D., & Bolton, C. (2011). *Fighting a dangerous financial fire: The federal response to the crisis of 2007-2009*. Harvard Business School Case.

Module 3: Integrating Theory into Practice – Week Three in West Malaysia (Extension of the course)

Students will be able to choose one of the companies in the retail sector, hospitality sector, health industries and manufacturing companies to learn about the impact of the COVID 19 on the industries such as the. Students will learn 1st hand what are the measures employed by the industries to endure the COVID 19 crisis and benchmark it against the company that were affected and lead to closure. ways to spread benefits to sectors that did not enjoy the stimulus package support. This is a small group project the culminates in group presentations and a closing group discussion.

Evaluation and Grading Criteria

Assignments

1. Participation & Effort

Attendance, punctuality, active involvement in discussions, and completion of reading assignments are mandatory.

2. Needs Assessment and Draft Design Project Proposal (30%)

Proposal is due at the end of the first week.

Proposal Option 1: Students select project type. In this case, the proposal should include the project idea and justification of the choice of project. The paper should include a clear articulation of the connection between the chosen project and the theme of the program. Also, it should include the draft design of the project and the community needs assessment with the expected outcomes.

Proposal Option 2: Pre-assigned project type. In this case, students will use principle component analysis (PCA) to model the Economic Stimulus Index (CESI) to study cross-country differences in policies variables such as fiscal policy, monetary policy and balance of payment/ exchange rate policy from the International Monetary Fund (IMF) COVID-19 Policy Tracker. This should include a problem statement, deliverables list, detailed requirements list, draft design and standards important for the project.

3. Final Design Project Paper (30%)

The final design project paper (15–20 pages). Assessment of the written project and the oral presentation is based on the accuracy of information conveyed, the student's methods and effectiveness of gathering information, organization, assimilation, the clarity of the presentation, the quality of analysis and argumentation, oral expression, clarity of answers to questions and civility of interaction. Also, assessment of the end product includes efficacy of design relative to the project goal and the quality of final project's outcome. The project is completed during Module 2.

4. Industry-specific Analysis: Group project presentation (10%) and discussion (20%)

Students write a report, using analytical tools developed in this course, on the impact of COVID-19 on the industry of their choice. The report should include the challenges, measures to overcome the situation, and recommendations to prepare them for future unforeseen circumstances. The group presentation and discussion take place at the end of Module 3 (Week 3).

Grading Criteria

All grades assigned will take into account the special circumstances and challenges of students in a study abroad context. An “A” grade for an assignment entails superior (not just “very good”) performance in terms of structure and organization of assignments, analysis, logical argumentation and consistency, and the provision of factual, numerical and/or historical evidence. In terms of Participation & Effort, an “A” grade refers to full attendance, punctuality, attentive listening and active engagement in all academic seminar lectures, discussions, field trips, workshops and other activities. It also means polite and respectful behavior. The level, frequency, and quality of the students` participation will be monitored and taken into account.

Grading Scale

94-100%	A
90-93%	A-
87-89%	B+
84-86%	B
80-83%	B-
77-79%	C+
74-76%	C
70-73%	C-
67-69%	D+
64-66%	D
below 64	F

Expectations and Policies

- Attend and Participate: Students are expected to attend all class sessions, participate in all sessions, and keep careful notes.
- Ask questions in class and engage the lecturers: Ask at least one question per lecture and make evaluative comments about each lecture.
- Comply with academic integrity policies. No plagiarism or cheating.
- Complete assignments on time according to requirements.
- Respect the opinions of classmates, lectures and local constituents.

Please refer to the SIT Study Abroad handbook for policies on academic integrity, ethics, warning and probation, diversity and disability, sexual harassment and the academic appeals process. Also, refer to the specific information available in the program handbook given to you at orientation, particularly the code of conduct, the policy on blogging and taking photographs, and the grading policy.

Disability Services: For information about and support from Disability Services (DS) to facilitate an accessible educational experience, please contact disabilityservices@sit.edu or +1-802-258-3390. Additional information regarding SIT Disability Services can be found on the DS website at: <http://studyabroad.sit.edu/disabilityservices>.