Econ 4474

The Hong Kong Economy

(Spring 2018)

Basic Information: This one-semester course is divided into two parts: (A) lectures on some salient aspects of the Hong Kong economy, and (B) group research projects to be undertaken by students. Each part contributes to 50% of the final grade. There are two instructors, Prof. Francis LUI and Professor Yiu-Kwan FAN. Prof. Lui is responsible for the lectures, and Prof. Fan for the group research projects.

The specific intended learning outcomes and their implementation are presented at the end of this course outline.

Lectures: 4:30 pm – 5:50 pm, Mondays; and 12 noon – 1:20 pm, Fridays (Venue: LSK 1033)

Tutorials: 9:30 am – 10:20 am, Mondays (Venue: LSK 1009)

Teaching Assistant: Peter Tsui (Email: ecpeter@ust.hk; Tel.: 3469-2668; Office: Room LSK 6066)

Class Website: https://canvas.ust.hk/

PART A: LECTURES (50% of the course grade)

Instructor: Francis T. LUI

Office Hours: 3:00pm - 4:00pm, Mondays; 2:00pm – 3:00pm, Fridays

Office: Room LSK 6068 Telephone: 2358-7606 Email: fnfntlu@ust.hk

Duration: 2 February to 19 March 2018. Twelve classes and some tutorials

Final Exam on 23 March 2018

Requirements: Students are expected to attend all the lectures and actively participate in classroom discussions. Tutorials are mainly used for supplementary lectures. You must attend these tutorials unless I tell you not to do so. There will be a final exam on 23 March, which will contribute to 45% of the course grade. The remaining 5% will be determined by class participation.
Syllabus:

1) A Very Brief History of the Hong Kong Economy
   (Readings: 1, Lecture Notes)

2) Human Resources and Education
   (Readings: 10, Lecture Notes)

3) Land Supply and Housing Markets
   (Readings: 7, 8, Lecture Notes)

4) Income Distribution and the Political Economy
   (Readings: 9, Lecture Notes)

5) The Monetary System and the Asian Financial Crisis.
   (Readings: 5, 6, Lecture Notes)

6) International Trade and Economic Relationship with the Mainland
   (Readings: Lecture Notes)

7) Government Spending and Revenue
   (Readings: 2, Lecture Notes)

8) Retirement Protection
   (Readings: 3, 4, Lecture Notes).

Readings:

There is no required textbook for this course. You will have to rely heavily on the lecture notes. For those who can read Chinese, my book, 帮香港算算账 (Reckoning Hong Kong, 2011, available from me), is highly recommended. Articles posted on my blog (http://www.francis-lui.blogspot.hk) may provide more updated discussions. The readings below are optional, but they are good sources of information.


4) Francis T. Lui, Retirement Protection: A Plan for Hong Kong, City University Press of Hong Kong, 1998.

PART B: THE TERM PAPER (50% of the course grade)

Instructor: Yiu-Kwan Fan

Office Hours: By appointment, preferably on Mondays and Fridays

Office: Room LSK 6056  Email: ykfan@ust.hk

Early in the semester, you should organize yourselves into study groups, the optimal size of which should be 4 people. The maximum number of people in a group is 5, but this will require Prof. Fan’s prior approval. You should send Prof. Fan the names of your group members no later than 23 February 2018. Each group will have to choose a topic related to the Hong Kong economy and write a term paper based on original research. Prof. Fan and Prof. Lui will use the first tutorial class to let you know the expectations of a good research-based term paper. The topic chosen must be approved by Prof. Fan on or before 2 March 2018. Every group must come to see Prof. Fan to discuss the possible topics.

A research plan and a list of reading/resource materials must be submitted to Prof. Fan on or before 16 March 2018. Prof. Fan will then discuss with each group individually about the feasibility and risk of the research project.

A draft term paper (soft copy only) is due at 5:00 pm, Friday 20 April 2018. The submitted papers will be posted on the class website. Every student in the class should read all of them.

During the last few lecture classes (possibly plus some tutorial classes), every group will have to take turns to present their papers. Each group will be allocated 25 minutes for the presentation and 15 minutes for answering questions. Every group should actively participate in the discussion and critically comment on the papers of others.
The term paper (one hard copy and one soft copy) is due at 11:59 pm, Wednesday 9 May 2018. The maximum length of the text is 3,000 words (excluding appendices, references and footnotes). The paper may include tables, diagrams, research findings and any other relevant materials as appendices. References must be listed at the end of the paper, and footnotes must be inserted at appropriate places.

Satisfactory completion of the research project in this course fulfils the Econ 4670 requirement for Economics major at UST.

Grading policy:

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<tr>
<th>Assessment Activities</th>
<th>Due Date</th>
<th>Weighting</th>
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<tbody>
<tr>
<td>Title &amp; framework of research project</td>
<td>2 Mar 2018</td>
<td>0%</td>
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<tr>
<td>Research plan &amp; list of reading/source materials</td>
<td>16 Mar 2018</td>
<td>15%</td>
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<tr>
<td>Draft term paper</td>
<td>20 Apr 2018</td>
<td>25%</td>
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<tr>
<td>Class presentation</td>
<td>23, 27, 30 Apr and 4, 7 May</td>
<td>30%</td>
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<tr>
<td>The term paper</td>
<td>9 May 2018</td>
<td>30%</td>
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All members in the group will receive the same grade for the group term paper. Prof. Fan will not deal with the free-rider problem if it arises.

INTENDED LEARNING OUTCOMES AND IMPLEMENTATION

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<th>Intended Learning Outcomes</th>
<th>Implementation</th>
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<tr>
<td><strong>Academic:</strong></td>
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<tr>
<td>Know some important facts of the Hong Kong economy</td>
<td>Lots of data and facts are presented and analyzed in the lectures, readings and student research projects</td>
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<tr>
<td>Understand deep structures of the Hong Kong economy</td>
<td>Some important institutions, historical episodes, economic policies and social changes are analyzed in class</td>
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<tr>
<td>Ability to analyze specific problems in Hong Kong using standard economic tools</td>
<td>The course is devoted almost exclusively to analyze problems by using economic tools</td>
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<tr>
<td>Ability to conduct empirical research through the application of econometric tools to large Hong Kong databases</td>
<td>Every student is required to undertake an original research project that involves the use of econometric tools and large databases</td>
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### Communication skills:

| Ability to engage in debates and discussions in front of a large audience | Class participation is recorded and graded |
| Ability to present one’s research findings to a large audience | Every student must orally present his/her research findings using Powerpoints or other means |
| Ability to write a term paper effectively | The research-based term paper is mandatory |
| Ability to exchange sophisticated ideas with peers | Students form study groups to conduct their research |

### Global and regional perspectives

| Understand important relationships between Hong Kong, China and other parts of the world | There are extensive class discussions and readings on such relationships |