WWS 582a  Topics in Economics: The Chinese Economy  
Spring 2008, Thursday 9am-12pm

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Course description

This course covers a number of aspects of the Chinese economy. Understanding China’s  
economy is of intrinsic interest as one-fifth of the world population (four times the U.S.  
population) lives in China. It is also of interest in that China’s economic growth has effects far  
beyond China’s borders.

Aspects of China’s economy covered in this course are:

- Economic geography: understanding the geographic characteristics of China’s economy.
- Economic history: given China’s technical superiority over the West at times in the past,  
  why did China fall behind and not industrialize earlier?
- Economic transition: China has undergone (and is still undergoing) a process of  
  economic transition from a semi-planned to a market-oriented economy. What can we  
  learn about successful transition patterns (successful in terms of economic growth) and  
  about the implications of different concepts of a “market” with different types of  
  government involvement in the economy?
- Economic development: economic transition is accompanied by a rapid process of  
  economic development—how does it proceed in China, and how does China’s experience  
  relate to traditional concepts of development economics?
- Politics and culture: China’s political institutions differ from those of the West, and so do  
  many cultural and political values—what is their economic relevance?
- Impact of China’s economic growth worldwide: the economic rise of China has  
  implications for economies (and people) around the world, through channels ranging  
  from foreign trade to migration and environmental issues.

Requirements and grading

20% two maximum 2-page (max. 1000 words) interpretative précis of a non-required text,  
chosen by the student, with the précis e-mailed to the whole class 24 hours before the class.  
Prepare a maximum 10-minute presentation to the class. Starts Week 3. Graded pass/fail.

40% final exam; closed-book, in spring term examination period

40% term paper; paper due on “Dean’s Date” (13 May)

Active class participation is expected.
If a large majority of students prefers a different set of requirements, and if somebody brings this  
up in the first class, and if we agree (in the first class), then we may change the requirements.
Textbooks

This course does not have a textbook.

You are invited to quickly read through one of the following two undergraduate texts:

The following promises to be a major text, but it won’t be published in time for this course:

If you want to read up on Chinese history, try:

**Interesting readings**

Consider the following books as non-academic bedtime reading. You may learn more about China from one of these books than from a thousand pages of academic papers.

Rand, Ayn. *Atlas Shrugged*. New York: Dutton, 1992, or any other edition. Fictional account of the U.S. turning Communist; heavy market economics packaged as a good read. Do not start reading this book before an exam. (You may not be able to stop reading, and it's long.)

All four books are available in (cheap) paperback editions.

A couple of books with a different tack:

**Films**


**The usual fine print**
Exams cover material presented/discussed in class and the required readings.
You can appeal grades in writing within seven days of return of the work for a full re-grading.
There are no extra-credit assignments.
Missing the exam is acceptable only under the usual extenuating circumstances plus documentation (in case of medical reason, a medical certificate that you have been too ill to work on the day of the exam).
Handing the term paper in late: unless the university has its own rules, delay by up to 24 hours means that the maximum number of points that can be achieved in the term paper is reduced to 80% of the on-time maximum; 24-48 hours late: 60%; more than 48 hours but before the course grades are reported to the university: 50%.
Class Schedule and Reading List
* = “required” reading.
** = “required” reading for class discussion.
All other readings are optional. (*) is recommended.
Précis presented by fellow students are required reading, but not the texts that the précis are based on.
>>> are research seminars, outside the class period. Optional/recommended.

Week 1 (Thursday, 7 Feb)

1. Why Care About the Chinese Economy?
  At: http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=18110
  http://www.businessweek.com/magazine/content/04_49/b3911401.htm
The Economist article of 29 Nov. 07 on China’s PPP conversion factor. At:
  http://www.economist.com/displayStory.cfm?story_id=10209215
BN 6 (meaning: Barry Naughton’s text, see above, Chapter 6); GC 5 (Gregory Chow text, Ch. 5)

2. Economic Geography and Reform Period Overview

2.1 Economic geography
http://www.lizardpoint.com/fun/geoquiz/chinaquiz.html
http://www.chinapage.com/map/province-english.jpg
http://www.chinapage.org/timemap.html (list of dynasties, maps)
http://www.lib.utexas.edu/maps/china.html -> also click on link at bottom, “country maps”
http://www.johomaps.com/as/china/chinarail.html (railway lines)
The following is not geography, but if you get bored in class: Chinese propaganda posters:
http://www.iisg.nl/~landsberger (scroll to the bottom of the page for many more)

BN Chapter 1

>>> 2/12/08 Tuesday 4:30-6:00pm, Princeton-Harvard China & the World Program
William Callahan
Prof. and Co-Director of British Interuniversity China Centre, University of Manchester
"Worldview, National Image and Soft Power: 'Tianxia' and China's Foreign Policy Discourse in the 21st Century"
Jones Hall, Room 202

Week 2 (R 14 Feb)

2.1 continued

2.2 Reform period overview

3. The Problem of Causality in the Social Sciences

>>> 2/18/08 Monday 4:30-6:00pm, Princeton-Harvard China & the World Program
Wang Fei-Ling Professor
School of International Affairs, Georgia Tech
"The Rise of China and its Implications"
Robertson Hall, Bowl 16

Week 3 (R 21 Feb)

4. Why Did China Not Industrialize Earlier?
Read one of the following required items (as assigned in class). Be prepared to explain the arguments of the text in class, to defend them, or to criticize them.
Although this book is not on China, the ideas presented here, on political and military origins of the economic growth of East Asia, are perhaps also relevant, in some variation, to China.

BN 2; GC 1

5. Economic Transition

5.1 The theory of centrally planned economies


Week 4 (R 28 Feb)

5.1 continued

5.2 The fatal conceit: the errors of socialism

6


Hayek, Friedrich A. *The Essence of Hayek.* (Compiled by Nishiyama, Chiaki, and Kurt R. 
pp. 211-24, Chapter 12, “Philosophical Consequences,” pp. 225-53, Chapter 13, 
“Competition as a Discovery Procedure,” pp. 254-65, and Chapter 14, “The Pretence of 
Knowledge,” pp. 266-77.

Kornai, János. “What the Change of System from Socialism to Capitalism Does and Does Not 


>>> 3/3/08 Monday 4:30-6:00pm, Princeton-Harvard China & the World Program 
*Harry Harding*

Professor and former Dean, Elliott School of Intl. Affairs, George Washington University 
TBA

Robertson Hall, Bowl 1

** 5.3 Central(?) planning in China

* Lyons, Thomas P. “Planning and Interprovincial Co-ordination in Maoist China.” *The China 
Quarterly* 121 (March 1990): 36-60.

* Wang Lixin, and Joseph Fewsmith. “Bulwark of the Planned Economy: The Structure and 
Role of the State Planning Commission,” Chapter 5 in Carol Lee Hamrin and Zhao 
Suisheng (eds.), *Decision-Making in Deng’s China: Perspectives from Insiders*, Armonk, 

(**) 第十届全国人民代表大会第四次会议关于 2005 年国民经济和社会发展计划执行情况 
与 2006 年国民经济和社会发展计划草案的报告。2006 年 3 月 5 日.《中华人民共和国 
at http://www.bjreview.com/17th/17th/txt/2007-03/20/content_78531.htm, but the page is 
defective; using … 78531_2.htm yields something, and then it’s possible to click to continue.

(**) 国务院关于落实《中华人民共和国国民经济和社会发展第十一个五年规划纲要》主要 
目标和任务工作分工的通知。2006 年 8 月 14 日。《中华人民共和国国务院公报》 
#29/2006, pp. 30-6. [not aware of any translation]. There is a NDRC Ma Kai summary of the 

(**) 陕西省人民政府关于做好 2005 年煤炭订货工作的通知。《陕西人民政府公报》 
#21/2004, p. 34. [need translation]

Perkins, Dwight H. “Plans and Their Implementation in the People’s Republic of China.” 
5.4 Transition in China


6. Economic Development

6.1 Pre-reform period economic development strategies


* 李振中。计划经济学(修订本)。北京：中国人民大学出版社，1988, pp. 17-21. [need translation]


6.2 Reform period economic development strategies


Chapter 9, “The Strategies of Development” (pp. 257-292).


Spring recess 20 March

>>> 3/24/08 Monday 4:30-6:00pm, Princeton-Harvard China & the World Program

*QIN Yaqing*

Prof. of Intl. Studies & Exec. Vice Pr., China Foreign Aff. U., Member CCP Party Congr.

TBA
Robertson Hall, Bowl 16

Week 7 (R 27 March)

6.2.1 Industry


6.2.2 Agriculture


Week 8 (R 3 April)

7. Economic Decision Making

7.1 Political institutions


Donald and Benewick (2005), pp. 54-7, 60f, 64f.


If can get translated: 抚顺选举 “地震”。《财经》#77-78/2003, pp. 32-5.


GC 20

7.2 Economic development and democratization


… and many more.

Week 9 (R 10 April)

7.3 Political Institutions and Economic Implications
8. Governance and ownership issues


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Week 10 (R 17 April)

8.1 Central-local relations, cellular vs. national economy


8.2 Government – firm


BN 13; GC 15

>>> Friday, 18 April, seminar on the Chinese economy
Terry Sicular; topic and location TBA

>>> 18 & 19 April: Workshop on China’s environmental problems (at PU)

Week 11 (R 24 April)

8.3. Rural governance
8.4 Privatization and development of the private economy


*Week 12 (R 1 May)*

**9. China and the World**


BN 16, 17; GC 17, 18

**10. Labor**


China Labor Watch: http://www.chinalaborwatch.org/
China Labor News Translations: http://www.clntranslations.org/

BN 8
11. Sociology of China research


More topics, for which we won’t have time

12. Environment


NDRC climate change program: http://en.ndrc.gov.cn/policyrelease/t20060207_58851.htm
NDRC program of action for sustainable development: http://en.ndrc.gov.cn/newsrelease/t20070205_115702.htm


屏南环保讼案: 悲哀的交易。《财经》#141/2005, pp. 116, 118. [need translation]

BN 20; GC 10 (second half)

Water:


MA Jun’s Institute of Public and Environmental Affairs: http://www.ipe.org.cn/index.jsp

13. Corruption


拆解黑龙江卖官链。《财经》 #132/2005, pp. 24-39. [need translation of selected passages]

14. **Inequality and poverty** (there’s so much literature that any choice is arbitrary)


15. **Social security**


Additional Readings on China’s Economy and Data Sources

The library at Hong Kong University of Science & Technology maintains online resource guides to three courses on China’s economy:

http://library.ust.hk/guides/sosc181.html
http://library.ust.hk/guides/econ516.html
http://library.ust.hk/guides/econ517.html

Data on China
http://chinadatacenter.org/newcdc/ --- Michigan data center

News articles, laws and regulations, statistics, and more
China Infobank (online database, in Chinese; enter via PU library databases)

Other, general sources of information on China
Asian Development Bank --- has a chapter on China in its annual Asian Development Outlook (and also has other China-specific reports): http://www.adb.org/China/default.asp
The Economist Intelligence Unit (via PUL databases)
U.S. Commercial Service, China [with, among others, some industry information]
http://www.buyusa.gov/china/en/
China Leadership Monitor: http://www.hoover.org/publications/clm/
Yang Dali maintains a nice website with lots of links: http://www.daliyang.com/index.html

General/ background readings beyond what’s listed above as optional textbooks
A few books of more specialized interest (only those not mentioned anywhere above)


Twitchett, Denis, and John K. Fairbank (eds.), *The Cambridge History of China*. Cambridge: Cambridge University Press, several volumes. (History, and more history, and yet more.)


Woetzel, Jonathan R. *Capitalist China: Strategies for a Revolutionized Economy*. Singapore: John Wiley & Sons, 2003. (This is a popular more than an academic book, business-oriented, focusing on individual companies and industrial sectors.)


*Lynn White’s China bibliography*: list of books on China, by topic:

http://www.princeton.edu/~lynn/chinabib.pdf
Two-page interpretative précis

Maximum 1000 words.

Ideally, a précis does three things:
(1) It summarizes the key arguments of the text.
(2) It provides a critique of these arguments.
(3) It suggests how to improve the argument, or it suggests additional / new research starting from the text.

An introductory sentence or short paragraph should provide a clear frame for the argument(s).

Any of the optional / recommended texts are OK for a précis.
Relevant texts not included in the course outline are also OK. Check with instructor.

Provide full bibliographic information, your name, and the course number (WWS 582a) at the top of the first page.

Fellow students are asked to read each précis before coming to class, and to be prepared to comment, expand on the précis/underlying text, and raise questions.

Term paper

Total length (excluding references, appendix, and footnotes): max. 4000 words.

The term paper may, but need not adhere to the following structure:

Title
The Question / argument
Precisely state the question / argument. Elaborate in a few additional sentences.
Past Research Relevant to This Question
Literature review.
My Contribution and My Hypothesis(es)/ Theory
State in how far what you want to do is different from the literature. If you are attempting a causal argument, clearly state your hypothesis(es)/ theory and/or the relationship between your hypothesis(es) and the established theory (or literature) in your field.
Research Design/ Data Collection Method
Describe and justify your choice of research design and data collection method (advantages/disadvantages). “Data” can be numerical or non-numerical.
Data Analysis
(i) Present the data (or mathematical model, if that’s what you do).
(ii) Analyze the data (qualitatively or quantitatively or both).
(iii) State the findings (such as that a particular statistical test shows that something is significant).
Interpretation of the Findings
Relate the findings to your research question. What do they “mean” for your research question? (This section can be very short, or can be the last paragraph of your data analysis section.)

Conclusions
Restate your question and your answer of the question. Feel free to also address the following issues: What are the implications of your research findings for theory, policy, or future research? If you originally stated a hypothesis and then found it confirmed, what evidence would you take as a sign that your hypothesis is false? Are there alternative explanations of a phenomenon you are explaining; if so, can you rule them out with your findings? What are the limitations of your study? Any suggestions for further research?

References (unless included in footnotes)
References must follow the formatting of a journal (of your choice).

Nail it down. Don’t resort to big (and all too often vacuous) generalizations. If you are a famous researcher, the reader will think that your generalizations are based on your intimate knowledge of the details, but if this is one of your first research projects, then “big statements” suggest that you either copied them from somebody else or you don’t know what you are talking about.

Make sure to include your name and the course number. Paginate.

Evaluation of your research paper

Three core criteria in the evaluation of the paper are:
* Is the question clearly formulated?
* Is your question original/ interesting/ non-trivial?
* Is the question answered as unambiguously as possible/ is your argument compelling?

Further criteria in the evaluation of the paper are:
* Does the literature review show that you are aware of the main literature relevant to your topic, that you have understood it, and that you can relate your own research to the body of existing literature?
* Is the choice of data collection method justified, and is the method appropriate? (No ‘overkill,’ but appropriate.)
* Is the data analysis logically consistent?
* Do the findings follow from the argument/ facts?
* Does the interpretation of the findings answer the question? Compellingly/ convincingly?
* Is the conclusion clearly formulated? (Can an interested reader understand what you are doing just by reading the conclusion of your paper?) Is your research “significant” in some respect?