

Proposal for a graduate program in “Economic Development, China”

Carsten Holz, 24 April 2014

The proposal is modeled on the Oxford MSc in Economics for Development (<http://www.qeh.ox.ac.uk/study/courses/mscde>). Part A explains the educational aim of the program, part B program outcomes, part C courses, part D technicalities, and part E extensions. Parts A and B are adopted from the Oxford program (with currently extensive plagiarized passages, to be shortened or rewritten as appropriate).

The proposal is for a one-year, taught program that brings into full play our strengths as China economists in SOSC and our strength as a multi-disciplinary department with China expertise across disciplines. We could fast-track graduates into our MPhil or our PhD program. The other way round, we could ask our MPhils or PhDs to take the courses of this program.

A. Educational aim of the program

The MA in Economic Development, China, is a taught degree in graduate economics. It aims to prepare students for further research and for work as professional economists on development in international agencies, governments or the private sector, typically with a focus on China. It seeks to develop analytical and critical skills relevant for economic development, in particular for assessing alternative approaches to policy, and to provide the rigorous quantitative training that development work now requires, with the ability to access, process and interpret a variety of data. It aims to provide the research tools and approaches needed for those who wish to proceed to a higher research degree.

The contents and structure of the MSc aim to reflect developments in the economics profession—plus an additional focus on China—with a combination of quantitative methods, economic theory and modelling, empirical analysis and review of policy options and outcomes.

B. Program outcomes

Students develop a knowledge and understanding of:

- Economic theory at an advanced level as applicable to problems of development.
- Econometrics at an advanced level, with hands-on applications for a variety of empirical analyses, including knowledge of data sources and problems.
- Empirical knowledge of current development issues with applications specifically to China.
- Alternative approaches to the understanding of development analysis and of the strengths and weaknesses of particular approaches.
- Research techniques and presentation of research results in a coherent and rigorous format.
- The ability to combine deductive with inductive reasoning in the analysis of practical development problems.

Related teaching/learning methods and strategies

The MA in Economic Development, China, is taught through a combination of predominantly lectures and some seminars. The program comprises a first semester of foundation courses in economic theory (macro, micro) and quantitative methods, and a second semester of specialized courses on the Chinese economy. A sequence of development economics runs through the whole year.

The theory courses provide an understanding of formal models and theories applicable to a range of development problems. The quantitative methods courses provide ‘hands on’ exercises in econometric techniques and train students in the use of appropriate software. The development courses provide a combination of theory and evidence on development issues, with a focus on China. The specialized courses on China provide a country-specific application of the theory of economic development, and provide students with an understanding of the functioning of the Chinese economy, of current issues of the Chinese economy, and of the current state of economic development research on China.

Assessment

The MA degree in Economic Development, China, depends on the successful completion of ten courses. Student feedback is sought by means of questionnaires for each course and also for the program as a whole.

Skills and other attributes

(1) Intellectual skills

At the general level, the MA in Economic Development, China, aims to provide students with knowledge of modern economics and econometrics at an advanced level, with a specific focus on their application to issues in economic development, especially as applicable to China. At the specific level, the MA in Economic Development, China, encourages the development of skills in:

- Theoretical analysis of economic problems of development.
- Abstracting the essential features of the economic structures and behavior of agents in poor countries so as to understand underlying causes and trends.
- Collecting and analyzing data with new quantitative techniques and software, and being aware of the limitations of the various techniques.
- Understanding the practice of economic research on China.
- Understanding the main policy issues facing China.
- Familiarity with problem-solving options for policy issues in China.

(2) Practical skills

- The ability to analyze with the tools of economic analysis issues of development policy and implementation
- The ability to write clearly and concisely on economics
- The ability to work with and advise governments and development institutions on development problems
- The ability to search for relevant literature, data and qualitative information
- The ability to use modelling and quantitative techniques in a development context
- The ability to use sophisticated computerized techniques of empirical analysis

- The ability to evaluate critically different approaches to development analysis and policy
- The ability to make presentations with visual aids
- The ability to analyze policy issues in China
- The ability to develop research projects on China
- The ability to evaluate literature on the Chinese economy from a development economist's point of view

(3) Transferable skills

Most of these are described above under 'practical skills', *viz.* the use of computerized econometric techniques, the ability to use analytical economic tools, a broad knowledge of development problems, the ability to think critically, write clearly and concisely and to make presentations with visual aids, and an intimate knowledge of development issues and policies in China. One important transferable skill is the ability to carry out a research project through supervised work (as practiced in term papers), based on the assimilation of theory and analytical techniques.

The MA in Economic Development, China, also fosters a critical and problem-solving approach to development issues. The examination system does not require the simple reproduction of book-knowledge but encourages the search for new information and application to new problems.

C. Courses

(1) Fall semester

Economic Theory: Microeconomics
 Economic Theory: Macroeconomics
 Statistics/Econometrics I + II (a double-course)
 Development Economics I

(2) Spring semester

Development Economics II, and possibly III
 (SOSC 5440 Economics of Development)

Electives (choose 3-4 courses):

SOSC 5210 China's Economic Reforms
 SOSC 5310 Inequality in China: Historical and Soc Sci Perspectives
 SOSC 5420 Economic Change in Rural China
 SOSC 5430 The Chinese Economy
 SOSC 5620 Sustainable Development
 SOSC 5720 Economic Development in China
 SOSC 6030E China in Comparative Perspective
 Possibly: International Trade [offered at Oxford]
 Seminar course: invited speakers, including from sister universities in Hong Kong

The development economics sequence covers microeconomic development (issues ranging from health to micro credit and labor markets) and macroeconomic development (growth, finance). Given our strength in microeconomic development, we may want to opt for three economic development courses total, with two on microeconomic development.

The division's teaching capability is currently weak in the two Economic Theory courses, and possibly in econometrics.

D. Technicalities

Finances:

40 students * HKD 160,000 tuition = HKD 6.4mio
of which HKD 3mio goes towards remuneration for teaching twelve courses (HKD 250,000 per course)

Teaching capacity:

4 courses taught by SOSC economics faculty (actual 6.6 economists in SOSC, assume 2.6 are absent at any point in time)
several courses offered by other SOSC faculty
approximately 4 courses to be outsourced

For reference:

USC Economics and the USC Public Policy School offer a Master of Arts in Economics Development Programming (<http://dornsife.usc.edu/econ/graduate/>), a one-year, taught program. (Note that this is not plain economic development, but economic development programming. They add a planning bonus. We add a China bonus.) According to my informal/ private (and not 100% guaranteed) information, they currently admit approximately 200 students a year and teach classes to a maximum of approximately 50 students per class. (The core courses in microeconomics, macroeconomics, and econometrics may be larger.) 90% of their customers are mainland Chinese. The USC tuition for a one-year MA program is USD 45,602, plus USD 1,571 mandatory fees ([unitshttp://www.usc.edu/admission/fa/applying_receiving/graduates2/costs.html](http://www.usc.edu/admission/fa/applying_receiving/graduates2/costs.html)).

D. Extensions

A potential extension is to make this part of a larger "China Development" center which also hosts seminars and hosts whatever workshops/conferences one of us might want to run.

More extensions:

- half a dozen visitors for one or two semesters at a time (senior faculty and postdocs),
- a physical center (location),
- some events that are more directed towards the public,
- affiliate relevant faculty members from other local universities,
- locally edit (an online?) journal.

The objective would be to become the one China Development (or Chinese Economy) center outside the mainland. There is no place outside China that currently could fill that role,

besides us. In the mainland there is the China Economic Research Center at Beijing University, and it's constrained by being inside the mainland.

The extensions would require substantial resources (donation?) to get off the ground.

The basic reality is that we have 6.6 people working on the Chinese economy (10-12 would be better—visitors?), in mostly different fields of Chinese economic development, plus there is twenty more people in the division working on China, plus there may be half a dozen China economics/finance-related people in other departments. The intention would be to bring this expertise together around a program if not a center.