

Hong Kong University of Science & Technology
Social Science Division
Spring 2018

SOSC 4260 China's Economic Transformation
Tuesday/Thursday 9:00-10:20am, Rm 1511

Instructor: Carsten A. Holz

Office hours: Tuesday 12noon-1pm, Room 2383

Contact: socholz@ust.hk. Please include course code "SOSC 4260" in the subject line.

Teaching assistant: TBA

Course website: CANVAS

Course description

The objective of this course is two-fold:

- gain an understanding of the factual cornerstones underpinning the Chinese economy; and
- use the tools of economics—from economic history to economic transition and economic development—to make sense of economic development and economic institutions in China.

This course covers a number of aspects of the Chinese economy.

- Economic history: given China's technological superiority over the West at times in the past, why did China fall behind and not industrialize earlier?
- Economic geography: what are the underlying geographic realities of China's economy?
- Economic transition: China has undergone (and is still undergoing) a process of economic transition from a semi-planned to a market-oriented economy. What was / is the process? What made the transition so successful in terms of economic growth? What are the variations of government involvement in the economy, and their implications?
- 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.

Learning outcomes

On completing this course, students should be able to

- enter an academic or business discussion of the Chinese economy in an informed manner;

- bring a quality of judgment and evaluation to dispersed information on the Chinese economy, whether that is in evaluating the reliability of the information, its significance given a particular question, or its relevance in the larger context of China's economic development;
- apply economic theories and economic analysis to the economy of China;
- independently investigate topics related to the Chinese economy.

The exams offer incentives for students to familiarize themselves with facts and theories related to the Chinese economy; they also provide an opportunity to develop an argument. The interpretative précis allows students to go into the depths of one text, to process it, and to share their understanding of the text with others; it also provides an opportunity to present to a larger group in a formal setting, and to organize and/or maintain a discussion. A term paper provides an opportunity to conduct one's own research by further investigating some aspect of this course; this may involve a more expansive exploration of the literature, raising one's own question(s), and arguing towards an answer (answers).

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 all class participants 24 hours before the class meets. Prepare a 10-15 minute presentation to the class. Starts Week 2 or 3. Graded pass/fail. The topic of the précis is not limited to the topic of that particular class. Also see instructions at the end of this syllabus. – If student numbers are large, this requirement may be reduced to one interpretative précis.

30% in-class midterm exam on Tuesday 27 March 2018

50% final exam *OR* '35% final exam + 15% term paper.' The final exam is cumulative and scheduled by the university during the university examination period. If you have taken the midterm exam, you may write a term paper in addition to taking the final exam; then let the instructor know that you choose to write a term paper by 10 April 2018. The term paper is due Friday 11 May 2018 at noon (12pm/11:59am) and must be submitted electronically in pdf format to socholz@ust.hk and carstenholz@gmail.com. Also see instructions at the end of this syllabus.

Active class participation is expected.

Assignments are given between classes. Examples of such assignments are: a request to be able to summarize a particular (mandatory) reading for next class (or elaborate with your thoughts on particular aspects of a reading), to inform yourself on a particular question, or to answer a short set of questions on, for example, a newspaper article. There is currently no grading of assignments. Should it turn out that enforcement is necessary, 10% of the course grade will be reserved for the instructor's evaluation of student participation, including in assignments, while the above percentages for précis, exams/term paper will be reweighted to add up to 90%—such a change in grading scheme, if it happens, will be announced to students in writing.

Missing exams.

No apology is needed if you miss the midterm exam (for whatever reason, oversleeping, illness, family emergency, don't feel like taking a quiz), and no penalty is imposed. There is no make-up exam. The weight of the midterm exam will be added to the final exam. If you take the midterm exam, it counts. (You cannot afterwards choose if it counts or not.)

Missing the final exam results in a 0% score on the final exam, unless you have a documented medical or family emergency that is approved by the instructor; in all likelihood

you will have to take a make-up final exam. In the case of a medical emergency, a doctor's certificate stating specifically that you were too ill to work on the day of the final exam is required. (A statement that you saw the doctor is not enough.) In the case of a family emergency, objective documentary evidence is needed; an email from you, or a letter from a parent is not enough.

More on exams, term paper, and precis

The exams cover material presented/discussed in class and the required readings.

What we do in class does not necessarily have a one-to-one correspondence with the required readings. If you cannot attend a class, please make arrangements with a fellow student to update you on the class and/or to share their notes with you. You can also talk to the TA, but the TA is not responsible for repeating a class to you.

There are no extra-credit assignments.

Handing the term paper in late: 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 at least 24 hours before the course grades are reported to the university: 50%. After that: 0%.

For your precis, choose from (almost) any of the readings listed in this syllabus. Exception: readings marked with ** cannot be chosen for your precis. Some of the other readings by their very nature may not be suitable for a precis (and the instructor will tell you if you choose such a text). Relevant texts not included in the course outline are also OK. Check with the instructor.

Textbook, readings

This course does not have a textbook. There are no (professorial or TA) "lecture notes," and it's not a power point class.

You are invited to quickly read through the following undergraduate text:

Naughton, Barry. *The Chinese Economy: Transitions and Growth*. Cambridge, Mass.: The MIT Press, 2007. Also available as kindle edition on Amazon.com. A second edition is due to be released on 23 March 2018. [Abbreviated below as BN]

An alternative text is: Chow, Gregory C. *China's Economic Transformation*. Second edition. Malden, Mass.: Blackwell Publishers, 2007. [Abbreviated below as GC]

The following volume provides a more research-oriented overview of the Chinese economy:

Brandt, Loren, and Thomas G. Rawski (eds.). *China's Great Economic Transformation*. Cambridge University Press, 2008. [Abbreviated below as LBTR]

An up-to-date, relatively short treatment of the Chinese economy, targeting a general readership, is:

Kroeber, Arthur R. *China's Economy: What Everyone Needs to Know*. New York: Oxford University Press, 2016. [Abbreviated below as AK]

These are two shorter, concise, research-focused and complementary overviews:

Brandt, Loren, Debin Ma, and Thomas G. Rawski. "From Divergence to Convergence: Reevaluating the History Behind China's Economic Boom." *Journal of Economic Literature* 52, no. 1 (March 2014): 45-123.

XU Chenggang. "The Fundamental Institutions of China's Reforms and Development." *Journal of Economic Literature* 49, no. 4 (Dec. 2011): 1076-1151.

If you want to read up on Chinese history, take a look at:

Spence, Jonathan D. *The Search for Modern China*. Third edition, 2012. W.W. Norton & Company.

Fairbank, John King, and Merle Goldman. *China: A New History*. Cambridge, Mass.: Harvard University Press, 2006. For this course, Part Three, and in particular Part Four, are of most interest (pp. 255-341, 343-470).

For a focus on *economic* history see Riskin, Carl. *China's Political Economy: The Quest for Development Since 1949*. Oxford: Oxford University Press, 1991. Covers 1949 through mid-1980s.

Consider the following books for non-academic bedtime reading. All four books are available in (cheap) paperback editions. You may learn more about China from one of these books than from a thousand pages of academic papers.

Chang, Jung. *Wild Swans: Three Daughters of China*. New York: Anchor Books, 1992, or any other edition. China through the eyes of three generations of a family; covers just about all the main historical/political/economic events, from a personal, every-day life perspective. Also in Chinese: 鴻：三代中國女人的故事 / 張戎著；張樸譯. 香港：天地圖書有限公司, 2004.

Johnson, Ian. *Wild Grass: China's Revolution from Below*. London: Penguin, 2004, or any other edition. (Also as: *Wild Grass: Three Stories of Change in Modern China*. New York: Pantheon Books, 2004.) Three stories of what it's like to be (mainland) Chinese and live in China today, from the point of view of a foreign journalist.

Orwell, George. *Animal Farm*. San Diego: Harcourt Brace Jovanovich, [1990?] 1974. Candid depiction of Communist revolution and dictatorship. Short. Not China-specific.

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

Two books that are predominantly positive about Mao Zedong's rule:

Hinton, William. *Fanshen: A Documentary of Revolution in a Chinese Village*. Berkeley: University of California Press, 1997 (and other years). Also at:
<http://quod.lib.umich.edu/cgi/t/text/text-idx?c=acls;;idno=heb02390>.

Snow, Edgar. *Red Star over China*. New York: Random House, 1938 (and other publishers, other years).

An increasing number of websites report regularly on China. Apart from the usual news outlets (such as the BBC or the Financial Times), the following provide somewhat specialized news and news analysis:

merics.org (with a biweekly newsletter for which you may have to sign up, and frequent irregular analyses)

<http://www.hoover.org/publications/china-leadership-monitor> (analyses by academics, published three times a year)

Films

"Morning Sun." Carma Hinton. (Info: <http://www.morningsun.org/film/index.html>)
DS778.7.M67. 2003. (Also on youtube.) --- A documentary of where reform-period

- China is coming from. 117min. For a more personal account see “Huo zhe” by Zhang Yimou.
- “China in the Red.” (At: <http://www.pbs.org/wgbh/pages/frontline/shows/red/view/>) --- Reform and its consequences on the ground, early 2000s. 120min.
- “China Blue.” 2005 account of work in a blue-jeans factory. Favors labor. 88min. HD6073.C62.C45. 2005.
- “Last Train Home.” 2009 (Director: Fan Lixin)
- “Manufactured Landscapes.” Jennifer Baichwal. 2007. Artistic portrait of industrial production in China. 90min.
- “The Gate of Heavenly Peace.” Carma Hinton. Documentary of the Tian’anmen massacre. 189min.
- “30 Years of Reform.” (RTHK broadcast Jan. 09). At <http://ustlib.ust.hk/record=b1037375>. 44min.
- “Li Shufu’s Dream: the Story of Geely.” In nine segments at <http://www.chinacartimes.com/2007/08/09/li-shufus-dream-the-story-of-geely/>. 46min.
- “China’s Capitalist Revolution” (I. Opening the Door: How Deng Xiaoping Transformed China’s Economy. II. Becoming a Superpower: Deng Xiaoping’s Reforms and Their Legacy.) 2008. BBC. 43 and 48min.
- “China or Bust! Chasing Success in the World’s Fastest-Growing Economy.” 2008. 51min.
- “Made in China: The People’s Republic of Profit.” 2008. 44min.
- “How China Fooled the World,” BBC, 2015 (and 2012), 47min. <http://www.bbc.com/news/world-asia-34261550>
- “How China Rules the World” (2016), 46min. <https://www.youtube.com/watch?v=wQ6D4h31xIk>
- “China New Silk Road.” BBC Our World 2017, 23min. <https://www.youtube.com/watch?v=qhb8tfu7m1c>
- “The Belt and Road,” 2017, 3min. (Propaganda video) https://www.youtube.com/watch?time_continue=33&v=98RNh7rwyf8
- “The 13 WHAT – A Song About China’s 13th 5-Year Plan,” 2015, 3min. (Propaganda video) <https://www.youtube.com/watch?v=LhLrHCKMqyM>
- “Power and Influence: The Hard Edge of China’s Soft Power.” 5 Jun. 2017, 45min. <http://www.abc.net.au/4corners/power-and-influence-promo/8579844>

Class Schedule and Reading List

** = required reading. We'll try to put all required readings on CANVAS.

Some of the required readings may be dropped. Other readings may newly become required.

* = good candidate for a precis. (Paper may also be on CANVAS.)

Week 1 — 1 February

0. Introduction

0.1 Preliminaries

Syllabus / class organization and film "How China Fooled the World," BBC, 2015 (and 2012), 47min. <http://www.bbc.com/news/world-asia-34261550>

Week 1 — 6 and 8 February

0.1 Views of China

- ** CHEN, Minglu, and David S.G. Goodman, "The China Model: One Country, Six Authors," *Journal of Contemporary China* 21, no. 73 (Jan. 2012): 169-185.
- ** O'Brien, Kevin J. "Studying Chinese Politics in an Age of Specialization," *Journal of Contemporary China* 20, no. 71 (Sept. 2011): 535-541.
- ** Anderlini, Jamil. "The Dark Side of China's National Renewal." *Financial Times*, 21 June 2017.
- * Bland, Ben. "HK Activists Face the Beijing Propaganda Treatment." *Financial Times*, 23 Oct. 2016.
- * Human Rights Watch. "China: Police 'Big Data' Systems Violate Privacy, Target Dissent." 19 Nov. 2017. <https://www.hrw.org/news/2017/11/19/china-police-big-data-systems-violate-privacy-target-dissent>
- * Meissner, Mirjam. "China's Social Credit System: A Big-Data Enabled Approach to Market Regulation with Broad Implications for Doing Business in China." *MERICCS China Monitor*, 24 May 2017. http://www.merics.org/sites/default/files/2017-09/China%20Monitor_39_SOCS_EN.pdf, accessed 25 Jan. 2018.
- "Disappeared Lawyer a Long-time Target of Surveillance, Detention, and Torture." *China Change*, 29 Nov. 2016. At <https://chinachange.org/2016/11/30/disappeared-lawyer-a-long-time-target-of-surveillance-detention-and-torture/>, accessed 2 Dec. 2016. – Take a look around this website, <https://chinachange.org/>
- "The Wen Family Empire." *The New York Times*, 25 Oct. 2012. <http://www.nytimes.com/interactive/2012/10/25/business/the-wen-family-empire.html>
- "Billions in Hidden Riches for Family of Chinese Leader." *The New York Times*, 25 Oct. 2012. http://www.nytimes.com/2012/10/26/business/global/family-of-wen-jiabao-holds-a-hidden-fortune-in-china.html?pagewanted=all&_r=0
- "Chinese Leader Wen Jiabao's Family Deny \$2.7bn Fortune." *The Telegraph*, 29 Oct. 2012. <http://www.telegraph.co.uk/news/worldnews/asia/china/9639674/Chinese-leader-Wen-Jiabao-family-deny-2.7bn-fortune.html>
- "Mapping China's Red Nobility." *Bloomberg*, 26 Dec. 2012. <http://go.bloomberg.com/multimedia/mapping-chinas-red-nobility/>
- "Heirs of Mao's Comrades Rise as New Capitalist Nobility." *Bloomberg*, 27 Dec. 2012.

<http://www.bloomberg.com/news/2012-12-26/immortals-beget-china-capitalism-from-citic-to-godfather-of-golf.html>

South China Morning Post. "Tigers and Flies: How Two Years of Graft Probes Have Shaken China's Political Elite." <http://multimedia.scmp.com/china-corruption/>, accessed 1 Aug. 2016.

"Xi Jinping Millionaire Relations Reveal Fortunes of Elite." *Bloomberg*, 29 June 2012.

<http://www.businessweek.com/news/2012-06-29/xi-jinping-millionaire-relations-reveal-fortunes-of-elite%23p1> (click 'next' to read all six pages)

"Boosting the Party's Voice: China's Quest for Global Ideological Dominance." *MERICIS China Monitor*, No. 34, 21 July 2016. <http://www.merics.org/en/merics-analysis/analyseschina-monitor/merics-china-monitor-no-34.html>, accessed 1 Aug. 2016.

"China's Great Cannon." 10 April 2015. <https://citizenlab.org/2015/04/chinas-great-cannon/>, accessed 1 Aug. 2016.

Hornby, Lucy. "Wives of Detained Chinese Lawyers Take up Their Cause." *Financial Times*, 8 July 2016.

"Rare Phone Call from House Arrest Sparks Fears for Liu Xia's Well-Being." 9 Feb. 2017. <https://www.rfa.org/english/news/china/fears-02092017150556.html>, accessed 25 Jan. 2018.

Lynn, Barry C. "The New China Syndrome: American Business Meets Its New Master." *Harper's Magazine*, 19 October 2015.

Schell, Orville. "China Strikes Back!" *The New York Review of Books*, 23 Oct. 2014. <http://www.nybooks.com/articles/2014/10/23/china-strikes-back/>, accessed 1 Aug. 2016.

Thayer, Carl. "No, China Is Not Reclaiming Land in the South China Sea." *The Diplomat*, 11 June 2015. <http://thediplomat.com/2015/06/no-china-is-not-reclaiming-land-in-the-south-china-sea/>, 1 Aug. 2016.

Chanos, James. "China: The Edifice Complex." 5 April 2013. <https://www.youtube.com/watch?v=5jMLulZnT1g>, accessed 2 Aug. 2016.

Oksenberg, Michel Oksenberg. "The American Study of Modern China: Toward the 21st Century." In David Shambaugh (ed.), *American Studies of Contemporary China*. Washington, D.C.: Woodrow Wilson Center Press; Armonk, N.Y.: M.E. Sharpe, 1993, pp. 315-343.

Patten, Christopher. *East and West*. New York: Times Books / Random House, 1998. Chapter 1 "The Last Governor" (pp. 3-27), Chapter 2 "Hong Kong's 'Fatal' Years" (pp. 29-70), and Chapter 9 "China and the West" (pp. 244-278).

0.2 Current economic matters

Naughton, Barry.

"Local Debt Restructuring: A Case of Ongoing Authoritarian Reform." *China Leadership Monitor Issue 47*, Summer 2015, 14 July 2015.

<http://www.hoover.org/research/local-debt-restructuring-case-ongoing-authoritarian-reform>

"Reform Agenda in Turmoil: Can Policy-makers Regain the Initiative?" *China Leadership Monitor Issue 48*, Fall 2015, 9 Sept. 2015.

<http://www.hoover.org/research/reform-agenda-turmoil-can-policy-makers-regain-initiative>

"Supply-side Structural Reform: Policy-makers Look for a Way Out." *China Leadership Monitor Issue 49*, Winter 2016, 1 Mar. 2016.

<http://www.hoover.org/research/supply-side-structural-reform-policy-makers-look-way-out>

- ** “Two Trains Running: Supply-Side Reform, SOE Reform and the Authoritative Personage. *China Leadership Monitor Issue 50*, Summer 2016, 19 July 2016.
<http://www.hoover.org/research/two-trains-running-supply-side-reform-soe-reform-and-authoritative-personage>
- ** “The General Secretary’s Extended Reach: Xi Jinping Combines Economics and Politics.” *China Leadership Monitor Issue 54*, Fall 2017, 11 Sept. 2017.
<https://www.hoover.org/research/general-secretarys-extended-reach-xi-jinping-combines-economics-and-politics>
- ** “Economic Policy in the Aftermath of the 19th Party Congress.” *China Leadership Monitor Issue 55*, Winter 2018, 23 Jan. 2018
<https://www.hoover.org/research/economic-policy-aftermath-19th-party-congress>

Kroeber, Arthur. “The Party Line: Powerhouse, Menace, Or the Next Japan?” *China Economic Quarterly* 20, no. 1 (March 2016): 3-8.

Gatley, Thomas, and Rosealea Yao. “Excess Capacity, Zombie Companies, and Debt Deflation.” *China Economic Quarterly* 20, no. 1 (March 2016): 27-34.

1. Why Care About the Chinese Economy?

BN 6 (Barry Naughton. *The Chinese Economy: Transitions and Growth*. Chapter 6): “Growth and Structural Change”

GC 5 (Gregory Chow text, Chapter 5)

AK 1 (Arthur Kroeber text, Chapter 1): “China’s Political Economy”

AK12: “Changing the Growth Model”

AK13: “Conclusion: China and the World”

** Holz, Carsten A. “China’s Economic Growth 1978-2025: What We Know Today about China’s Economic Growth Tomorrow.” *World Development* 36, no. 10 (Oct. 2008): 1665-1691.

** Pettis, Michael. “China’s Great Demand Challenge.” *Far Eastern Economic Review* 172, no. 1 (Jan./Feb. 2009): 8-13.

* Rodrik, Dani. “Making Room for China in the World Economy.” *American Economic Review* 100, no. 2 (May 2010): 89-93.

* Zhu, Xiaodong. “Understanding China’s Growth: Past, Present, and Future.” *Journal of Economic Perspectives* 26, no. 4 (Fall 2012): 103-24.

* “The China Price.” *BusinessWeek*, 6 Dec. 2004. At:
http://www.businessweek.com/magazine/content/04_49/b3911401.htm

* PEI Minxin. “The Dark Side of China’s Rise.” *Foreign Policy* 53 (March/April 2006): 32-40. Also at:

<http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=18110>

Song, Zheng, Kjetil Storesletten, and Fabrizio Zilibotti. “Growing Like China.” *American Economic Review* 101, no. 1 (Feb. 2011): 196-233.

Jefferson, Gary H., Albert Guangzhou HU, and SU Jian. “The Sources and Sustainability of China’s Economic Growth. *Brookings Papers on Economic Activity*, no. 2 (2006): 1-47.

Perkins Dwight H., and Thomas G. Rawski. “Forecasting China’s Economic Growth to 2025.” Chapter 20 in *LTBR*, pp. 829-86.

2. The Problem of Causality in the Social Sciences

** King, Gary, Robert O. Keohane, and Sidney Verba. *Designing Social Inquiry: Scientific Inference in Qualitative Research*. Ewing, NJ: Princeton University Press, 1994, Chapter

3, “Causality and Causal Inference,” pp. 75-113, in particular pp. 75-85 and 91-5. If you want, skip the (little) statistics. Chs. 1 and 2 recommended.

Friedman, Milton. “The Methodology of Positive Economics.” In Milton Friedman. *Essays in Positive Economics*. Chicago: The University of Chicago Press, 1953, pp. 3-46. Also at: <http://members.shaw.ca/compilerpress1/Anno%20Friedman%20Positive.htm>

Week 2 — 13 and 15 February

3. Why Did China Not Industrialize Earlier?

BN 2: “The Chinese Economy Before 1949;” GC 1

- ** Elvin, Mark. *The Patterns of the Chinese Past*. Stanford, CA: Stanford University Press, 1973, Chapter 17, “Quantitative Growth, Qualitative Standstill,” pp. 285-316.
- ** Landes, David S. “Why Europe and the West? Why Not China?” *Journal of Economic Perspectives* 20, no. 2 (spring 2006): 3-22.
- ** LIN, Justin Yifu. “The Needham Puzzle: Why the Industrial Revolution Did Not Originate in China.” *Economic Development and Cultural Change* 43, no. 2 (Jan. 1995): 270-92.
- * Brandt, Loren, Debin Ma, and Thomas G. Rawski. “From Divergence to Convergence: Reevaluating the History Behind China’s Economic Boom.” *Journal of Economic Literature* 52, no. 1 (March 2014): 45-123, especially pp. 61-92.
- * Brandt, Loren. “Reflections on China’s Late 19th and Early 20th Century Economy.” *The China Quarterly* 150, (June 1997): 282-308.
- * Dernberger, Robert F. “The Role of the Foreigner in China’s Economic Development, 1840-1949” in Dwight H. Perkins (ed.), *China’s Modern Economy in Historical Perspective*, Stanford, CA: Stanford University Press, 1975, pp. 19-47, 305-8.
- * Lippit, Victor D. “Class Structure and the Development of Underdevelopment in China,” Chapter 13 in Joseph C.H. Chai (ed.). *The Economic Development of Modern China*, Volume 1, Prewar Economic Development, Cheltenham, U.K. and Northampton, Mass.: Elgar Reference Collection, 2000, pp. 377-402.
- * Perkins, Dwight H. “Government As an Obstacle to Industrialization: The Case of Nineteenth-Century China.” *Journal of Economic History* 27, no. 4 (Dec. 1967): 478-92.
- * Pomeranz, Kenneth. *The Great Divergence: Europe, China, and the Making of the Modern World Economy*. Princeton, N.J. : Princeton University Press, 2000. “Part One: A World of Surprising Resemblances,” Section 2,” pp. 69-107.
- * Stubbs, Richard. *Rethinking Asia’s Economic Miracle*. New York: Palgrave Macmillan, 2005. Although this book is not on China, the ideas presented here, on political and military origins of the economic growth of East Asia, are also relevant, in some variation, to China.

4. Reform Period Overview

- * LBTR 1 (Loren Brandt and Thomas G. Rawski, “China’s Great Economic Transformation,” pp. 1-26)
- ** QIAN Yingyi. “The Process of China’s Market Transition (1978-1998): The Evolutionary, Historical, and Comparative Perspectives.” *Journal of Institutional and Theoretical Economics* 156, no. 1 (March 2000): 151-71. (In particular, sections 1-3, pp. 151-64.) Pre-publication version at <http://elsa.berkeley.edu/~yqian/research.html>
- * Heilmann, Sebastian. “Policy Experimentation in China’s Economic Rise.” *Studies in Comparative International Development* 43, no. 1 (March 2008): 1-26.

5. Economic geography

** LBTR 19 (Kam Wing Chan, J. Vernon Henderson, and Kai Yuen Tsui, “Spatial Dimensions of Chinese Economic Development,” pp. 776-828)

BN 1: “The Geographical Setting”

Donald, Stephanie Hemelryk and Robert Benewick. *The State of China Atlas: Mapping the World's Fastest Growing Economy*. Berkeley, CA: University of California Press, 2005, pp. 24, 26f, 37, 40f., 42f, 50f, 72f, 74f, 77, 81, 89, 90f.

For large-scale maps on China's economy see: The National Economic Atlas of China. Hong Kong: Oxford University Press, 1994. Social Science Reference Ctr.(SSRC), Firestone, Oversize G2306.G1 N3 1994e. Some pages of interest are pp. 2f., 8 top, 9 top, 11f., 15f., 19f., 21f., 32, 34, 36, 37, 43, 74f., 98, 195, 197, 199.

<http://www.lizardpoint.com/fun/geoquiz/chinaquiz.html>

<http://www.chinapage.com/map/province-english.jpg>

<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)

中亚天然气管道博弈 (China's Gas Pipeline Game). 《财经》 #230 (2 Feb. 2009), pp. 114-6.

6. Central Planning and Economic Transition

6.1 The theory of centrally planned economies

** Greenwald, Douglas (ed.). *The McGraw-Hill Encyclopedia of Economics*. Second edition. New York: McGraw-Hill, 1994; pp. 547-51.

Kohler, Heinz. *Comparative Economic Systems*. Glenview, Illinois: Scott, Foresman, and Company, 1989. Chapter 6, “Centralized Socialism: A Model” (pp. 86-116, but skip pp. 95-99, 102-4, and 110-12; answers to questions are on pp. 494-501 (questions 1-6, 8 recommended)). Take it easy on this reading. See if you can understand what we do in class.

* Kornai, Janos. “Resource-Constrained versus Demand-Constrained Systems.”

Econometrica 47, no. 4 (July 1979): 801-19.

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.

6.2 The theory of market economies

Kohler, Heinz. *Comparative Economic Systems*. Glenview, Illinois: Scott, Foresman, and Company, 1989. Chapter 12, “Market Capitalism: A Model” (pp. 332-61, except pp. 351-54 on Pareto conditions; answers to questions are on pp. 520-27 (questions 1, 3, 4, 7, 10 recommended; questions 2 and 8 very optional)).

6.3 The fatal conceit: the errors of socialism

** Hayek, Friedrich A. “The Use of Knowledge in Society.” *American Economic Review* 35, no. 4 (Sept. 1945): 519-30. (Also available in *The Essence of Hayek* [below])

Marquet, David. "Inno-Versity Presents: Greatness by David Marquet"

<https://www.youtube.com/watch?v=psAXMqxwol8>, accessed 1 Aug. 2016.

- * Hayek, Friedrich A. *The Fatal Conceit: The Errors of Socialism*. London: Routledge, 1988. The Collected works of F.A. Hayek, vol. 1. Chapter 4, "The Revolt of Instinct and Reason," pp. 48-65, and Chapter 5, "The Fatal Conceit," pp. 66-88.
- Hayek, Friedrich A. *The Essence of Hayek*. (Compiled by Nishiyama, Chiaki, and Kurt R. Leube.) Hoover Press Publication, 1984. Chapter 11, "The Use of Knowledge in Society," pp. 211-24, Chapter 12, "Philosophical Consequences," pp. 225-53, Chapter 13, "Competition as a Discovery Procedure," pp. 254-65, and Chapter 14, "The Pretense of Knowledge," pp. 266-77.
- * Kornai, János. "What the Change of System from Socialism to Capitalism Does and Does Not Mean." *Journal of Economic Perspectives* 14, no. 1 (Winter 2000): 27-42.
- * Verdery, Katherine. *What Was Socialism, and What Comes Next?* Princeton, NJ: Princeton University Press, 1996. Chapter 1, "What Was Socialism, and Why Did It Fall," pp. 19-30. Also as online book, via library.

6.4 Planning in China

GC 2

- ** GaveKal Dragonomics Ideas. "Five Trends from the Five-Year Plan. 22 March 2016.
- ** Lyons, Thomas P. "Planning and Interprovincial Co-ordination in Maoist China." *The China Quarterly* 121 (March 1990): 36-60.
- ** 第十二届全国人民代表大会第五次会议关于 2016 年国民经济和社会发展计划执行情况与 2017 年国民经济和社会发展计划草案的报告。Report on the implementation of the 2016 plan for national economic and social development and on the 2017 draft plan for national economic and social development.
http://www.xinhuanet.com/politics/2017-03/17/c_1120648438.htm , accessed 25 Jan. 2018.
- * Perkins, Dwight H. "Plans and Their Implementation in the People's Republic of China." *American Economic Review* 63, no. 2 (May 1973): 224-31.
- Perkins, Dwight H. "Reforming China's Economic System." *Journal of Economic Literature* 26, no. 2 (June 1988): 601-45.
- GaveKal Dragonomics. "Understanding China's Five Year Plan: Planned Economy or Coordinated Chaos." *China Insight: Economics*, 9 Nov. 2010.
- 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, NY: M.E. Sharpe, 1995, pp. 51-65.
- Holz, Carsten A. "The Unbalanced Growth Hypothesis and the Role of the State: the Case of China's State-owned Enterprises." *Journal of Development Economics* 96, no. 2 (Nov. 2011): 220-38.
- 13th Five-Year Plan. Short summary at <http://www.scmp.com/news/china/policies-politics/article/1920966/key-takeaways-chinas-13th-five-year-plan-and-annual>, accessed 2 Aug. 2016; longer summary at http://www.pwccn.com/webmedia/doc/635835257136032309_prosperity_masses_2020.pdf, accessed 2 Aug. 2016; or http://news.xinhuanet.com/english/photo/2015-11/04/c_134783513.htm, accessed 2 Aug. 2016. Best/shortest version: https://www.youtube.com/watch?v=s7l2U_VwRCQ, accessed 2 Aug. 2016.
- Full Chinese version: <http://ghs.ndrc.gov.cn/zttp/ghjd/quanwen/>.
- 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.

6.5 Transition in China

BN 4: “Market Transition: Strategy and Process”

GC 3, 4

LBTR 3 (Jan Svejnar, “China in Light of the Performance of the Transition Economies,” pp. 68-90)

** QIAN Yingyi. “How Reform Worked in China,” Chapter 11 in Dani Rodrik (ed.), *In Search of Prosperity: Analytic Narratives on Economic Growth*. Princeton: Princeton University Press, 2003, pp. 297-333. Pre-publication version at <http://elsa.berkeley.edu/~yqian/research.html>

* HUANG Yasheng. “How Did China Take Off?” *The Journal of Economic Perspectives* 26, no. 4 (Fall 2012): 147-70.

* LIN, Justin Yifu. “An Economic Theory of Institutional Change: Induced and Imposed Change.” *The Cato Journal* 9, no. 1 (Spring/summer 1989): 1-33.

* Woo, Wing-Thye. “The Art of Reforming Centrally Planned Economies: Comparing China, Poland, and Russia.” *Journal of Comparative Economics* 18, no. 3 (June 1994): 276-308.

Naughton, Barry. “A Political Economy of China’s Economic Transition.” Chapter 4 in LBTR, pp. 91-135.

XU Chenggang. “The Fundamental Institutions of China’s Reforms and Development.” *Journal of Economic Literature* 49, no. 4 (Dec. 2011): 1076-1151.

McMillan, John, and Barry Naughton. “How to Reform a Planned Economy: Lessons from China.” *Oxford Review of Economic Policy* 8, no. 1 (Spring 1992): 130-43.

Week 5 — 6 and 8 March

7. Economic Development

LBTR 2 (Alan Heston and Terry Sicular, “China and Development Economics,” pp. 27-67)

** Sen, Amartya. *Development as Freedom*. New York: Anchor Books, 1999. “Introduction,” pp. 3-11, and Chapter 2 “The Ends and the Means of Development,” pp. 35-53.

7.1 Pre-reform period economic development strategies

BN 3: “The Socialist Era, 1949-1978: Big Push Industrialization and Policy Instability”

** Eckstein, Alexander. *China’s Economic Revolution*. Cambridge, UK: Cambridge University Press, 1977. Chapter 2, “Development Strategies and Policies in Contemporary China,” pp. 31-65.

** MAO Zedong. “On the Ten Major Relationships.” 25 April 1956. At: http://www.marxists.org/reference/archive/mao/selected-works/volume-5/mswv5_51.htm

* Yang Kuisong. “Reconsidering the Campaign to Suppress Counterrevolutionaries.” *The China Quarterly*, no. 193 (March 2008): 102-21.

* Perkins, Dwight H. “Growth and Changing Structure of China’s Twentieth-Century Economy,” in Dwight H. Perkins (ed.), *China’s Modern Economy in Historical Perspective*, Stanford, CA: Stanford University Press, 1975, pp. 115-65 (read 115-48).

7.2 Reform period economic development strategies

BN 5: “The Urban-Rural Divide”

LBTR 17 (Loren Brandt, Chang-tai Hsieh, and Xiaodong Zhu, “Growth and Structural Transformation in China,” pp. 683-728)

- ** LIN, Justin Yifu. “Development Strategy, Viability, and Economic Convergence.” *Economic Development and Cultural Change* 51, no. 2 (Jan. 2003): 277-308, in particular pp. 277-94.
- or LIN, Justin Yifu, CAI Fang, and LI Zhou. *The China Miracle: Development Strategy and Economic Reform*. Revised edition. Hong Kong: The Chinese University Press, 2003, Chapter 4, “The Comparative-advantage-following Strategy,” pp. 103-36.
- ** WANG Jian. “The Correct Strategy for Long-Term Economic Development—Concept of the Development Strategy of Joining the ‘Great International Cycle’.” *Chinese Economic Studies* 25, no. 1 (Fall 1991): 7-15.
- Hirschman, Albert O. *The Strategy of Economic Development*. New Haven : Yale University Press, 1961. Chapter 4 “Unbalanced Growth: An Espousal,” pp. 62-75, and Chapter 5 “Investment Choices and Strategies,” pp. 76-97. Skip section with interest rate calculations in Chapter 5.
- * Sonobe, Tetsushi, HU Dinghuan, and Keijiro Otsuka. “From Inferior to Superior Products: an Inquiry into the Wenzhou Model of Industrial Development in China.” *Journal of Comparative Economics* 32 (2004): 542-63.
- * WANG Jin. “The Economic Impact of Special Economic Zones: Evidence from Chinese Municipalities.” *Journal of Development Economics* 101 (March 2013): 133-47.
- * Naughton, Barry. “Loans, Firms, and Steel: Is the State Advancing at the Expense of the Private Sector?” *China Leadership Monitor*, no. 30 (Fall 2009).
- * Parris, Kristen. “Local Initiative and National Reform: The Wenzhou Model of Development.” *The China Quarterly* 134 (June 1993): 242-63.
- Hsu, Robert C. *Economic Theories in China, 1979-1988*. Cambridge, UK: Cambridge University Press, 1991. In particular, Chapter 4, “Strategies of Economic Development,” pp. 106-42.

Week 6 — 13 and 15 March

7.2.1 Economic development: industry

- BN 13: “Industry: Ownership and Governance”
- BN 14: “Structural Change: Industry, Energy, and Infrastructure”
- BN 15: “Technology Policy and the Knowledge-based Economy”
- LBTR 9: HU, Albert G. Z., and Gary H. Jefferson. “Science and Technology in China,” pp. 286-336.
- LBTR 15: Brandt, Loren, Thomas G. Rawski, and John Sutton. “China’s Industrial Development,” pp. 569-632. Focus on tables and charts; feel free to skip the section “Analytical Framework.”
- AK 3: ”Industry and the Rise of the Export Economy”
- ** Lee, Hau L., Mitchell M Tseng, and David Hoyt. “Unsafe for Children: Mattel’s Toy Recalls and Supply Chain Management.” Stanford Graduate School of Business, case study GS-63, 15 Sept. 2008.
- ** Thun, Eric. “Industrial Policy, Chinese-Style: FDI, Regulation, and Dreams of National Champions in the Auto Sector.” *Journal of East Asian Studies* 4 (2004): 453-89.
- ** Wuebbeke, Jost, Mirjam Meissner, Max J. Zenglein, Jaqueline Ives, and Bjoern Conrad. “Made in China 2025: The Making of a High-Tech Superpower and Consequences for Industrial Counties.” *MERICs Papers on China* No. 2, December 2016.
https://www.merics.org/sites/default/files/2017-09/MPOC_No.2_MadeinChina2025.pdf, accessed 25 Jan. 2018.

- * European Union Chamber of Commerce in China. “China Manufacturing 2025: Putting Industrial Policy Ahead of Market Forces.” 2017. 68pp.
- * Holz, Carsten A. “Industrial Policies and the Changing Pattern of Investment in the PRC Economy.” 5 January 2018.
- * “Chaoda Modern Agriculture: 11 Years of Deceit and Corporate Fraud.” By Anonymous Analytics: Acquiring Information Through Unconventional Means.” ding <http://www.anonanalytics.com/2013/04/initiating-coverage-chaoda-modern.html>, accessed 1 Aug. 2016.
- * “The State Sector’s New Clothes.” *China Economic Quarterly* 20, no. 2 (June 2016): 7-28 (Andrew Batson: “Villains or Victims? The Role of SOEs in China’s Economy;” Barry Naughton: “State Enterprise Reform: Missing in Action;” Michael Komesarof: “Return of the Line Ministries.”.)
- * Batson, Andrew. *Fixing China’s State Sector*. Paulson Policy Memorandum, January 2014. http://www.paulsoninstitute.org/wp-content/uploads/2015/04/fixingchina_sstatesector_english.pdf, accessed 1 Aug. 2016.
- * Eaton, Sarah. “Political Economy of the Advancing State: the Case of China’s Airlines Reform.” *The China Journal*, no. 69 (Jan. 2013): 64-86.
- * Goldstein, Andrea. “The Political Economy of Industrial Policy in China: the Case of Aircraft Manufacturing.” *Journal of Chinese Economic and Business Studies* 4, no. 3 (Nov. 2006): 259-73.
- * SHENG Hong, and ZHAO Nong. *China’s State-Owned Enterprises: Nature, Performance and Reform*. Singapore: World Scientific Publishing Company, 2013. “Introduction” (4pp) and pp. 1-23 of Chapter 1 “The Theory and Process of SOE Reform.”
- * YU Hong. “The Ascendancy of State-owned Enterprises in China: Development, Controversy, and Problems.” *Journal of Contemporary China* 23, no. 85 (2014): 161-82.
- Brandt, Loren, Johannes Van Biesebroeck, and Yifan Zhang. “Creative Accounting Or Creative Destruction? Firm-level Productivity Growth in Chinese Manufacturing.” *Journal of Development Economics* 97 (2012): 339-51.
- Naughton, Barry. “SASAC Rising.” *China Leadership Monitor*, no. 14 (spring 2005), 11pp., http://media.hoover.org/documents/clm14_bn.pdf; “Claiming Profit for the State: SASAC and the Capital Management Budget,” *China Leadership Monitor*, no. 18 (spring 2006), 9pp., http://media.hoover.org/documents/clm18_bn.pdf; “SASAC and Rising Corporate Power in China,” *China Leadership Monitor*, no. 24 (spring 2008), 9pp., <http://media.hoover.org/documents/CLM24BN.pdf>
- Holz, Carsten A. “Long Live China’s State-owned Enterprises: Deflating the Myth of Poor Financial Performance.” *Journal of Asian Economics* 13, no. 4 (July/August 2002): 493-529.
- Lee, Khan-Pyo. “Clan for Markets: the Social Organization of Inter-Firm Trading Relations in China’s Automobile Industry.” *The China Quarterly* 192 (Dec. 2007): 876-97.
- SUN Pei. “Industrial Policy, Corporate Governance, and the Competitiveness of China’s National Champions: the Case of Shanghai Baosteel Group.” *Journal of Chinese Economic and Business Studies* 3, no. 2 (May 2005): 173-92.

7.2.2 Economic development: agriculture

BN 10: “Rural organization”

BN 11: “Agriculture: Output, Inputs, and Technology”

BN 12: “Rural Industrialization: Township and Village Enterprises”

AK 2: “Agriculture, Land, and the Rural Economy”

- ** LBTR 13: HUANG Jikun, Keijiro Otsuka, and Scott Rozelle. “Agriculture in China’s Development: Past Disappointments, Recent Successes, and Future Challenges,” pp. 467-505.
- * Crook, Frederick. “China’s Current Household Contract System.” *CPE Agriculture Report*, May-June 1989: 21-30, and July-August 1989: 27-33. Focus on pp. 26-30 in the May-June 1989 issue.
- * Lingohr, Susanne. “Rural Households, Dragon Heads and Associations: a Case Study of Sweet Potato Processing in Sichuan Province.” *The China Quarterly* 192 (Dec. 2007): 898-914.
- * LIN, Justin Yifu. “Rural Reforms and Agricultural Growth in China.” *American Economic Review* 82, no. 1 (March 1992): 34-51.
- * Sicular, Terry. “Ten Years of Reform: Progress and Setbacks in Agricultural Planning and Pricing,” Chapter 2 in Y.Y. Kueh and Robert F. Ash, *Economic Trends in Chinese Agriculture: The Impact of Post-Mao Reforms*, A Memorial Volume in Honour of Kenneth Richard Walker 1932-1989, Oxford: Clarendon Press, 1993, pp. 47-96.
- * Perkins, Dwight H., and Shahid Yusuf. *Rural Development in China*. Baltimore and London: The Johns Hopkins University Press (published for The World Bank), 1984. Chapter 2-4, “China’s Dual Economy” pp. 9-29, “Agricultural Production” pp. 30-44, and “Sources of Agricultural Growth” pp. 45-72.
- * Waldron, Scott, Colin Brown and John Longworth. “State Sector Reform and Agriculture in China.” *The China Quarterly* 186 (June 2006): 277-94.
- NPR. “The Secret Document That Transformed China.” 20 Jan. 2012. 7min.
<http://www.npr.org/blogs/money/2012/01/20/145360447/the-secret-document-that-transformed-china>

Week 7 — 20 and 22 March

7.2.3 Economic development: financial system

BN 19: “Financial System”

AK 7: “The Financial System”

- ** Holz, Carsten A. “The Changing Role of Money in China and Its Implications.” *Comparative Economic Studies* 42, no. 3 (Fall 2000): 77-100. Skip Chart 1, go easy on Table 1, focus on concept of two circuits.
- * YANG, Dennis Tao. “Aggregate Savings and External Imbalances in China.” *The Journal of Economic Perspectives* 26, no. 4 (Fall 2012): 125-46.
- * Holz, Carsten A. “China’s Monetary Reform: The Counterrevolution from the Countryside.” *Journal of Contemporary China* 10, no. 27 (2001): 189-217.
- * Montes-Negret, Fernando. “China’s Credit Plan: An Overview.” *Oxford Review of Economic Policy* 11, no. 4 (Winter 1995): 25-42.
- * *China Economic Quarterly*, March 2016.
 - Anderson, Jonathan. “China’s Impending Minsky Moment,” pp. 9-16.
 - Herd, Richard. “The Fall of Productivity and the Rise of Debt,” pp. 17-26.
 - Horne, Charles, and Xinling Wang. “What We Learned from the Stock Market Crash,” pp. 35-40.
- * Shih, Victor. “Financial Instability in China: Possible Pathways and Their Likelihood.” *MERICs China Monitor*, 20 Oct. 2017.
- * Naughton, Barry. “The Regulatory Storm: A Surprising Turn in Financial Policy.” *China Leadership Monitor* 53, Spring 2017, 25 May 2017.

- OECD Economic Surveys: *China*. OECD, 2010. Chapter 2 “Further Monetary Policy Framework Reform” (pp. 47-70), and Chapter 3 “Progress on Financial Reforms: an Update” (pp. 71-100).
- Calomiris, Charles W. (ed.). *China’s Financial Transition at a Crossroads*. New York: Columbia University Press, 2007. In particular: Chapter 1. Branstetter, Lee. “China’s Financial Markets: An Overview,” with comment by Xiaobo Lü, pp. 23-84. Take it very easy on pp. 43-70, ignore pp. 71-84.
- Gavekal Dragonomics. “China Development Bank: China’s Best Bank?” *China Economic Quarterly*, Sept. 2010: 58-63.
- Tsai, Kellee. *Back-Alley Banking*. Ithaca, NY: Cornell University Press, 2002.

7.2.4 Economic development: fiscal system

BN 18: “Macroeconomic Trends and Cycles”

AK 6: “The Fiscal System and Central-Local Government Relations”

- ** LBTR 12: Wong, Christine P.W., and Richard M. Bird. “China’s Fiscal System: A Work in Progress,” pp. 429-66.
 - ** Goodstadt, Leo F. “The Local Government Crisis 2007-2014: When China’s Financial Management Faltered.” Hong Kong Institute for Monetary Research (HKIMR) Working Paper No. 27/2014, October 2014.
- Wong, Christine. “Rebuilding Government for the 21st Century: Can China Incrementally Reform the Public Sector?” *The China Quarterly* 200 (Dec. 2009): 929-52.

7.2.5 Economic development: energy

* AK 8: “Energy and the Environment”

- * Koch-Weser, Jacob, and Ethan Meick. “China’s Wind and Solar Sectors: Trends in Deployment, Manufacturing, and Energy Policy.” U.S.-China Economic and Security Review Commission, Staff Research Report, 9 March 2015, 49pp.
http://origin.www.uscc.gov/sites/default/files/Research/Staff%20Report_China's%20Wind%20and%20Solar%20Sectors.pdf, 1 Aug. 2016.
 - * Zweig, David, and BI Jianhai. “China’s Global Hunt for Energy.” *Foreign Affairs* 84, no. 5 (Sept.-Oct. 2005): 25-38.
 - * DAN Shi. “Regional Differences in China’s Energy Efficiency and Conservation Potentials.” *China and World Economy* 15, no. 1 (Jan. 2007): 96-115.
- GavekalDragonomics. “Clean Energy Technology: Home Grown Power.” April 2011, 24pp.
- Sinton, Jonathan E., and David G. Fridley. “A Guide to China’s Energy Statistics.” *Journal of Energy Literature* 8, no. 1 (June 2002): 22-35.

7.3 Regional economic development: China’s Western region

- * Naughton, Barry. “The Western Development Program.” Chapter 8 in Barry J. Naughton and Dali L. Yang (eds.). *Holding China Together: Diversity and National Integration in the Post-Deng Era*. Cambridge, UK: Cambridge University Press, 2004, pp. 253-95.
 - * Cui Zhiyuan. “Partial Intimations of the Coming Whole: the Chongqing Experiment in Light of the Theories of Henry George, James Meade, and Antonio Gramsci.” *Modern China* 37, no. 6 (2011): 646-60.
 - * Huang, Philip C.C. “Chongqing: Equitable Development Driven by a “Third Hand”?” *Modern China* 37, no. 6 (2011): 569-622.
- Fischer, Andrew Martin. “The Political Economy of Boomerang Aid in China’s Tibet.” *China Perspectives*, no. 3/2009: 38-54.

Robin, Françoise. "The 'Socialist New Villages' in the Tibetan Autonomous Region: Reshaping the Rural Landscape and Controlling Its Inhabitants." *China Perspectives*, no. 3/2009: 56-64.

Week 8 — 27 and 29 March

[No class 3 and 5 April]

Week 9 — 10 and 12 April

27 March: Midterm exam

29 March: Film (cont. 10 April)

8. Economic Decision Making

8.1 Political institutions

GC 20

- ** Shue, Vivienne. "Global Imaginings, the State's Quest for Hegemony, and the Pursuit of Phantom Freedom in China: from Heshang to Falung Gong." Chapter 12 in Catarina Kinnvall and Kristina Joensson, *Globalization and Democratization in Asia*, London and New York: Routledge, 2002, pp. 210-29.
- ** Shih, Lea, and Kerstin Lohse-Friedrich. "Centralized Leadership – Heterogeneous Party Base: Changes in the Membership Structure of the Chinese Communist Party." *MERICs China Monitor*, 16 Aug. 2017. https://www.merics.org/sites/default/files/2017-09/China%20Monitor_40_FTZ_EN.pdf, accessed 25 Jan. 2018.
- * *Amnesty International Report China 2015/16*. <https://www.amnesty.org/en/countries/asia-and-the-pacific/china/> (see links on this page), accessed 2 Aug. 2016
- Heilmann, Sebastian, and Matthias Stepan (eds.). *China's Core Executive: Leadership Styles, Structures and Processes under Xi Jinping*. MERICS Papers on China, No. 1, June 2016. <http://www.merics.org/en/merics-analysis/papers-on-china/chinas-core-executive-leadership-styles-structures-and-processes-under-xi-jinping.html>, accessed 1 Aug. 2016. *
- Miller, Alice. "More Already on the Central Committee's Leading Small Groups." *China Leadership Monitor 44*, Summer 2014, 28 July 2014.
- * Naughton, Barry. "'Deepening Reform: the Organization and the Emerging Strategy.'" *China Leadership Monitor 44*, Summer 2014, 28 July 2014.
- * Smith, Graeme. "Political Machinations in a Rural County." *The China Journal*, no. 62 (July 2009): 29-59.
- * 抚顺选举“地震” (Fushun's Election Earthquake). 《财经》#77-78/2003, pp. 32-5.
- * 拆解黑龙江卖官链 (Breaking apart the chains of the sale of official positions in Heilongjiang). 《财经》#132/2005, pp. 25-35 (and table p. 36).
- * Li, Cheng. Series on "Xi Jinping's Inner Circle" in the *China Leadership Monitor* (CLM), find via <http://www.hoover.org/profiles/cheng-li>
 - Part 1: The Shaanxi Gang. CLM 43, winter 2014.
 - Part 2: Friends from Xi's Formative Years. CLM 44, summer 2014.
 - Part 3: Political Proteges from the Provinces. CLM 45, fall 2014
 - Part 4: The *Mishu* Cluster I, CLM 46, winter 2015
 - Part 5: The *Mishu* Cluster II. CLM 47, summer 2015.
- * Burns, John P., and WANG Xiaoqi. "Civil Service Reform in China: Impacts on Civil Servants' Behaviour." *The China Quarterly* 201 (March 2010): 58-78.
- * Nathan, Andrew J., and Bruce Gilley. *China's New Rulers: The Secret Files*. New York: New York Review Books, 2013.

- * Clarke, Donald, Peter Murrell, and Susan Whiting, “The Role of Law in China’s Economic Development.” Chapter 11 in LBTR 11, pp. 375-428.
 - * GONG Ting. “Dependent Judiciary and Unaccountable Judges: Judicial Corruption in Contemporary China.” *The China Review* 4, no. 2 (Fall 2004): 33-54.
 - * CAI Yongshun. “Local Governments and the Suppression of Popular Resistance in China.” *The China Quarterly* 193 (March 2008): 24-42.
 - * Michelson, Ethan. “Justice from Above or Below? Popular Strategies for Resolving Grievances in Rural China.” *The China Quarterly* 193 (March 2008): 43-64.
- Hamrin, Carol Lee. “The Party Leadership System,” Chapter 5 in Kenneth G. Lieberthal and David M. Lampton (eds.), *Bureaucracy, Politics, and Decision Making in Post-Mao China*, Berkeley: University of California Press, 1992, pp. 96-121/4.
- Wang, James. *Contemporary Chinese Politics: An Introduction*. Seventh edition. Upper Saddle River, NJ: Simon & Schuster, 2000. Chapter 4, “Political Institutions of the Party-State: Structural Issues and the Policy Process,” pp. 69-104. (Skip pp. 80f. on Central Advisory Commission, take this reading very easy. Focus on what is covered in class)
- China Data Supplement. *Journal of Current Chinese Affairs*. Choose most recent issue at <http://hup.sub.uni-hamburg.de/giga/jcca-cds/issue/archive>, then download the part “The Main National and Provincial Leaderships of the PRC”. Ceased publication after no. 5, 2011.

8.2 Economic development and democratization

- * Brady, Anne-Marie. “The Beijing Olympics as a Campaign of Mass Distraction.” *The China Quarterly* 197 (March 2009): 1-24.
 - * The Economist. “How Does China Censor the Internet?” (and a series of related articles). 21 April 2013. <http://www.economist.com/news/special-report/21574628-internet-was-expected-help-democratise-china-instead-it-has-enabled>
 - * Zweig, David. “Undemocratic Capitalism: China and the Limits of Economism.” *The National Interest*, no. 56 (Summer 1999): 63-72.
 - * CHEN An. “Why Does Capitalism Fail to Push China Toward Democracy?” Chapter 8 in Christopher A. McNally, *China’s Emergent Political Economy: Capitalism in the Dragon’s Lair*, New York: Routledge, 2008, pp. 146-65.
 - * Gallagher, Mary E. “‘Reform and Openness’: Why China’s Economic Reforms Have Delayed Democracy.” *World Politics* 54, no. 3 (April 2002): 338-72.
 - * Stepan, Matthias. “Hardening the Party Line: The 19th CCP Congress Will Boost Strongman Politics and Narrow China’s Developmental Options.” *MERICCS China Monitor*, 16 Aug. 2017.
- “When Will the Chinese People Be Free?” Three comments by Henry S. Rowen, PEI Minxin, and YANG Dali L. *Journal of Democracy* 18, no. 3 (July 2007): 38-64. At http://www.daliyang.com/files/debate_on_China_democracy.pdf.
 ... and many more.

Week 10 — 17 and 19 April

Week 11 — 24 April

8.3 Political Institutions and Economic Implications

- ** Holz, Carsten A. “Contractionary Investment Policies in China 1988/89: Accounting for the Implementation Difficulties and Successes.” *The China Quarterly* 160 (Dec. 1999): 881-918.

- * Brodsgaard, Kjeld Erik. "Politics and Business Group Formation in China: the Party in Control?" *The China Quarterly* 211 (Sept. 2012): 624-48.
 - * Heilmann, Sebastian. "Regulatory Innovation by Leninist Means: Communist Party Supervision in China's Financial Industry." *The China Quarterly* 181 (March 2005): 1-21.
- 民选女村官艰难维权 (The Hardships of an Elected Female Village Official). 《财经》 #108 (20 May 2004), pp. 18f. 民选女村官艰难维权。

9. Governance and ownership issues

- ** Hout, Thomas, and David Michael. "A Chinese Approach to Management." *Harvard Business Review*, September 2014.
 - * Clarke, Donald C. "Corporate Governance in China: An Overview." *China Economic Review* 14, no. 4 (2003): 494-507.
 - * Clarke, Donald C. "Legislating for a Market Economy in China." *The China Quarterly* 191 (Sept. 2007): 567-85.
- OECD. *Governance in China*. Paris: OECD, 2005.
- WANG Shaoguang. "Learning by Debating: The Changing Role of the State in China's Economy and Economic Theories." *Policy Studies Journal* 23, no. 1 (1995): 11-25.

9.1 Central-local relations, cellular vs. national economy

GC 8

- ** SU Fubing. "The Political Economy of Industrial Restructuring in China's Coal Industry, 1992-1999," Chapter 7 in Barry J. Naughton and Dali L. Yang (eds.), *Holding China Together: Diversity and National Integration in the Post-Deng Era*, Cambridge, UK: Cambridge University Press, 2004.
 - * Donnithorne, Audrey. "China's Cellular Economy: Some Economic Trends Since the Cultural Revolution." *The China Quarterly* 52 (Oct./Dec. 1972): 604-19.
 - * Tanner, Murray Scot, and Eric Green. "Principals and Secret Agents: Central vs. Local Control Over Policing and Obstacles to 'Rule of Law' in China." With commentary by He Weifang. *The China Quarterly* 191 (Sept. 2007): 644-74.
- Chung, Jae Ho. "Studies of Central-Provincial Relations in the People's Republic of China: a Mid-Term Appraisal." *The China Quarterly* 142 (June 1995): 487-508.

9.2 Government – firm

GC 15

- * LI Weiye, and Louis Putterman. "Reforming China's SOEs: An Overview." *Comparative Economic Studies* 50, no. 3 (Sep. 2008): 353-380.
- * Jefferson, Gary H., and Thomas G. Rawski. "China's Emerging Market for Property Rights: Theoretical and Empirical Perspectives." *Economics of Transition* 10, no. 3 (2002): 585-617.
- * LIU Deqiang and Keijiro Otsuka. "A Comparison of Management Incentives, Abilities, and Efficiency between SOEs and TVEs: The Case of the Iron and Steel Industry in China." *Economic Development and Cultural Change* 52, no. 4 (July 2004): 759-80.
- * Hornby, Lucy. "Communist Party Asserts Control over China Inc." *Financial Times*, 3 Oct. 2017.
- * Kyngé, James. "Chinese Share Boom Obscures Governance Flaws." *Financial Times*, 5 Oct. 2017.

中共中央 国务院关于营造企业家健康成长环境，弘扬优秀企业家精神更好发挥企业家作用的意见。25 Sept. 2017. http://www.gov.cn/zhengce/2017-09/25/content_5227473.htm, accessed 25 January 2018.

World Bank. *China's Management of Enterprise Assets: The State As a Shareholder*. World Bank: Washington, D.C., 1997. Chapter 3, "Reform of Organizational Structures," pp. 33-47, and Chapter 4, "Corporate Governance," pp. 49-63.

Holz, Carsten A. *China's Industrial State-owned Enterprises: Between Profitability and Bankruptcy*. Singapore: World Scientific, 2003, Chapter 8 (pp. 243-87).

Holz, Carsten A., and ZHU Tian. "Banking and Enterprise Reform in the People's Republic of China after the Asian Financial Crisis: An Appraisal." *Asian Development Review* 18, no. 1 (2001): 73-93.

Steinfeld, Edward S. *Forging Reform in China: The Fate of State-Owned Industry*. Cambridge, UK: Cambridge University Press, 1998.

9.3. Rural governance

* Rozelle, Scott, Albert Park, Jikun Huang, and Hehui Jin. "Bureaucrat to Entrepreneur: The Changing Role of the State in China's Grain Economy." *Economic Development and Cultural Change* 48, no. 2 (Jan. 2000): 227-52.

* Kung, James Kai-sing, and Yi-min Lin. "The Decline of Township-and-Village Enterprises in China's Economic Development." *World Development* 35, no. 4 (April 2007): 569-84.

* Brandt, Loren, HUANG Jikun, LI Guo, and Scott Rozelle. "Land Rights in Rural China: Facts, Fictions and Issues." *The China Journal*, no. 47 (Jan. 2002): 67-97.

* CAI Yongshun. "Collective Ownership or Cadres' Ownership? The Non-agricultural use of Farmland in China." *The China Quarterly* 175 (Sept. 2003): 662-80.

* CHANG Chun, and WANG Yijiang. "The Nature of the Township-Village Enterprise." *Journal of Comparative Economics* 19, no. 3 (Dec. 1994): 434-52.

* Weitzman, Martin L., and XU Chenggang. "Chinese Township-Village Enterprises as Vaguely Defined Cooperatives." *Journal of Comparative Economics* 18, no. 2 (April 1994): 121-45.

9.4 Privatization and development of the private economy

* LBTR 10: Haggard, Stephan, and HUANG Yasheng. "The Political Economy of Private-Sector Development in China," pp. 337-74.

** Dickson, Bruce J. "Integrating Wealth and Power in China: The Communist Party's Embrace of the Private Sector." *The China Quarterly* 192 (Dec. 2007): 827-54 (focus on pp. 836-54).

* LIN Yi-min. "The Sweatshop and Beyond: Authority Relations in Domestic Private Enterprises," Chapter 5 in Anne S. Tsui, BIAN Yanjie, and Leonard Cheng (eds.), *China's domestic private firms: multidisciplinary perspectives on management and performance*, Armonk, N.Y.: M.E. Sharpe, 2006, pp. 82-96.

* Walder, Andrew G. "China's Private Sector: A Global Perspective," Chapter 17 in Anne S. Tsui, BIAN Yanjie, and Leonard Cheng (eds.), *China's domestic private firms : multidisciplinary perspectives on management and performance*, Armonk, N.Y.: M.E. Sharpe, 2006, pp. 311-26.

9.5 Land ownership

* Yeh, Anthony Gar-On, and Wu Fulong. "The New Land Development Process and Urban Development in Chinese Cities." *International Journal of Urban and Regional Research* 20, no. 2 (June 1996): 330-53.

Week 11 — 26 April
Week 12 — 3 May (no class 1 May)
Week 13 — 8 May

10. China and the World

BN 16: “International Trade”

BN 17: “Foreign Investment”

GC 17, 18

LBTR 16: Branstetter, Lee, and Nicholas Lardy. “China’s Embrace of Globalization,” pp. 633-82.

AK 3: “Industry and the Rise of the Export Economy”

** ZENG Ming, and Peter J. Williamson. “The Hidden Dragons.” *Harvard Business Review* 81, no. 10 (October 2003): 92-99. Updated as “The Global Impact of China’s Emerging Multinationals,” Chapter 5 in Christopher A. McNally (ed.), *China’s Emergent Political Economy: Capitalism in the Dragon’s Lair*. New York: Routledge, 2008, pp. 83-101.

** Rodrik, Dani. “What’s So Special about China’s Exports?” *China & World Economy* 14, no. 5 (Sept.-Oct. 2006): 1-19.

* Bland, Ben, Tom Hancock, and Bryan Harris. “China Wields Power with Boycott Diplomacy.” *Financial Times*, 3 May 2017.

* Economist Intelligence Unit. *Multinational Companies and China: What Future?* An Economist Intelligence Unit report, November 2011. https://hcexchange.conference-board.org/attachment/EIU_Multinationals_and_China1.pdf, accessed 1 Aug. 2016.

“China Global Investment Tracker.” Published by the American Enterprise Institute and The Heritage Foundation. (Reference work) <http://www.aei.org/china-global-investment-tracker/>

* On Chinese FDI abroad, check the latest reports on the Rhodium webpages, such as <http://rhg.com/notes/chinas-global-outbound-ma-in-2015> <http://rhg.com/notes/lower-for-longer-the-new-normal-of-chinas-fdi-balance>, or <http://www.us-china-fdi.com/>

* Rosen, Daniel H., and Thilo Hanemann. “An American Open Door? Maximizing the Benefits of Chinese Foreign Direct Investment.” May 2011; Center on U.S.-China Relations, Asia Society; and Kissinger Institute on China and the United States, Woodrow Wilson International Center for Scholars. At <http://AsiaSociety.org/ChineseInvestment>.

* Koopman, Robert, Zhi Wang, and Shang-Jin Wei. “Estimating Domestic Content in Exports When Processing Trade Is Pervasive.” *Journal of Development Economics* 99, no. 1 (Sept. 2012): 178-89 (skip section 2, pp. 180-3).

* Cheung, Yin-Wong, and QIAN Xingwang. “Empirics of China’s Outward Direct Investment.” *Pacific Economic Review* 14, no. 3 (2009): 312-41.

* Yeung, Henry Wai-chung, and LIU Weidong. “Globalizing China: The Rise of Mainland Firms in the Global Economy.” *Eurasian Geography and Economics* 49, no. 1 (2008): 57-86 (take it easy on pp. 57-63).

Financial Times, 9 May 2016. “China Seeking to Revive the Silk Road.”

11. Labor

BN 7 “Population Growth and the One-Child Family”

BN 8 “Labor and Human Capital”

LBTR 5” WANG Feng, and Andrew Mason. “The Demographic Factor in China’s Transition,” pp. 136-66. (Feel free to skip the appendix.)

- LBTR 6: CAI Fang, Albert Park, and ZHAO Yaohui. "The Chinese Labor Market in the Reform Era," pp. 167-214.
- LBTR 7: Emily Hannum, Jere Behrman, Meiyan Wang, and Jihong Liu, "Education in the Reform Era," pp. 215-49.
- AK 9: "Demographics and the Labor Market"
- ** Chan, Anita. "A 'Race to the Bottom'." *China Perspectives*, no. 46 (March/April 2003): 41-49. & "Recent Trends in Chinese Labour Issues: Signs of Change." *China Perspectives*, no. 57 (Jan./Feb. 2005): 23-31.
- ** MENG Xin. "Labor Market Outcomes and Reforms in China." *The Journal of Economic Perspectives* 26, no. 4 (Fall 2012): 75-101.
- * LI Hongbin, Lei LI, Binzhen WU, and Yanyan XIONG. "The End of Cheap Chinese Labor." *The Journal of Economic Perspectives* 26, no. 4 (Fall 2012): 57-74.
- * Blecher, Marc J. "Hegemony and Workers' Politics in China." *The China Quarterly* 170 (June 2002): 283-303.
- * Chan, Anita. "Strikes in China's Export Industries in Comparative Perspective." *The China Journal*, no. 65 (Jan. 2011): 27-51.
- * OECD Economic Surveys: *China*. OECD, 2010. Chapter 6 "A Labour Market in Transition" (pp. 153-180).
- * CAI Yongshun. "The Resistance of Chinese Laid-off Workers in the Reform Period." *The China Quarterly* 170 (June 2002):327-44.
- * CHEN, Feng. "Trade Unions and the Quadripartite Interactions in Strike Settlement in China." *The China Quarterly* 201 (March 2010): 104-24.
- * Howell, Jude A. "All-China Federation of Trades Unions beyond Reform? The Slow March of Direct Elections." *The China Quarterly* 196 (Dec. 2008): 827-44.
- China Labour Bulletin: <http://www.clb.org.hk/>
- China Labor Watch: <http://www.chinalaborwatch.org/>
- China Labor News Translations: <http://www.clntranslations.org/>

12. Sociology of China research

- ** Holz, Carsten A. "Have China Scholars All Been Bought?" *Far Eastern Economic Review* 170, no. 3 (April 2007), 36-40. At: <http://ihome.ust.hk/%7Esocholz/HaveChinaScholarsAllBeenBought-FEER30April07.pdf>
- ** Wasserstrom, Jeffrey. "Why Aren't You Banned Yet?" 16 Dec. 2015. At <http://blog.lareviewofbooks.org/provocations/arent-banned-yet/>, accessed 17 Dec. 2015.
- * Sarah Cook. "The Long Shadow of Chinese Censorship: How the Communist Party's Media Restrictions Affect News Outlets Around the World." Center for International Media Assistance. 22 Oct. 2013. At http://freedomhouse.org/sites/default/files/CIMA-China_Sarah%20Cook_10_22_13.pdf
- * Bland, Ben. "Curtailing Academic Freedom Is China's Latest Export to the World." *Financial Times*, 22 Aug. 2017.
- * Feng, Emily. "China Restricts Access to Foreign Children's Books." *Financial Times*, 10 March 2017.
- * China's censorship of research
 "China Banning U.S. Professors Elicits Silence from Colleges Employing Them." Bloomberg 11 Aug. 2011. At <http://www.bloomberg.com/news/2011-08-11/china-banning-u-s-professors-elicits-silence-from-colleges.html>.
- Millward, James A. "Being Blacklisted by China, and What Can Be Learned from It." *The China Beat*, 24 Aug. 2011. At <http://www.thechinabeat.org/?p=3746>.

- Dru C. Gladney. "How China Says No: Thoughts on Being Blacklisted by China." *The China Beat*, 31 Aug. 2011. At <http://www.thechinabeat.org/?p=3754>.
- Friedman, Edward. "Studying China Is Dangerous." Keynote address to the American Association for Chinese Studies, 49th Annual Conference, Richmond, Virginia, 6 October 2007.
- Levin, Dan. "Chinese-Canadians Fear China's Rising Clout is Muzzling Them." *New York Times*, 27 Aug. 2016. At http://www.nytimes.com/2016/08/28/world/americas/chinese-canadians-china-speech.html?_r=0, accessed on 2 Dec. 2016.
- * Mannheim, Karl. *Ideology and Utopia: An Introduction to the Sociology of Knowledge*. San Diego, New York, and London: Harcourt Brace Jovanovich, 1985. Chapter 5, "The Sociology of Knowledge," pp. 264-311, in particular sections 1-3, pp. 264-309.
- * Wright, Kate. "The Political Fortunes of Shanghai's 'World Economic Herald.'" *The Australian Journal of Chinese Affairs*, no. 23 (Jan. 1990): 121-32.
- Cheng, Stephen K. K. "Understanding the Culture and Behaviour of East Asians—A Confucian Perspective." *Australian and New Zealand Journal of Psychiatry* 24 (1990): 510-5.
- Harding, Harry. "The Evolution of American Scholarship on Contemporary China." In David Shambaugh (ed.), *American Studies of Contemporary China*. Washington, D.C.: Woodrow Wilson Center Press; Armonk, N.Y.: M.E. Sharpe, 1993, pp. 14-40.
- Madsen, Richard Madsen. "The Academic China Specialists." In David Shambaugh (ed.), *American Studies of Contemporary China*. Washington, D.C.: Woodrow Wilson Center Press; Armonk, N.Y.: M.E. Sharpe, 1993, pp. 163-175.
- Mann, James. *The China Fantasy: How Our Leaders Explain Away Chinese Repression*. Viking/Penguin: New York, 2007.

*More topics, for which we won't have time.
Starred readings below are not required readings.*

13. Environment

- BN 20: "Environmental Quality and the Sustainability of Growth"
GC 10 (second half)
- LBTR 8: Roumasset, James, Kimberly Burnett, and Hua Wang. "Environmental Resources and Economic Growth," pp. 250-85.
- * AK 8: "Energy and the Environment"
- * Kahn Joseph, and Jim Yardley. "As China Roars, Pollution Reaches Deadly Extremes." *The New York Times*, 26 Aug. 2007. At: http://www.nytimes.com/2007/08/26/world/asia/26china.html?_r=1&pagewanted=print
- * Tilt, Bryan. "The Political Ecology of Pollution Enforcement in China: a Case from Sichuan's Rural Industrial Sector." *The China Quarterly* 192 (Dec. 2007): 915-32.
- Sausmikat, Nora. "Chinese Environmental Movements: Civil Society Discourses on Climate Change and Environmental Protection." Pp. 197-229 in Meinert, Carmen (ed.), *Nature, Environment and Culture in East Asia: The Challenge of Climate Change*, Leiden: Brill, 2013.
- "Saving the South China Sea." Bloomberg Business Week, Dec 26, 2016 – Jan 8, 2017.
- 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
- MA Jun. *China's Water Crisis*. Norwalk, CT: EastBridge, 2004.

MA Jun's Institute of Public and Environmental Affairs: <http://www.ipe.org.cn/index.jsp>
Interview: <http://www.chinadialogue.net/article/show/single/en/392-Tackling-China-s-water-crisis-online>

14. Corruption

GC 19

- * AK 11: "The Social Impact: Inequality and Corruption"
 - * DING X.L. "The Illicit Asset Stripping of Chinese State Firms." *The China Journal*, no. 43 (Jan. 2000): 1-28.
 - * Maoru, Raolo. "Corruption and Growth." *Quarterly Journal of Economics* 110, no. 3 (Aug. 1995): 681-712.
 - * Wedeman, Andrew. "The Intensification of Corruption in China." *The China Quarterly* 180 (Dec. 2004): 895-921.
 - * 拆解黑龙江卖官链。《财经》 #132/2005, pp. 24-39.
 - * CHENG Wenhao. "An Empirical Study of Corruption within China's State-Owned * Enterprises." *The China Review* 4, no. 2 (Fall 2004): 55-80.
 - * DING X.L. "Systemic Irregularity and Spontaneous Property Transformation in the Chinese Financial System." *The China Quarterly* 163 (Sept. 2000): 655-76.
 - * Smyth, Russell. "Asset Stripping in Chinese State-Owned Enterprises." *Journal of Contemporary Asia* 30, no. 1 (2000): 3-16.
- LU Xiaobo. *Cadres and Corruption: The Organizational Involvement of the Chinese Communist Party*. Palo Alto, CA: Stanford University Press, 2000.

15. Inequality and poverty

BN 9 "Living Standards: Incomes, Inequality, and Poverty"

LBTR 18 Dwayne Benjamin, Loren Brandt, John Giles, and Sangui Wang, "Income Inequality during China's Economic Transition," pp. 729-75.

- * Dwayne, Benjamin, Loren Brandt, and John Giles. "The Evolution of Income Inequality in Rural China." *Economic Development and Cultural Change* 53, no. 4 (July 2005): 769-824
- * Park, Albert, and Sangui Wang. "Community-based Development and Poverty Alleviation: An Evaluation of China's Poor Village Investment Program." *Journal of Public Economics* 94, no. 9-10 (Oct. 2010): 790-9.
- * Ravallion, Martin, and CHEN Shaohua. "China's (Uneven) Progress against Poverty." *Journal of Development Economics* 82, no. 1 (Jan. 2007): 1-42.
- * Gustafson, Björn, SHI Li, and Terry Sicular. "Inequality and Public Policy in China: Issues and Trends." Chapter 1 in Björn Gustafson, SHI Li, and Terry Sicular, *Inequality and Public Policy in China*, Cambridge: Cambridge University Press, 2008.
- * OECD Economic Surveys: *China*. OECD, 2010. Chapter 5 "A Pause in the Growth of Inequality" (pp. 129-152)

16. Social security

- * Impavido, Gregorio, HU Yu-Wei, and LI Xiaohong. "Governance and Fund Management in the Chinese Pension System." IMF Working Paper WP/09/246 (Nov. 2009), 50pp.
 - * ZHAO Yaohui, and XU Jianguo. "China's Urban Pension System: Reforms and Problems." *CATO Journal* 21, no. 3 (Winter 2002): 395-414.
- OECD Economic Surveys: *China*. OECD, 2010. Chapter 7 "Providing Greater Old-Age Security" (pp. 181-208), and Chapter 8 "Improving the Health Care System" (pp. 209-232).

17. China and India

* Felipe, Jesus, Editha Laviña, and FAN Xiaoqin Emma. "The Diverging Patterns of Profitability, Investment and Growth of China and India During 1980-2003." *World Development* 36, no. 5 (May 2008): 741-74.

Bottelier, Pieter. "What India Can Learn from China and Vice Versa." *China and World Economy* 15, no. 3 (March 2007): 52-69.

R Nagaraj. "Industrial Growth in China and India: a Preliminary Comparison." *Economic and Political Weekly* (21 May 2005): 2163-71.

Additional Readings on China's Economy and Data Sources

Data on China

2015 中国统计年鉴 (China Statistical Yearbook [bilingual edition]). 北京: 中国统计出版社 (HA4631.C47). Also available online at the National Bureau of Statistics website www.stats.gov.cn
<http://www.stats.gov.cn/> --- National Bureau of Statistics of China
<http://chinadatacenter.org/newcdc/> --- Michigan data center
CEIC China Premium Database --- via HKUST library databases: CDMNext
Data journals: China Monthly Statistics (National Bureau of Statistics), People's Bank of China Quarterly Statistical Bulletin

News articles, laws and regulations, statistics, and more

China Infobank (online database, in Chinese; enter via 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): <https://www.adb.org/countries/prc/main>
OECD Economic Surveys: China. Paris: OECD, March 2013. (HKUST database "OECD Library") And much more by the OECD.
The 2015 issue is a short (50pp.) overview: <http://www.oecd.org/eco/surveys/China-2015-overview.pdf>, accessed 2 Dec. 2016.
The 2017 issue is a 52pp. overview: <http://www.oecd.org/eco/surveys/china-2017-OECD-economic-survey-overview.pdf>, accessed 25 Jan. 2018.
The Economist Intelligence Unit (search "EIU Country Intelligence" as word/phrase in library catalog; explore, for example, the country report on China)
U.S. Commercial Service, China (with, among others, some industry information)
<http://www.buyusa.gov/china/en/>
Fravel, M. Taylor. "Online and on China: Research Sources in the Information Age." *The China Quarterly* 163 (Sept. 2000): 821-42. (Journal article introducing and discussing websites.)

General/ background readings beyond what's included above

Donald, Stephanie Hemelryk, and Robert Benewick. *The State of China Atlas: Mapping the World Fastest Growing Economy*. Berkeley: University of California Press, 2005.
Lieberthal, Kenneth. *Governing China: From Revolution Through Reform*. New York: Norton, 1995. (This book focuses on politics.)
LIN, Justin Yifu, CAI Fang, and LI Zhou. *The China Miracle: Development Strategy and Economic Reform*. Revised edition. Hong Kong: Chinese University Press, 2003.
LIN, Justin Yifu. *Demystifying the Chinese Economy*. Cambridge: Cambridge University Press, 2012.
Naughton, Barry. *Growing Out of the Plan: Chinese Economic Reform 1978-1993*. Cambridge: Cambridge University Press, 1996.
Riskin, Carl. *China's Political Economy: The Quest for Development Since 1949*. Oxford: Oxford University Press, 1991. (Economic history)
Walder, Andrew G. (ed.). *China's Transitional Economy*. Oxford: Oxford University Press, 1996.

A few books of more specialized interest (only those not mentioned anywhere above)

- Beardson, Timothy. *Stumbling Giant: The Threats to China's Future*. New Haven: Yale University Press, 2013.
- Bergsten, C. Fred, Bates Gill, Nicholas R. Lardy, and Derek Mitchell. *China: The Balance Sheet—What the World Needs to Know Now about the Emerging Superpower*. New York: Public Affairs, 2006.
- Fan, Joseph P.H., and Randall Morck. *Capitalizing China*. Chicago: The University of Chicago Press, 2013.
- HUANG Yasheng. *Selling China: Foreign Direct Investment During the Reform Era*. Cambridge Modern China Series. Cambridge; New York and Melbourne: Cambridge University Press, 2003
- Lardy, Nicholas R. *Sustaining China's Economic Growth After the Global Financial Crisis*. Washington, D.C.: Peterson Institute, 2012.
- Lin, Yi-min. *Between Politics and Markets: Firms, Competition, and Institutional Change in Post-Mao China*. Cambridge, UK: Cambridge University Press, 2001.
- Ngai, Pun. *Made in China: Women Factory Workers in a Global Workplace*. Durham and London: Duke University Press, and Hong Kong: Hong Kong University Press, 2005.
- Orlik, Tom. *Understanding China's Economic Indicators: Translating the Data into Investment Opportunities*. Upper Saddle River, New Jersey: FT Press Science, 2012.
- PEI Minxin. *China's Trapped Transition: The Limits of Developmental Autocracy*. Cambridge, Mass.: Harvard University Press, 2006.
- Shirk, Susan L. *China: Fragile Superpower*. Oxford and New York: Oxford University Press, 2007.
- 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.)
- Walter, Carl E., and Fraser J.T. Howie. *Red Capitalism: The Fragile Financial Foundation of China's Extraordinary Rise*. Wiley, 2011.

Lynn White's China bibliography: list of books on China, by topic (most recent one of Winter 2007-2008): <http://www.princeton.edu/~lynn/chinabib.pdf>

Two-page interpretative précis and presentation to the class

Maximum 1000 words. (And 500 words = one page is OK/good.)

Ideally, a précis does three things:

(1) It summarizes the key arguments of the text.

May start with a 1-3 sentence statement of what the text is about, followed by a summary of the arguments.

If a causal argument is involved, pay special attention to how the causality is shown to hold or not hold (“identification strategy”).

If an empirical argument is involved, pay special attention to the dataset used and to the empirical testing.

What’s the finding?

Say why we should care about the paper.

Can include contribution to the existing literature. (For example: First answer, better data, better identification strategy / causal test, contradictory findings, etc.)

(2) It provides a critique of these arguments. (For example: Data. Quality of descriptive or causal argument. Plausibility. Quality of idea, contribution.)

(3) It suggests how to improve the argument, or it suggests additional / new research starting from the text. (For example: more robustness checks, specific additional data, alternative identification strategies, additional/other variables. Suggestions must be realistic.)

Provide full bibliographic information of the text on which your précis is based, your name, your student ID, the date when you present, and the course number at the top of the first page.

Fellow students are asked to read each précis before coming to class. Be prepared to make at least one comment / raise one question / offer one thought beyond the précis/underlying text.

In your presentation to the class,

you can but need not use powerpoint;

speak freely (don’t read verbatim from notes);

don’t mumble;

face the audience;

avoid clasping on to the desk, hanging yourself on the whiteboard, burrowing your hands in your pockets, committing one-legged balancing acts, etc.;

either tell a good story, or structure your presentation;

and make sure you get your major point(s) across.

Use standard formatting

Font: Times New Roman

Font size: 12 point

Margin: 1 inch all around

Spacing: single-line spacing

Insert page number in footer

Do not right-adjust text (only left-adjust)

Add your name and student ID, as well as the bibliographic information for the text.

Term paper

Total length (excluding references, appendices, and footnotes/endnotes): max. 4000 words.
This is a strict maximum. It must not be exceeded.

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), numerical or non-numerical (information, facts).
- (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.

Keep it simple. Don’t try to do too much. Ask an interesting, straightforward question, and answer it.

If not obvious: all text that summarizes other literature must be properly referenced, and quotes must be explicit.

Make sure to include your name / student ID, the course code/title, and the date. Paginate (add page numbers in the footer). Double-spaced or 1.75 line spaced would be good, 1-inch margins, 12-point letter size, do not right-adjust. Submit electronically (only); please see section 'requirements and grading' at beginning of syllabus.

If your term paper is an extensive literature review, it may well deviate from the above structure. You should try to give space to *your* contribution. This could be in many different forms, including a detailed discussion of problems of the literature and how these could be addressed, or your own thoughts and ideas about the topic as *not* covered in the literature, or your presentation of data (say, from the *China Statistical Yearbook*) to prove one or more arguments in the literature wrong.

Your term paper must be original work done for this course. It must not be on the same topic as any other past or concurrent work of yours. It is OK to write several term papers in the same field (for different courses or publishing outlets), but there must be no major overlap between what you submit in this course and your other work.

How your term paper is being evaluated

Your term paper must meet the word limit.

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?

Penalties for late submission

If you hand in late, I will grade your paper as if you handed it in on time, but the maximum number of points that you can get will be reduced as specified above near the beginning of this syllabus under "Miscellanea."