

SOSC 323 The Chinese Economy

Fall 2009

Tuesday and Thursday 9:00am – 10:20am, Room 4333

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Course description

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

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

- Economic history: given China's technical 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.

Requirements and grading

Précis: 8%. One 1-page (max. 500 words) interpretative précis of a non-required text, chosen by the student. Email précis to all class participants 24 hours before the class meets.

Present to the class for 5-10 minutes. Graded pass/fail. Topic of the précis is not limited to the topic of that particular class. Also see instructions at the end of this syllabus.

Assignments: 16%. 2% for each assignment up to a maximum of 8 assignments, out of approximately 10.

Mid-term exam: 30% (18% if choose to do optional term paper). 27 October 2009, in class.

Final exam: 46% (33% if choose to do optional term paper). Closed-book, cumulative.

During the university examination period as scheduled by the university.

Optional term paper (decide by 10 Nov. 2009): 25%. Due noon, Friday 11 December.

Students are expected to read the required readings (or a selection thereof, as announced in class) prior to coming to class. Active class participation is expected.

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 basic concepts of development economics (to China and other countries)
- independently investigate topics related to the Chinese economy
- summarize, evaluate, and improve on existing research literature on the Chinese economy
- communicate the core content of a literature and articulate one's own thoughts in a brief presentation to a small group of people.

The mid-term and final exams provide incentives for students to familiarize themselves with facts and theories. The two précis encourage students to critically absorb research literature as well as to speak in front of a group of people and to respond to comments and questions. The term paper allows students to practice independent investigation of a research topic.

Textbooks

This course does not follow one textbook.

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. [Abbreviated below as BN]

An alternative undergraduate text is:

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

We make extensive use of the following text, which covers many aspects of the Chinese economy, but the Naughton text (above) is still a very good, quick, easy-to-read overview:

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

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

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.

Interesting readings

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

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.

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 current-day stories of what it's like to be (mainland) Chinese and live in China, 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, but highly relevant for China.

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

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

A couple of books with a different tack:

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).

Films

"Morning Sun." Carma Hinton. (Info: <http://www.morningsun.org/film/index.html>) --- Where reform-period China is coming from.

This is a documentary; for a more personalized 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.

"China Blue." --- 2005 account of work in a blue-jean factory. Tends to take a labor view.

The usual fine print

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

You can appeal exam grading within seven days of return of the work by specifying in writing where (and why) you should get more points.

There are no extra-credit assignments.

Missing the exam is acceptable only under the usual extenuating circumstances plus documentation (in case of medical reason, a medical certificate that you have been too ill to work on the day of the exam).

Class Schedule and Reading List

* = “required” reading.

All other readings are recommended, and are well suited for student précis.

Précis presented by fellow students are required reading, but not the texts that the précis are based on.

Week 1 (1 and 3 Sept.)

1. Why Care About the Chinese Economy?

* 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.

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

(*) Anderson, Jonathan. *How to Think About China*. UBS Investment Research, Asian Economic Perspectives, January 2006. In particular Part 6, “Seven Ways China Won’t Change the World,” pp. 193-228. At:
<http://www.ceibs.edu/library/new/newresources/images/20070301/5342.pdf>

(*) Orlik, Tom, and WANG Yong. “China Tells Europe to Mind its Manners.” *Far Eastern Economic Review* 172, no. 2 (March 2009), pp. 53-6.

(*) 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>

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.

The Economist article of 29 Nov. 07 on China’s PPP conversion factor. At:
http://www.economist.com/displayStory.cfm?story_id=10209215

BN 6 (meaning: Barry Naughton’s text, see above, Chapter 6)

GC 5 (Gregory Chow text, Ch. 5)

2. 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. Also as online book, via library.

* 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>

Machlup, Fritz. “The Problem of Verification in Economics.” Chapter 3 in *Selected Economic Writings of Fritz Machlup* (edited by George Bitros). New York: New York University Press, 1976, pp. 57-79.

3. Why Did China Not Industrialize Earlier?

- * 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. “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.
- Myers, Ramon H. “How Did the Modern Chinese Economy Develop?—A Review Article.” *The Journal of Asian Studies* 50, no. 3 (Aug. 1991): 604-28.
- 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.
- Shiue, Carol H., and Wolfgang Keller. “Markets in China and Europe on the Eve of the Industrial Revolution.” *American Economic Review* 97, no. 4 (Sept. 2007): 1189-1216.
- 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 perhaps also relevant, in some variation, to China.

BN 2; GC 1

4. Reform Period Overview

- * 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>
- * Naughton, Barry. “Singularity and Replicability in China’s Developmental Experience.” 3 January 2009 (presentation at the American Economic Association Meetings), 22pp., available at http://www.chinapolitik.de/studien/china_analysis/no_68.pdf .
- Heilmann, Sebastian. “Policy Experimentation in China’s Economic Rise.” *Studies in Comparative International Development* 43, no. 1 (March 2008): 1-26.

BN 4

LBTR 1 (Loren Brandt and Thomas G. Rawski, “China’s Great Economic Transformation,” pp. 1-26)

Week 3 (15 and 17 Sept.)

5. Economic geography

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.chinapage.org/timemap.html> (list of dynasties, maps)

<http://www.lib.utexas.edu/maps/china.html> -> also click on link at bottom, "country maps"

<http://www.johomaps.com/as/china/chinarail.html> (railway lines)

The following is not geography, but if you get bored in class: Chinese propaganda posters:

<http://www.iisg.nl/~landsberger> (scroll to the bottom of the page for many more)

中亚天然气管道博弈 (China's Gas Pipeline Game). 《财经》 #230 (2 Feb. 2009), pp. 114-6. BN 1

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

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.

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).

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.

Weeks 4 and 5 (22, 24, 29 Sept.)

6.1 continued

6.2 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])

- * 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 Pretence 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.

6.3 Planning in China

- * Lyons, Thomas P. “Planning and Interprovincial Co-ordination in Maoist China.” *The China Quarterly* 121 (March 1990): 36-60.
 - * WANG Lixin, and Joseph Fewsmith. “Bulwark of the Planned Economy: The Structure and Role of the State Planning Commission,” Chapter 5 in Carol Lee Hamrin and ZHAO Suisheng (eds.), *Decision-Making in Deng’s China: Perspectives from Insiders*, Armonk, NY: M.E. Sharpe, 1995, pp. 51-65.
 - * 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.
 - * 陕西省人民政府关于做好 2005 年煤炭订货工作的通知。《陕西人民政府公报》 #21/2004, p. 34.
 - * 第十一届全国人民代表大会第二次会议关于 2008 年国民经济和社会发展计划执行情况与 2009 年国民经济和社会发展计划草案的报告。Report on the implementation of the 2008 plan for national economic and social development and on the 2009 draft plan for national economic and social development. At: http://big5.gov.cn/gate/big5/www.gov.cn/2009lh/content_1259872.htm
 - 国务院关于落实《中华人民共和国国民经济和社会发展第十一个五年规划纲要》主要目标和任务分工的通知。2006 年 8 月 14 日。《中华人民共和国国务院公报》 #29/2006, pp. 30-6. [not aware of any translation]. There is a NDRC Ma Kai summary of the 11th Five-Year Plan at http://en.ndrc.gov.cn/newsrelease/t20060323_63813.htm
 - Perkins, Dwight H. “Plans and Their Implementation in the People’s Republic of China.” *American Economic Review* 63, no. 2 (May 1973): 224-31.
- BN 3; GC 2

6.4 Transition in China

- * Naughton, Barry. “A Political Economy of China’s Economic Transition.” Chapter 4 in LBTR, pp. 91-135.
- * 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>
- LIN, Justin Yifu. “An Economic Theory of Institutional Change: Induced and Imposed Change.” *The Cato Journal* 9, no. 1 (Spring/summer 1989): 1-33.
- DING X.L. “Institutional Amphibiousness and the Transition from Communism: The Case of China.” *British Journal of Political Science* 24 (July 1994): 293-318.

- 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.
- QIAN Yingyi, and XU Chenggang. "Why China's Economic Reforms Differ: The M-Form Hierarchy and Entry/Expansion of the Non-State Sector." *Economics of Transition* 1, no. 2 (June 1993): 135-170. Pre-publication version at <http://elsa.berkeley.edu/~yqian/research.html>
- Rawski, Thomas G. "Reforming China's Economy: What Have We Learned?" *The China Journal*, no. 41 (Jan. 1999): 139-56.
- Roland, Gérard. "The Political Economy of Transition." *Journal of Economic Perspectives* 16, no. 1 (Winter 2002): 29-50.
- Svejnar, Jan. "Transition Economies: Performance and Challenges." *Journal of Economic Perspectives* 16, no. 1 (Winter 2002): 3-28.
- 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.
- World Development Report 1996: From Plan to Market*. New York: Oxford University Press, 1996; pp. 1-21.
- BN 4; GC 3, 4
- LBTR 3 (Jan Svejnar, "China in Light of the Performance of the Transition Economies," pp. 68-90)

6.5 The theory of the market economy

- 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).

Week 6 (6 and 8 Oct.)

7. Economic Development

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

7.1 Pre-reform period economic development strategies

- * Eckstein, Alexander. *China's Economic Revolution*. Cambridge, UK: Cambridge University Press, 1977. Chapter 2, "Development Strategies and Policies in Contemporary China," pp. 31-65.
 - * 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.
 - * 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
- Cheng Chu-yuan. *China's Economic Development: Growth and Structural Change*. Boulder: Westview Press, 1982.
- Chapter 9, "The Strategies of Development" (pp. 257-292).
- Ishikawa, Shigeru. "China's Economic Growth since 1949—An Assessment." *The China Quarterly* 94 (June 1983): 242-81.
- Riskin, Carl. *China's Political Economy: The Quest for Development Since 1949*. Oxford: Oxford University Press, 1991. The book covers 1949 through mid-1980s and is relevant in full.

7.2 Reform period economic development strategies

- * 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.
- * LIN, Justin Yifu. “Development Strategy, Viability, and Economic Convergence.” *Economic Development and Cultural Change* 51, no. 2 (Jan. 03): 277-308, in particular pp. 277-94.
- * Naughton, Barry. “Understanding the Chinese Stimulus Package.” *China Leadership Monitor*, no. 28 (spring 2009). <http://media.hoover.org/documents/CLM28BN.pdf>
- (*) 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.
- 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.
- 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.
- Parris, Kristen. “Local Initiative and National Reform: The Wenzhou Model of Development.” *The China Quarterly* 134 (June 1993): 242-63.
- WU Jinglian. “Choosing a Strategy for China’s Economic Reform.” *Social Sciences in China: a Quarterly Journal* 9, no. 4 (Dec. 1988): 27-41
- XU Changming. “On an Economic Policy Based on ‘Tilted Regions’.” *Chinese Economic Studies* 26, no. 5 (Fall 1993): 79-86.
- Yang Dali. “Patterns of China’s Regional Development Strategy.” *The China Quarterly* 122 (June 1990): 230-257.

BN 4, 5

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

Week 7 (13 and 15 Oct.)

7.2.1 Economic development: industry

- * Brandt, Loren, Thomas G. Rawski, and John Sutton. “China’s Industrial Development,” Chapter 15 in LBTR, pp. 569-632. Focus on tables and charts; feel free to skip the section “Analytical Framework.”
- * HU, Albert G. Z., and Gary H. Jefferson. “Science and Technology in China.” Chapter 9 in LBTR, pp. 286-336.
- * 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.
- (*) SASAC --- Barry Naughton [default: http://media.hoover.org/documents/clm14_bn.pdf]
- (*) 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.

- 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.
- HU, Albert G. Z., Gary H. Jefferson, and QIAN Jinchang. "R&D and Technology Transfer: Firm-Level Evidence from Chinese Industry." *Review of Economics & Statistics* 87, no. 4 (Nov. 2005): 780-6.
- HU, Albert Guangzhou, and Gary H. Jefferson. "A Great Wall of Patents: What Is Behind China's Recent Patent Explosion? Mimeo, National University of Singapore and Brandeis University, 2006. At: <http://people.brandeis.edu/~jefferso/Great%20Wall,%20submitted%20manuscript,%20Jan.%202006.pdf>

7.2.2 Economic development: agriculture

- * HUANG Jikun, Keijiro Otsuka, and Scott Rozelle. "Agriculture in China's Development: Past Disappointments, Recent Successes, and Future Challenges," Chapter 13 in LBTR, pp. 467-505).
- * 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.
- (* 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.
- Kung, James Kai-sing. "Choice of Land Tenure in China: The Case of a County with Quasi-private Property Rights." *Economic Development and Cultural Change* 50, no. 4 (2002): 793-817.
- LIN, Justin Yifu. "Rural Reforms and Agricultural Growth in China." *American Economic Review* 82, no. 1 (March 1992): 34-51.
- LIN, Justin Yifu. "Chinese Agriculture: Institutional Changes and Performance," Chapter 2 in T.N. Srinivasan, *Agriculture and Trade in China and India: Policies and Performance since 1950*, San Francisco, CA: ICS Press, 1994, pp. 23-72.
- 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.
- Putterman, Louis. "The Incentive Problem and the Demise of Team Farming in China." *Journal of Development Economics* 26, no. 1 (June 1987): 103-127.
- Putterman, Louis. "People's Republic of China: Systemic and Structural Change in a North China Township." *American Journal of Agricultural Economics* 70, no. 2 (May 1988): 423-30.
- Rozelle, Scott. "Decision-Making in China's Rural Economy: The Linkages Between Village Leaders and Farm Households." *The China Quarterly* 137 (March 1994): 98-124.
- 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.
- Waldron, Scott, Colin Brown and John Longworth. "State Sector Reform and Agriculture in China." *The China Quarterly* 186 (June 2006): 277-94.

ZHU Ling and JIANG Zhongyi. "From Brigade to Village Community: The Land Tenure System and Rural Development in China." *Cambridge Journal of Economics* 17, no. 4 (Dec. 1993): 441-61.

Week 8 (20 and 22 Oct.)

7.2.3 Economic development: 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.
- 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.
 - Chapter 2. Brandt, Loren, and ZHU Xiaodong. "China's Banking Sector and Economic Growth," with comment by Michael DeStefano, pp. 86-143.
 - Chapter 3. Prasad, Eswar, and WEI Shang-jin. "Understanding the Structure of Cross-Border Capital Flows: The Case of China," with comment by Daniel H. Rosen, pp. 144-201.
- * Montes-Negret, Fernando. "China's Credit Plan: An Overview." *Oxford Review of Economic Policy* 11, no. 4 (Winter 1995): 25-42.
- (*) Holz, Carsten A. "China's Monetary Reform: The Counterrevolution from the Countryside." *Journal of Contemporary China* 10, no. 27 (2001): 189-217.
- (*) Kennedy, Scott. "China's Emerging Credit Rating Industry: the Official Foundations of Private Authority." *The China Quarterly* 193 (March 2008): 65-83.
- Allen, Franklin, QIAN Jun, and QIAN Meijun. "China's Financial System: Past, Present, and Future." Chapter 14 in LBTR, pp. 506-68. Read pp. 506-48; focus on tables and charts.
- Park, Albert, and Kaja Sehr. "Tests of Financial Intermediation and Banking Reform in China." *Journal of Comparative Economics* 29, no. 4 (Dec. 2001): 608-44.
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7.2.4 Economic development: fiscal system

- * Wong, Christine P.W., and Richard M. Bird. "China's Fiscal System: A Work in Progress." Chapter 12 in LBTR, pp. 429-66.

7.2.5 Economic development: energy

- * Yin, Jason Zunsheng, and David Forrest Gates. "Elasticity of Energy Demand and Challenges for China's Energy Industry." *China and World Economy* 14, no. 4 (July-Aug. 2006): 75-92.
- * McKibbin, Warwick J. "Global Energy and Environmental Impacts of an Expanding China." *China and World Economy* 14, no. 4 (Aug. 2006): 38-56.
- Bottelier, Pieter. "What India Can Learn from China and Vice Versa." *China and World Economy* 15, no. 3 (March 2007): 52-69.
- DAN Shi. "Regional Differences in China's Energy Efficiency and Conservation Potentials." *China and World Economy* 15, no. 1 (Jan. 2007): 96-115.
- Fisher-Vanden, Karen et al. "What Is Driving China's Decline in Energy Intensity?" *Resource and Energy Economics* 26, no. 1 (March 2004): 77-97.

- HE, Fan, and Qin Donghai. "China's Energy Strategy in the Twenty-first Century." *China and World Economy* 14, no.2 (March 2006): 93-104.
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- McKIBBIN, Warwick J. "Environmental Consequences of Rising Energy Use in China." *Asian Economic Policy Review* 1, no. 1, Issue 1 (June 2006): 157-174.
- 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.
- ZHANG Zhongxiang. "Why Did the Energy Intensity Fall in China's Industrial Sector in the 1990s? The Relative Importance of Structural Change and Intensity Change." *Energy Economics* 25, no. 6 (Nov. 2003): 625-38.
- Zweig, David, and BI Jianhai. "China's Global Hunt for Energy." *Foreign Affairs* 84, no. 5 (Sept.-Oct. 2005): 25-38.

Week 9
27 Oct. mid-term exam
29 Oct. film

Week 10 (3 and 5 Nov.)

8. Economic Decision Making

8.1 Political institutions

- * 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)
- * 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, pp. 210-29.
- Clarke, Donald, Peter Murrell, and Susan Whiting, "The Role of Law in China's Economic Development." Chapter 11 in LBTR 11, pp. 375-428.
- (* 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*, Berkely: University of California Press, 1992, pp. 96-121/4.
- * 抚顺选举“地震” (Fushun's Election Earthquake)。《财经》#77-78/2003, pp. 32-5.
- * 《新京报》总编辑被免职。信报 30 Dec. 2005, p. 5.
- Amnesty International Report 2004*. Section on China (<http://web.amnesty.org/report2004/chn-summary-eng>).
- Donald and Benewick (2005), pp. 54-7, 60f, 64f.
- Lieberthal, Kenneth. *Governing China: From Revolution through Reform*. New York: Norton, 1995 or 2003.
- PEI Minxin. "China's Governance Crisis." *Foreign Affairs* 81, no. 5 (Sept./Oct. 2002): 96-107.
- 中国司法独立的制度保障。信报 7 Oct. 2000, p. 4.

GC 20

Legal:

Cohen, Jerome A. "China's Reform Era Legal Odyssey." *Far Eastern Economic Review* 171, no. 10 (Dec. 2008): 34-8.

GONG Ting. "Dependent Judiciary and Unaccountable Judges: Judicial Corruption in Contemporary China." *The China Review* 4, no. 2 (Fall 2004): 33-54.

Rural:

CAI Yongshun. "Local Governments and the Suppression of Popular Resistance in China." *The China Quarterly* 193 (March 2008): 24-42.

LI Lianjiang, and Kevin J. O'Brien. "Protest Leadership in China." *The China Quarterly* 193 (March 2008): 1-23.

Michelson, Ethan. "Justice from Above or Below? Popular Strategies for Resolving Grievances in Rural China." *The China Quarterly* 193 (March 2008): 43-64.

Week 11 (10 and 12 Nov.)

8.2 Economic development and democratization

* 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.

* "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.

* "管煤勾结" 正解。《财经》#143/2005, pp. 91f.

(*) Han Han. "Bash CCTV When It's on Fire." <http://chinadigitaltimes.net/2009/02/han-han-%E9%9F%A9%E5%AF%92-bash-cctv-when-its-on-fire/>

(*) Tsai, Kellee S. "China's Complicit Capitalists." *Far Eastern Economic Review* 171, no. 1 (Jan./Feb. 2008): 13-5.

(*) The Chinese internet:

Wortzel, Larry M. "China Goes on the Cyber-Offensive." *Far Eastern Economic Review* 172, no. 1 (Jan./Feb. 2009): 56-9.

"Media Censorship Escalates in China" with two articles: Bandurski, David. "Jousting With China's Monsters." Cain, Geoffrey. "The Cyber-Empire Strikes Back." *Far Eastern Economic Review* 172, no. 2 (March 2009): 46-50-52.

(*) 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.

Gilley, Bruce. *China's Democratic Future: How it Will Happen and Where It Will Lead*. New York: Columbia University Press, 2004.

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... and many more.

8.3 Political Institutions and Economic Implications

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- * 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。
- Brandt, Loren, and Zhu Xiaodong. "Redistribution in a Decentralized Economy: Growth and Inflation in China under Reform." *Journal of Political Economy* 108, no. 2 (April 2000): 422-39.
- Heilmann, Sebastian. "Regulatory Innovation by Leninist Means: Communist Party Supervision in China's Financial Industry." *The China Quarterly*, no. 181 (March 2005): 1-21.
- 中国人民银行党委书记、行长周小川。兴起学习贯彻“三个代表”重要思想新高潮全面促进中央银行工作。《中国金融》#15/2003, pp. 4-6.

Week 12 (17 and 19 Nov.)

9. Governance and ownership issues

- * 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

- * 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.
- * 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.
- (*) Donnithorne, Audrey. "China's Cellular Economy: Some Economic Trends Since the Cultural Revolution." *The China Quarterly* 52 (Oct./Dec. 1972): 604-19.
- (*) HUANG Yasheng. "Central-Local Relations in China During the Reform Era: the Economic and Institutional Dimensions." *World Development* 24, no. 4 (April 1996): 655-72.
- Chung, Jae Ho. "Central-Provincial Relations," Chapter 3 in *The China Review 1995*, Hong Kong: Chinese University Press, pp. 3.1-3.45.
- 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.
- Goodman, David S.G. "The Politics of Regionalism: Economic Development, Conflict and Negotiation," Chapter 1 in David S.G. Goodman (ed.), *China Deconstructs: Politics, Trade and Regionalism*, London: Routledge, 1995, pp. 1-20.
- HUANG Yasheng. "The Strategic Investment Behavior of Chinese Local Governments During the Reform Era." *China Economic Review* 6, no. 2 (Fall 1995): 169-86.

- Lyons, Tom. "Explaining Economic Fragmentation in China: A Systems Approach." *Journal of Comparative Economics* 10, no. 3 (Sept. 1986): 209-36.
- Solinger, Dorothy J. "Despite Decentralization: Disadvantages, Dependence and Ongoing Central Power in the Inland—the Case of Wuhan." *The China Quarterly* 145 (March 1996): 1-34.
- Wedeman, Andrew. "Agency and Fiscal Dependence in Central-Provincial Relations in China." *Journal of Contemporary China* 8, no. 20 (1999): 103-22.
- BN 18; GC 8

9.2 Government – firm

- * 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.
- (*) Walter, Carl E., and Fraser J.T. Howe. *Privatizing China: The Stock Markets and Their Role in Corporate Reform*. Hoboken, NJ: John Wiley & Sons, 2003. Especially Chapter 5, "Packaging SOEs: Restructuring and Listing."
- 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.
- 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.
- Yusuf, Shahid, Kaoru Nabeshima, and Dwight H. Perkins. *Under New Ownership: Privatizing China's State-Owned Enterprises*. Washington, D.C.: The World Bank, and Palo Alto, CA: Stanford University Press, 2006. In particular Chapter 5, "Assessing the Effects of Ownership Reform in China," pp. 151-212.
- Steinfeld, Edward S. *Forging Reform in China: The Fate of State-Owned Industry*. Cambridge, UK: Cambridge University Press, 1998.
- BN 13-15; GC 15

Week 13 (24 and 26 Nov.)

9.3. Rural governance

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- * Walder, Andrew G. "Local Governments as Industrial Firms: An Organizational Analysis of China's Transitional Economy." *The American Journal of Sociology* 101, no. 2 (Sept. 1995): 263-301.
- (*) 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.
- CHE Jiahua, and QIAN Yingyi. "Institutional Environment, Community Government, and Corporate Governance: Understanding China's Township-Village Enterprises." *Journal of Law, Economics and Organization* 14, no. 1 (April 1998): 1-23. Pre-publication version at <http://elsa.berkeley.edu/~yqian/research.html>
- Oi, Jean C. "The Fate of the Collective after the Commune," Chapter 1 in Deborah Davis and Ezra F. Vogel (eds.), Cambridge, Mass., and London: Harvard University Press, 1990, pp. 15-36.
- Oi, Jean C. "The Role of the Local State in China's Transitional Economy," in Andrew G. Walder (ed.), *China's Transitional Economy*, Oxford: Oxford University Press, 1996, pp. 170-87.
- Oi, Jean C. *Rural China Takes Off: Institutional Foundations of Economic Reform*. Berkeley: University of California Press, 1999.
- 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.
- ZHOU Kate Xiao, and Lynn T. White III. "Quiet Politics and Rural Enterprise in Reform China." *The Journal of Developing Areas* 29, no. 4 (July 1995): 461-90.
- BN 10-12

9.4 Privatization and development of the private economy

- * 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.
- (*) Haggard, Stephan, and HUANG Yasheng. "The Political Economy of Private-Sector Development in China." Chapter 10 in LBTR, pp. 337-74.
- Djankov, Simeon, QIAN Yingyi, Gérard Roland, and Ekaterina Zhuravskaya. "Who Are China's Entrepreneurs." *American Economic Review* 96, no. 2 (May 2006): 348-352. Pre-publication version at <http://elsa.berkeley.edu/~yqian/research.html>
- Franklin, Allen, QIAN Jun, and QIAN Meijun. "Law, Finance and Economic Growth in China." *Journal of Financial Economics* 77, no. 1 (July 2005): 57-116.
- McMillan, John, and Christopher Woodruff. "The Central Role of Entrepreneurs in Transition Economies." *Journal of Economic Perspectives* 16, no. 3 (Summer2002): 153-170.
- Shleifer, Andrei. "State versus Private Ownership." *Journal of Economic Perspectives* 12, no. 4 (Fall 1998): 133-50.

9.5 Land ownership

- * 河北定州村民曹袭。《财经》#137/2005, pp. 112f.

* 土地制度改革关键一步。《财经》#223/2008, pp. 104f.

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 14 (1 and 3 Dec.)

10. China and the World

* Branstetter, Lee, and Nicholas Lardy. "China's Embrace of Globalization." Chapter 16 in LBTR, pp. 633-82.

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

* 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.

* 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.

Frankel, Jeffrey A. and WEI Shang-Jin. "Assessing China's Exchange Rate Regime." *Economic Policy* 22, no. 51 (July 2007): 575-627.

Prasad, Eswar, and WEI Shang-jin. "Understanding the Structure of Cross-Border Capital Flows: The Case of China," with comment by Daniel H. Rosen, Chapter 3 in Charles W. Calomiris (ed.), *China's Financial Transition at a Crossroads*, New York: Columbia University Press, 2007, pp. 144-201.

BN 16, 17; GC 17, 18

11. Labor

* 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.

* Harney, Alexandra. "Manufacturers: Empty the Cage, Change the Birds." *China Economic Quarterly* 12, no. 4 (Dec. 2008): 35-39.

* CAI Fang, Albert Park, and ZHAO Yaohui. "The Chinese Labor Market in the Reform Era." Chapter 6 in LBTR, pp. 167-214.

(*) Blecher, Marc J. "Hegemony and Workers' Politics in China." *The China Quarterly* 170 (June 2002): 283-303.

(*) 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.

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

Bowlus, Audra J., and Terry Sicular. "Moving toward Markets? Labor Allocation in Rural China." *Journal of Development Economics* 71, no. 2 (Aug. 2003): 561-83.

CAI Yongshun. "The Resistance of Chinese Laid-off Workers in the Reform Period." *The China Quarterly* 170 (June 2002): 327-44.

- De Brauw, Alan, HUANG Jikun, Scott Rozelle, ZHANG Linxiu, and ZHANG Yigang. "The Evolution of China's Rural Labor Markets during the Reforms." *Journal of Comparative Economics* 30, no. 2 (June 2002): 329-53.
- Giles, John, Albert Park, and CAI Fang. "How Has Economic Restructuring Affected China's Urban Workers?" *The China Quarterly* 185 (March 2006): 61-95.
- Heckman, James J. "China's Human Capital Investment." *China Economic Review* 16, no. 1 (2005): 50-70.
- ZHANG Junsen, ZHAO Yaohui, Albert Park, and SONG Xiaoqing. "Economic Returns to Schooling in Urban China, 1988 to 2001." *Journal of Comparative Economics* 33, no. 4 (Dec. 2005): 730-52.
- Zweig, David, Chung Siu Fung, and HAN Donglin. "Redefining the Brain Drain: China's 'Diaspora Option'." *Science, Technology & Society* 13, no. 1 (2008): 1-33.
- China Labor Watch: <http://www.chinalaborwatch.org/>
- China Labor News Translations: <http://www.clntranslations.org/>
- BN 8 (and 7 and 9)
- LBTR 7 (Emily Hannum, Jere Behrman, Meiyan Wang, and Jihong Liu, "Education in the Reform Era," pp. 215-49)

12. Sociology of China research

- * Friedman, Edward. "Studying China Is Dangerous." Keynote address to the American Association for Chinese Studies, 49th Annual Conference, Richmond, Virginia, 6 October 2007.
- * Holz, Carsten A. "Have China Scholars All Been Bought?" *Far Eastern Economic Review* 170, no. 3 (April 2007), 36-40. At: <http://www.feer.com/articles1/2007/0704/free/p036.html>
- * 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.
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More topics, for which we won't have time --- open to précis

Starred readings below are *not* required readings.

13. Environment

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- * Roumasset, James, Kimberly Burnett, and Hua Wang. "Environmental Resources and Economic Growth." Chapter 8 in LBTR, pp. 250-85.
- * 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.
- * 屏南环保讼案：悲哀的交易。《财经》#141/2005, pp. 116, 118.
- 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

Rawski, Thomas G. "Urban Air Quality in China: Historical and Comparative Perspectives." Draft, 25 June 2006, University of Pittsburgh.

Chow, Gregory C. "China's Energy and Environmental Problems and Policies." Mimeo, 2007. Princeton University.

BN 20; GC 10 (second half)

Water:

Lee, Seungho. *Water and Development in China: The Political Economy of Shanghai Water Policy*. Singapore: World Scientific Publishing, 2006.

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

* 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.

LU Xiaobo. *Cadres and Corruption: The Organizational Involution of the Chinese Communist Party*. Palo Alto, CA: Stanford University Press, 2000.

Rocca, Jean-Louis. "Corruption and Its Shadow: An Anthropological View of Corruption in China." *The China Quarterly* 130 (June 1992): 402-416.

Smyth, Russell. "Asset Stripping in Chinese State-Owned Enterprises." *Journal of Contemporary Asia* 30, no. 1 (2000): 3-16.

Wedeman, Andrew. "Corruption in China: Great Disorder under Heaven: Endemic Corruption and Rapid Growth in Contemporary China." *The China Review* 4, no. 2 (Fall 2004): 1-32.

GC 19

15. Inequality and poverty (there's so much literature that any choice is more or less arbitrary)

* 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

* Riskin, Carl. "Has China Reached the Top of the Kuznets Curve?," Chapter 2 in Vivienne Shue and Christine Wong (eds.), *Paying for Progress in China: Public Finance, Human Welfare and Changing Patterns of Inequality*. London and New York: Routledge, 2007.

* 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 University Press, forthcoming.

Tsui, Kai-yuen. "Forces Shaping China's Interprovincial Inequality." *Review of Income & Wealth* 53, no. 1 (March 2007): 60-92.

BN 9

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

16. Social security

* ZHAO Yaohui, and XU Jianguo. "China's Urban Pension System: Reforms and Problems." *CATO Journal* 21, no. 3 (Winter 2002): 395-414.

ZHU Ling. "Restructuring the Basic Health Protection System in Rural China." *China & World Economy* 12, no. 1 (Jan.-Feb. 2004): 75-98.

地保起步，扶贫转身。《财经》#186/2007, pp. 102f.

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.

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

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

<http://library.ust.hk/guides/sosc181.html>

<http://library.ust.hk/guides/econ516.html>

<http://library.ust.hk/guides/econ517.html>

Data on China

2007 中国统计年鉴 (China Statistical Yearbook [bilingual edition]). 北京: 中国统计出版社 (HA4631.S725).

<http://www.stats.gov.cn/> --- National Bureau of Statistics of China

<http://chinadatacenter.org/newcdc/> --- Michigan data center

News articles, laws and regulations, statistics, and more

China Infobank (online database, in Chinese; enter via databases on HKUST library website)

Other, general sources of information on China

Asian Development Bank --- has a chapter on China in its annual *Asian Development Outlook* (and also has other China-specific reports):

<http://www.adb.org/China/default.asp>

OECD Economic Surveys: China. Paris: OECD, 2005. (And much more by the OECD)

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/>

China Leadership Monitor: <http://www.hoover.org/publications/clm/>

Yang Dali maintains a website with lots of links: <http://www.daliyang.com/index.html>

General/ background readings beyond what's listed above as optional textbooks

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, Fang Cai, and Zhou Li. *The China Miracle: Development Strategy and Economic Reform*. Revised edition. Hong Kong: Chinese University Press, 2003.

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)

- 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.
- Guthrie, Doug. *China and Globalization: The Social, Economic and Political Transformation of Chinese Society*. New York: Routledge, 2006.
- 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. *Integrating China Into the Global Economy*. Washington, D.C.: Brookings Institution Press, 2002.
- 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.
- PEI Minxin. *China's Trapped Transition: The Limits of Developmental Autocracy*. Cambridge, Mass.: Harvard University Press, 2006. (Transition deficits; chapter on democratization)
- 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.)
- Woetzel, Jonathan R. *Capitalist China: Strategies for a Revolutionized Economy*. Singapore: John Wiley & Sons, 2003. (This is a popular more than an academic book, business-oriented, focusing on individual companies and industrial sectors.)
- Zweig, David. *Internationalizing China: Domestic Interests and Global Linkages*. Ithaca and London: Cornell University Press, 2002.

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

<http://www.princeton.edu/~lynn/chinabib.pdf>

Specific websites

100 China Website Links: "100 Essential Resources for Doing Business in China"

<http://www.bschool.com/blog/2008/100-essential-resources-for-doing-business-in-china/>

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.)

One-page interpretative précis

Maximum 500 words.

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.)
- (2) It provides a critique of these arguments.
- (3) It suggests how to improve the argument, or it suggests additional / new research starting from the text.

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

Any of the optional / recommended texts are OK for a précis.

Relevant texts not included in the course outline are also OK. Check with instructor.

Provide full bibliographic information of the text on which your précis is based, your name, 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.

Term paper

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

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

Title

The Question / argument

Precisely state the question / argument. Elaborate in a few additional sentences.

Past Research Relevant to This Question

Literature review.

My Contribution and My Hypothesis(es)/ Theory

State in how far what you want to do is different from the literature. If you are attempting a causal argument, clearly state your hypothesis(es)/ theory and/or the relationship between your hypothesis(es) and the established theory (or literature) in your field.

Research Design/ Data Collection Method

Describe and justify your choice of research design and data collection method (advantages/ disadvantages). "Data" can be numerical or non-numerical.

Data Analysis

- (i) Present the data (or mathematical model, if that's what you do).
- (ii) Analyze the data (qualitatively or quantitatively or both).
- (iii) State the findings (such as that a particular statistical test shows that something is significant).

Interpretation of the Findings

Relate the findings to your research question. What do they “mean” for your research question? (This section can be very short, or can be the last paragraph of your data analysis section.)

Conclusions

Restate your question and your answer of the question.

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

References (unless included in footnotes)

References must follow the formatting of a journal (of your choice).

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

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

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

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.

Evaluation of your research paper

Three core criteria in the evaluation of the paper are:

- * Is the question clearly formulated?
- * Is your question original/ interesting/ non-trivial?
- * Is the question answered as unambiguously as possible/ is your argument compelling?

Further criteria in the evaluation of the paper are:

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

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 by the following percentages of the original maximum available points:

Handing in on Friday **after** noon and **before** 5:30pm when the general office closes/

Wendy leaves: -10%.

Handing in between Friday 5:30pm and Saturday 5:30pm --- by email only: -30%.

Handing in between Saturday 5:30pm and Sunday 5:30pm --- by email only: -40%.

After that continue subtracting 10 percentage points for every day, with the day running from 5:30pm one day to 5:30pm the next day.