HE303/HE3003: The Chinese Economy

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Course Description

Since Deng Xiaoping’s reforms in 1979, China has undergone remarkable domestic economic and social transformation. Its impact on the rest of the world has also been momentous and far-reaching. This course is designed to enhance your understanding of that process by looking at both economic development and transition. We examine about twelve topics that together provide a very comprehensive coverage of the Chinese economy.

An important emphasis of the course is to help you develop critical thinking and rigorous analytical expertise, as well as your skills in presentation, writing, and collegial team work. Apart from the class lectures, you will need to complete the required reading, submit and present one group research paper.

Learning Outcome

Upon completion of the course, students will be able to:
1. Understand the historical background and path of evolution of China’s economic development.
2. Compare, contrast, and evaluate the strengths and weaknesses of China’s economic reforms.
3. Apply the economic theories and empirical methods introduced in class to the analysis of economic phenomena related to China.
Required Textbook

Barry Naughton (2007), *The Chinese Economy: Transition and Growth*, MIT Press. (This is a basic background text)

Supplementary Textbooks


Reading Materials

*Reading the required materials before classes is necessary* for your learning and final exam. Advanced readings are not required, but they are very helpful for a better understanding of the theoretical issues and will benefit you in your research and exam.

Measurement of Learning Outcomes

1. Students’ knowledge of China’s economic development and reform will be assessed by the final exam.
2. Students’ ability to apply economic theories and empirical methods in the study of China’s reforms will be measured by class presentation and research assignment.

Course Assessment

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<th>Points</th>
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<td>Research Paper and Presentation</td>
<td>30</td>
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<tr>
<td>Final Exam</td>
<td>70</td>
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1. Working on a group basis, students are required to write a research paper, 8-10 pages (not including, table, graph, and references; single space; letter size 11), on a topic related to Chinese economy. All groups will present the research and key findings in class during the last two teaching weeks.
2. The final exam will be based on lectures and required readings.
Academic Integrity

Academic dishonesty is a serious offense that may result in suspension or expulsion from the university. All relevant university policies regarding academic integrity must be followed. Copying materials from others’ articles, without permission, as part of your research paper is a serious violation of academic integrity!

Note: changes, if any, to the syllabus will be announced in the class.

Course Outline

Lecture 1 (week of 11 Aug): Overview of the Chinese Economy, by Tan

Required Reading:

Barry Naughton (2007), Introduction and Chapter 1.


Advanced Readings:

Brandt and Rawski (2008), Chapter 1.


Lecture 2 (week of 18 Aug): Economic Reform and Growth Accounting, by Zhang

Required Reading:

Barry Naughton (2007), Chapter 4.


Required Reading:


**Advanced Readings (Watching):**

China’s Capitalist Revolution – BBC Documentary (6.2009)

**Lecture 4 (week of 1 Sep): Rural Reform and State Owned Enterprises, by Zhang**

**Required Reading:**


**Advanced Readings:**

Brandt and Rawski (2008), Chapter 13.


**Lecture 5 (week of 8 Sep): Development of Non-State Sector, by Zhang**

**Required Reading:**


**Lecture 6 (week of 15 Sep): Public Finance and Urbanization, by Zhang**

**Required Reading:**

Barry Naughton (2007), Chapter 18.


**Advanced Readings:**


**Lecture 7 (week of 22 Sep): Population, Labor, and Human Capital, by Tan**

**Required Reading:**

Barry Naughton (2007), Chapter 7-8.


**Advanced Readings:**

Brandt and Rawski (2008), Chapter 5-7.

**Additional Course Material**

Scott Rozelle, “China's Human Capital Challenge”

[http://www.youtube.com/watch?v=5sIhlnNuhAg](http://www.youtube.com/watch?v=5sIhlnNuhAg)

**Recess week (week of 29 Sep)**

**Lecture 8 (week of 6 Oct): Income Inequality and Poverty, by Tan**

**Required Reading:**

Barry Naughton (2007), Chapter 9.


**Advanced Readings:**

Brandt and Rawski (2008), Chapter 18.


**Lecture 9 (week of 13 Oct): Foreign Trade by Tan**

**Required Reading:**
Barry Naughton (2007), Chapter 16, 17


Advanced Readings:


Yasheng Huang (2003), Selling China, Introduction.

Additional Course Material

Professor Danny Quah: The LSE Big Questions Lecture: East beats West?

Lecture 10 (week of 20 Oct): Economic Reform and China’s Political Economy, by Zhang

Required Reading:


Advanced Readings:

Brandt and Rawski (2008), Chapter .


Lecture 11 (week of 27 Oct): Foreign Direct Investment, by Tan

Required Reading:

Barry Naughton (2007), Chapter 19.


Advanced Readings:

Brandt and Rawski (2008), Chapter 14.


Lecture 12-13 (week of 3 and 10 Nov). Class Presentation by Students