Economics 435/2738
Economic Development of China

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Economics 435/2738 is a half-year course that examines the economic development of China. Although much of our attention will be directed towards an assessment of the post-1978 economic reforms in China, we will take a longer perspective on the growth process, and consider both the Chinese economic system between 1949-1978, as well as the pre-1949 economy.

Despite the size of the class--I anticipate 20-25 students--I hope to run this class like a seminar, with active participation on the part of students. If you are looking for a course in which only the professor talks and you listen, then perhaps this isn't the course for you. On the other hand, if you are looking for a course in which you (we) tackle some difficult, but topical questions that have great bearing on today's international economy, then perhaps this will be to your liking.

Each week there will be a set of readings and questions that will serve as the basis for the following weeks’ lecture/seminar. The readings will be extensive and will require a significant input on your part. On average, anticipate roughly 75-100 pages of reading a week. Most of these readings you will be able to download from the course website on Blackboard.

There is no required text, but there are two books that will serve as good references, and from which readings will be taken:


Reflecting my desire to run this course like a seminar, your participation in class will serve as part of the basis for evaluation (10%). There will also be two papers, each 12-15 pages, which you will be required to do. One of these will be on a topic that I select, and the other will be in groups and in the form of a policy brief. More details will be provided later, but the first of these will be due in early March and the second at the end of the term. There will also be comprehensive final worth 50% of your mark.
MAP ASSIGNMENT

Please familiarize yourself with the following places. The final examination for this course will include map questions. [See http://darkwing.uoregon.edu/~felsing/cstuff/cmaps.html]

**Major international boundaries:** Korea, Russia, India, Vietnam

**Provinces and province-level units** of the People's Republic of China (PRC):

- **Pinyin romanization** (used in the People's Republic of China): Beijing, Tianjin, Hebei, Shanxi, Neimenggu, Liaoning, Jilin, Heilongjiang, Shanghai, Jiangsu, Anhui, Fujian, Taiwan (claimed by the PRC but governed by the Republic of China), Jiangxi, Shandong, Henan, Hubei, Hunan, Guangdong, Hainan, Hong Kong* (Xianggang), Aumen* (Macao), Guangxi, Sichuan, Chongqing (Chungking), Guizhou, Yunnan, Xizang (Tibet), Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang

- **Wade-Giles romanization** (used in older books and articles): Peking, Tientsin, Hopei, Shansi, Inner Mongolia, Liaoning, Kirin, Heilungkiang, Shanghai, Kiangsu, Chekiang, Anhwei, Fukien, Taiwan (claimed by the PRC but governed by the Republic of China), Kiangsi, Shantung, Honan, Hupei, Hunan, Kwangtung, Hainan, Hong Kong*, Macao*, Hainan, Kwangsi, Szechuan, Chungking, Kweichow, Yunnan, Tibet, Shansi, Kansu, Ch'inghai, Ninghsia, Sinkiang

*China recently regained jurisdiction Hong Kong and Macao, former colonies of the United Kingdom and Portugal. The two territories have become Special Autonomous Regions (SAR) under the People's Republic of China.

Major cities (pinyin romanization in parentheses): Peking (Beijing), Tientsin (Tianjin), Shanghai, Chungking (Chongqing), Hong Kong (Xianggang) [all 5 are province-level units under the PRC], Wuhan (river port on the Yangtze), Canton (Guangzhou), and Taipei (Taibei; capital of the Republic of China in Taiwan)

Major east-west rivers: the Yellow River (Huanghe) and the Yangtze River (Yangzi)

You are NOT required to master the intricacies of competing romanizations. You ARE expected to answer questions such as the following: (using pinyin, Wade-Giles romanization, or Chinese characters): Name five provinces that are adjacent to Hubei and/or Hunan; Name five provinces that form part of China's national boundary and identify the adjoining jurisdiction (e.g. Guangxi and Vietnam; Liaoning and Democratic Republic of Korea), etc.

Web sites for maps:
http://www.lizardpoint.com/fun/geoquiz/chinaquiz.html
http://china.scmp.com/map/
http://www.chinapage.com/map/province-english.jpg
Part I: Background Reading: Economic Growth and Institutions (1/7)


Avner Grief, *Institutions and the Path to the Modern Economy*, Chapters 2, 6 and 12.


Part II: Historical Background of China

1. Imperial China (1/14 and 1/21)

Benjamin Elman, *On Their Own Terms: Science in China, 1550-1900*.


2. Late-19th and Early 20th Century China (1/21 and 1/28)


Debin Ma, “Why Japan, not China, was the First to Develop in East Asia: Lessons from Sericulture, 1850-1937,” *Economic Development and Cultural Change*, pp. 369-94.


Part III: The Era of Economic Planning

1. Basic Readings: (2/4)


2. Industry/State Sector (2/4)

- Barry Naughton, *Growing out of the Plan*, chapter 1.

3. Rural Sector (2/11)


4. Assessment of Pre-1979 Developments (2/11)


Part III: Economic Reform in China
What motivated economic reform? How do you go about reforming an economy? What has been the nature of the reforms in key sectors of the economy, e.g. rural, urban, international? What impact have the reforms had on productivity, income distribution, and economic structure? What can we expect out of the Chinese economy in the third millennium?


2: The Onset of Economic Reform (2/25)


Elizabeth Perry and Christine Wong, "The Political Economy of Reform in Post Mao-China: Causes Content, and Consequences", in *The Political Economy of Reform in Post-Mao China*.


3. Reform of the Rural Sector

a. Agriculture (3/4)


b. Rural Industry and the Rise and Fall of TVEs (3/4)


Susan Whiting, Power and Wealth in Rural China, chapter 4.

4. Enterprise Reform and the Development of Industrial Capabilities (3/11)


Lardy, China’s Unfinished Revolution, Chapter 2.

Barry Naughton, Growing Out of the Plan, chapters 3 and 6.


Edward Steinfeld, Forging Reform in China, chapter 4.

Loren Brandt, Thomas Rawski and John Sutton, “China’s Industrial Development” in Brandt and Rawski.


5. Foreign Trade Sector Reform, WTO and the Yuan (3/18)

Key Questions: How important is the world economy to China? How important is China to the world economy? What impact have foreign trade reforms had on the rest of the economy?

Lee Branstetter and Nicholas Lardy, “China’s Embrace of Globalization”, in Brandt and Rawski.


Nicholas Lardy, Integrating China into the Global Economy, 2002, chapters 2 and 4.


Eswar Prasad and Shangjin Wei, “The Chinese Approach to Capital Flows: Patterns and Possible


Nicholas Lardy, China’s Unfinished Revolution, chapters 3-4.

Kelle Tsai, Back Alley Banking, 2002, chapter 2.

7. Economic Growth (4/2)


8. Inequality and Poverty (TBD)


Martin Ravallion and Shaohua Chen, “China’s (Uneven) Progress Against Poverty”, Journal of

