

University of Colorado Boulder  
International Affairs Program  
IAFS 4500-004, Spring 2014

January 12, 2014

Economic Development of China

## 1 Course Description

**Instructor:** Shuang Zhang (Assistant Professor of Economics and International Affairs)

**Contact:** Economics 10

303-492-2585

shuang.zhang@colorado.edu

**Course time:** Wednesday 5-7:30pm

**Location:** HLMS 255

**Office Hours:** Wednesday 1pm-2:30pm or by appointment

**Location:** Economics 10

**Course Description:**

This course has two goals: 1) to provide understanding of economic development with applications to Chinese economy and Chinese institutions, and (2) to learn how to analyze major policies in China's economic development in both oral and written form.

Since the economic reform in 1978 from a planned economy toward a market-oriented economy, China has experienced rapid institutional changes and achieved high growth rates. We will start with the historical background of this transition process. We will then cover post-reform topics such as economic reform policies, political economy, labor market, education, environment, the *Hukou* system and migration, and the One Child Policy. Our collection of readings are from the exciting yet still growing literature on economic development of China. In particular, you will learn what's possible, interesting and convincing in empirical research on China.

Along the way, we will be developing critical thinking skills to assist in the second goal of this course. There will be a series of assignments that build towards writing a research paper for the course. This sketch is to propose a research idea on China and develop an analysis on the question of interest to you. Topics will be related to the material presented in this course but must bring an improvement over the scope and the depth of class discussion.

## Textbooks:

- **Required textbook**

Naughton, Barry. *The Chinese Economy: Transitions and Growth*. Cambridge, MA: The MIT Press, 2007.

- **Recommended readings**

Brandt, Loren, and Thomas G. Rawski (eds.). *China's Great Economic Transformation*. Cambridge University Press, 2008

Vogel, Ezra F. *Deng Xiaoping and the Transformation of China*. Cambridge, Belknap Press of Harvard University Press, 2011.

## 2 Course Requirements

Students will be evaluated on the basis of five course requirements:

1. **Final research paper (30%)**

Propose a new research question and your analysis on the economic development of China. You should describe:

- (a) What is your question of interest?
- (b) Why is this question interesting?
- (c) How would you analyze this question? (This is the critical piece of the assignment.)
- (d) How would your study contribute to our understanding of China's and the World's economy?

This project will take 4 stages:

- (a) Submit a proposal of your research question by Feb. 12th. The proposal should be a minimum of 2 pages (double spaced). In this proposal, you describe subquestion (a) and (b): what's your question of interest and why is this question interesting. Consult with me in advance on your topic choice in office hours. **(5%)**
- (b) Submit a draft of your analysis of the question by March 12th. The draft should be a minimum of 5 pages (double spaced). You may use either quantitative or qualitative analysis. If you do quantitative analysis, you should find the real-world dataset in which your research question can be evaluated. No results are necessary, just a viable action plan. I.E., you must propose an analysis of existing data that are available to researchers. **(5%)**
- (c) Submit a draft of your research paper (including subquestion (a)-(d)) by April 2nd. The draft should be a minimum of 10 pages (double spaced). We will schedule individual meetings on April 9th or 16th to discuss your draft and your oral presentation. **(8%)**
- (d) Submit your final paper by May 11th. **(12%)**

2. **In-class presentation of final research paper (20%)**

A 15-20 minutes presentation of your research paper in class (e.g., using powerpoint).

### 3. **Group discussion (15%)**

Starting from week 3, except for mid-term and final presentations, the last 40 minutes will be devoted to in-class discussion on a set of current interests on China's economy. Each time, a group of 2 students leads a discussion on a specific topic based on assigned readings from popular media such as the *New York Times*, *Wall Street Journal*, the *Economist*, etc. The group discussion consists three parts:

- Summary of assigned newspaper articles (10 min)
- Debate on the topic (15 min)
- Lead discussion with the class (15 min)

Everyone should complete reading before coming to class. The list of discussion topics and readings are listed in the syllabus. Groups should sign up which topic they will discuss by Jan 22nd.

### 4. **In-class mid-term exam (25%)**

### 5. **Class attendance (10%)**

An attendance sheet will be used to track attendance. Absence of at most two classes for legitimate reasons is allowed for the whole semester. Any absence beyond that will lead to loss of your final grades.

**No late assignments will be accepted. There will be no exceptions.**

### 3 Course Schedule

Week	Date	Topic	Assignment due date
week1	15-Jan	Introduction	
week 2	22-Jan	<b>Pre-reform China</b>	<b>sign up discussion topic</b>
		Research Methods	
week 3	29-Jan	<b>Economic reform</b>	
		Group discussion	
week 4	5-Feb	<b>One Child Policy</b>	
		Group discussion	
week 5	12-Feb	<b>Political Economy</b>	<b>research topic</b>
		Group discussion	
week 6	19-Feb	<b>Labor Market</b>	
		Group discussion	
week 7	26-Feb	<b>Education and Health</b>	
		Group discussion	
week 8	5-Mar	<b>Midterm exam</b>	
week 9	12-Mar	<b>Hukou system and migration</b>	<b>analysis/methodology</b>
		Group discussion	
week 10	19-Mar	<b>Environment</b>	
		Group discussion	
week 11	26-Mar	<b>Spring Break</b>	
week 12	2-Apr	<b>The China Model</b>	<b>first draft of research paper</b>
		Group discussion	
week 13	9-Apr	<b>Individual meetings with Prof on research</b>	
week 14	16-Apr	<b>Individual meetings with Prof on research</b>	
week 15	23-Apr	<b>Final presentations</b>	
week 16	30-Apr	<b>Final presentations</b>	
week 17	11-May	<b>Final research paper due</b>	<b>final research paper</b>

## 4 Reading List (subject to change)

### 4.1 The Pre-reform Era: 1949-1978

- **Required readings**

Naughton, 2007, Chapter 3

Almond, Douglas, Lena Edlund, Hongbin Li and Junsen Zhang. 2010. “Long-term Effects of Early Life Development: Evidence from the 1959 to 1961 China Famine.” University of Chicago Press.

Li, Hongbin, Mark Rosenzweig and Junsen Zhang. 2010. “Altruism, Favoritism, and Guilt in the Allocation of Family Resources: Sophie’s Choice in Mao’s Mass Send-Down Movement.” *Journal of Political Economy*, Vol. 118, No. 1 (February): 1-38.

### 4.2 Economic Reform

- **Required readings**

Naughton, 2007, Chapter 4 (pp. 85-110)

NPR: The Secrete Document That Transforms China. 2012, January 20th.

Justin Yifu Lin. 1992. “Rural Reforms and Agricultural Growth in China.” *American Economic Review*, Vol. 82, No. 1 (March): 34-51.

- **Discussion topic: A new land reform in rural China?**

- **Readings for discussion:**

- From the print edition, “This land is my land.” *The Economist*, Feb 14th 2008.

- <http://www.economist.com/node/10696084>

- Jim Yardley, “China Enacts Major Land-Use Reform.” *The New York Times*, Oct. 19th 2008.

- [http://www.nytimes.com/2008/10/20/world/asia/20china.html?\\_r=0](http://www.nytimes.com/2008/10/20/world/asia/20china.html?_r=0)

- From the print edition, “Promises, promises.” *The Economist*, Oct. 16th 2008.

- <http://www.economist.com/node/12437707>

### 4.3 The One Child Policy

- **Required readings**

Naughton, 2007, Chapter 7

Cameron, Lisa, Nisvan Erkal, Lata Gangadharan, and Xin Meng. 2012. “Little Emperors: Behavioral Impacts of China’s One-Child Policy.” *Science*, Vol. 339, No. 6122: 953-957.

- **Discussion topic: Relax or abandon the One Child Policy?**

- **Readings for discussion:**

- Evan Osnos, “Abortion and Politics in China.” *The New Yorker*, June 15th 2012.  
<http://www.newyorker.com/online/blogs/evanosnos/2012/06/abortion-and-politics-in-china.html>
- Fareed Zakaria, “Could China’s One-Child Policy Change?” *CNN World*, July 9th 2012  
<http://globalpublicsquare.blogs.cnn.com/2012/07/09/could-chinas-one-child-policy-change/>
- Ma Jian, “China’s Brutal One-Child Policy.” *The New York Times*, May 21st 2013.  
<http://www.nytimes.com/2013/05/22/opinion/chinas-brutal-one-child-policy.html>

## 4.4 Government and Political Economy

- **Required readings**

Naughton, Barry. “A Political Economy of China’s Economic Transition.” in Brandt and Rawski (2008) Chapter 4.

Hongbin Li and Li-An Zhou. 2005. “Political Turnover and Economic Performance: The Incentive Role of Personnel Control in China.” *Journal of Public Economics*, 89: 1743-1762.

- **Discussion topic: A tale of two political systems?**

- **Readings for discussion:**

- Eric Li (TED Talk), “A Tale of Two Political Systems.” TED Global, June 2013.  
[http://www.ted.com/talks/eric\\_x\\_li\\_a\\_tale\\_of\\_two\\_political\\_systems.html](http://www.ted.com/talks/eric_x_li_a_tale_of_two_political_systems.html)
- Yasheng Huang, “Why Democracy still Wins: A Critique of Eric X. Li’s ‘A Tale of Two Political Systems’.” TED Blog, July 1st 2013.  
<http://blog.ted.com/2013/07/01/why-democracy-still-wins-a-critique-of-eric-x-lis-a-tale-of-two-political-systems/>

## 4.5 Labor Market

- **Required readings**

Naughton, 2007, Chapter 8

- **Discussion topic: Is China’s New Labor Law Working?**

- **Readings for discussion:**

- Andrew Batson and Mei Fong, “China Toils Over New Labor Law.” *The Wall Street Journal*, May 7th 2007.  
<http://online.wsj.com/article/SB117849173259593852-search.html>
- Sky Canaves, “Factory Closures Strain China’s Labor Law.” *The Wall Street Journal*, Jan. 17th, 2009.  
<http://online.wsj.com/article/SB123215043508192065.html>

- “Labor Rights Group Accuses iPhone Maker of Abuses.” *The New York Times*, July 29th, 2013.  
<http://www.nytimes.com/2013/07/30/technology/labor-rights-group-accuses-iphone-maker-of-abuses.html>

## 4.6 Education and Health

- **Required readings**

Hannum, Emily, Jere Behrman, Meiyan Wang and Jihong Liu. “Education in the Reform Era.” in Brandt and Rawski (2008) Chapter 7.

- **Discussion topic: Compare college education between China and the US**

- **Readings for discussion:**

- Keith Bradsher, “In China, Families Bet It All on College for Their Children.” the *New York Times*, Feb. 16th 2013.  
<http://www.nytimes.com/2013/02/17/business/in-china-families-bet-it-all-on-a-child-in-college.html?pagewanted=all>
- Laurie Burkitt, “China to Cancel College Majors that Don’t Pay.” *The Wall Street Journal*, Nov. 23rd 2011.  
<http://blogs.wsj.com/chinarealtime/2011/11/23/china-to-cancel-college-majors-that-dont-pay/>
- “Chinese College Graduates Play It Safe and Lose Out.” *The Wall Street Journal*, March 25th 2013.  
<http://online.wsj.com/article/SB10001424127887324678604578340530200654140.html>

## 4.7 The Hukou System and Migration

- **Required readings**

Naughton, 2007, Chapter 5

- **Discussion topic: Hukou reform**

- **Readings for discussion:**

- From the print edition, “Invisible and Heavy Shackles.” *The Economist*, May 6th, 2010.  
<http://www.economist.com/node/16058750>
- “China to Speed Up Reform of ‘Hukou’ System”, *The Wall Street Journal*, Dec 18th 2012.  
<http://online.wsj.com/article/SB10001424127887324407504578186704284896948.html>
- Liyan Qi, “Is China’s Hukou System Reform the Key to Reviving its Economy?” *The Wall Street Journal*, Aug. 19th 2013.  
<http://blogs.wsj.com/chinarealtime/2013/08/19/is-hukou-reform-the-key-to-reviving-chinas-economy/>

## 4.8 Environment

- **Required readings**

Chen, Yuyu, Avraham Ebenstein, Michael Greenstone and Hongbin Li. 2013. “Evidence on the Impact of Sustained Exposure to Air Pollution on Life Expectancy from China’s Huai River Policy.” *Proceedings of the National Academy of Sciences*.

Chen, Yuyu, Jinger Zhe Jin, Naresh Kumar and Guang Shi. 2012. “The Promise of Beijing: Evaluating the Impact of the 2008 Olympic Games on Air Quality.” Working Paper.

- **Discussion topic: Air pollution**

- **Readings for discussion:**

- Edward Wong, “On Scale of 0 to 500, Beijing’s Air Quality Tops “Crazy Bad” at 755.” *The New York Times*, January 12 2013.  
<http://www.nytimes.com/2013/01/13/science/earth/beijing-air-pollution-off-the-charts.html>
- Laurie Burkitt and Brian Spegele. “Why Leave Job in Beijing? To Breathe.” *The Wall Street Journal*, April 14th 2013.  
<http://online.wsj.com/article/SB10001424127887324010704578418343148947824.html>
- Keith Bradsher. “China Sets New Rules Aimed at Curbing Air Pollution.” *The New York Times*, June 15th, 2013.  
<http://www.nytimes.com/2013/06/16/world/asia/china-sets-new-rules-aimed-at-curbing-air-pollution.html>

## 4.9 The China Model

- **Required readings: review class materials**

- **Discussion topic: Does China offer a better development model than the West?**

- **Readings for discussion:**

- Andy SternC, “China’s Superior Economic Model.” *The Wall Street Journal*, December 1st 2011.  
<http://online.wsj.com/news/articles/SB10001424052970204630904577056490023451980>
- From the print edition, “The Beijing consensus is to keep quiet.” *The Economist*, May 6th 2010.  
[http://www.economist.com/node/16059990?story\\_id=16059990](http://www.economist.com/node/16059990?story_id=16059990)
- “Debate on the China Model”, *The Economist*.  
<http://www.economist.com/debate/overview/179>



### **Students with Disabilities**

If you qualify for accommodations because of a disability, please submit to me a letter from Disability Services by Jan. 22nd so that your needs may be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671, Willard 322, and <http://www.Colorado.EDU/disabilityservices>

If you have a temporary medical condition or injury, see guidelines at <http://www.colorado.edu/disabilityservices/go.cgi?select=temporary.html>

### **Religious Observances**

Campus policy regarding religious observances requires that faculty make every effort to reasonably and fairly deal with all students who, because of religious obligations, have conflicts with scheduled exams, assignments, or required attendance. If you have a conflict due to a religious obligation, please see me by Sept. 2nd so that alternate arrangements can be made. Policies regarding religious practice are available at

[www.colorado.edu/policies/fac\\_relig.html](http://www.colorado.edu/policies/fac_relig.html).

### **Academic Misconduct**

All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include: cheating, plagiarism, aid of academic dishonesty, fabrication, lying, bribery, and threatening behavior. All incidents of academic misconduct shall be reported to the Honor Code Council ([honor@colorado.edu](mailto:honor@colorado.edu); 303-735-2273). Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions (including but not limited to university probation, suspension, or expulsion). Other information on the Honor Code can be found at <http://www.colorado.edu/policies/honor.html> and at

<http://www.colorado.edu/academics/honorcode/>

### **Sexual Harassment**

The University of Colorado at Boulder policy on Discrimination and Harassment, the University of Colorado policy on Sexual Harassment and the University of Colorado policy on Amorous Relationships apply to all students, staff and faculty. Any student, staff or faculty member who believes s/he has been the subject of sexual harassment or discrimination or harassment based upon race, color, national origin, sex, age, disability, creed, religion, sexual orientation, or veteran status should contact the Office of Discrimination and Harassment (ODH) at 303-492-2127 or the Office of Judicial Affairs at 303-492-5550. Information about the ODH, the above referenced policies and the campus resources available to assist individuals regarding discrimination or harassment can be obtained at

<http://www.colorado.edu/odh>

### **Learning Environment**

Students and faculty each have responsibility for maintaining an appropriate learning environment. Those who fail to adhere to such behavioral standards may be subject to discipline. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences of race, culture, religion, politics, sexual orientation, gender, gender variance, and nationalities. Class rosters are provided to the instructor with the student's legal name. I will gladly honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records.

See policies at <http://www.colorado.edu/policies/classbehavior.html> and at

[http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student\\_code](http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student_code)