

IAFS 4500-001: The Post-Cold War World Economic Development of China Spring 2020

January 13, 2020

1 Course Description

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

Email: shuang.zhang@colorado.edu

Course time: Tuesday and Thursday 9:30-10:45 AM

Course location: HUMN 245

Office hours: Tuesday 11:00 AM-12:00 PM or by appointment

Office hour location: Economics 216

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, the One Child Policy, political economy, media and internet control, labor market, migration and discrimination, environment and China in the global economy. 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**

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. **Term research paper (40%)**

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 the following steps:

- (a) Each student will have a one-on-one research meeting with me to discuss your research topic. I will send sign-up sheets to set up meeting time. The meeting will be in my office (Econ 216).
- (b) Submit a proposal of your research topic. The proposal should be a minimum of 2 pages. In this proposal, you describe question (a) and (b): what's your question of interest and why is this question interesting. **(10%)**
- (c) Submit a proposal of your research methods and data. The draft should be a minimum of 5 pages. In this proposal, you describe question (c): How would you analyze this question. **(10%)**
- (d) Each student will have a one-on-one research meeting with me to discuss your research proposals. I will send sign-up sheets to set up meeting time. The meeting will be in my office (Econ 216).
- (e) Submit a draft of your research paper (addressing question (a)-(d)). The draft should be a minimum of 10 pages. **(10%)**
- (f) Submit your final paper by 11:59pm on May 5th **(10%)**

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

A 15-20 minute presentation of your research paper in class using powerpoints in week 15 and 16. I will send sign-up sheets to set up your presentation slot.

3. Assignment and mid-term exam (20%)

- One assignment on Canvas to discuss readings (5%)
- Midterm exam will include 5 essay questions and last for 75 minutes (15%).

4. Group discussion (15%)

Starting from week 4, the last 30 minutes of class on Thursday will be devoted to in-class discussion on current issues of China's economy. Please form your own group of 2 students. Each time, a group leads a discussion on a specific topic based on assigned readings from popular media such as the *Economist*, *New York Times*, *Wall Street Journal*, etc. The group discussion consists of three parts:

- Summary of assigned newspaper articles (10 min)
- Analyze the discussion question (10 min)
- Lead discussion with the class (10 min)

Everyone should complete readings before coming to class. The list of discussion topics and readings are listed at the end of the syllabus. Students should form their groups and sign up their discussion topic and time by 1/23.

5. Class attendance (5%)

An attendance sheet will be used to track attendance on random dates. Absence without legitimate proof (e.g. doctor's note, job interview invitation, etc.) will affect your attendance score. Missing one-on-one meetings will also affect your attendance score.

Note: No late assignments will be accepted. There will be no exceptions.

3 Course Schedule

Week	Date	Topic	Due date
1	1/14 and 1/16	Introduction and Pre-reform China	
2	1/21 and 1/23	Economic Reform Assignment on readings 1/23	sign up group discussion topic
3	1/28 and 1/30	One-on-one meetings with Prof in office	
4	2/4 and 2/6	One Child Policy Group discussion on 2/6	
5	2/11 and 2/13	Sex Ratio Imbalance Group discussion on 2/13	2/13: paper topic proposal
6	2/18 and 2/20	Political Economy Career session in class on 2/20 Group discussion on 2/25	
7	2/25 and 2/27	Media and Internet Control Group discussion on 2/27	
8	3/3 and 3/5	Midterm exam	
9	3/10 and 3/12	Labor Market Group discussion on 3/12	3/12: paper method proposal
10	3/17 and 3/19	One-on-one meetings with Prof in office	
11	3/24 and 3/26	SPRING BREAK	
12	3/31 and 4/2	The <i>Hukou</i> system and Migration Group discussion on 4/2	
13	4/7 and 4/9	Environment Group discussion on 4/9	
14	4/14 and 4/16	The China Model Group discussion on 4/16	4/16: first draft of paper
15	4/21 and 4/23	Final presentations	
16	4/28 and 4/30	Final presentations	
17	5/5/20	Final paper DUE	

4 Reading List

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.

4.2 Economic Reform

- **Required readings**

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

NPR: The Secret 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.

- **Readings for the assignment on Canvas:**

- “The Second Long March” *The Economist*, Dec 11th 2008

<http://www.economist.com/node/12758848>

- “The Long Weekend” *The Economist*, Nov 2nd 2013

<http://www.economist.com/news/china/21588899-chinas-leaders-will-soon-reveal-their-ambitions-economic-reform-long-weekend>

- “China’s Growth Hits Slowest Pace in a Decade” *The New York Times*, Oct 18th 2018

<https://www.nytimes.com/2018/10/18/business/china-economy-third-quarter.html>

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: Abandon the One Child Policy?**

- **Readings for discussion:**

- “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>

- “Tales of the Unexpected”, *The Economist*, Jul 9th 2015.
<http://www.economist.com/news/china/21657416-china-has-relaxed-its-one-child-policy-yet-parents-are-not-rushing-have-second-children>
- “Burying ‘One Child’ Limits, China Pushes Women to Have More Babies”, *The New York Times*, Aug 11th 2018.
<https://www.nytimes.com/2018/08/11/world/asia/china-one-child-policy-birthrate.html>

4.4 Sex Ratio Imbalance

- **Required readings**

Oster, Emily. 2005. Hepatitis B and the Case of the Missing Women. *Journal of Political Economy*, 113(6), 1163-1216.

Qian, Nancy. 2008. “Missing Women and the Price of Tea in China: The Effect of Sex-Specific Income on Sex Imbalance.” *Quarterly Journal of Economics*, 123(3): 1251-85.

- **Discussion topic: Surplus men in China**

- **Readings for discussion:**

- “Chinese Bias for Baby Boys Creates a Gap of 32 Million.” *The New York Times*, April 10th, 2009.
<http://www.nytimes.com/2009/04/11/world/asia/11china.html>
- “The Long Shadow of China’s One-Child Policy.” *The New York Times*, Nov. 16th, 2015.
<http://www.nytimes.com/2015/11/06/magazine/the-long-shadow-of-chinas-one-child-policy.html>
- “A distorted sex ratio is playing havoc with marriage in China.” *The New York Times*, Nov 23rd 2017.
<https://www.economist.com/special-report/2017/11/23/a-distorted-sex-ratio-is-playing-havoc-with-marriage-in-china>

4.5 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

- 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/>

4.6 Media and Internet Control

- **Required readings**

Qin, Bei, David Stromberg and Yanhui Wu. 2014. “Media Bias in China.” *American Economic Review*, 2018, 108(9): 2442-76.

http://www-bcf.usc.edu/~yanhuiwu/newspaper_bias.pdf

- **Discussion topic: Media and internet control**

- **Readings for discussion:**

- “A giant cage”, *The Economist*, Apr 6th 2013
<http://www.economist.com/news/special-report/21574628-internet-was-expected-help-democratise-china-instead-it-has-enabled>
- “The art of concealment”, *The Economist*, Apr 6th 2013
<http://www.economist.com/news/special-report/21574631-chinese-screening-online-material-abroad-becoming-ever-more-sophisticated>
- “A curse disguised as a blessing?”, *The Economist*, Apr 6th 2013
<http://www.economist.com/news/special-report/21574635-internet-may-be-delaying-radical-changes-china-needs-curse-disguised>

4.7 Labor Market

- **Required readings**

Naughton, 2007, Chapter 8

- **Discussion topic: The end of cheap labor and what’s next?**

- **Readings for discussion:**

- “The end of cheap China”, *The Economist*, Mar 10th 2012
<http://www.economist.com/node/21549956>
- “How Cheap Labor Drives China’s A.I. Ambitions”, *The New York Times*, Nov 28th 2018
<https://www.nytimes.com/2018/11/25/business/china-artificial-intelligence-labeling.html>
- “Worries about unemployment mount as China’s economy slows” *The Economist*, Jan 12th 2019
<https://www.economist.com/china/2019/01/12/worries-about-unemployment-mount-as-chinas-economy-slows>

4.8 The Hukou System and Migration

- **Required readings**

Naughton, 2007, Chapter 5

- **Discussion topic: Reform the hukou system**

- **Readings for discussion:**

- “Invisible and Heavy Shackles.” *The Economist*, May 6th, 2010.
<http://www.economist.com/node/16058750>
- “The Great Transition” *The Economist*, Mar 22nd 2014.
<http://www.economist.com/news/leaders/21599360-government-right-reform-hukou-system-it-needs-be-braver-great>
- “How Chinese schools discriminate against 65% of the population.” *The Economist*, April 12th 2017.
<https://www.economist.com/leaders/2017/04/12/how-chinese-schools-discriminate-against-65-of-the-population>

4.9 Environmental Problems

- **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*.
- Documentary “Under the Dome – Investigating China’s Smog”
<https://www.youtube.com/watch?v=T6X2uwlQGQM>

- **Discussion topic: Air pollution**

- **Readings for discussion:**

- “Can China clean up fast enough?” *The Economist*, Aug 10th 2013
<http://www.economist.com/news/leaders/21583277-worlds-biggest-polluter-going-green-it-needs-speed-up-transition-can-china>
- “Chinese Premier Vows Tougher Regulation on Air Pollution”, *The New York Times*, March 15th 2015
<http://www.nytimes.com/2015/03/16/world/asia/chinese-premier-li-keqiang-vows-tougher-regulation-on-air-pollution.html>
- “Trump Is Unwilling to Tackle Climate Change. China Must Step Up.” *The New York Times*, Dec 10th 2018.
<https://www.nytimes.com/2018/12/10/opinion/china-trump-climate-change.html?rref=collecti>

4.10 The China Model

- **Required readings:** review class materials
- **Discussion topic:** Does China offer a better development model than the West?
- **Readings for discussion:**
 - “The Beijing consensus is to keep quiet.” *The Economist*, May 6th 2010.
http://www.economist.com/node/16059990?story_id=16059990
 - “China’s Superior Economic Model.” *The Wall Street Journal*, December 1st 2011.
<http://online.wsj.com/news/articles/SB10001424052970204630904577056490023451980>
 - “China’s Future: What China wants”, *The Economist*. 2015
<http://www.economist.com/news/essays/21609649-china-becomes-again-worlds-largest-economy-it-wants-respect-it-enjoyed-centuries-past-it-does-not>