

Economics 416

The Chinese Economy

Spring 2009

Instructor: Professor Xiaojun Wang

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Classroom: George 227

Time: T&R 1:30-2:45pm

Office Hours: T&R 10:30-11:30am

Course Description

This is an introductory course on the Chinese Economy, both historical and current. It covers the imperial dynasties (until 1911), the Republican China (1911-1949), the Maoist China (1949-1978), Deng's China (1978-1989), and the most recent reform effort. The post-reform period (1978-present) is of course the main focus. We are going to discuss the historical development of economic institutions, economic policies and strategies, and in particular how economic reform affected different sectors in the economy. Comparison will be frequently drawn with related issues in the state of Hawaii as well as the rest of the United States.

Stated Learning Outcomes

- China's economic development experience
- How economic policy affects the path of economic development
- Sino-US economic comparison and relationship

Requirements and Readings

- Main text: Barry Naughton, "The Chinese Economy". MIT Press, 2007.
- My Lecture Notes (PPT)
- Supplements:
 - Nicholas R. Lardy, "China: In the World Economy". Institute for International Economics 1994.
 - Debra E. Soled, "China: A Nation in Transition". Congressional Quarterly Inc. 1995.
 - John King Fairbank and Merle Goldman, "China: A New History". Harvard University Press 1999.
 - Carl Riskin, "China's Political Economy: The Quest for Development since 1949". Oxford University Press 1991.
 - Videos: I will show some videos in class.

Grading

There will be one midterm (50%) and one final (50%). Exams are close-book, and contain mainly short essay questions. No make-up exams unless due to your own medical emergency. Finally, no +/- will be used in grading.

Note: Course schedule is subject to change. Changes will be announced in class.

Schedule

Week 1: Introduction

Latest economic performance of China. Basic necessities of studying about China, including basic statistics, geography, and language.

Week 2: The Imperial Dynasties

Review the economic and political history of China from the origins to 1911.

Week 3 and Week 4: The Republican China

A period of wars and revolutions, including the establishment of the Republic of China, the Era of Warlordism, the Nanjing Decade, the Anti-Japanese War, and the Civil War. Economic policies and performance in different time periods and locations.

Week 5, Week 6, and Week 7: Maoist China

Socialism in China. Mao's adoption and modification of Marx and Lenin, and development of Stalinist model in the USSR. Initial agricultural reform and industrialization, Great Leap Forward, and the Cultural Revolution. Wage/price structures. Profit distributions. Urban-Rural differences.

Week 8: Review and Midterm.

Midterm: TBA.

Week 9, Week 10, Week 11 (Spring Recess, No Class), Week 12, and Week 13:

Deng's China

The new political climate under Deng. Rural economic reform strategies and results, household responsibility system and township and village enterprises. Urban economic reform attempts, state-owned enterprises and joint ventures. The "Open Door" policy. Special Economic Zones and Foreign Direct Investment.

Week 14, Week 15, and Week 16: Post-Deng Era

New problems and strategies in the 1990s. Inefficiency of State-Owned Enterprises. Financial System Reform. Urban unemployed workers. China's WTO (World Trade Organization) Accession and its impact on the world economy. China's economic relationship with other countries and regions. What is the future of the Chinese economy?

Week 17: Review

Final Exam: TBA.