

PubPol 751.002
Chinese Economy and Economic Policy
September 11 – October 23, 2015

COURSE INSTRUCTOR

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COURSE OBJECTIVES

The emerging Chinese economy is showing its influences both in broadness of geography and in depth of economic integration with the rest of the world. It is now almost a must for government policy makers and for business people to be aware of the fast changing Chinese economy. The objective of this course is to provide students with an essential framework of how the Chinese economy operates and what the key determinants for its future development are.

COURSE DESCRIPTION

The main contents of the course include: (1) a background introduction to China's economy and its evolution of economic reforms; (2) fundamental economic institutions and policies; (3) analysis for future trend.

COURSE ASSESSMENT AND REQUIREMENTS

Assignments and Quiz	50%
Written Assignment	40%
In Class Quiz (20 minutes in last class)	10%

REFERENCES

- BN** Barry Naughton
The Chinese Economy: Transitions and Growth
The MIT Press, 2007
ISBN: 9-780262-640640
- CLC** Cai Fang, Justin Lin Yifu, Cao Yong
The Chinese Economy: Reform & Development
MaGraw Hill, 2009
ISBN: 978-007-123206-7

SCHEDULE, OUTLINE AND READINGS

Dates	Topics
11 Sept Friday 9:00- 12:00	<p>1. The Emerging Chinese Economy</p> <ul style="list-style-type: none"> 1.1 The Emerging Chinese Economy 1.2 A Review of the China Model 1.3 Historical View of the Chinese Economy 1.4 Geographic Conditions and Natural Resources <p>Readings</p> <ul style="list-style-type: none"> 1. STATISTICAL COMMUNIQUÉ OF THE PEOPLE'S REPUBLIC OF CHINA ON THE 2014 NATIONAL ECONOMIC AND SOCIAL DEVELOPMENT, <i>National Bureau of Statistics of China, February 26, 2015</i> 2. BN Chapter Introduction 3. BN Ch.2 The Chinese Economy Before 1949 4. BN Ch.1 The Geographical Setting
18 Sept Friday 9:00- 12:00	<p>2. The Socialist Era 1949-1978 and the Start of Market Reform</p> <ul style="list-style-type: none"> 2.1 Setting up of the Command Economy 2.2 Start of Reform in Agricultural Sector 2.3 Reform Strategies and Process <p>Readings</p> <ul style="list-style-type: none"> 1. BN Ch.3 The Socialist Era: 1949-1978 2. BN Ch.4 Market Transition: Strategy and Process
25 Sept Friday 9:00- 12:00	<p>3. Reform Policies in Economic Institutions and Performance</p> <ul style="list-style-type: none"> 3.1 Reform in Agricultural Sector and Performance 3.2 Reform in State Owned Enterprises 3.3 Development of the Private Firms <p>Readings</p> <ul style="list-style-type: none"> 1. BN Ch.5 The Urban Rural Divide 2. BN Ch.10 Rural Organization 3. BN Ch.11 Agriculture: Output, Inputs, and Technology 4. A Comparison of China's State Owned Enterprises and Their Counterparts in the United States (paper by Yunhua Liu in <i>Public Administration Review</i>, 2009)
2 Oct Friday 9:00- 12:00	<p>4. Trade Policy and Foreign Direct Investment</p> <ul style="list-style-type: none"> 4.1 Trade Policy Reform and Trade Performance 4.2 Role of Foreign Direct Investment 4.3 Prospects of and Challenges to FDI in China <p>Readings</p> <ul style="list-style-type: none"> 1. BN Ch.16 International Trade 2. BN Ch.17 Foreign Investment 3. Paul Krugman: Chinese New Year, in <i>New York Times</i> 2009

9 Oct Friday 9:00- 12:00	5. Policy for Local Government Operation and Infrastructure Construction 5.1 The Role of Local Governments and Their Behavior Pattern 5.2 Construction of Infrastructures and Push for Industrial Development 5.3 Case: Decline of the World Largest Solar Energy Company: SunTech Readings 1. The Tax System of China 2. BN Ch.14 Structural Change: Energy, Industrialization and Infrastructure 3. SunTech Power Holdings, 2010 Report 4. Road to SunTech Fraud Paved with Winnings
16 Oct Friday 9:00- 12:00	6. Policy in Regional Development, Industrialization and Urbanization 6.1 Globalization and Regional Development of China 6.2 Industrialization and Urbanization 6.3 Trend of Urbanization Readings 1. CLC Ch.10 The Divergence of Regional Economic Growth and Policy of Regional Development
23 Oct Friday 9:00- 12:00	7. Strategies for Future Growth 7.1 The Fundamentals for Future Growth 7.2 Challenges, Constraints and Opportunity 7.3 Strategies and New Reform Policy Readings 1. BN Ch.18 Macroeconomic Trends and Cycles 2. Michael Spence 2010: China's Next Mountain to Climb 3. Economic Intelligent Unit: Country Report China 2015

WRITTEN ASSIGNMENT

Choose a topic: You may choose a topic in the following areas to write an essay regarding the policy changes and performances in Chinese economy. You may give a different title of the essay to reflect your emphasis on the topic you choose.

Topics areas:

1. China model: reasoning and evidences
2. Reform policy review: why some are successful but some failed?
3. Policy review and evaluation for agricultural and industrial development, trade, foreign investment, urbanization, infrastructure construction, housing, education, medical service environment, and so on.
4. Transition of the Chinese economy: Opportunities and Challenges

Requirements for contents:

1. The analysis should reflect how the latest development in China's (1) politics, (2) economic policy, (3) laws, (4) culture and (5) economic development affect the specific issue you discuss. It is not necessary that you must review all the five factors in the topic domain you choose, instead, you may analyze or focus on one or two factors that have the substantial effects on your issue.
2. You may use a case or some cases (not necessarily), or other evidences to conduct your analysis.
3. You may verify the viewpoints I presented during lecture time. You are surely encouraged to raise any disagreeable arguments regarding all of my points. I view your solid arguments as a contribution to the class.

Procedure and format:

1. Identify the issue first. Then indicate what you are going to do and how you will do it.
2. Present and review the background and development of your topic.
3. Analyzing the issue according to theory, concepts, or any logic you will follow. Explain why and how the changes in the five factors affect the economic performance.
4. Conclusion.

Give references of your quotations and data source.

Length and delivery: 2500-3500 words. Only soft copy needed, send to ayuliu@ntu.edu.sg. The work is required to be done **independently** and **individually**.

Deadline: 23 October 2015.