

**AEDE/IS 539**  
**China's Economic Reforms and Globalization**

Spring Quarter, 2009

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**Office Hours:** Tuesday and Thursday, 10:00 - 11:00 am or by appointment

**Teaching Assistant:** Will McGuire, e-mail: [william.h.mcguire@gmail.com](mailto:william.h.mcguire@gmail.com)

**Prerequisites:** AEDE 200, H200 or Economics 200, H200 or permission of instructor

**Course Objectives:** China's economic reforms have resulted in one of the most rapidly growing economies in the world. A major objective of this course is to introduce China's economic reforms, development and transformation during the last 30 years. The course covers topics on China's economic transition, reform strategy and the process, reform and development of Chinese agriculture, industry, the financial system and foreign trade. Other topics include assessments of China's resource base and economic institutions, changes in social and demographic factors, the political economy of China's reforms and globalization.

By the end of the quarter, students are expected to be able to:

1. Understand China's main economic reforms undertaken since 1978.
2. Evaluate the successes and failures of China's economic reforms and transformation.
3. Analyze the reform strategies and the functioning of China's economic and social institutions.
4. Write a summary and review of a published journal article on China's economy

**DVD Viewing:** Three DVDs will be shown during the quarter:

1. **The Mao years: 1949-1976:** This DVD tells the story of how Mao Zedong and his colleagues tried to build a "new China" and in the process drew almost a billion people into the largest political experiment in history.
2. **Born Under the Red Flag, 1976-1997:** This DVD examines China's transformation under Deng Xiaoping into an extraordinary hybrid of communism and capitalism and an economic giant in the world.
3. **China From Inside - Environment:** This DVD examines current environmental issues in China.

**Paper:** A summary and critical review of a published journal article on China's economy is required for the course. You can choose from one of 6 articles specified below by the instructor. The paper should be typed in 12 point font, double-spaced and no longer than 6 pages.

**Exams:** There will be quizzes, a midterm, and final exam.

**Grading:**

Quizzes	=	20%
Midterm Examination	=	25%
Final Examination	=	25%
Research Paper	=	25%
Class attendance	=	5%

**Final Grade:**

A 95.0 - 100	B- 80.0 - 83.0	D+ 67.0 - 70.0
A- 90.0 - 95.0	C+ 77.0 - 80.0	D 60.0 - 67.0
B+ 87.0 - 90.0	C 73.0 - 77.0	E < 60.0
B 83.0 - 87.0	C- 70.0 - 73.0	

**Note:** No make-up exams are given without documents indicating circumstances beyond your control that caused you to miss the official dates. Except under the most unusual circumstances, the instructor needs to be notified prior to the exam. If the absence is for OSU travel/a scheduled event, notify instructor at least one week in advance of the exam date.

**Academic Misconduct:** It is the responsibility of the Committee on Academic Misconduct to investigate or establish procedures for the investigation of all reported cases of student academic misconduct. The term “academic misconduct” includes all forms of student academic misconduct wherever committed; illustrated by, but not limited to, cases of plagiarism and dishonest practices in connection with examinations. Instructors shall report all instances of alleged academic misconduct to the committee (Faculty Rule 3335-5-487). For additional information, see the Code of Student Conduct ([http://studentaffairs.osu.edu/info\\_for\\_students/csc.asp](http://studentaffairs.osu.edu/info_for_students/csc.asp)).

**Disability Services:** **Students with disabilities that have been certified by the Office for Disability Services will be appropriately accommodated, and should inform the instructor as soon as possible of their needs. The Office for Disability Services is located in 150 Pomerene Hall, 1760 Neil Avenue; telephone 292-3307, TDD 292-0901; <http://www.ods.ohio-state.edu/>.**

**Important Dates:** Midterm Examination: Wednesday, April 29, 2009  
Summary and review of journal article due: Friday, June 5, 2009  
Final Examination: Monday, June 8, 11:30am-1:18pm, 2009

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**Outline and Reading Materials**

**Current Economic Events in China:**

The New York Times:	<a href="http://www.nytimes.com/">http://www.nytimes.com/</a>
People's Daily Online:	<a href="http://english.peopledaily.com.cn/">http://english.peopledaily.com.cn/</a>
The Economist:	<a href="http://www.economist.com/">http://www.economist.com/</a>
The World Bank:	<a href="http://www.worldbank.org/cn">www.worldbank.org/cn</a>

**Text Book:** Barry Naughton, *The Chinese Economy: Transitions and Growth*, MIT Press, 2007.

**Topics and Reading:**

**1. Geographical Setting and Pre-1949 China:**

Barry Naughton, Chapters 1 and 2

Nicholas Lardy, "The Economic Rise of China: Threat or Opportunity?" *Economic Commentary*, August 1, 2003

**2. The Socialist Era: 1949-78:**

Barry Naughton, Chapter 3

Ramon Myers, "How did the Chinese Economy Develop? A Review Article," *The Journal of Asian Studies* 50 (1991): 604-628.

**3. Market Transition:**

Barry Naughton, Chapter 4

**4 -5. The Rural Economy:**

Barry Naughton, Chapters 10-12

**6-7. The Urban Economy:**

Barry Naughton, Chapters 13-15

## **8. China and the World Economy**

Barry Naughton, Chapter 16

D. Gale Johnson, "The WTO and agriculture in China," *China Economic Review* 11 (2000): 402-404.

Justin Lin, "WTO accession and China's agriculture," *China Economic Review* 11 (2000): 405-408.

## **9. Macroeconomics and the Financial System**

Barry Naughton, Chapters 18-19

## **10. Lessons from Chinese Economic Reform and its Future**

Barry Naughton, Chapter 20

Alwyn Young, "The Razor's Edge: Distortions and Incremental Reform in the People's Republic of China," *Quarterly Journal of Economics*, 115, (2000): 1091-1135.

### **Articles for Review:**

- (i) Yuqing Xing, "Why is China so attractive for FDI? The role of exchange rates," *China Economic Review* 17-2 (2006): 198-209.
- (ii) Jikun Huang, Yang Jun, Zhigang Xu, Scott Rozelle, and Ninghui Li, "Agricultural trade liberalization and poverty in China," *China Economic Review* 18-3 (2007): 244-265.
- (iii) Eswar S. Prasad, "Is the Chinese growth miracle built to last?" *China Economic Review* 20-1 (2009): 103-123.
- (iv) Olivier Blanchard and Francesco Giavazzi, "Rebalancing Growth in China: A Three-Handed Approach," *China & World Economy* 14-4 (2006): 1-20.
- (v) Guiyang Zhuang, "How Will China Move towards Becoming a Low Carbon Economy?" *China & World Economy* 16-3 (2008): 93-105.
- (vi) Shunli Yao, "Why Are Chinese Exports Not So Special?" *China & World Economy* 17-1 (2009): 47-65.

Access articles via these links on an OSU computer, or e-mail instructor for a pdf file:

[http://www.elsevier.com/wps/find/journaldescription.cws\\_home/620160/description#description](http://www.elsevier.com/wps/find/journaldescription.cws_home/620160/description#description)

<http://www3.interscience.wiley.com/journal/118001863/home>