

China's Next Economy

CAPS 3049; GOVT 3044; ASIAN 3304

Fall 2016

Seek Truth from Facts—Book of Han

实事求是—汉书

Instructor:	Jeremy Wallace	Email:	wallace@cornell.edu
Time:	Tuesday & Thursday, 2:55—4:10	Place:	Uris Hall 262
Office Hours:	W 9:30—11:15	Place:	White Hall 211
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This course provides students with an analytical framework to understand China's ongoing economic transformation. The courses goals include:

- 1) familiarizing students with different perspectives on China's economic development since 2000 and its future prospects;
- 2) providing a close working knowledge of the evolving current situation, with a focus on internal variation within China—telling different Chinese stories, not one “China story”—and particularly emphasizing urbanization and the goal of shifting from manufacturing and export-led to services and domestic-led economy; and
- 3) giving students hands-on experience using Chinese economic data in the context of a short research paper.

Each week will connect current events and debates, bringing research and social scientific analysis to bear upon policy-relevant questions and developments.

Class Format

The class is a lecture meeting twice a week, with mandatory attendance. Readings for that class session should be read before class and reviewed afterwards.

Assignments and Grades

Grades in the class are based on performance from seven parts, as shown below.

China Map Quiz	5%	Reading Check-ins	5%
News Presentation	10%	Participation	15%
Blog Posts	10%	Midterm	20%
Research Paper	35%		

China Map Quiz – A Chinese provincial and regional map to familiarize students with China’s geography.

Reading Check-ins – Short answer questions about that week’s readings, distributed on Blackboard to help discussion quickly get through the basics of the material and into deeper issues.

News Presentation – Students present a news item in section and also turn in a single-spaced, one page (~500 words) description of the issue, relevant players, potential biases in the coverage, etc.

Participation – Attendance at lecture is required, as is active participation in discussion section.

Blog Posts – Each student will write 2 responses of ~500 words each during the semester. Responses synthesize the readings of the week.

Midterm Exam – A midterm will cover all materials from the lectures, readings, and section that occur prior to the exam. The exam will include identifications, short answers, and essay questions.

Research Paper – By the date of the assigned final exam, students are expected to turn in a research paper (~6000 words). A handout on topics will be circulated early in the semester. A draft outline must be turned in Oct. 6, and a 2000+ word draft electronically submitted by Nov. 10 and commented on by classmates.

Grading will be based upon (a) accuracy of factual information; (b) ability to synthesize the appropriate evidence, both theoretical and empirical, from all parts of the course not just rehashing the texts; (c) judgment in separating the important from the trivial, keeping on the subject, critically evaluating all assumptions [including your own and mine]; and (d) effective expression—organization, choice of words, basic grammar, etc.

Prerequisites

The course has no formal prerequisites. Students will come into the class with diverse backgrounds: some will have grown up in China, while others have studied related subject matters before. Regardless, China’s ongoing economic transformation is ... ongoing, and students will need to engage the readings and assignments of this class to excel. However, students without a background in comparative politics (e.g. GOVT 1313 *Introduction to Comparative Politics*), Chinese politics (CAPS 3403 *China Under Revolution and Reform*), China’s economic history (ECON 3380 *China’s Economy under Mao and Deng*), or related classes will be at a distinct disadvantage and should think carefully about the decision to enroll.

Integrity & Accommodation

Each student in this course is expected to abide by the University's Code of Academic Integrity. All written assignments will be solely the work of the student. Cheating and plagiarism will be dealt with according to university regulations. In compliance with university policy and equal access laws, I am available to discuss appropriate academic accommodations that may be required for student with disabilities.

Readings

All of the readings are linked or on Blackboard. There are no required textbooks, but Arthur Kroeber's *China's Economy: What Everyone Needs to Know*, Barry Naughton's *The Chinese Economy*, and Kenneth Lieberthal's *Governing China*, among others, can help provide background for those without it.

The material that students read in this class come from a variety of sources and are produced for a variety of audiences. One goal of the course is for students to come away with an improved ability to understand the explicit and implicit arguments that are made in scholarly work, policy documents, political campaigns, government pronouncements, and mass media about China and the Chinese economy.

Course Schedule

Introduction

Aug. 23

Censorship and Self-Censorship

Aug. 25

[1] Perry Link. 2002. "The Anaconda in the Chandelier." *New York Review of Books*.

[2] Gary King, Jennifer Pan, Margaret Roberts. 2014. "Reverse-Engineering Censorship in China: Randomized Experimentation and Participant Observation." *Science*.

[3] Eric X. Li. 2012. "Why China's Political Model is Superior." *The New York Times*.

China's Growth in Comparison

Aug. 30, Sept. 1 [No Lecture] [Map Quiz in section]

- [1] Robert Wade. 1990. *Governing the Market: Economic Theory and the Role of Government in East Asia Industrialization*. Selections.
- [2] Arthur Kroeber. 2016. *China's Economy: What Everyone Needs to Know*. Chapter 1.
- [3] James C. Scott. 1998. *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed*. pp. 1-24.

China 2030

Sept. 6, Sept. 8

- [1] World Bank. 2012. *China 2030: Building a Modern, Harmonious, and Creative High-Income Society*. Overview and Selections.

China 3.0—Chinese Voices

Sept. 13, Sept. 15

- [1] Mark Leonard (ed). 2012. *China 3.0*. [Including: Cui Zhiyuan, Xiao Bin, Yu Yongding, Justin Yifu Lin, Zhang Weiyang, Wang Shaoguang, Hu Shuli, Sun Liping, Ma Jun, Pan Wei & Shang Ying, Wang Hui, Michael Anti, Wang Yizhou, Yan Xuotong, Wang Jisi]

Growth Debates

Sept. 20, Sept. 22

- [1] Nicholas Lardy. 2014. *Markets over Mao: The Rise of Private Business in China*. Selections.
- [2] Yasheng Huang. 2008. *Capitalism with Chinese Characteristics: Entrepreneurship and the State*. Selections.
- [3] Stephen Roach. 2014. *Unbalanced: The Codependency of America and China*. Selections.

Turning Points I: Labor

Sept. 27, Sept. 29

- [1] Mitali Das & Papa N'Diaye. 2013. "Chronicle of a Decline Foretold: Has China Reached the Lewis Turning Point?" *IMF Working Paper*.

- [2] Mary Gallagher. 2014. "China's Workers Movement & the End of the Rapid-Growth Era." *Daedalus*. 143(2): 81-95.
- [3] Eli Friedman, & Sarosh Kuruvilla. 2015. "Experimentation & decentralization in China's labor relations." *Human Relations*, 68(2), 181–195.

Urbanization

Oct. 4, Oct. 6

- [1] You-tien Hsing. 2010. *The Great Urban Transformation*. Chapter 2.
- [2] Jeremy Wallace. 2014. *Cities and Stability*. Chapter 6.
- [3] Economist. 2014. "China: Building the Dream." Special Report.
- [4] David Bandurski. 2016. *Diamonds in Dragon Village*. Selections.

Draft outline of paper due, Oct. 6

Ghost Cities

Oct. 11 [No Class—Fall Break], Oct. 13

- [1] Christian Sorace & Bill Hurst. 2016. "China's Phantom Urbanisation and the Pathology of Ghost Cities." *Journal of Contemporary Asia*. 46(2): 304—322.
- [2] Max Woodworth & Jeremy Wallace. 2016. "Seeing Ghosts: Parsing China's 'Ghost City' Controversy." Manuscript.

Government Work Reports and Plans

Oct. 18, Oct. 20

- [1] Li Keqiang. 2016. "2016 Government Work Report."
- [2] Scott Kennedy & Christopher Johnson. 2016. "Perfecting China, Inc." CSIS.

Turning Points II: China and the Great Recession

Oct. 25, Oct. 27

- [1] Barry Naughton. 2009. "The Scramble to Maintain Growth." *China Leadership Monitor*.
- [2] Alice Miller. 2009. "Leadership Sustains Public Unity amid Stress." *China Leadership Monitor*.
- [3] Joseph Fewsmith. 2009. "Social Order in the Wake of Economic Crisis." *China Leadership Monitor*.
- [4] Barry Naughton. 2010. "The Turning Point: First Steps toward a Post-Crisis Economy." *China Leadership Monitor*.

Debt

Nov. 1, Nov. 3

- [1] McKinsey Global Institute. 2015. *Debt and (not much) Deleveraging*.
- [2] Michael Pettis. 2013. *Avoiding the Fall*. Selections.
- [3] Arthur Kroeber. 2016. *China's Economy: What Everyone Needs to Know*. Chapter 12.

Midterm

Nov. 8

Discussing Data

Nov. 10

- [1] Jeremy Wallace. 2016. "Juking the Stats: Authoritarian Information Problems in China." *British Journal of Political Science*.
- [2] J. Fernald et al. 2013. "On the Reliability of Chinese Output Figures." *Federal Reserve Bank of San Francisco Economic Letter*.

Paper draft (~2000 words) due Nov. 10

Environment

Nov. 15, Nov. 17

- [1] Rachel Stern. 2011. "From Dispute to Decision: Suing Polluters in China." *The China Quarterly*. 206: 294–312.
- [2] Wang Jin. 2010. "China's Green Laws are Useless." *China Dialogue*.
<https://goo.gl/YwvU0T>
- [3] Ye Qi et al. 2016. "China's Post-Coal Growth." *Nature Geoscience*. 9(8): 564-566.

Corruption

Nov. 22, Nov. 24 [No Class—Thanksgiving]

- [1] Hudson Lockett. 2016. "Exclusive: Monthly data detail China's often soft-handed anti-corruption campaign." & "Corruption Data Update." *China Economic Review*.
- [2] Samson Yuen. 2014. "Disciplining the Party: Xi Jinping's Anti-Corruption Campaign and its Limits." *China Perspectives*. 3: 41-47.
- [3] Wang Feng. 2014. "Tigers and Flies." *South China Morning Post*.

New Normal
Nov. 29, Dec. 1

- [1] Alice Miller. 2016. "'Core' Leaders, 'Authoritative Persons,' And Reform Pushback." *China Leadership Monitor*. 50.
- [2] Mirjam Meissner et al. 2016. "Is Big Data Increasing Beijing's Capacity for Control?" *ChinaFile*.
- [3] Barry Naughton. 2016. "Two Trains Running: Supply-Side Reform, SOE Reform and the Authoritative Personage." *China Leadership Monitor*. 50.
- [4] Jeremy Wallace. 2016. "The New Normal: A Neopolitical Turn in China's Reform Era."

Final Paper Due: December 8, 2016.