

ECON 493
Economy of Modern China

Professor Kar-yiu Wong
Autumn 2021

Classes: T Th 1:30 – 3:20 PM, MGH 254

Office: Savery 352

Office hours: Wednesdays 10:00 a.m. – 12:00 noon, remote

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This course explains and analyzes the economy of modern China, with an emphasis on the main features of the Chinese socialist economy, its economic reform that started at the end of the seventies, its economic growth and development, and its economic relations with the rest of the world.

There will be a mid-term exam and a final exam. Students will also have to finish and submit home assignments on time. The assignments, the mid-term exam, and the final exam will carry weights of 10%, 40%, and 50%, respectively, of the final grade.

Pre-requisite: Econ 300 and 301 or the instructor's approval.

Covid-19 and instruction (urgent):

- In Econ 493, lectures will be given as scheduled in MGH 254. We will review this policy regularly. Students are strongly encouraged to attend all classes.
- Both the lecture notes and the slides used in class will be posted at canvas. The lectures will not be recorded, though.
- Assignments have to be submitted in class. Mid-term and final examinations will be conducted in class.
- It is the policy of the university that all students should get Covid-19 vaccination and wear masks in class. For the safety of yours and that of others, please keep a distance of at least 6 ft from others whenever possible. You can download a file at canvas that describes the face-masks policy.

The UW Department of Economics has a policy on academic misconduct. Academic misconduct includes plagiarism, cheating on examinations or other individual projects or assignments, and the theft or alteration of other persons' work for the purpose of gaining academic credit or of enhancing grades. Download a copy of the department policy at <http://depts.washington.edu/karyiut/AcademicConduct5-13.pdf>.

TEXT

Naughton, Barry (BN), *The Chinese Economy: Adaptation and Growth*, Second Edition, Cambridge, MA: MIT Press, 2018.

You are required to get a copy of Naughton's and Kroeber's books, either in printed version or digital version. (They are available at Ubook Store and at Amazon's web site.) Others are for references and you do not need to purchase. Copies of them are available for check out at Odegaard Library.

MAJOR REFERENCES

Brandt, Loren and Thomas G. Rawski (BR), eds., *China's Great Economic Transformation*, Cambridge: Cambridge University Press, 2008.

Chen, Yulu (LC), *Chinese Currency and the Global Economy*, New York: McGraw Hill, 2014.

Chow, Gregory C. and Dwight H. Perkins (CP), eds., *Routledge Handbook of the Chinese Economy*, London, U.K.: Routledge, 2015.

Kroeber, Arthur R. (AK), *China's Economy*, second edition, Oxford: Oxford University Press, 2020.

Lardy, Nicholas R. (NL), *Integration China into the Global Economy*, Washington, D.C.: Brookings Institution Press, 2002.

OTHER REFERENCES

Perkins, Dwight (DP), *The Economic Transformation of China*, Singapore: World Scientific, 2015.

Whalley, John (WH), *China's Integration into the World Economy*, Singapore: World Scientific, 2011.

Syllabus and Reading List:

1. Introduction
 - *AK, Chapter 1
2. Fundamental Features of the Chinese Socialist Economy
 - *Lecture notes
 - *BN, Chapter 4, 11.1, 11.2
 - *AK Chapter 2
 - CP, Chapter 3
 - DP, Chapters 3–5
3. The Rural Sector and Agriculture

- *Lecture notes
- *BN, Chapters 11–13
- *AK, Chapter 4
- CP, Chapters 4 and 11

4. The Urban Sector and Industry

- *Lecture notes
- *BN, Chapters 14–15
- *AK Chapters 5–6
- CP, Chapter 12
- DP, Chapter 4

5. Population and the Labor Market

- *BN, Chapters 8–9
- *AK, Chapter 11
- CP, Chapters 6–7

6. The Government, Infrastructure Investment, and Fiscal Policy

- *Lecture notes
- *BN, Chapters 18, 20
- *AK, Chapter 8
- *BR, Chapter 12
- CP, Chapter 10

7. The Financial Sector, the Renminbi, and Monetary Policy

- *Lecture notes
- *BN, Chapter 19
- *Chen, Chapters 3–5
- *AK, Chapter 9
- CP, Chapter 15
- BR, Chapter 14

8. Economic Growth and Income Distribution

- *Lecture notes
- *BN, Chapters 7, 15
- *WH, pp. 295–324
- *AK, Chapter 14
- DP, Chapter 8
- CP, Chapter 10
- GC, Chapter 5
- NL

9. Foreign Trade and Foreign Direct Investment

- *Lecture notes

*BN, Chapters 16–17

*AK, Chapter 15

CP, Chapter 14

EN, Chapters 2-3

10. Economic Integration and the Belt-Road Initiative

*Lecture notes

11. China's Future