

THE ECONOMICS OF CHINA
ECONOMICS 2128B-001
Department of Economics
Western University

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Office Hours: Mon. 2:00-4:00

Class Times: Mon. 12:30-1:30; Wed. 12:30-2:30

Classroom: TC 341

Course website: <https://owl.uwo.ca/portal>

Undergraduate inquiries: 519-661-3507 SSC Room 4075 or econugrd@uwo.ca

Registration

You are responsible for ensuring you are registered in the correct courses. If you are not registered in this course, the Department will not release any of your marks until your registration is corrected. You may check your timetable by using the Login on the Student Services website at <https://student.uwo.ca>. If you notice a problem, please contact your home Faculty Academic Counsellor immediately.

Prerequisite Note

The prerequisites for this course are **Economics 1021A/B** and **1022A/B**, or **Economics 2001A/B**.

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken an antirequisite course. Lack of prerequisites may not be used as a basis for appeal. If you are found to be ineligible for a course, you may be removed from it at any time and you will receive no adjustment to your fees. This decision cannot be appealed.

If you find that you do not have the course prerequisites, it is in your best interest to drop the course well before the end of the add/drop period. Your prompt attention to this matter will not only help protect your academic record, but will ensure that spaces become available for students who require the course in question for graduation.

Course Objectives:

This course is about the economy of the People's Republic of China, with emphasis on the recent reform period (1980s to the present). It will critically examine China's remarkable economic performance and place this performance in historical and comparative context. The course investigates topics related to China's economic structure, institutions, public policy, and current events.

The course combines lectures with seminar-style class discussions. Active class attendance and participation is important, as is knowledge of the readings. If you are unlikely to attend class regularly and cannot complete the readings on time, then this is not the course for you.

Learning Outcomes:

- Students will learn the main features of China's economy and economic development
- Students will gain experience using economic models and methods through their application in the analysis of China's economy
- Students will gain skills in independent learning and research, specifically, how to find and interpret Chinese data and statistics; how to find, read and evaluate reports and research about China.

Text and Reading Assignments:

Reading assignments are an important part of the course. Readings are from the textbook and other sources. The textbook is a draft version of a new edition of *The Chinese Economy* by Barry Naughton, which has been provided by the author for our use free of charge, on the condition that students use it only for personal study and do not circulate or share it. See the Reading List for a full list of required and recommended readings.

Grading and Course Requirements:

Requirements for this course include (1) short quizzes, (2) a midterm exam, and (3) a final exam.

During the term I will give 4 or 5 **short quizzes**. The quizzes will be 15-20 minutes long and consist of multiple choice and short answer questions. The purpose of the quizzes is to facilitate class discussion and learning on selected topics about China's economy. A week or two before each quiz, I will hand out a list of readings and discussion questions on a selected topic. On the day of the quiz, the class will take the quiz and then we will have an open class discussion on the topic. Students will be expected (and encouraged!) to participate in the class discussion. The timing of the quizzes/discussions will depend on how quickly or slowly we progress through the course material.

The **midterm exam** is *tentatively* scheduled for Mar 1. It will be held during class. The midterm and final exams will be based on the lectures and readings, and will contain a mixture of multiple choice, short answer, and essay questions.

The course mark will be calculated as follows:

- 25% short quizzes (*the quiz with the lowest mark will be dropped*)
- 35% midterm exam
- 40% final exam

There will be **no make ups** for the short quizzes or the midterm exam.

Important Dates

Mon., Jan. 9	First class meeting
Wed., Mar. 1	Midterm exam (<i>tentative</i>)
Wed., Apr. 5	Last class
TBA	Final exam

COURSE OUTLINE

(tentative)

- I. Introduction (1 week)
- II. China's Economic Performance (2-3 weeks)
- III. Initial Conditions (1 week)
- IV. China's Development Strategy (2 weeks)
- V. Population and the Economy (1-2 weeks)
- VI. Income Distribution and Poverty (1 week)
- VII. Foreign Trade (1-2 weeks)

Statement on Mental Health:

If you or someone you know is experiencing distress, there are several resources here at Western to assist you. Please visit <http://www.uwo.ca/uwocom/mentalhealth/> for more information on these resources and on mental health.

READING LIST

Notes:

1. This list contains readings for each topic on the course outline. For most topics I include some current events or opinion pieces to motivate the topic, as well as more substantial pieces based on serious, in-depth research.

2. **Required vs. optional readings:** All readings without asterisks are required readings. Asterisks indicate additional, optional readings, some of which I draw on for lecture material.

3. Where to find readings:

- “**Naughton**” refers to the textbook *The Chinese Economy* by Barry Naughton. It is available on the course website. **DO NOT SHARE OR CIRCULATE.**
- **Most other required readings** are available **online** through Western Libraries website or at public websites. You can access journal articles online through Western Libraries e-journals. The reading list shows links to public websites, where available.
- Copies of **required readings unavailable online will be posted on the course website for your personal and academic use only; they must not be shared or circulated.**

4. **Chinese names:** Below Chinese-language surnames appear first, followed by the given name, e.g., Mao Zedong refers to a person whose surname is “Mao” and given name “Zedong.”

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### I. Introduction

Stiglitz, Joseph E., “The China Century,” *Vanity Fair*, December 4, 2014, <http://www.vanityfair.com/news/2015/01/china-worlds-largest-economy>. *A short opinion piece discussing the implications of China’s economic rise for the rest of the world. Mainly takes a US perspective, but most points apply more broadly.*

Moriyasu, Keiirichu, “Mystery Chinese Official Calls for Reform over Growth,” *Nikkei Asian Review*, May 12, 2016, <http://asia.nikkei.com/Politics-Economy/Economy/Mystery-Chinese-official-calls-for-reform-over-growth>. *A news article regarding recent debates within China about whether economic policy should focus on major structural reforms or maintaining GDP growth.*

Naughton, “Introduction: The Chinese Economy in Context.” (00 Introduction 2016 Stripped.pdf)

## II.A. China's Economic Performance: Data and Measurement Issues

### 1. Purchasing Power Parity (PPP) Exchange Rates

*For fun, see this summary of blog posts by economists about recent PPP exchange rate estimates and their relevance to China. <http://bruegel.org/2014/05/blogs-review-chinas-gdp-ppp-to-surpass-the-united-states/>*

“The Big Mac Index: Patty-purchasing Parity,” *The Economist*, 23 July 2016, <http://www.economist.com/news/finance-and-economics/21702482-size-world-economymeasured-burgers-patty-purchasing-parity>. *This article gives the latest report from the Economist of its “Big Mac” index—a light-hearted introduction to exchange rate versus PPP methods relevant for converting China’s (and other countries’) GDP into dollars. See also the Economist’s interactive Big Mac Index tool at <http://www.economist.com/content/big-mac-index>.*

Frankel, Jeffrey, “China Is Not Yet #1,” Jeffrey Frankel’s Blog, May 9, 2004, <http://voxeu.org/article/china-not-yet-number-one>. *Frankel’s thought-provoking blog about the use of PPP exchange rates to understand China’s economy. Not everyone will agree, but his view deserves consideration.*

Sumner, Andy, “The Donors’ Dilemma—Did Global Poverty Just Fall a Lot, Quite a Bit, or Not at All?” *Global Policy*, 16 June 2014, <http://www.globalpolicyjournal.com/blog/16/06/2014/donors'-dilemma-did-global-poverty-just-fall-lot-quite-bit-or-not-all>. *A blog discussing the relationship between PPP exchange rates and poverty measurement.*

2011 International Comparison Program. *Purchasing Power Parities and Real Expenditures of World Economies: Summary of Results and Findings of the 2011 International Comparison Program*. Washington, D.C.: The World Bank, 2014. **Read chapters 3 and 5, look for China results in Chapter 6. Skim discussion of methodology in Chapter 4.** [<http://siteresources.worldbank.org/ICPINT/Resources/270056-1183395201801/Summary-of-Results-and-Findings-of-the-2011-International-Comparison-Program.pdf>]. *Contains results from the latest round of PPP estimates. Explains the PPP price issue, how PPP GDP estimates are determined, and appropriate uses and limitations of PPP estimates. Peruse the major findings and tables in this report to see PPP GDP estimates for China and other countries.*

## 2. Reliability of China's GDP Statistics

Lelyveld, Michael, "China Renews Push to Curb Data Fraud," Radio Free Asia, Jan. 12, 2015, [http://www.rfa.org/english/commentaries/energy\\_watch/china-economic-data-fraud-01122015111654.html/](http://www.rfa.org/english/commentaries/energy_watch/china-economic-data-fraud-01122015111654.html/). *A news report on recent measures in China to deal with inflated GDP reporting by local level governments and to reduce the discrepancy between provincial-level and national-level GDP statistics.*

Xinhua, "GDP Revision Reflects Real Picture of China's Economy," China Daily, July 7, 2016, [http://europe.chinadaily.com.cn/business/2016-07/07/content\\_26000187.htm](http://europe.chinadaily.com.cn/business/2016-07/07/content_26000187.htm). *A news report by China's official news agency about the latest modifications to China's official GDP statistics.*

The Economist, "China's Data: Superstition Ain't the Way," The Economist, Sept. 3, 2016, <http://www.economist.com/news/finance-and-economics/21706272-why-do-people-still-pay-rapt-attention-chinas-unsatisfactory-growth-statistics>. *The latest on China's GDP statistics and, in case you didn't know, corruption charges against the former head of the National Bureau of Statistics. Gives a good, succinct overview of problems with official Chinese GDP data.*

Wildau, Gabriel, "China Data: Making the Numbers Add Up," Financial Times, September 28, 2015, <https://www.ft.com/content/cb446e10-6057-11e5-97e9-7f0bf5e7177b>. *A thoughtful news article discussing the reliability of China's GDP statistics with input from two well-known economists who have worked on constructing alternative estimates.*

Naughton, "6, Growth and Structural Change," pp. 1-6 only (06 Growth and Structural Change 2015.pdf)

Rosen, Daniel H., and Bao, Beibei, "An Independent Look at China's Size," Project on Chinese Business and Political Economy No. 1, Center for Strategic and International Studies (CSIS), September 11, 2015, [http://csis.informz.net/CSIS/data/images/China/Rosen\\_ChineseEconomy\\_.pdf](http://csis.informz.net/CSIS/data/images/China/Rosen_ChineseEconomy_.pdf). *Summary findings from Rosen and Bao's Broken Abacus book, an ambitious attempt to come up with an alternative estimate of China's GDP that corrects major problems with the official estimates.*

Holz, Carsten, "The Quality of China's GDP Statistics," China Economic Review 30(2014): 309-338, read only pp. 309-329 and the conclusion (skip section 4 on Benford's Law). *This article gives an excellent review of past and present problems with China's official GDP statistics. He carries out some checks on the data and finds no evidence of deliberate falsification.*

## II.B. China's Economic Performance: Growth, Structural Change and Productivity

Bloomberg News, “China’s Productivity Growth Is the Worst since the Asia Crisis,” Bloomberg Markets, Sept. 5, 2016, <https://www.bloomberg.com/news/articles/2016-09-05/china-s-productivity-growth-is-the-worst-since-the-asia-crisis>. *A news report that productivity growth in China last year, measured as GDP per worker, slowed to 6.6%, the lowest growth since the late 1990s. (Keep in mind that labor productivity growth in Canada and similar countries has been below 2% in recent years.)*

Magnier, Mark, “China’s Productivity Problem Drags on Growth,” Wall Street Journal Online 1 September 2014 [[http://blogs.wsj.com/economics/2014/09/01/chinas-productivity-problem-drags-on-growth/?mod=wsj\\_valettop\\_email](http://blogs.wsj.com/economics/2014/09/01/chinas-productivity-problem-drags-on-growth/?mod=wsj_valettop_email)]. *A recent news report on two recent studies that find slowing productivity growth in China,*

“Comparing Chinese Provinces with Countries—All the Parities in China: Which Countries Match the GDP, Population and Exports of Chinese Provinces?” The Economist [[http://www.economist.com/content/all\\_parities\\_china](http://www.economist.com/content/all_parities_china)]. *A great map graphic showing for each province the level of GDP, population and exports matched to countries of comparable size. Data are a few years old (for 2010), but gives a sense of the regional diversity within China.*

Naughton, “6: Growth and Structural Change,” (06 Growth and Structural Change 2015.pdf) and “5. The Urban-Rural Divide,” (05 Urban-Rural 2015.pdf).

Naughton, Barry, “Rebalancing, Restructuring, and Reform: China 2016,” paper presented at the Reserve Bank of Australia conference on Structural Change in China: Implications for Australia and the World, 17–18 March 2016, <http://studylib.net/doc/10801701/rebalancing-%09restructuring%09and%09reform--china%092016>, **pp. 1-9 only**. *An updated analysis of China’s structural change in recent years that highlights the importance of holding prices constant in order to correctly track structural change over time.*

## II.C. China’s Economic Performance: Quality of Life

Xinhua, “China Has a High Level of Human Development,” Xinhuanet, 22 August 2016, [http://news.xinhuanet.com/english/2016-08/22/c\\_135625112.htm](http://news.xinhuanet.com/english/2016-08/22/c_135625112.htm). *News item on the release of the latest China Human Development Report (full report listed below).*

Xinhua, “China to Start Reform Focused on Quality of Life,” China Daily, Dec. 11, 2015, [http://www.chinadaily.com.cn/china/2015-12/11/content\\_22694446.htm](http://www.chinadaily.com.cn/china/2015-12/11/content_22694446.htm). *According to this news report, China’s 13th Five Year Plan will emphasize quality of life. More on the 13-FYP later...*



Easterlin, Richard C., “When Growth Outpaces Happiness,” *New York Times*, 27 September 2012, [[http://www.nytimes.com/2012/09/28/opinion/in-china-growth-outpaces-happiness.html?\\_r=0](http://www.nytimes.com/2012/09/28/opinion/in-china-growth-outpaces-happiness.html?_r=0)]. *A news report on a survey research project that finds there's more to happiness in China than GDP growth.*

Rosling, Hans. *Debunking Third-World Myths with the Best Stats You've Ever Seen*. February, 2006  
 [[http://www.ted.com/index.php/talks/hans\\_rosling\\_shows\\_the\\_best\\_stats\\_you\\_ve\\_ever\\_seen.html](http://www.ted.com/index.php/talks/hans_rosling_shows_the_best_stats_you_ve_ever_seen.html)]. *An entertaining video that tells the big picture of changes in income and health worldwide—keep an eye on the China bubble in Rosling's animated graphs.*

Ash, Timothy Garton, “Welcome to China’s Political Gamble of the Century,” *The Guardian* 30 March 2014 [<http://gu.com/p/3z25t>]. *A thoughtful Op-Ed on political developments in China under Xi Jinping and the relationship between political reform, social stability and sustained growth.*

Albert, Eleanor, and Xu, Beina, “China’s Environmental Crisis,” *Council on Foreign Relations Backgrounders*, January 16, 2016, <http://www.cfr.org/china/chinas-environmental-crisis/p12608>. *An important aspect of quality of life is the environment. This short report nicely summarizes key aspects of China’s environmental challenges.*

United Nations Development Programme and Development Research Center of the State Council of China, *China National Human Development Report 2016: Social Innovation for Inclusive Human Development*, Beijing: China Translation and Publishing House, 2016. Read only the Introduction, section 1.4 of Chapter 1, and Chapter 2 (pp. 1-4, 18-40), plus the “Key Messages” at the start of all chapters. Peruse the statistics in the Annex. *Discusses the concept of human development and gives an excellent overview of China’s accomplishments and challenges in this area. Unassigned sections are recommended, optional reading.*

Naughton, “9. Living Standards: Incomes, Inequality and Poverty,” (09 Living Standards 2015 Draft.pdf).

Lum, Thomas, “Human Rights in China and U.S. Policy, Issues for the 114th Congress,” U.S. Congressional Research Service 7-5700, R43964, 17 September 2015, <https://www.fas.org/sgp/crs/row/R43964.pdf>. Read pp. 1-36 only. *A thorough, recent review of China’s human rights record, noting both progress and problems.*

### III. Initial Conditions

Naughton, “1. The Geographical Setting” and “2. The Chinese Economy before 1949,” (01 geography 2016 stripped.pdf and 02 history 2015.pdf)

\*Brandt, Loren, "Reflections on China's Late 19th and Early 20th Century Economy," *China Quarterly*, No. 150 (1997): pp. 282-308.

\*Rawski, Thomas G. *Economic Growth in Prewar China*. Berkeley: University of California Press, 1989, xix-xxxiii (Introduction) [posted on course website].

#### **IV.A. China's Development Strategy: The Maoist Period**

Eckstein, Alexander. *China's Economic Revolution*. New York: Cambridge University Press, 1977, 31- 65 (chapter 2) [posted on course website]. *An old piece, written before the reforms, but with a good summary of development strategies during the Maoist period.*

Van Ness, Peter and Satish Raichur. "Dilemmas of Socialist Development: An Analysis of Strategic Lines in China, 1949-1991." In *China from Mao to Deng*, Armand, edited by Bulletin of Concerned Asian Scholars, New York: M. E. Sharpe, 1983 [posted on course website]. *Also an older piece, but with a good comparative schema of development strategies during the Maoist period.*

\*Lardy, Nicholas R. and Kenneth Lieberthal. "Introduction." In *Chen Yun's Strategy for China's Development: A Non-Maoist Alternative*, edited by Nicholas R. Lardy and Kenneth Lieberthal, New York: M. E. Sharpe, 1983, xi-xxi (additional optional reading: pp. xxi-xliii.). *Describes the views of Chen Yun, an important player under Mao (adopting a conflicting viewpoint) who helped launch the reforms.*

\*Mao Zedong, *Quotations from Mao Zedong*, Beijing: Foreign Languages Press, 1966 [available online at <http://www.marxists.org/reference/archive/mao/works/red-book/>]. *This is also known as the "Little Red Book." Everyone should read at least something by Mao—here's a famous compilation of his quotations that you can peruse. Other works by Mao are also available on this website.*

#### **IV.B. China's Development Strategy: The Post-Mao Reform Period, 1980s to 2013**

Naughton, "4. Market Transition: Strategy and Process," (04 Transition 2015.pdf).

Qian Yingyi and Wu Jinglian. "China's Transition to a Market Economy: How Far across the River?" In *How Far across the River? China's Policy Reform at the Millennium*, edited by N. Hope, D.T. Yang and M.Y. Li, Stanford: Stanford University Press, 2003, 32-63 (chapter 2) [posted on course website]. *An excellent discussion of the two stages of reform and the importance of the shift to a "socialist market economy" since 1993.*

\*Harding, Harry, "The Course of Reform." In *China's Second Revolution*, by Harry Harding, Washington, DC: The Brookings Institution, 1987, 70-95 (chapter 4). *Describes the debate over development strategy early in the reform period.*

#### **IV.C. China's Development Strategy: Policies and Outcomes, 1950s to 2013**

Naughton, "3. The Socialist Era, 1949–1978: Big Push Industrialization and Policy Instability," (03 Socialist 2015.pdf), and review "4. Market Transition..."

Riskin, Carl. *China's Political Economy: The Quest for Development since 1949*. New York: Oxford University Press, 1991, 53-183 (chapters 4-7) [posted on course website]. *A detailed review of China's economic policies and trends from the 1950s through the Great Leap and up to the Cultural Revolution. Lots of reading, but there's a lot of territory to cover!*

Riskin, Carl. "Neither Plan nor Market: Mao's Political Economy." In *New Perspectives on the Cultural Revolution*, edited by William A. Joseph, Christine Wong, and David Zweig, Cambridge: Harvard University Press, 1991, 133-152. [posted on course website]. *Covers the Cultural Revolution period.*

Qian Yingyi. "The Process of China's Market Transition (1978-1998): The Evolutionary, Historical and Comparative Perspectives." *Journal of Institutional and Theoretical Economics* 156, No. 1 (March 2000) 151-171. *Excellent overview of reform policies through the 1990s.*

\*Naughton, Barry. "China's Economic Policy Today: The New State Activism," *Eurasian Geography and Economics* 52, 3 (May-June 2011): 313-329. *A good overview of major policy changes in the 2000s and through the financial crisis.*

REVIEW relevant readings and lectures from I.A and II.B.

#### **IV.D. China's Development Strategy and Outcomes: Recent Developments 2013 to present**

Note: The 2013 Third Plenum was a major policy meeting that marked the leadership transition and new policy directions as Xi Jinping took charge. *The readings below discuss policies announced at the Third Plenum and policy developments since then. (I may add or substitute other readings here if any interesting documents or analyses emerge as we go along.)*

Zhang, Taisu, "China's Coming Ideological Wars," *Financial Times*, Tea Leaf Nation, 1 March 2016, <http://foreignpolicy.com/2016/03/01/chinas-coming-ideological-wars-new-left-confucius-mao-xi/>. *An opinion piece discussing the ideologies that inform recent debates within China regarding development strategy and policy. Marxist/Maoist influences continue.*

Naughton, Barry, “What Are the Chances for Fundamental Policy Reform in China?” Keynote speech at the NYU Third Annual Conference on Chinese Capital Markets, 13 December 2013 [<https://www.youtube.com/watch?v=6CYBUDIPIG4>]. *At the 3rd Plenary Session (Plenum) of the Chinese Communist Party Central Committee in 2013, China’s leadership issued a document that announced the reform directions China would follow under its then new leader Xi Jinping. In this speech, Naughton explains and analyses the content of that document and its implications for China’s reform strategy.*

“CCP Central Committee Resolution Concerning Some Major Issues in Comprehensively Deepening Reform,” passed at the 3rd Plenum of the 18th Central Committee of the Chinese Communist Party (CCP), 12 November 2013 [<https://chinacopyrightandmedia.wordpress.com/2013/11/15/ccp-central-committee-resolution-concerning-some-major-issues-in-comprehensively-deepening-reform/>]. *Read sections I-VII. This is the key document from the 3rd Plenum discussed by Naughton in his speech. This document and Naughton’s speech provide important background for understanding economic policy and developments since 2013. Watch Naughton’s speech before you read this document, which is a bit heavy going.*

Naughton, Barry, “Supply-side Structural Reform: Policy-makers Look for a Way Out,” *China Leadership Monitor* 49, Winter 2016, <http://www.hoover.org/sites/default/files/research/docs/clm49bn.pdf>. *A discussion the new supply-side structural reform policy announced in late 2015/early 2016. According to Naughton, China has not been overly successful in pursuing the reform program laid out in the Third Plenum, and the supply-side structural reform represents something of a departure.*

\*US-China Business Council, “Full List of 13th Five-Year Plan Targets and Comparison of Targets in the 12th Five-Year Plan,” [https://www.uschina.org/sites/default/files/Full List of 13th FYP Targets\\_0.pdf](https://www.uschina.org/sites/default/files/Full List of 13th FYP Targets_0.pdf). *A chart summarizing the key targets in China’s current five year plan.*

\*Kennedy, Scott, and Johnson, Christopher K. “The What: The Plan’s Targets and Policies,” *Perfecting the Plan, Inc.*, Report of the Center for Strategic and International Studies, May 2016, Chapter 4, pp. 19-35, [https://csis-prod.s3.amazonaws.com/s3fs-public/publication/160521\\_Kennedy\\_PerfectingChinaInc\\_Web.pdf](https://csis-prod.s3.amazonaws.com/s3fs-public/publication/160521_Kennedy_PerfectingChinaInc_Web.pdf). *A description and analysis of China’s 13th Five Year Plan.*

## V. Population and the Economy

Vanderklippe, Nathan, “End of China’s one-child policy is slowly giving ‘ghost children’ identities,” *The Globe and Mail*, 3 April 2016, <http://www.theglobeandmail.com/news/world/end-of-chinas-one-child-policy-is-slowly-giving-ghost-children-identities/article29507109/>. *Less than a year ago China officially ended the one-child policy and now allows couples to have two children. This news report talks about how the change in policy has affected families.*

Wang Feng, “Bringing an End to a Senseless Policy: Why China’s One Child Policy Should be Scrapped,” *New York Times* 19 November 2013 [[http://www.nytimes.com/2013/11/20/opinion/chinas-one-child-rule-should-be-scrapped.html?\\_r=0](http://www.nytimes.com/2013/11/20/opinion/chinas-one-child-rule-should-be-scrapped.html?_r=0)]. *An opinion piece by a respected demographer (see readings by Wang below) commenting on last year’s announcement that China is loosening its one child policy. The title says it all.*

Schiavenza, Matt, “A Surprising Map of China’s Population,” *The Atlantic*, 14 August 2013 [<http://www.theatlantic.com/china/archive/2013/08/a-surprising-map-of-the-world-shows-just-how-big-chinas-population-is/278691/>]. *A nice map and some basic facts about China’s BIG population based on data from China’s recent population census.*

“The Impact of Chinese Migration: We Like to Move It Move It: Few Forces Have Influenced the Modern World Economy as Much as Chinese Migration,” *The Economist*, 25 February 2012. [<http://www.economist.com/node/21548277>]. *A short report on the huge migration flows within China. Be sure to watch the short videographic (link at bottom of the report), too.*

“Factbox—China’s 2010 Census,” *China Daily*, April 28, 2011 [[http://www.chinadaily.com.cn/china/2011-04/28/content\\_12415449.htm](http://www.chinadaily.com.cn/china/2011-04/28/content_12415449.htm)]. *Summarizes some key facts from the 2010 census, with comparisons to the last census (2000).*

Naughton, “7. Population Growth and the One-Child Family” (07 Demography 2015.pdf).

Whyte, Martin K., Wang, Feng and Yong, Cai, “Challenging Myths about China’s One-Child Policy,” *The China Journal* 74 (2015): 144-159. *Overview of China’s demographic policies before and since the one-child policy. Challenges the view that the one-child policy is the reason for the dramatic decline in China’s fertility rates.*

Wang Feng, “The Future of a Demographic Overachiever: Long-Term Implications of the Demographic Transition in China,” *Population and Development Review* 37, Issue Supplement s1 (2011): 173- 190. *An excellent recent overview and analysis of China’s population trends by a prominent demographer .*

## VI. Income Distribution and Poverty

Borst, Nicholas, “China’s New Income Inequality Plan,” Peterson Institute for International Economics China Watch, 5 February 2013 [<https://piie.com/blogs/china-economic-watch/chinas-new-income-inequality-plan>]. *A succinct report on China’s level of inequality and recently announced plans to address inequality.*

“China’s Inequality: Plan to Spread Wealth Must Be Matched by Hard Targets,” Financial Times, 10 February 2013 [<https://www.ft.com/content/e5e12096-71ef-11e2-886e-00144feab49a-axzz2dHIp5k8t>]. *An opinion piece about China’s inequality and the recent policy plans to address inequality.*

Salidjanova, Nargiza, “China’s New Income Inequality Reform Plan and Implications for Rebalancing,” U.S.-China Economic and Security Review Commission, March 12, 2013 [[http://origin.www.uscc.gov/sites/default/files/Research/China Inequality - 3 12 13.pdf](http://origin.www.uscc.gov/sites/default/files/Research/China%20Inequality%20-%203%2012%2013.pdf)]. *An interesting overview of the Chinese government’s latest plans to address growing inequality.*

Sicular, Terry, “The Challenge of High Inequality in China.” Inequality in Focus 2 (2). 1-5. Poverty Reduction and Equity Department, World Bank, Aug. 2013 [[http://economics.uwo.ca/chcp/themes\\_docs/development\\_growth/Sicular WorldBankAug\\_13.pdf](http://economics.uwo.ca/chcp/themes_docs/development_growth/Sicular_WorldBankAug_13.pdf)]. *A short summary report about China’s rising inequality and underlying causes.*

Naughton, “9. Living Standards: Incomes, Inequality and Poverty,” (09 Living Standards 2015 Draft.pdf), REVIEW.

Sicular, Terry and Shi Li. “The Distribution of Household Income in China: Inequality, Poverty, and Policies. China Quarterly 217 (1): 1-41. *An up to date, more in-depth analysis of recent trends in inequality and poverty in China.*

Li, Shi, Luo, Chuliang, Sicular, Terry and Yue, Ximing, “Overview: Incomes and Inequality in China,” draft paper, 2016 (uses the latest data through 2013, still being written, will be posted on the course website).

## VII. Foreign Trade: China’s Emergence as a Trading Nation, and China-Canada Trade

Lindsay, Don, “Make Trade with China a Priority,” Financial Post Comment, 26 Aug. 2016, <http://business.financialpost.com/fp-comment/make-trade-with-china-a-priority>. *Discussion of key issues for Canada’s trade relationship with China for Trudeau’s recent China trip.*



- Yan, Sophie, “Made in China Labor Is Not Actually That Cheap,” CNN, 17 March 2016, <http://money.cnn.com/2016/03/17/news/economy/china-cheap-labor-productivity/>. *Discusses labor costs in China compared to in the U.S. and finds that after factoring in productivity differences, labor costs are not much lower than in the US.*
- Lamy, Pascal, “‘Made in China’ Tells Us Little about Global Trade,” Financial Times, January 24, 2011 [[http://www.ft.com/intl/cms/s/0/4d37374c-27fd-11e0-8abc-00144feab49a.html\\_axzz1kC6Xx9Ps](http://www.ft.com/intl/cms/s/0/4d37374c-27fd-11e0-8abc-00144feab49a.html_axzz1kC6Xx9Ps)]. *A succinct explanation of value-added measures of trade and their importance.*
- Woo, Yuen Pao and Bo, Chen, “Another Way to Look at the Canada-China Trade Deficit,” Asia Pacific Foundation of Canada, 2 March 2013, <https://www.asiapacific.ca/blog/another-way-look-canada-china-trade-deficit>. *A discussion of value-added trade from the perspective of the Canadian-China trade relationship.*
- Naughton, “16. International Trade,” (16 International Trade Draft 2015.pdf)
- Martin, Michael F., “Trade data discrepancies between China and the US,” U.S. Congressional Research Service Report 7-5700, RS 22640, 24 March 2016, <https://www.fas.org/sgp/crs/row/RS22640.pdf>. *An excellent report on discrepancies in trade data between China and the U.S. Many of the same discrepancies and problems are relevant when comparing Canadian and Chinese trade data.*
- OECD and WTO, “Trade in Value Added: China,” October 2015, [https://www.oecd.org/sti/ind/tiva/CN\\_2015\\_China.pdf](https://www.oecd.org/sti/ind/tiva/CN_2015_China.pdf), and statistics for 2005 and 2011, [https://www.wto.org/english/res\\_e/statis\\_e/miwi\\_e/CN\\_e.pdf](https://www.wto.org/english/res_e/statis_e/miwi_e/CN_e.pdf). *Key features of and statistics on China’s value-added trade, based on the recently developed OECD-WTO TiVA dataset.*
- Anderson, Jonathan. “Is China Export-led?” UBS Investment Research Asian Focus, September 27, 2009 [posted on course website, or [http://www.allroadsleadtochina.com/reports/prc\\_270907.pdf](http://www.allroadsleadtochina.com/reports/prc_270907.pdf)]. *This analysis raises key questions regarding the measurement of exports and their role in China’s economic growth. The estimates he presents are not precise (see readings below for more careful estimates), but the questions he discusses are spot on.*
- He Dong and Zhang Wenlang, “How Dependent Is the Chinese Economy on Exports and in What Sense Has Its Growth Been Export-Led?” *Journal of Asian Economics* 21, 1 (2010): 87-104. *A more in- depth empirical investigation of whether China’s growth has been export-led.*

**Please Note**  
**Department Policies for 2016 – 2017**

Remember that the University expects all students to take responsibility for their own academic Programs. Also remember to check your registration to make sure you are enrolled in the correct courses.

1. Guidelines and policies for the Faculty of Social Science and the Department of Economics are posted online in the current Western Academic Calendar at <http://westerncalendar.uwo.ca>.
2. Students must familiarize themselves with the “Rules of Conduct for Examinations” <http://westerncalendar.uwo.ca/2016/pg136.html>.
3. **Cheating as an academic offence:** Students are responsible for understanding what it means to “cheat”. The Department of Economics treats cheating incidents very seriously and will investigate any suspect behavior. Students found guilty will incur penalties that could include a failing grade or being barred from future registration in other economics courses or programs. The University may impose further penalties such as a notation on your official academic transcript, suspension or expulsion.
4. **Plagiarism:** Students must write their essays and assignments in their own words. Whenever students take an idea or a passage from another author, they must acknowledge it by using quotation marks where appropriate and referencing with footnotes or citations. Plagiarism is a major academic offence (see Scholastic Offence Policy in the current UWO Academic Calendar at <http://westerncalendar.uwo.ca/2016/pg113.html>).

The University of Western Ontario uses software to check for plagiarism and students may be required to submit their written work in electronic form. Those found guilty will have penalties imposed as noted in point 3.

5. It is Department of Economics policy that **NO** assignments be dated, stamped or accepted by staff. Students are responsible for submitting assignments in class or to the instructor during office hours.
6. When appealing a mark, students should refer to the University's Procedures in the current UWO Academic Calendar (<http://westerncalendar.uwo.ca/2016/pg112.html>). Please note the relevant deadlines.

The Department will not consider any appeal unless an attempt has been made to settle the matter first with your instructor. If after this discussion you remain dissatisfied with a grade or other decision, you may proceed with a written appeal (e-



mails are not acceptable) to the Undergraduate Director in Economics, stating the reasons for your appeal. A useful form and checklist is provided at ([http://economics.uwo.ca/undergraduate/program\\_counselling/responsibilities\\_policies.html#appeals](http://economics.uwo.ca/undergraduate/program_counselling/responsibilities_policies.html#appeals)).

7. Systematic adjustments of a class grade distribution (either up or down) can occur in Economics courses. The fact that grades have been adjusted is **not** grounds for an appeal.
8. Note the following add and drop deadlines:

Last day to **add** a first term half course:  
**Friday, January 13<sup>th</sup>, 2017**

Last day to **drop** first term half course without academic penalty:  
**Tuesday, March 7<sup>th</sup>, 2017**

9. Faculty of Social Science policy states that oversleeping or misreading an exam schedule is not an excuse for a make-up. This rule applies to all mid-term tests and final exams in the Department of Economics.

### **Policy Regarding Makeup Tests and Final Examinations**

*Academic Accommodation will **not** be granted automatically on request. You **must** demonstrate by documentation that there are **compelling** medical or compassionate grounds before academic accommodation will be considered.*

If you decide to write a test or an examination, you must be prepared to accept the mark you earn. Rewriting tests or examinations, or having the value of the test or examination reweighted on a retroactive basis, is **not** permitted. Book airline flights after you know the dates of your final examinations. Airline flights must not conflict with test or final exams.

If you are requesting a makeup test for a midterm or a final examination, unless medically incapable, notify your instructor by email or phone, preferably prior to the scheduled date of the test, but definitely within **24 hours** of the date of the test or exam. Failure to follow this procedure may result in denial of a request for academic accommodation or result in a grade of zero. Set up an appointment as soon as possible to meet personally with your instructor. If the instructor is not available, you may send an email message, copying the Undergraduate Coordinator at [econugrd@uwo.ca](mailto:econugrd@uwo.ca) (Social Science Room 4075). **Notifying your instructor of a missed test or exam does not automatically entitle you to a makeup test.**

Students who seek a makeup test or examination must provide medical or other relevant verification that their absence from a regularly scheduled test or examination is

beyond their control. Documentation must support your reasons. Medical documentation should be given to the Academic Counselling Office of your *home* Faculty **as soon as possible (preferably within 24 hours of the test)** if you know you may not be able to write your final examination on the scheduled day and time. Failure to follow this procedure, or to provide supporting documentation, may result in denial of a request for academic accommodation or result in a grade of zero. If your documentation is not acceptable, you will be given a zero for the missed test.

For personal illness, if you consult Student Health Services regarding your illness or personal problem, you should request a Student Medical Certificate from the physician. If you were seen by an off-campus doctor, obtain a certificate from his/her office at the time of your visit. The off-campus medical certificate form must be used and can be found at: [http://www.uwo.ca/univsec/pdf/academic\\_policies/appeals/medicalform.pdf](http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf). Notes stating "For Medical Reasons" are not considered sufficient.

For any other circumstances, if you are not sure what documentation to provide, ask your Academic Counselor. If your documentation is judged sufficient, the academic counselor will issue a Recommendation for a Special Examination (a single form for midterms or a triple color form for final examinations). Once you have this form, contact your instructor as soon as possible to make arrangements. Even if approved from your home faculty Academic Counsellor, there is no guarantee that you will be allowed to write the makeup test and exam.

For final examinations, you need permission from your *home* Faculty Counsellor, your instructor, and the Department Undergraduate Director. Failure to follow this procedure may result in an examination grade of zero. You must ensure that the Special Examination form has been signed by the instructor and Department Undergraduate Director and that the form is returned to the Academic Counseling Office for approval without delay. Make-up final examinations, if permitted, will be written within one month of the end of the exam period.

### **Policies Regarding Academic Accommodation**

Information about the Faculty of Social Science's policies regarding academic accommodation is found on its website at <http://counselling.ssc.uwo.ca/procedures/havingproblems.asp> or in Social Science Room 2105. Your "Academic Rights and Responsibilities" are also outlined in the current UWO Calendar at <http://westerncalendar.uwo.ca/2016/pg111.html>. Claiming that "you didn't know what to do" is not an acceptable excuse for not following the stated procedures.

### **Policy Regarding Class Attendance**

If your instructor views your class attendance as unsatisfactory, you can be prohibited from writing the final examination. If there is intent to make use of this University policy, you will be notified in writing.

### **Statement on Mental Health and Support Services**

If you or someone you know is experiencing emotional/mental distress, there are several resources here at Western to assist you. Please visit <http://www.uwo.ca/uwocom/mentalhealth/> for more information and a complete list of resources, as well as how to obtain help.