

THE ECONOMICS OF CHINA
ECONOMICS EC2128B-650
Department of Economics
Western University

January 2022

Instructor: Jafar El Armali
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Office hours: Tuesdays and Thursdays 1 pm to 2 pm¹
Office hours will be held online using Zoom.
I will post invitations on owl.
You can install/login to Zoom using your university account at:
<https://wts.uwo.ca/zoom/index.html>

Delivery mode: Online Asynchronous.
This means that lectures will be uploaded on owl so that each student may go through lectures at his/her own time.

Course website: <https://owl.uwo.ca/portal>
Undergraduate inquiries: 519-661-3507 or 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/Antirequisite Note:

The **prerequisites** for this course are **Economics 1021A/B and Economics 1022A/B**, or **Economics 2001A/B**. The **anti-requisite** is **Economics 3311F/G**.

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken any anti-requisite courses. 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.

¹ Eastern Time (ET). That is, the time in London, Ontario. Same applies to any time mentioned in this document.

Course Objectives:

The People's Republic of China has been a rising economic power for the past 2-3 decades. Today, it has become the largest or second largest economy in the world, depending on the measure being used. In this course, we will study about China's remarkable economic performance and place this performance in historical and comparative context. The course investigates topics related to China's economic history, transformation, structure, institutions, and public policy, in addition to current events and challenges.

Course Learning Outcomes:

- Students will learn the main features of China's economy, economic performance, development, and challenges.
- Students will gain experience using economic models and methods through their application in the analysis of China's economy.
- Students will get a glimpse at the concepts of Socialism and State Capitalism.

Textbook and Readings:

Readings will mainly (but not only) be chapters from the following textbook: ***The Chinese Economy: Adaptation and Growth (SECOND EDITION, 2018)*** by **Barry Naughton**. This is referred to as Naughton in the reading list below. Online (e-text) version of the textbook may be obtained from the publisher:

<https://mitpress.ubliish.com/book/the-chinese-economy>

Hard copies of the textbook may be ordered through the UWO bookstore.

Other items in the reading list may be accessed online through Western Libraries website:

<https://www.lib.uwo.ca/>

Each week, we will cover 1-2 chapters or one chapter and one paper from the required readings below. In addition, I may be posting optional readings on the topics listed below. Optional readings are recommended but not required.

Topics Covered and Required Readings:

A. Introduction:

- 1) "Introduction: The Chinese Economy in Context", Ch.1 in Naughton
- 2) "The Geographic Setting", Ch.2 in Naughton

B. A little bit of History:

- 1) "The Chinese Economy Before 1949", Ch.3 in Naughton
- 2) "The Socialist Era, 1949-1978...", Ch.4 in Naughton

C. Transformation:

- 1) "Market Transition: Strategy and Process", Ch.5 in Naughton
- 2) Naughton, B. (2017). Is China Socialist?. *Journal of Economic Perspectives*, 31(1), 3-24.

D. Data and Performance:

- 1) Holz, C. A. (2014). The quality of China's GDP statistics. *China Economic Review*, 30, 309-338.
- 2) "Growth and Structural Change", Ch.7 in Naughton

E. State Capitalism and the “East Asian Development Model”:

- 1) "State Capitalism and the Chinese Economic Miracle", pages 1 to 21 in Naughton, B., & Tsai, K. S. (Eds.). (2015). *State capitalism, institutional adaptation, and the Chinese miracle*. Cambridge University Press.
- 2) "Did China Follow the East Asian Development Model?", pages 240 to 262 in Naughton, B., & Tsai, K. S. (Eds.). (2015). *State capitalism, institutional adaptation, and the Chinese miracle*. Cambridge University Press

F. Technology:

- 1) "Technology and Industrial Policy", Ch.15 in Naughton

G. International Aspects:

- 1) "International Trade", Ch.16 in Naughton
- 2) "Foreign Investment and the Capital Account", Ch.17 in Naughton

H. Macroeconomic and Financial Aspects:

- 1) "Macroeconomic Policy...", Ch.18 in Naughton
- 2) "Financial System", Ch.19 in Naughton

I. Inequality and Poverty:

- 1) "Living Standards: Incomes, Inequality, and Poverty", Ch.10 in Naughton
- 2) Piketty, T., Yang, L., & Zucman, G. (2019). Capital accumulation, private property, and rising inequality in China, 1978–2015. *American Economic Review*, 109(7), 2469-96.
- 3) Francisco Ferreira, "In Defense of the Gini Coefficient," World Bank Blog Let's Talk Development, Feb. 19, 2020.
<https://blogs.worldbank.org/developmenttalk/defense-gini-coefficient>

J. Urban-Rural Divide:

- 1) "The Urban-Rural Divide and Chinese-style Urbanization", Ch.6 in Naughton

K. Population:

- 1) "Population...", Ch.8 in Naughton

L. A Peek into the Future:

- 1) "Environmental Quality and the Sustainability of Growth", Ch. 21 in Naughton
- 2) Lau, L. J. (2019). The sky is not falling!. *Economic and Political Studies*, 7(2), 122-147.

Assessments and Grading:

The course grade will be based **on two quizzes (10% each), a midterm exam (31%), and a final exam (49%)**. The quizzes may include true/false, multiple choice, and fill in the blanks. The midterm and final exam questions may include the same in addition to short answer and/or essay questions. **Please read the “Policy Regarding Makeup Tests and Final Examinations” on pages 7 and 8.**

Quiz 1:

- The quiz will be on **Monday January 31** and will be done **on owl asynchronously**.
- This means that the quiz will be available for 24 hours on owl on the specified date.
- Once you open the quiz, you will have 20 minutes to finish it, after which it will be submitted automatically.
- **Quiz 1 covers topics A, B, C from the list of “Topics Covered and Required Readings” above.**

Midterm Exam:

- Midterm Exam will be on **Monday February 28** and will be done **on owl synchronously**.
- This means that the midterm exam will be available on owl on the specified date for a limited time window (to be determined) during which all students have to do the exam at the same time.
- The length of the midterm exam is 1 hour and 30 minutes.
- **Midterm Exam covers topics A to G from the list of “Topics Covered and Required Readings” above.**

Quiz 2:

- The quiz will be on **Monday March 14** and will be done **on owl asynchronously**.
- This means that the quiz will be available for 24 hours on owl on the specified date.
- Once you open the quiz, you will have 20 minutes to finish it, after which it will be submitted automatically.
- **Quiz 2 covers topics H, I from the list of “Topics Covered and Required Readings” above.**

Final Exam:

- Final Exam will be done **on owl synchronously**.
- Final Exam’s date and time will be determined by the Registrar’s Office and announced later in the semester.
- **Final Exam will be comprehensive.**

Communication and Tips on How to Be Successful in this Class:

- It is **very important to read OWL announcements**. This will be our main tool of communication.
- Treat this course as you would a face-to-face course. It is advisable to **set regular times each week to watch the lectures and study the material**.
- Connect with others.
- **Please ask questions:**
 - Office hours are for you! If you have any questions or concerns, these hours are the best way to reach me directly.
 - Emails will be monitored regularly; students will receive a response in 0-72 hours (usually).

Technical Requirements

You will need to have access to at least one of the following: a laptop, a tablet, a smartphone, or a computer. In addition, an internet connection is needed so that you can access lectures and other course materials on owl, communicate with the instructor, and do quizzes & exams online. For technical support, see the OWL Help page or contact Western Technology Services Helpdesk (<https://wts.uwo.ca/about-wts/contact.html>). Google Chrome or Mozilla Firefox are the preferred browsers for OWL; update your browser frequently.

Professionalism, Privacy and Copyright:

- Students are expected to follow the [Student Code of Conduct](#).
- All lectures and course materials, including slides, presentations, outlines, and similar materials, are protected by **copyright**. Students may take notes and make copies of course materials for their own educational purposes only.
- Students may not record lectures, reproduce (or allow others to reproduce), post or distribute lecture notes, assessments, or any other course materials publicly and/or for commercial purposes without written consent of the instructor.
- Recordings (audio or video) are not permitted without explicit, written permission of the instructor. Permitted recordings may not be distributed or shared.
- Students will be expected to take an academic integrity pledge before some assessments.

Please Note
Department & University Policies for Winter 2022

The University expects all students to take responsibility for their own Academic Programs. Students should also check their registration to ensure they are enrolled in the correct courses.

1. **Guidelines, policies, and your academic rights and responsibilities** are posted online in the current Western Academic Calendar at: <http://westerncalendar.uwo.ca>. Claiming that “you didn’t know what to do” is not an acceptable excuse for not following the stated policies and procedures.
2. Students must familiarize themselves with the “**Rules of Conduct for Examinations**” http://www.uwo.ca/univsec/pdf/academic_policies/exam/administration.pdf.
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 suspension or expulsion.
4. **Plagiarism:** Students must write their essays and assignments in their own words. When taking an idea/passage from another author, it must be acknowledged with quotation marks where appropriate and referenced with footnotes or citations. Plagiarism is an academic offence (see Scholastic Discipline for Undergraduate Students in the Western Calendar at http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_20).

Western University uses software to check for plagiarism and students may be required to electronically submit their work. Those found guilty will be penalized as noted in point 3.

5. It is a Department of Economics policy that **NO** assignments be dated, stamped or accepted by staff. Students must submit assignments to the instructor.
6. **Appeals:** University policies and procedures for appealing a mark can be found in the Student Academic Appeals section in the current Western Academic Calendar at: http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_14. **Please note the relevant deadlines.**

Department of Economics procedures for appealing a mark can be found here: https://economics.uwo.ca/undergraduate/program_counselling/responsibilities_policies.html#appeals. The Department will not consider an appeal unless an attempt has been made to settle the matter with the instructor first. Students who remain dissatisfied with the outcome may proceed to submit an appeal to econugrd@uwo.ca. Please follow the instructions and use the appeal form shown in the above link.

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**:

Deadline to add a second term half course:

Tuesday, January 18, 2022

Deadline to drop a second term half course:

Monday March 14, 2022

Policy Regarding Makeup Tests and Final Examinations

Faculty of Social Science policy states that oversleeping or misreading an exam schedule is NOT grounds for a makeup. This rule applies to midterm and final exams in the Department of Economics.

Policies Regarding Academic Accommodation

- The Faculty of Social Science's policies on academic accommodation are found at https://counselling.ssc.uwo.ca/procedures/academic_consideration.html
- **Accommodation for Students with Disabilities:** Students with disabilities or accessibility challenges should work with Accessible Education (formerly SSD, see http://academicsupport.uwo.ca/accessible_education/index.html), which provides recommendations for accommodation based on medical documentation or psychological and cognitive testing. The accommodation policy can be found here: [Academic Accommodation for Students with Disabilities](#).
- **Rewriting Exams and Retroactive Reweighting are NOT Permitted:** Students who proceed to write a test or examination must be prepared to accept the mark. Rewriting tests or examinations, or retroactive reweighting of marks, is **not** permitted. Self-Reported Absences cannot be used once a student has proceeded to start to write a test or exam.
- **Self-Reported Absences:** Students will have two opportunities during the fall and winter terms to receive academic consideration if they self-report a missed assessment using the online self-reported absence portal, provided the following conditions are met: the assessment is missed due to an absence of no more than 48 hours in duration, and the assessment for which consideration is being sought is worth 30% or less of the student's final grade. Students are expected to contact their instructors within 24 hours of the end of the period of the self-reported absence, unless noted otherwise on the syllabus. Students are not able to use the self-reporting option in the following circumstances:
 - for exams scheduled by the Office of the Registrar (e.g., final exams)
 - absence of a duration greater than 48 hours
 - assessments worth more than 30% of the student's final grade
 - if the student has opened or started the test or exam
 - if a student has already used the self-reporting portal twice during the fall/winter terms

If the conditions for a Self-Reported Absence are *not* met, students will need to provide a Student Medical Certificate (SMC) if the absence is medical or provide appropriate documentation if there are compassionate grounds for the absence in question. Students are encouraged to contact their Faculty academic counselling office for more information about the relevant documentation. It is strongly recommended that students notify the instructor as soon as possible, ideally before the assessment, when they become aware of an absence. University policy is that students must communicate with their instructors no later than 24 hours after the end of the period covered by the SMC or immediately upon their return from their documented absence. Failure to follow University policy and procedures may result in denial of academic accommodation and a grade of zero.

- **Documentation for Accommodation:** Individual instructors are not permitted to receive documentation directly from a student, whether in support of an application for consideration on medical grounds or for other reasons. **All required documentation for absences that are not covered by the Self-Reported Absence Policy must be submitted to the Academic Counselling office of a student's Home Faculty.**
- **Western University policy on Consideration for Student Absence** is available here: [Policy on Academic Consideration for Student Absences - Undergraduate Students in First Entry Programs.](#)
- **Student Medical Certificate (SMC):** This form is available here: http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf
- **Religious Accommodation:** Students should consult the University's list of recognized religious holidays and should give reasonable notice in writing, prior to the holiday, to the Instructor and an Academic Counsellor if their course requirements will be affected by a religious observance. Additional information is given in the [Western Multicultural Calendar](#).

Policy Regarding Class Attendance and Engagement: If the instructor deems a student's attendance or engagement in the class to be unsatisfactory, that student may be prohibited from writing the final examination. Examples of unsatisfactory class engagement include frequent absences from an in-person or synchronous online class, lack of assignment submissions, and inadequate use of online course materials. Instructors who intend to make use of this policy will notify the student in advance.

Statement on Mental Health and Support Services: Students under emotional/mental distress should visit https://uwo.ca/health/mental_wellbeing/ for more information and a complete list of resources on how to obtain help.

Statement on Remote Proctoring: While Western intends to hold most classes, mid-terms and finals in-person, the London-Middlesex Health unity may require western to teach in a remote format. If this occurs, all assessments will be done remotely and may involve the use of remote proctoring software (i.e., Proctorio, ProctorTrack). Instructors will provide information on the details should the need arise.