

**Economics 3380 (ASIAN 3393, CAPS 3380)  
China's Economy under Mao and Deng**

**What you will study**

This course surveys China's economic system and economic development between 1949 and roughly 1999, with a brief introduction to China's economic history prior to 1949. The course focuses primarily upon the pre-reform period, through 1978. It then examines how the first twenty years of reform modified the Maoist system and improved China's economic performance.

**Learning objectives**

After completing this course, you will be able to:

- (1) explain how a Soviet-type economy works, interpret the workings of the Chinese economy as an instance of the Soviet type, and explain how the reforms of the 1980s and 1990s modified China's Soviet-type system;
- (2) describe key economic events and trends during the period studied and explain the significance of these events and trends in China's economic development;
- (3) define the main economic indicators used in China, explain the pitfalls inherent in appeal to some of these indicators, and identify the main sources of Chinese economic data;
- (4) explain how interpretations of issues pertaining to China's economic system and economic development have evolved, and evaluate competing interpretations;
- (5) construct interpretations of economic events and trends in China, by applying economic principles and appealing to data.

**Prerequisites**

Introductory micro- and macroeconomics (Econ 1110-1120, or equivalent).

**Readings**

There is no required textbook for this course. Two books are available at the campus bookstore: *The Chinese Economy: Transitions and Growth*, by Barry Naughton, and *China's Great Economic Transformation*, edited by Loren Brandt and Thomas Rawski. Both are optional.

The reading list (distributed separately) includes both required and optional readings. Required readings are marked with asterisks. Each of the required readings can be found in at least one of the following places: (1) two-hour reserve, Uris Library; (2) online, through the CU Library Catalog or as otherwise indicated on the reading list; (3) Blackboard, under *Course Reserves*.

You should complete required readings before the class meetings during which they are to be discussed.

**Grading**

The grade for this course will be based upon two preliminary exams (30% each) and a final exam (40%). Exams are *not* cumulative.

On each of the three exams, the following sorts of materials are fair game: Required readings, whether or not covered in class; content of lectures, whether or not drawn from required readings; class handouts.

**Exam dates**

The two prelims are tentatively scheduled for Wednesday, September 27, in class, and Wednesday, November 1, in class. The final exam will be given during finals week, in the time slot assigned by the University.

**Office hours**

Uris 428  
Tuesday, 10:15–11:45 a.m.  
Wednesday, 10:15–11:45 a.m.

**Academic integrity**

Cornell's Code of Academic Integrity applies to this course. You can find this code at: [cuinfo.cornell.edu/aic.cfm](http://cuinfo.cornell.edu/aic.cfm).

Videotaping, photographing, audiotaping, or otherwise making any picture or sound recording of an instructor is not permitted without the instructor's written consent. Failure to comply with this rule is a violation of Cornell's Campus Code of Conduct. Students are not authorized to replicate, reproduce, copy or transmit class materials, or "derivative" materials (including class notes), for sale or general distribution to others without the written consent of the faculty member, academic staff member, or class participant who is the original source of such materials.

**Accommodations for disabilities**

If you have a disability-related need for reasonable academic adjustments in this course, provide the instructor with an accommodation letter from Student Disability Services.

## Course Outline

- I. Introduction
  - a. population and resources
  - b. China's economy before 1949
  - c. overview: China's economic development since 1949
- II. Socialist Transformation, 1949–57
- III. Economic System, 1957–78
  - a. property rights and resource allocation in Soviet-type economies
  - b. planning
  - c. money, prices, and finance
  - d. state sector
  - e. rural China: collective and private sectors
  - f. feeding China: planned purchase and supply
- IV. Economic Development, 1949–78
  - a. plans and strategies
  - b. growth and structural change; trends and cycles
  - c. agriculture
  - d. industry
  - e. regional balance, urban/rural balance, welfare
- V. Reform: Economic System, 1979–
  - a. prescriptions for reform; phases of reform
  - b. implementing rural reform: agriculture
  - c. implementing rural reform: township and village enterprises
  - d. implementing SOE reform
  - e. private enterprise
  - f. opening up: foreign economic relations
  - g. implementing fiscal and financial reforms
  - h. summing up: how reform worked
- VI. Development since 1979
  - a. development planning; industrial, regional, and sci-tech policies
  - b. growth and structure, inflation and deflation, productivity
  - c. agriculture
  - d. incomes, income distribution, and poverty alleviation
  - e. regional balance
  - f. China in the world economy