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.

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.

The reading list includes both required and optional readings (the former 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*.

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 Tuesday, October 1, in class, and Tuesday, November 5, 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.
Thursday, 10:15–11:00 a.m.

Academic Integrity
Each student in this course is expected to abide by Cornell University’s Code of Academic Integrity. Any work submitted by a student in this course for academic credit will be the student’s own work.

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-run 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  
c. incomes, income distribution, and poverty alleviation  
d. regional balance  
f. China in the world economy  
e. energy and the environment

VII. Explaining Reform-Era Growth  
a. growth accounting  
b. savings and investment  
c. human capital  
d. factor markets and mobility  
e. agriculture: institutional and technological changes  
f. industry: structural, institutional, and technological changes