Texas A&M University
Departmental Request for a New Course
Undergraduate • Graduate • Professional
• Submit original form and attach a course syllabus. •

1. This request is submitted by the Department of Bush School

2. Course prefix, number and complete title of course: INTA 616 Economic Development in China

3. Course description (not more than 50 words): Course in economic development in China introducing descriptive information of development strategies, institutional changes and policy effectiveness with respect to industrialization, economic growth income distribution and welfare at different historical stages.

4. Prerequisite(s) n/a.

5. Is this a variable credit course? ☐ Yes ☑ No If yes, from _______ to _______.

6. Is this a repeatable course? ☐ Yes ☑ No If yes, this course may be taken _______ times. Will the course be repeated within the same semester/term? ☐ Yes ☑ No

7. Has this course been taught as a 289/489/689? ☑ Yes ☐ No If yes, how many times? 1 Indicate the number of students enrolled for each academic period it was taught. Spring 2008 13

8. This course will be:
   a. required for students enrolled in the following degree program(s) (e.g., B.A. in history) n/a
   b. an elective for students enrolled in the following degree program(s) (e.g., M.S., Ph.D. in geography) n/a

9. If other departments are teaching or are responsible for related subject matter, the course must be coordinated with these departments. Attach approval letters.

10. Prefix Course # Title (excluding punctuation)
    INTA 616 Economic Development in China

    Lect. Lab SCH Subject Matter Content Code Admin. Unit Acad. Year FICE Code
    0 3 0 0 0 3 0 5 0 1 0 7 0 0 0 1 1 3 6 4 0 9 - 1 0 0 0 3 6 3 2

    Approval recommended by:
    Head of Department Date
    Head of Department (if cross-listed course) Date
    Submitted to Coordinating Board by:
    Director of Academic Support Services Date

    Questions regarding this form should be directed to Sandra Williams at 845-8201.
    OAR/AS – 04/07

    1 of 10 B8
INTA 616
Economic Development in China

Contact Information and Office Hours:

Instructor: Ren Mu
Office: Allen Building 1047
Tel.: 458-8024
Email: rmu@bushschool.tamu.edu
Office Hours: Monday 1:30 pm-3:30 pm
Course web-page: http://elearning.tamu.edu/

Course Description:

Over the past quarter-century China has been the fastest growing economy in the world and has emerged as major player in the global economy. This course is a survey course of economic development in China. First, it introduces descriptive information of development strategies, institutional changes, and policy effectiveness with respect to industrialization, economic growth, income distribution, and welfare at different historical stages. Economic development in the pre-reform period (1949-78) receives attention in its own right, but especially as it influences developments in the market-oriented reform period since 1978. Understanding the process of economic reform since 1978 is the main focus of this course. More importantly, this course focuses on applying economic theories and principles to gain understanding and think critically about the economic rationale in the reform process in China. Topics covered include rural and urban development, industrial strategy and planning, economic reform, population, agriculture, industry, international trade and investment, and sustainability of growth. Through the study of the Chinese development experience, the goal of the course is to initiate students’ thoughts on the social and economic development more generally.

Course Materials


3. Required readings include articles listed in the syllabus. Links to articles available in electronic form are provided below.

It is very important to note that the readings and lectures are complements to each other, not substitutes. Lectures will cover much of the explicit economic theory that is not in the book, and thus lectures will be very important for understanding the economics behind the more descriptive information presented in the text.
Course Works and Grading:

1) Attendance and Participation (5 percent). Full credit requires presence on each of the five days in which I will randomly take attendance.

2) Three Exams (95 percent). No books, no notes, no computers/laptops, no listening devices (ipods, mp3 players or other devices)
   - Monday, February 11, 2008 (25 Percent of Grade).
   - Monday, March 31, 2008 (35 Percent of Grade).
   - Monday, May 5, 2008 (35 Percent of Grade).

The exams will consist of short identifications, short answers and essays. Zero point will be assigned to any missing exam. In the case of an emergency (ex. hospitalization, family death), accommodations of make-up exam may be made with timely notification and appropriate documentation.

Students with Disabilities: The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please contact the Department of Student Life, Services for Students with Disabilities, in Cain Hall or call 845-1637.

Academic Integrity

The Bush School is committed to the development of principled leaders for public service. Entering a Bush School course as a student means accepting this commitment personally. The commitment to "principled leadership" is a further expansion of the Texas A&M student honor code that states: "An Aggie will not lie, cheat or steal nor tolerate those who do." Every student in this course must comply with this code in all work submitted for a grade and will be held accountable accordingly for both individual and team assignments. Anyone who is not prepared to be held accountable to this standard should immediately withdraw from this course.

The attention is directed to the requirement to avoid plagiarism or the appearance of plagiarism through sloppy citation. As commonly defined, plagiarism consists of passing off as one's own ideas, words, writings, etc, that which belong to another. In accordance with this definition, you are committing plagiarism if you copy the work of another person and turn it in as your own, even if you have the permission of that person. It does not matter from where the material is borrowed--a book, an article, material off the web, another student's paper--all constitute plagiarism unless the source of the work is fully identified and credited. It is important when using a phrase, a distinct idea, concept, a sentence, or sentences from another source to credit explicitly that source either in the text, a footnote or endnote. Plagiarism is a violation of
academic and personal integrity and carries extremely serious consequences. Scholastic dishonesty (including cheating, multiple submission of your work for grades in different courses and plagiarism) will not be tolerated and will be punished. Further information can be found at http://www.tamu.edu/aggiehonor/acadmisconduct.htm

Basic Course Schedule and Reading List:

Please complete assigned readings before class. Schedule is subject to change. Any changes will be announced in class.

1. Introduction (Legacies and Setting) (January 14, 2008)

   a. Preview: China's road to socialism, the planned economy, and market reforms; China's path of structural change, and China's economic performance since 1949.

      Reading: Naughton, Introduction

   b. China before 1949: geography, resources, historical background

      Readings: 1. Naughton, Chapter 1, Geography

      Economics: geography, natural resource endowments and growth.

   c. How do institutions determine the path of economic development?


2. The Traditional Economy through 1949 (January 16, 23, 2008)

   a. Why didn’t China industrialize before the west?


   b. The case made for planned socialism, in general, and in the developing world; what factors influenced emergence of Chinese socialism

   c. Intellectual arguments about China’s Pre-Revolutionary economy: was a “revolution” necessary?

      Economics:
      - Monopsonized labor markets
      - Monopolized goods and credit markets
      - Market segmentation
      - Public goods and infrastructure.
Readings: Naughton, Chapter 2, The Traditional Economy through 1949.


a. China as a Soviet-type economy

- Stalinist development strategies
- Import substitution industrialization (ISI) Export promotion
- Implications with respect to structural change (industrialization)
- Liointief Production Function

Reading: Naughton, Chapter 3, The Experience and Legacy of the Socialist Era, 1949-1978

b. Rural organization and the causes of the Chinese Famine


Economics:
- Theory of Collective Action
- Exit and Incentives in Collectives
- Repeated Games

4. Overview of the Reform Process (February 4, 6, 2008)

a. The reform process in long-term Perspective

- The roles of Agricultural, Industry and Trade
- “Growing Out of the Plan’
- China’s Economy Today

Reading: Naughton, Chapter 4, Transition to a Market Economy

b. Growth and Structural Change

- Growth
- Structural Change
  - Labor
  - Primary, Secondary and Tertiary Sectors
  - The Private Sector and Structural Change

Economics:
- Two Sector Models
Reading: Naughton, Chapter 6, Growth and Structural Change

Exam 1 February 11, 2008

5. The Rural Reform (February 13-February 25, 2008)
   
a. Agricultural Productivity and Decollectivization
      
      • Incentive Theory: the Household versus the Collective
      • Decollectivization and Household Labor Supply Decisions
      • China’s Land Tenure System
      
      Reading: Naughton, Chapter 10
   
   b. Output and Productivity of Chinese agriculture
      
      • Technical Innovation in Agriculture
      • The Green Revolution
      • Irrigation
      • Agricultural Chemicals
      • Seeds
      
      Economics:
      
      • The Economics of Learning and Technology Adoption
      
      Reading: Naughton, Chapter 11, Agricultural Technology and Output
      New Landscape”
   
   c. Rural Industry
      
      • The Special Role of TVEs in China’s Economic Transition
      • Causes of the Rapid Growth of the TVE Sector
      • Transformation of the TVE Sector
      • Motives for Privatization
      
      Reading: Naughton, Chapter 12, Township and Village Industries

6. Industry and the Urban Economy (February 27-March 5, 2008)
   
a. The organization of industry in China
      
      Reading: Naughton, Chapter 13, Industry: Ownership, Finance and Corporate Governance
      
      Economics: Incentives.
b. Industry and Structural Change
   Special Focus: Energy and Telecommunications

   Reading: Naughton, Chapter 14, Industry: Growth and Structural Change
            Brandt and Rawski, “Chinese Industry after 25 Years of Reform”

c. Technology

   Research and development: Are property rights important?

   Reading: Naughton, Chapter 15, Science & Technology and Industrial Policy

7. Labor Market (March 17-March 24, 2008)

a. The Urban-Rural Divide

   Urban Versus Rural:
   - Benefits
   - Services
   - Property Rights

   Economics:
   - The Harris-Todaro Model
   - The Economics of Migration

   Reading: Naughton, Chapter 5, The Urban-Rural Divide

b. The Urban Labor Market and Human Capital

   - Patterns of Change in Urban and Rural Employment

   Economics:

   - Mobility Across Economic Sectors

   Reading: Naughton, Chapter 8, Labor and Human Capital
   - Giles, John; Park, Albert; Zhang, Juwei (2005) “What Is China’s True
     Unemployment Rate?” China Economic Review, v. 16, iss. 2:149-70.
     Review v. 16, iss. 1: 50-70

8. Population (March 26, 2008)

   - China’s Demographic Transition
   - The Role of Policy
   - Consequences of the One Child Policy
Economics

- The Economics of Fertility Decisions
- Aggregate Effects: Fertility and Saving/Capital Deepening

Reading: Naughton, Chapter 7, Population

Exam 2: March 31, 2008

9. Living Standards and Inequality (April 2 and 7, 2008)
- Transition, Development and Inequality
- Geography and Inequality
- Inter-Personal Inequality
- Prospects for Retirees and Intergenerational Inequality
- Consequences of Inequality

Reading: Naughton, Chapter 9, Living Standards and Inequality

10. Trade and Foreign Investment (April 9 and 14, 2008)

a. Trade

Reading: Naughton, Chapter 16, International Trade

In what ways has openness to trade been beneficial for China’s economic reform process?

b. Foreign Investment

Reading: Naughton, Chapter 17, Foreign Investment


a. Trends and Cycles

Reading: Naughton, Chapter 18, Macroeconomic Trends and Cycles

b. Government and Enterprise Finance (April 17, 2008)

Reading: Naughton, Chapter 19, The Fiscal and Financial Systems
Allen, Qian and Qian (2005), “Will China’s Financial System Stimulate or Impede the Growth of it’s Economy”

12. China’s Future (April 23 and 28)
a. The Political and Legal System and Economic Growth
   Reading: Huang, Yasheng (2005), “Institutional Environment and Private Sector Development in China”
   Naughton, Barry (2005), “China’s Political System and China’s Future Growth”

b. Environmental Quality and the Sustainability of Growth

   Reading: Naughton, Chapter 20, Environmental Quality and the Sustainability of Growth

   Exam Review (April 30, 2008)

Exam 3 May 5, 2008
Wood, Janeen H.

From: Hermann, Charles
Sent: Thursday, April 17, 2008 12:54 PM
To: Wood, Janeen H.
Subject: FW: proposed course "Economic Development of China"

Janeen: You might attach the email below to the course approval request packet. Chuck

From: Larry Oliver [mailto:head@econmail.tamu.edu]
Sent: Thursday, April 17, 2008 12:09 PM
To: hermann@tamu.edu
Cc: Li Gan; Richard Anderson
Subject: proposed course "Economic Development of China"

Chuck,

The Economics Department has no objection to the Bush School's proposed master's level class "Economic Development in China." Indeed, Dr. Li Gan, our acting director of graduate studies, commented that he hoped it would be open to ECON master's students who might want to take it.

Larry

Dr. Larry Oliver
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4/17/2008