

Economics 40750
University of Notre Dame
The Chinese Economy
FALL 2020

Instructor: Professor Nelson Mark

Office: Jenkins-Nanovic 3040.

Office Hours: M,W, 12:45-2:00 p.m. Zoom and by appointment.

E-mail: nmark@nd.edu

Course Website: <https://www3.nd.edu/~nmark/ChinaCourse/ChinaCourse.htm>

Class Time and Location: M,W, 2:20 - 3:35 p.m. Eck Center Auditorium

Your instructor, is Nelson C Mark, holder of the Alfred C DeCrane Jr. Professorship in International Economics. He was an economics major at UC Santa Barbara, and got his PhD at the University of Chicago where he wrote his dissertation under the direction of the great Michael Mussa. Professor Mark worked as an economist at THE Ohio State University for 20 years, and has been at Notre Dame for 17. He is a Research Associate at the National Bureau of Economic Research, has been a consultant to the Federal Reserve Board, the Federal Reserve Bank of St. Louis, the International Monetary Fund, and a fellow at the Hong Kong Monetary Authority. He also served as the Acting Director for the Liu Institute for Asia and Asian Studies from 2013-2015.

Academics are ranked and assessed on the number and quality of their peer-reviewed research publications and citations to their work. Prof. Mark currently has **10,125** Google Scholar citations—the second highest in the ND economics department. In connection to this course, Professor Mark has published five research papers on China, dealing with the demographic transition and its implications for their very high saving rate.

Required Texts: Buy books 1-4 online. E-version is fine. They are **not** available at the ND bookstore. I will provide you with a pdf of text 5. There will be some additional short readings which I also provide.

1. Kissinger, Henry. 2011. *On China*, The Penguin Press.
2. Huang, Yasheng. 2011. *Capitalism with Chinese Characteristics: Entrepreneurship and the State*. MIT Press .
3. Orlik, Thomas. 2020. *China: The Bubble that Never Pops*, Oxford University Press.
4. Acemoglu, Daron and James A. Robinson. 2012. *Why Nations Fail*. Crown Business.
5. Yi Wen. *The Making of an Economic Superpower—Unlocking China's Secret of Rapid Industrialization*.

Course Description: Two major themes in the course. First, the Chinese economy is a transitional economy. Second, China's economic system has been and still is, *very* different from ours.

That China is a transitional economy refers to it being in transition from being one of the poorest, least-developed towards being a high-income industrialized economy. In 1978, China was agricultural, backwards, and dirt-poor. Society and the economy operated under a *central plan*. Policy changes have unleashed the government and the Chinese people to have built the world's second largest economy. The speed and the extent of this transition for a country of this size is an economic miracle and unprecedented in history. The impact on human welfare (economically speaking) has been extensive, raising millions out of extreme poverty.

China's economic system operates under the heavy hand of an authoritarian government, run by the Chinese Communist Party. Economic policy decisions are usually made for political reasons. The heavy hand of the state in economic affairs is a sharp contrast with the American system.

The major questions we seek to address are (1) why was China so poor as recently as 1978? (2) How and why did the economy take off? (3) How does the China economic miracle fit within accepted economic theory? (4) How can China's economic development and growth be sustainable? The course is roughly divided into 4 segments.

1. A primarily descriptive coverage of historical China from the first (Qin) emperor (221 BCE) through the death of Mao (1976).
2. An analysis of economic reforms and their consequences from 1978 through the present.
3. Some recent empirical and theoretical economic research on important aspects of China's economy.
4. A big picture view of the Chinese Economic Miracle in the context of economic growth and development theory. Generally accepted economic theory predicts that China should have remained poor and stuck at a low level of development.

Grades: On Wednesdays, I will give you the reading or video viewing assignment for the following week. We begin the week with a short quiz on the material. The quizzes are very basic. If you've done the reading or viewed the videos, you will score 100 percent on the quizzes.

1. Quizzes 15%. A short quiz at the beginning of class on most Mondays. I will drop you lowest two quizzes in final grade determination. Quizzes will be administered **in class** through **Sakai**. You must bring your **fully charged laptop** to class on Mondays.
2. Class participation 15%. For each of the non-technical readings, I will assign 3 or 4 of you to be **designated discussants** on that topic. Everyone in class is encouraged to participate in the discussion, but it is obligatory for the designated ones.
3. Midterm 35%, Wednesday September 23 Midterm will have some pure True or False questions, some multiple choice and possibly some short answer questions. Midterm will be administered through **Sakai**. You must bring your **fully charged laptop** to class to take the midterm.
4. Final 35%, **TBA** The final only covers material since the midterm and is **not cumulative**. Format of the final is the same as for the midterm.

The grade composition for your final grade is based on the scale,

A	93.333 – 100
A-	90.0 – 93.332
B+	86.666 – 89.99
B	83.333 – 86.665
B-	80.0 – 83.332
C+	76.666 – 79.999
C	73.333 – 76.665

The specific topics and materials (readings, links to videos, lecture slides etc) we cover will be posted on the course website. [url:https://www3.nd.edu/~nmark/ChinaCourse/ChinaCourse.htm](https://www3.nd.edu/~nmark/ChinaCourse/ChinaCourse.htm)

Health and Safety Protocols: In this class, as elsewhere on campus, students must comply with all University health and safety protocols, including:

- Face masks that completely cover the nose and mouth will be worn by all students and instructors;
- Physical distancing will be maintained in all instructional spaces;
- Students will sit in assigned seats throughout the semester, which will be documented by faculty for purposes of any needed contact tracing; and
- Protocols for staged entry to and exit from classrooms and instructional spaces will be followed.

We are part of a community of learning in which compassionate care for one another is part of our spiritual and social charter. Consequently, compliance with these protocols is an expectation for everyone enrolled in this course. If a student refuses to comply with the University's health and safety protocols, the student must leave the classroom and will earn an unexcused absence for the class period and any associated assignments/assessments for the day. Persistent deviation from expected health and safety guidelines may be considered a violation of the University's Standards of Conduct, as articulated in *du Lac: A Guide for Student Life*, and will be referred accordingly.

Health Checks and Attendance Every morning, members of the Notre Dame Community will be asked to complete a daily health check and submit their information via the Return to Campus Advisor application. The health check application will indicate one of the following:

- Student is cleared for class and should attend class in person; or
- Student is advised to stay home to monitor symptoms and should participate in class virtually and complete all assignments and assessments; or
- Student must consult a healthcare provider and should contact University Health Services (UHS) for an assessment. In the meantime, the student should participate in class virtually and complete all assignments and assessments. Depending on the medical assessment, UHS will follow the University's standard protocol for obtaining an excused absence for medical reasons.