

Fall 2024

**Economics 435/1730
Economic Development of China
Professor Loren Brandt**

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Office Hours: Monday, 2:30 – 4 PM

Economics 435/1730 is a half-year course that examines the economic development of China. Although much of our attention will be directed towards an assessment of the post-1978 economic reforms in China, we will take a longer perspective on the growth process and consider the Chinese economic system between 1949 and 1978.

I plan to run this class like a seminar, with active participation on your part. Each week there will be a set of readings and questions that will serve as the basis for the following weeks' lecture/seminar. The readings will be extensive and will require a significant input on your part. On average, anticipate roughly ~100-150 pages of reading a week. You will be able to download the readings from the course website. An asterisk (*) identifies the most important readings. The success of the class depends on your preparation.

There is no required text, but there are two books that will serve as good background if this course is your first one on the Chinese economy.

Loren Brandt and Thomas Rawski, editors, *China's Great Economic Transformation*, Cambridge University Press, 2008.

Barry Naughton, *The Chinese Economy: Transitions and Growth*, MIT Press, 2018 (2nd Edition).

For an excellent historical perspective on China's evolution, Klaus Muhlhahn's (2019) *Making China Modern: From the Great Qing to Xi Jinping* is the best reference.

Reflecting my desire to run this course like a seminar, your weekly participation in class will serve as part of the basis for evaluation (10%). Each week, I will also ask individual students to make short presentations on a new paper related to that week's topic (10%). In addition, there will be two short papers, each worth 20% of your final grade. I have several suggestions for topics, and we can discuss more in class. Finally, there will be comprehensive final (40%). Based on experience, to do well on the exam, you must be familiar with the readings assigned over the course of the semester.

Part I: Background Reading: Economic Growth and Institutions (Week 1)

Why do economies grow? How important is the role of capital investment? Technological change? What is the role of institutions in economic development?

General

Daron Acemoglu, Simon Johnson, and James Robinson, "Institutions as a Cause of Long-run Economic Growth", *Handbook of Development Economics*. *

William Easterly, *The Elusive Quest for Growth*, especially chapter 3. *

Douglas Gollin, Stephen Parente and Richard Rogerson, "The Role of Agriculture in Development", 2002, *American Economic Review*, pp. 160-164. *

Berthold Herrendorf, Richard Rogerson and Ákos Valentinyi, "Growth and Structural Transformation", 2014, *Handbook of Economic Growth*.

Charles Jones, "Introduction to Economic Growth", chapter 2, and especially 2.4.*

Douglas North, *Institutions, Institutional Change and Economic Performance*, Chapters 1 and 12. *

Handout:

Growth Accounting

China

Brandt, Loren and Thomas Rawski (2022). "China's Economic Boom as a Historical Process." *Cambridge Economic History of China*, volume 2.

Zhu, Xiaodong (2012). "Understanding China's growth: Past, present, and future." *The Journal of Economic Perspectives* 26.4, pp. 103-124.*

Part II: The Maoist Period and the Era of Economic Planning (Weeks 2 and 3)

What did China's economic institutions look like during Socialism? How rapidly was the economy able to grow? What were the sources of this growth? What constraints did the agricultural sector impose on the growth process? What happened to the standard of living?

Naughton, Chapter 4.

Institutions and Structure (Week 2)

T. Bernstein (2010). "Introduction. The Complexities of Learning from the Soviet Union", in T. Bernstein and H. Li (Eds.), *China learns from the Soviet Union, 1949-Present*, Lanham, pp. 1-23

Shuo Chen and Xiaohuan Lan (2017). "There Will Be Killing: Collectivization and Death of Draft Animals", *American Economic Journal: Applied Economics*, 9(4): 58–77.

Frederick Crook, "The Commune System in the PRC, 1963-1974," in US Congress Joint Economic Committee, *China: A Reassessment*. *

Covell F. Meyskens, (2020). *Mao's Third Front: The Militarization of Cold War China*, Chapters 1 and 6.

Barry Naughton, *Growing out of the Plan*, chapter 3. *

Barry Naughton, (1988). "The Third Front: Defense Industrialization in the Chinese Interior", *China Quarterly*, pp. 351-86.*

Nicholas Lardy, *Agriculture in China's Modern Economic Development*, Chapter 2, pp. 18-21 and 30-97. *

Dwight Perkins, "China's Struggle with the Soviet Growth Model, 1949-1978", in *Cambridge Economic History of China*, 2022, pp. 565-605.

Chenggang Xu, "The Origins of China's Communist Institutions" in *Cambridge Economic History of China*, 2022, pp. 531-564.

Empirical Assessment (Week 3)

Anton Cheremukhin, Mikhail Golosov, Sergei Guriev, Aleh Tsyvinski, "The Political Development Cycle: The Right and the Left in People's Republic of China from 1953". Forthcoming, *American Economic Review*. *

Nicholas Lardy, "Consumption and Living Standards in China, 1978-1983," *China Quarterly*, 96 (December 1983).

Barry Naughton, "The Pattern and Legacy of Economic Growth in the Mao Era," in J. Kallgren, K.

Lieberthal, R. MacFarquhar and F. Wakeman, eds., *Perspectives on Modern China: Four Anniversaries*, 1991.

Thomas Rawski and Dwight Perkins, "Forecasting China's Economic Growth to 2025", in Brandt and Rawski, pp. 829-845.

E.B. Vermeer, "Income Differentials in Rural China". *China Quarterly*. 1978.

The Economics of the GLF (Week 3)

Chang, Gene Hsin and Guanzhong James Wen. 1997. "Communal Dining and the Chinese Famine of 1958-1961." *Economic Development and Cultural Change*. 46.1, pp. 1-34.

Frank Dikotter, *Mao's Great Famine: The History of China's Most Devastating Catastrophe, 1958-1962*.

Koss, Daniel. 2018. *Where the Party Rules*. Pg. 243-261.

Kung, James Kai-sing and Chen Shuo. 2011. "The Tragedy of the Nomenklatura: Career Incentives and Political Radicalism during China's Great Leap Famine." *American Political Science Review*, 105, pp 27-45. *

Lin, Justin Yifu and Dennis Tao Yang. 2000. "Food Availability, Entitles and the Chinese Famine, 1959-1961." *Economic Journal*.

Meng, Xin, Nancy Qian and Pierre Yared. 2013. "The Institutional Causes of China's Great Famine, 1959-1961", *Review of Economic Studies*. *

Xizhe Peng. 1987. Demographic Consequences of the Great Leap Forward in China's Provinces *Population and Development Review*, 13.4, pp. 639-670. *

Sen, Amartya. 1981. "Famines". *World Development*. Vol. 8, 613-621.*

Wei, Li and Dennis Tao Yang. 2005. "The Great Leap Forward: Anatomy of a Central Planning Disaster." *Journal of Political Economy*. *

Background:

<https://www.youtube.com/watch?v=4Pma99yhPuk>

<https://www.youtube.com/watch?v=DqFBa9ePWpo>

Part III: Economic Reform in China

What motivated economic reform? How do you go about reforming a socialist economy? What has been the nature of the reforms in key sectors of the economy, e.g., rural, urban, international? The changes in political institutions? What impact have the reforms had on productivity, income distribution, and economic structure? How has the transition in China differed from that in Eastern Europe?

Framework and Debates (Week 4)

Gewirtz, Julian. *Unlikely Partner: Chinese Reformers, Western Economists, and the Making of Global China*, Harvard University Press, 2017, pp. 1-4, 261-279.

Julian Gerwitz. *Never Turn Back: China and the Forbidden History of the 1980s*. Harvard University Press, 2022, pp. 65-106.

Dwight Perkins, "Reforming China's Economic System," *Journal of Economic Literature*, 26 (June 1988). *

Gerard Roland, "The Political Economy of Transition," *Journal of Economic Perspectives* Winter, 2002.

Susan Shirk, *The Political Logic of China's Economic Reforms*, 1993, chapters 1, 2 and 14.

Jan Svejnar, "Transition Economies: Performance and Challenges", *Journal of Economic Perspectives*, Winter, 2002.

Walder, A. G. (2016). Bending the Arc of Chinese History: The Cultural Revolution's Paradoxical Legacy. *The China Quarterly*, 227, 613-631.*

Weber, Isabelle (2020). *How China Escaped Shock Therapy: Market Reform Debate*, pp. 182-222.

Xu, Chenggang, "The Fundamental Institutions of China's Reforms and Development", *Journal of Economic Literature*, 2011.*

Zhu, Xiaodong. "Understanding China's growth: Past, present, and future." *The Journal of Economic Perspectives* 26.4 (2012): 103-124.

Background – China's Political Institutions

Heilmann, Sebastian. 2008. "Policy Experimentation in China's Economic Rise." *Studies in Comparative Economic Development*. 43:1-26

Jia, R., Kudamatsu, M., & Seim, D. (2015). Political selection in China: The complementary roles of connections and performance. *Journal of the European Economic Association*, 13(4), 631-668.

Hehui Jin, Yingyi Qian, and Barry Weingast, "Regional Decentralization and Fiscal Incentives: Federalism, Chinese Style", *Journal of Public Economics*, 2005.

Li, Hongbin and Li-an Zhou (2005). "Political turnover and economic performance: the incentive role of personnel control in China by Li, Hongbin and Zhou, Li-An . *Journal of Public Economics*", Volume 89, Issue 9, pp. 1743 - 1762

Barry Naughton, "The Political Economy of China's Economic Transition", in Brandt and Rawski.*

Minxin Pei, *China's Trapped Transition*.

Qian Yingyi and Chengang Xu. 1993. Why China's economic reforms differ: the M-form hierarchy and entry/expansion of the non-state sector. *Economics of Transition*. 1(2), p.135 - 170

Reform of the Rural Sector and Agriculture (Week 5)

What is the role of agriculture in the development process? How did the introduction of the Household Responsibility System affect agriculture and the rural sector? The development process more generally? What were the consequences of incomplete property rights in land? What is the origin of the TVEs (Township and village enterprises)? How do we explain their rise and then fall?

Naughton, Chapters 11-13.

Background

Gollin, Douglas, Stephen Parente, and Richard Rogerson. 2002. "The Role of Agriculture in Development ." *American Economic Review*, 92 (2): 160-164.

Johnston, Bruce and John Mellow (1961). "The Role of Agriculture in Economic Development". *American Economic Review*, Vol. 51, No. 4, pp. 566-593.*

Agricultural Reforms

Initial Reforms

Hartford, Kathleen, "Socialist Agriculture is Dead; Long Live Socialist Agriculture! Organizational Transformation in Rural China." In Elizabeth Perry and Christine Wong, editors. *The Political Economy of Economic Reform in China*. 1985.

Lardy, Nicholas. 1986. Agricultural Reforms in China. *Journal of International Affairs*, Vol. 39, No. 2, pp. 91-104.*

Justin Lin, "Rural Reforms and Agricultural Growth in China, *American Economic Review*, 82.1 (1992).*

McMillan, John, John Whalley, Lijing Zhu (1989). The Impact of China's Economic Reforms on Agricultural Productivity Growth. *Journal of Political Economy*, Vol. 97, No. 4 (Aug., 1989), pp. 781-807.

Jikun Huang and Scott Rozelle, "Technological Change: Rediscovering the Engine of Productivity Growth in China's Rural Economy". *Journal of Development Economics*. 46, pp. 337-369.

Joel Ferguson and Oliver Kim. (2023). Reassessing China's Rural Reforms: The View from Outer Space. Working paper. (P)

Dali Yang, *Calamity and Reform in China*, 1996, chapter 6.*

Issues

Tasso Adamopoulos, Loren Brandt, Jessica Leight and Diego Restuccia. "Misallocation, Selection, and Productivity". *Econometrica*, 2022.

Tasso Adamopoulos, Loren Brandt, Chaoran Chen, Diego Restuccia, and Xiaoyun Wei. "Land Insecurity versus Labor Mobility". *Quarterly Journal of Economics*, forthcoming.

Chari, A.V., Elaine Liu, Shing-yi Wang, and Yongxiang Wang. (2017). "Property Rights, Land Misallocation, and Agricultural Efficiency in China." *Review of Economic Studies*. (P)

Rural Industry and the Rise (and Decline) of TVEs

Loren Brandt, Hongbin Li and Joanne Roberts, "Banks and Enterprise Privatization in China", *Journal of Law, Economics and Organization*, 2005.

William Byrd and Alan Gelb, "Township, Village and Private Industry in China's Economic Reforms," Working Paper, World Bank, 1990. *

Che, Jiahua and Yingyi Qian, "Institutional Environment, Community Government, and Corporate Governance: Understanding China's Township-Village Enterprises," *Journal of Law*,

Economics and Organization, v 14, n1, pp. 1-23. *

Chang, C., & Wang, Y. (1994). The nature of the township-village enterprise. *Journal of Comparative Economics*, 19(3), 434-452.

Li, H., & Rozelle, S. (2003). "Privatizing Rural China: Insider Privatization, Innovative Contracts and the Performance of Township Enterprises." *The China Quarterly*, 176, 981-1005.

Jin, Hehui and Yingyi Qian, "Public versus Private Ownership of Firms: Evidence from Rural China," *Quarterly Journal of Economics*, v. 113, n3, pp. 773-808. *

Kung, J. K. S., & Lin, Y. M. (2007). The decline of township-and-village enterprises in China's economic transition. *World Development*, 35(4), 569-584.

Susan Whiting, *Power and Wealth in Rural China*, chapter 4.*

Week 6

SOE Reform and Restructuring (Week 6)

Batson, Andrew. *The State of the State Sector*.*

Chen, Yuyu, Igami, Mitsuru, Sawada, Masayuki and Xiao, Mo (2021). "Privatization and Productivity in China", *The RAND Journal of Economics*, 52.4, pp. 884-916. (P)

Barry Naughton, *Growing Out of the Plan*, chapters 3 and 6.*

Hsieh, C. and Z. Song. 2015. "Grasp the Large, Let Go of the Small." *Brookings Papers in Economic Activity*, Spring. *

Gary Jefferson and Thomas Rawski, "Enterprise Reform in China," *Journal of Economic Perspectives*, 8.2 (Spring 1994), pp. 47-70. *

Janos Kornai, "The Soft-budget Constraint," *Kyklos*, 39.1(1986). *

Lau, Lawrence, Yingyi Qian and Gerard Roland. "Reform without Losers: An Interpretation of China's Dual-Track Approach to Transition." *Journal of Political Economy*, Vol. 108, No. 1 (February 2000), pp. 120-143

Wei Li, "The Impact of Economic Reform on the Performance of Chinese State Enterprise: 1980-1989". *Journal of Political Economy*.

Lin, Li-Wen, and Curtis J. Milhaupt. "We are the (national) champions: understanding the mechanisms of state capitalism in China." *Stanford Law Review* 65.4 (2013): 734-760.*

Barry Naughton. 2015. "The Transformation of the State Sector: SASAC, the Market Economy, and the New National Champions." in *State Capitalism, Institutional Adaption, and the Chinese Miracle*, pp. 46-74.

Edward Steinfeld, *Forging Reform in China*, Chapters 1 and 4.

Dylan Sutherland and Lutao Ning. "The Emergence and Evolution of Chinese Business Groups." Are Pyramidal Groups Forming?" in *State Capitalism, Institutional Adaption, and the Chinese Miracle*, pp. 102-153.

Readings – Assignment 2 (TBD)

Week 7

Domestic Reform, Industrial Upgrading and Innovation

Chong-En Bai, Yingjuan Du, Zhigang Tao, Sarah Y. Tong (2002). "Local protectionism and regional specialization: evidence from China's industries. *Journal of International Economics*, Volume 63, Issue 2, Pages 397-417.

Loren Brandt, Gueorgui Kambourov and Kjetil Storesletting (2023). "Barriers to Entry and Regional Economic Growth." *

Loren Brandt, Johannes Van Biesebroeck, and Yifan Zhang, "Creative Accounting or Creative Destruction", *Journal of Development Economics*, 2012.*

Loren Brandt, Thomas Rawski and John Sutton, "China's Industrial Development" in Brandt and Rawski.

Loren Brandt and Eric Thun. 2010. The Fight for the Middle: Upgrading, Competition, and Industrial Development in China. *World Development* Vol. 38, No. 11, pp. 1555–1574.

Breznitz, D. and M. Murphree. 2011. *Run of the Red Queen: Government, Innovation, Globalization and Economic Growth in China*. New Haven: Yale University Press. *

Stephan Hebllich, Marlon Seror, Hao Xu and Ianos Zylberberg, "Industrial Clusters in the Long Run: Evidence from Million-Ruble Plants in China. 2022. NBER Working paper, 30744. (P)

Changtai Hsieh and Peter Klenow, "Misallocation and Manufacturing TFP in China and India", *Quarterly Journal of Economics*. 2008.*

Wei, Shang-Jin, Zhuan Xie, and Xiaobo Zhang. 2017. "From "Made in China" to "Innovated in China": Necessity, Prospect, and Challenges." *Journal of Economic Perspectives*, 31 (1): 49-70.

Susan Shirk, *The Political Logic of China's Economic Reforms*, 1993, chapters 10, 11.

Week 8

China's Opening, Foreign Trade Sector Reform, and WTO

Key Questions: How important is the world economy to China? How important is China to the world economy? What impact did China's opening and foreign trade reforms have on the economy? How are China's ties with the rest of world now changing?

Mary Amity and Carolyn Freund. (2010). "The Anatomy of China's Export Growth", in *China's Growing Role in World Trade*, pp. 35-61.*

Chong-En Bai, Yingjuan Du, Zhigang Tao, Sarah Y. Tong (2002). Local protectionism and regional specialization: evidence from China's industries, *Journal of International Economics*, Volume 63, Issue 2, Pages 397-417.

Brandt, L. and Kevin Lim. "Opening Up in the 21st Century: A Quantitative Accounting of Chinese Export Growth", *Journal of International Economics*.

Brandt, L., Van Biesebroeck, J., Wang, L., Zhang, Y. (2017). WTO accession and performance of Chinese manufacturing firms. *American Economic Review*.*

Lee Branstetter and Nicholas Lardy, "China's Embrace of Globalization", in Brandt and Rawski.

Brown, Alexander, Jacob Gunter, Max J. Zenglein. "Course Correction: China's Shifting Approach to Economic Globalization." *MERICs China Monitor*, 19 October 2021, 19pp. At: <https://merics.org/en/report/course-correction-chinas-shifting-approach-economic-globalization>

Garred, Jason. (2018). "The Persistence of Trade Policy in China After WTO Accession." *Journal of International Economics*.

Kee, H.L. and H. Tang. (2016). "Domestic Value added in exports: Theory and firm evidence from China." *American Economic Review*. 106.6, pp. 1402-1436. *

Khandelwal, Amit K., Peter K. Schott, and Shang-Jin Wei. 2013. "Trade Liberalization and Embedded Institutional Reform: Evidence from Chinese Exporters." *American Economic Review*, 103 (6): 2169-95

Koopman, Robert and Wang, Zhi and Wei, Shang-Jin (2008). "How Much of Chinese Exports is

Really Made In China? Assessing Domestic Value-Added When Processing Trade is Pervasive". NBER Working Paper, Number 14109.

Lim, Kevin, Daniel Trefler and Miaojie Yu. 2022. Looking Backward, Innovating Forward: A Theory of Competitive Cascades. NBER Working Paper. (P)

Wang, Jin. 2013. "The Economic Impact of SEZ: Evidence from Chinese Municipalities". *Journal of Development Economics*. 101, pp. 133-47.

Yu, M. (2015). Processing trade, tariff reductions and firm productivity: evidence from Chinese firms. *The Economic Journal*, 125(585), 943-988.

Additional Background

Chen, Caixia, Yanfei Wang, Junji Xiao, and Xiaolan Zhou. (2021). Comparison between Uniform Tariff and Progressive Consumption Tax in the Chinese Automobile Industry. *The Journal of Industrial Economics*, 69.1, pp. 169-213.

Yasheng Huang, *Selling China*, pp. 1-51.

Jonathan Hillman, *The Emperor's New Road*. Yale University Press.

Nicholas Lardy, *Foreign Trade and Economic Reform in China, 1978-1990*, chapters 3 and 5.

Nicholas Lardy, *Integrating China into the Global Economy*, 2002, chapters 2 and 4.

McKenzie Global Institute (2019). *China and the Global Economy: Inside the Dynamics of a Changing Relationship*.

Barry Naughton, "China's Emergence and Prospects as a Trading Nation," *Brookings Papers on Economic Activity*, 2, pp. 273-343.

Yeling Tan, *Disaggregating China, Inc. State Strategies in the Liberal Economic Order*, Cornell University Press. 2023, Conclusion.

World Bank, *Reform of the Foreign Trade Sector in China*, 1994.

China's Financial System (Week 9)

What is the role of a financial system in the development process? What is financial repression? How is the financial system organized in China? What have been the links between the financial and fiscal systems? What is the shadow banking system? LGFV? What has been the nature of the reform of the financial system to date? How effective has it been?

Background

Raghuram G. Rajan and Luigi Zingales . "Financial Dependence and Growth", *The American Economic Review* , Vol. 88, No. 3 (Jun., 1998), pp. 559- 586.*

Readings

Loren Brandt and Zhu Xiaodong, "Redistribution in a Decentralizing Economy: Growth and Inflation in Chinese under Reform, *Journal of Political Economy*, 2000.*

Loren Brandt and Hongbin Li (2003). Bank discrimination in transition economies: ideology, information or incentives?" *Journal of Comparative Economics*, 31, pp. 387-413.

David Dollar and Shangjin Wei, "Das Wasted Kapital". Working Paper.

Elliott, D., Kroeber, A., & Qiao, Y. (2015). Shadow banking in China: A primer. *Brookings Institution*, 13.*

He, Zhiguo and Wei Wei (2022). China's Financial System and Economy: A Review. NBER Working Papers, No. 30324.

Kelle Tsai, *Back Alley Banking*, 2004, chapter 2.

Carl Walter and Fraser Howie, *Red Capitalism: The Fragile Financial Foundation of China's Extraordinary Rise*, 2010, chapters 2 and 3. *

Walter, C. E. (2014). Was Deng Xiaoping Right? An Overview of China's Equity Markets. *Journal of Applied Corporate Finance*, 26(3), 8-19.

Zheng (Michael) Song and Wei Xiong (2018). "Risks in China's Financial System."

China's Economic Growth Dynamics (Week 10)

Bai, Chongen, Changtai Hsieh and Michael Song. 2016. "The Long Shadow of China's Fiscal Expansion." *Brookings Papers on Economic Activity*, (FALL 2016), pp. 129-165.

Loren Brandt, and Xiaodong Zhu, "Accounting for Economic Growth in China", 2010. *

Kaiji Chen and Tao Zha, "China's Macroeconomic Development: The Role of Gradualist Reforms." NBER Working Paper, 2023.

Changtai Hsieh and Peter Klenow, "Misallocation and Manufacturing TFP in China and India", *Quarterly Journal of Economics*. 2008.**

Hehui Jin, Yingyi Qian, and Barry Weingast, "Regional Decentralization and Fiscal Incentives: Federalism, Chinese Style", *Journal of Public Economics*, 2005.

Michael Konig, Kjetil Storesletten, Zheng Song, and Fabrizio Zilibotti. "From Imitation to Innovation: Where is all that Chinese R&D Going?" *Econometrica*, Vol. 90, No. 4 (July, 2022), 1615–1654. (P)

Song, Zheng Michael, Storesletten, Kjetil and Zilibotti, Fabrizio, "Growing Like China", *American Economic Review*, 2011. *

Trevor Tombe and Xiaodong Zhu. "Trade, Migration and Productivity: A Quantitative Analysis." *American Economic Review*. vol. 109, no. 5, May 2019 (pp. 1843-72). *

Alwyn Young, "The Razor's Edge: Distortions and Incremental Reform in the People's Republic of China", *QJE*, 2000, pp. 1091-1135.

Alwyn Young, "From Gold to Base Metals: Productivity Growth in the People's Republic of China during the Reform Era," *Journal of Political Economy*, 2003, pp. 1120-1161.*

Zhu, Xiaodong. "Understanding China's growth: Past, present, and future." *The Journal of Economic Perspectives* 26.4 (2012): 103-124.

Measurement Issues:

Chen, Wei, Xilu Chen, Chang-tai Hsieh and Zheng (Michael) Song. 2019. "A forensic examination of China's national accounts." *Brookings Papers on Economic Activity*.

Hu, Yingyao and Jiaxiong Yao. Illuminating economic growth. *Journal of Econometrics*. 228, pp. 359-378.

Nakamura, Emi, Jón Steinsson, and Miao Liu. (2016). Are Chinese Growth and Inflation Too Smooth? Evidence from Engel Curves, *American Economic Journal: Macroeconomics*. 8(3): 113–144.

The Return of the State and Chinese Industrial Policy (Week 11)

Part 1 – Return of the State

Barry Naughton. 2015. "The Transformation of the State Sector: SASAC, the Market Economy, and the New National Champions." in *State Capitalism, Institutional Adaption, and the Chinese*

Miracle, pp. 46-74.

Lin, Li-Wen, and Curtis J. Milhaupt. "We are the (national) champions: understanding the mechanisms of state capitalism in China." *Stanford Law Review* 65.4 (2013): 734-760.

Ernest Liu, Industrial Policies in Production Networks, *The Quarterly Journal of Economics*, Volume 134, Issue 4, November 2019, Pages 1883–1948, <https://doi.org/10.1093/qje/qjz024>
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Nolan, Peter. 2014. "Industrial Policy at the Crossroads". In *Rebalancing China*, pp. 77-140.

Dylan Sutherland and Lutao Ning. "The Emergence and Evolution of Chinese Business Groups." Are Pyramidal Groups Forming?" in *State Capitalism, Institutional Adaption, and the Chinese Miracle*, pp. 102-153

Part 2 – Industrial Policy

Philippe Aghion et. al. "Industrial Policy and Competition." *AEJ:Macro*, 7.4 (2015), pp. 1-32.

Jia Barwick, P., Kalouptsidi, M., & Bin Zahur, N. (2021). Industrial Policy Implementation: Empirical Evidence from China's Shipbuilding Industry. *Working Paper*.
<https://drive.google.com/file/d/1C2wr9E3EQ9rP411hRMPARPiRHuHKE1Kg/view>

Heilmann, S., & Shih, L. (2012). The Rise of Industrial Policy in China, 1978-2012. *Harvard Yenching Institute Working Paper Series*.

Marianna Mazzucato. "Mission-oriented Innovation Policies: Challenges and Opportunities." *Industrial and Corporate Change*. 27.5 (2018), pp. 803-15.

Barry Naughton. 2021. *The Rise of China's Industrial Policy: 1978-2020*.

Kalouptsidi, (20xx). Shipbuilding in China.

Labor Markets, Migration, Inequality and Poverty (Weeks 12)

Naughton, Chapters 9 and 10.

Tasso Adamopoulos, Loren Brandt, Chaoran Chan, Diego Restuccia and Xiaoyun Wei. "Land Security and Mobility Frictions." *Quarterly Journal of Economics*. 2024. **

Dwayne Benjamin, Loren Brandt, John Giles, and Sangui Wang "Inequality in China's Economic Transition", in Brandt and Rawski.

Dwayne Benjamin, Loren Brandt and John Giles, "The Evolution of Income Inequality in Rural China", *Economic Development and Cultural Change*, 2005. *

Alan de Brauw and John Giles, "Migrant Labor Markets and the Welfare of Rural Households in the Developing World: Evidence from China", *The World Bank Economic Review*, 32(1), 2018, 1–18. *

Kam Wing Chan, "China's hukou system at 60: continuity and reform". *Handbook on Urban Development in China*, pp. 73-94. *

Kanbur, Ravi, and Xiaobo Zhang, "Which Regional Inequality: The Evolution of Rural-Urban and Inland-Coastal Inequality in China from 1983 to 1995." *Journal of Comparative Economics*, 1999.*

Kanbur, R., & Zhang, X. (2009). Spatial inequality in education and health care in China. In *Regional Inequality in China* (pp. 92-110). Routledge.

Knight, I., Sicular, T., and Yue, X. (2013). "Educational inequality in China." *Rising inequality in China: Challenges to a harmonious society*, 142.

Li, Hongbin, et al. "The end of cheap Chinese labor." *The Journal of Economic Perspectives* 26.4 (2012): 57-74.*

Li, S., and Sicular, T. (2014). The distribution of household income in China: Inequality, poverty and policies. *The China Quarterly*, 217, 1-41. *

Liu, Xuejun, Albert Park, and Yaohui Zhao, "Explaining Rising Returns to Education in China in the 1990s", mimeo, 2010.

Piketty, Thomas, Li Yang and Gabriel Zucman (2019). "Capital Accumulation, Private Property and Rising Inequality in China." *American Economic Review*, 109(7), 2469-2496. *

Martin Ravallion and Shaohua Chen, "China's (Uneven) Progress Against Poverty", *Journal of Development Economics*, 2007. *

Meng Xin, "Labor Market Outcomes and Reforms in China", *Journal of Economic Perspectives*, 2012. *

The World Bank, *From Poor Areas to Poor People: China's Evolving Poverty Reduction Strategy*. 2008.

Jun Yang, Xiao Huang, Xin Liu, "An analysis of education inequality in China", *International Journal of Educational Development*, Volume 37, 2014.

Wu, X., & Zhang, Z. (2010). Changes in educational inequality in China, 1990–2005: Evidence from the population census data. In *Globalization, changing demographics, and educational challenges in East Asia* (pp. 123-152). Emerald Group Publishing Limited.

Xiuna Yang, Björn Gustafsson and Terry Sicular, “Inequality of Opportunity in Household Income”, IZA DP No. 14463.

Yu Xie and Xiang Zhou. (2014).” Income inequality in China”, *Proceedings of the National Academy of Sciences*, April. 2014. *