

ECONOMICS 321

Macroeconomics Seminar: **Traveling Economists in China**

Term 4 2017-18

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Required Texts: Todd Knoop (2017), The Traveling Economist: Using Economics to Think about What makes Us so Different and the Same, ABC-CLIO/Praeger Publishing, 1st edition.

Introduction:

There are two primary goals in this course.

The first is to understand the incredible economic development of China over the course of the last two generations within the context of a global economy in which extreme poverty is still common, and global inequality between countries is increasing by some measures. There is no better setting to obtain a deeper understanding of growth, poverty, and economic development than China today. We will examine both the theoretical and empirical foundations that shape the way economists understand economic growth in China and around the globe. We will talk with local experts in Chinese development and business, visit local Chinese firms and factories, have a class exchanges with Chinese college students studying at Shanghai's East China Normal University, a travel to the two major economic powerhouse cities of China—Shanghai and Beijing—but also visit western, rural, and poorer parts of China that still define the lives of most Chinese today.

The second goal of this class is to refine our abilities to think like economists. By focusing on the ways that incentives shape behavior, economists have gained

new insights into the determinants of difference across people, cultures, societies, countries, and time. Economics is a powerful tool that can be used to make each of us much more perceptive observers. As a result, developing a deeper understanding of economics is an important part of becoming a better traveler. In the words of Samuel Johnson, “The use of travelling is to regulate imagination by reality, and instead of thinking how things may be, to see them as they are.” This is exactly what economics aims to do as well, and it is the reason why using economics to enrich our travel can magnify the value of both. In this class in which we travel and learn economics, our goal is to become both better economists and the kinds of travelers that get the most out of their experiences.

Course Objectives: This course supports the Educational Priorities and Outcomes of Cornell College (<http://www.cornellcollege.edu/about-cornell/mission/>) with emphasis on knowledge, inquiry, reasoning, communication, and vocation. Specifically, this course will require students to:

- Develop the ability to build economic models and learn how to think in terms of these economic models (knowledge, inquiry, reasoning);
- Understand both the theory and the empirics of economic growth (knowledge, inquiry, reasoning);
- Consider interdisciplinary approaches to understanding growth and poverty (Knowledge, inquiring, reasoning);
- Develop analytical and critical thinking skills (inquiry, reasoning);
- Improve written and oral communication skills (communication);
- Better understand the economic and cultural history of China and learn from the chance to interact, both professionally and informally, with a wide variety of Chinese in a number of different settings (intercultural literacy, citizenship, vocation, well-being).

Course Structure:

First week of class (Monday-Tuesday): Class times will be held from 9:00-11:45 and 1:00-2:30.

Remainder of the class: Please see our itinerary (separate file). There will have to be a great deal of flexibility in terms of class schedule and course structure

while we are in China. Regular classroom time (TBD) will be held during our time in Shanghai, to be held on campus at East China Normal University. In addition, there may be joint class sessions between us and a group of ECN students. We will also meet with visitors on campus, both academics and professionals. Finally, we will also take opportunities to visit with professionals outside of the classroom, both in Shanghai and during our trips to Beijing and western China.

Group Flight information:

11/29 Delta #3978 Cedar Rapids to Detroit Metro depart 10:30A and arrive 1:07P
11/29 Delta #583 Detroit to Shanghai depart 3:30P and arrive at 7:20P 11/30.

12/20 Delta #188 Beijing to Detroit Metro depart 5:40P and arrive 6:12P.
12/21 Delta #4461 Detroit to Cedar Rapids depart 7:55P and arrive 8:32P.

Students are responsible for getting to the Cedar Rapids airport and returning from the airport themselves. Arrangements for getting into our dorms upon return will be shared at a later date.

Tentative Class Schedule (also see itinerary (separate file)):

Nov 27-28: On campus, regular classroom hours.

Nov 29 (Wednesday): Depart from Cedar Rapids. Please arrive by 9:00am. (You are responsible for arranging your own transportation to the airport).

November 30-Dec. 12: Arrive in Shanghai, stay at:
Jinjiang Inn at East China Normal University
3500 N. Zhongshan Rd, Putin District
Shanghai
Tel: 8621-62859998

December 12-16: Excursion to Guizhou.
Dec. 12-16 stay at:
Wanyi Lijing Hotel (Guiyang Huaxi Park)
111 Qingxi Rd, Huaxi District
Guiyang, Guizhou
Tel: 86-4001060086

Night of Dec 15 stay at:
Local hotel in Kaili Miao Village

Dec 16-20: Excursion to Beijing:
Night of Dec. 16, stay at:
Train to Beijing

Nights of Dec. 17-19, stay at:
Beijing Holiday Inn Express (Dongzhimen) Hotel
1 Chunxiu Rd, Dongcheng District
Beijing
Tel: 86-4008302360

Dec 20: Depart from Beijing at 5:40P.

Dec 20: Arrive in Cedar Rapids 8:30P (late).

Contact Information:

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On our arrival, Yan will help us purchase SIM cards for our phones for you to communicate locally as well as with family at home, **so please bring your cell phones**. The price will be approximately \$10 for the card and 200 minutes.

In order to keep in touch with people back home, students and their families are encouraged to download the Wechat app, with is widely used in China and may be useable when Skype, Facetime, etc. is not.

Given the continuing difficulties that Google has with China, students should not count on having access to their Cornell email, particularly if they are not using a VPN proxy server. One good suggestion might be to open a Yahoo mail account and forward your Cornell mail there, as Yahoo is rarely blocked.

Course Structure: There will have to be a great deal of flexibility in terms of class schedule and course structure. There will be classroom time, which will be held at East China Normal University. We will have outside visitors to our class, both academics and professionals. Finally, we will also take opportunities as they arise to visit with professionals outside of the classroom and visit local places of economic interest, both in Shanghai and on our trips to rural areas and Beijing. Expect to be scheduled from early in the morning to late at night, then be pleasantly surprised when we use less time than that.

Grading: Course grades will be determined by four classes of assignments and will be based on 350 possible points. I reserve the right to use my discretion at the margin and things such as class participation and improvement will be considered in borderline cases.

(1) Exam (100 points): One final exam will be given on our last full day in Shanghai, December 13.

(2) Traveling Economics Journal (100 points): One of the primary purposes of this class is to develop our skills at seeing the world as economists, and understanding the incentives and institutions that lead to different behaviors across peoples and cultures. The Traveling Economist book that we will use in this class illustrates (hopefully) how this can be done.

You will be required to keep regular journal entries in which I want you to “think like an economist” in analyzing and explaining the things that you see during our trip. As this is a seminar class in which you are asked to bring together everything that you have learned in your ECB courses while at Cornell, any economic insight that you can bring to your discussion of your experiences during this trip—from this course or another course—is appropriate.

There is not a strict page limit for this assignment, but given that we will be in China for 21 days, roughly 20 pages of writing (typewritten) should be appropriate. However, it is the **QUALITY, APPLICABILITY, READABILITY, and ORIGINALITY** of your analysis that will determine your grade on this assignment. In brief, I am looking for evidence that you are thinking deeply about economics as we conduct our travels.

This journal should be submitted electronically to me, and will be due after we return from China, date TBD.

(3) Class Participation: Class participation will count for 100 points toward the final grade and will be assigned on the basis of both quantity and quality of participation. Given that this is a seminar class, we will devote a substantial amount of classroom time to discussing reading assignments. For all of the assigned readings you should be able to:

- (1) summarize the reading assignments,
- (2) answer questions regarding the reading assignments,
- (3) raise questions regarding the reading assignments,
- (4) understand how the reading assignments relate to previous reading assignments.

Your class participation grade also depends upon your behavior outside of the classroom. You are at all times expected to represent yourself and Cornell College professionally. Failure to do so will result in a **dramatic** decline in your class participation grade at the least, and being sent home in the case of extreme violations.

Grading Scale: Course grades will, at a minimum, be based upon the following grading scale:

A	94-100%	B+	87-89%	C+	77-79%	D+	67-69%
A-	90-93%	B	84-86%	C	74-76%	D	64-66%
		B-	80-83%	C-	70-73%	D-	60-63%

However, a curve of students' raw scores in the class is possible. A student's final grade will be based on their raw points total, the course curve, and—at the margin—overall improvement in the course.

Academic Honesty: Academic dishonesty will not be tolerated and will be dealt with in accordance with Cornell's student regulations.

Learning Disabilities: Cornell College is committed to providing equal educational opportunities to all students. If you have a documented learning disability and will need any accommodation in this course, you must request the accommodation(s) from [the instructor of the course] as early as possible and no later than the third day of the term. Additional information about the policies and procedures for accommodation of learning disabilities is available on the Cornell web site at http://cornellcollege.edu/academic_affairs/disabilities/.

Cell Phones, Computers, and Email: Any student with a cell phone that is either seen or heard during class may be told to leave the class for the remainder of the session. Computers are allowed for taking notes, but any use of these computers during lecture for any other purposes will result in the loss of computer privileges. I will expect all communications, including email, to be professional in nature.

OUTLINE OF TOPICS AND READINGS

The topics in this course will be covered in order, although specific dates may vary depending upon our travels. I will give you instructions on which topics we will cover on what days.

*All of the readings assigned in this class outside of the textbook are available in PDF format at **K:tknoop/China**.*

All files should be downloaded prior to our departure to China.

Section 1: The Theory of Economic Growth

<u>Topic #1:</u>	The Facts of Economic Growth	Knoop: Preface Additional Readings PDF
<u>Topic #2:</u>	The Solow Model	Knoop: Ch. 1 Loyalka (2012) Additional Readings PDF
<u>Topic #3:</u>	Institutions	Knoop: Ch. 2 Zhu (2012) Additional Readings PDF
<u>Topic #4:</u>	Growth in China	Knoop: Ch. 4 Xu (2011) pg. 1076-1094 Osno (2014) Additional Readings PDF
<u>Topic #5:</u>	Population Growth	Knoop: Ch. 3 Additional Readings PDF
<u>Topic #6:</u>	Technology and Ideas	Knoop: Ch. 6 Wei, Xie, and Zhang (2017) Additional Readings PDF
<u>Topic #7:</u>	Culture	Knoop: Ch. 5

<u>Topic #8:</u>	Education	Li, et al. (2017) Crehan (2017) Additional Readings PDF
<u>Topic #9:</u>	Natural Resources and Nature	Knoop: Ch. 8 Additional Readings PDF
<u>Topic #10:</u>	Haggling	Knoop: Ch. 7
<u>Topic #11:</u>	Finance	Additional Readings PDF
<u>Topic #12:</u>	Health	Additional Readings PDF
<u>Topic #13:</u>	Inequality	Additional Readings PDF
<u>Topic #14:</u>	Traveling Economics	Knoop: Ch. 9
<u>Topic #15:</u>	Conclusions	Knoop: Ch. 10

Tentative Final Exam Date is December 13.

Bibliography

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Li, Hongbin, Prashant Loyalka, Scott Rozelle, and Binzhen Wu, "Human Capital and China's Future Growth," Journal of Economic Perspectives 31: 25-48.

Osnos, Evan, 2014, Age of Ambition, pg. 248-262.

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: 49-70.

Xu, Chenggang, 2011, "The Fundamental Institutions of China's Reforms and Development," Journal of Economic Literature 49: 1076-1151.

Yang, Dennis Tao, 2012, "Aggregate Savings and External Balances in China," Journal of Economic Perspectives vol. 26, pg. 125-146.

Zhang, Junsen, 2017, "The Evolution of China's One-Child Policy and Its Effects on Family Outcomes," Journal of Economic Perspectives 31: 141-160.

Zhu, Xiaodong, 2012, "Understanding China's Growth: Past, Present, and Future," Journal of Economic Perspectives 26: 103-124.