

## **Seminar on „Chinese Economy: Transitions and Growth“ Winter Semester 2015/2016**

### **Preparatory Seminar for Bachelor-thesis**

This Bachelor seminar is about economic growth and transition in China. It covers different aspects of the modern Chinese economy focusing on the patterns of growth and development, including population growth; industrial and technological development in urban areas; international trade and foreign investment; macroeconomic trends and cycles and the financial system.

This seminar is the first step in the preparation of your Bachelor-thesis. You will be required to present a detailed outline (Exposé) and defend your ideas during this seminar. The actual thesis will be written until the end of the winter semester 2015/2016.

### **Preliminary session**

*The preliminary session will take place on  
Monday, **09 November 2015, 12:00-14:00** , lecture room RW 6.*

Attendance is required. Also, you should be informed about the topics listed below and choose two priorities for your thesis. If the topics cannot be allocated according to the student's priorities, the remaining topics will be drawn.

### **Mentoring**

Contact person for discussion and questions is Iryna Stewen. Please make an appointment and present the outline of your exposé. ([iryna.stewen@uni-mainz.de](mailto:iryna.stewen@uni-mainz.de))

### **Exposé of thesis project**

Two copies and a pdf-file must be handed in at the secretariat. The exposé is expected to be written in English but could be also prepared in German language. Note that it should not exceed 5 pages (excl. cover sheet, graphs, figures and references). The exposé will be graded and is part of the final grade.

The exposé is a detailed outline of the Bachelor-thesis in written form. It should contain a brief review of the relevant literature. Note that the literature indicated below should only serve as a starting point for your review of the literature, and

you are required to search for further literature. The exposé should contain a motivation and exposition of the main arguments and conclusions.

*Deadline for the exposé is **09th December 2015 12 pm.***

## **Presentation**

You are required to present and defend your thesis project. Presentations are in English and should last no more than 20 minutes. Afterwards, a discussion will take place. Both the presentation and the participation in the discussion will be part of the final grade.

Every student must prepare a presentation to present his/her topic during the seminar. To present the topic and the questions it is recommended to use graphs to illustrate examples or to present data etc.

*The seminar will take place on:*

**Monday, 14 December 2015, 16:00-20:00, lecture room HS VII (00 424) in ReWi old/Container.**

Please note that you are requested to start your Bachelor Thesis around the 11th January 2015. The time budget stands at exactly 8 weeks (not two months) and will therefore be approx. the 7th March 2015.

## **Topics and literature**

Students are expected to read selected chapters of the following textbook and the introductory paper in advance prior to their decision to subscribe for this seminar. They incorporate a broad overview about China's historic and economic background and sketch the main reform and policy issues. The topics [1] to [8] can be covered only once.

Storesletten Kjetil and Fabrizio Zilibotti (2014): China's Great Convergence and Beyond, *Annual Review of Economics*, 6, pp. 333-362.

Barry Naughton: The Chinese Economy: Transitions and Growth, MIT Press. Ch. 6-9, 14, 17-19.

### *Topic 1: Growth and reallocation under financial repression*

Song Z., Storesletten K. and F. Zilibotti (2011): Growing Like China, *American Economic Review*, Vol. 101, pp.202-241.

Poncet S., Steingress W. and H. Vandenbussche (2010): Financial Constraints in China: Firm-level Evidence, *China Economic Review*, Vol. 21(3), pp. 411-422.

### *Topic 2: Growth, demography and inequality*

Whalley J. And X. Zhao (2010): The Contribution of Human Capital to China's Economic Growth, NBER Working paper no. 16592.

Heckman J. And J. Yi (2012): Human Capital, Economic Growth and Inequality in China, NBER Working Paper no. 18100.

Zhu X. (2012): Understanding China's Growth: Past, Present, and Future, *Journal of Economic Perspectives*, 26(4), pp. 103-24.

### Topic 3: Regional government, industrial policies and economic growth

Alder S., Shao L. and F. Zilibotti. (2015): Economic Reforms and Industrial Policy in a Panel of Chinese Cities, Working paper.

Xu C. (2011): The Fundamental Institutions of China's Reforms and Development, *Journal of Economic Literature* Vol. 49 (4), pp. 1076-1151.

### Topic 4: Savings and pension reforms

Song Z., Storesletten K., F. Zilibotti and Y. Wang (2015): Sharing High Growth Across Generations: Pensions and Demographic Transition in China, *American Economic Journal: Macroeconomics*, 7(2), pp.1-39 (lead article).

Ge S., Yang DT. and J. Zhang (2012): Population Policies, Demographic Structural Changes and the Chinese Household Saving Puzzle, *IZA Discussion Papers*

### Topic 5: Employment, wages and labor market outcome

Ge S. and DT Yang (2014): Changes in China's wage structure, *Journal of the European Economic Association*, 12(2), pp. 300-336.

Lam RW, Liu X. and A. Schipke (2015): China's Labor Market in the "New Normal", *IMF Working Paper* WP/15/151.

Meng X. (2012): Labor Market Outcomes and Reforms in China, *Journal of Economic Perspectives*, 26(4), pp. 75-102.

### Topic 6: Capital flows and monetary policy

Chang C., Liu Z. and M. Spiegel (2015): Capital Controls and Optimal Chinese Monetary Policy, *Working Paper Series*, Federal Reserve Bank of San Francisco.

Glick R. and M. Hutchison (2009): Navigating the trilemma: Capital Flows and Monetary Policy in China, *Journal of Asian Economics*, Vol. 20 (3), pp. 205-224.

Topic 7: Current account imbalances and real exchange rate

Corden M. (2009): China's Exchange Rate Policy, its Current Account Surplus and the Global Imbalances, *The economic Journal*, 119, pp. 430-441.

Huang Y. (2010): What Caused China's Current-Account Surplus?, VOXEU.

Topic 8: Democracy, autocracy and revolution

Che J., Chung K. and X. Qiao (2013): The Good, the Bad, and the Civil Society, *Journal of Public Economics* Vol. 106, pp.68-76.

Lu Y., Suen W. and H. Chen (2013): The Power of Whispers: A Theory of Rumor, Communication and Revolution, Meeting Papers 411, Society for Economic Dynamics.