Urbanization in China

Syllabus

Instructor: Zhi Wang
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Classes: 3:25 – 5:05 pm every Monday and 3:25 – 5:05 am every Thursday in H1108

Course description: The goal of this course is to give students an understanding of how to apply the latest thinking and research in urban economics to analyze a series of topics related to urbanization in China.

Course requirements: Each student will be required to present one paper on the reading list or of his/her choice with approval to the class. A final research proposal will be due at the end of the semester. Each student will discuss the topic of his/her research proposal in the late December.

Grading: 1 class presentation (40% of final grade); 1 final research proposal (50% of final grade); class participation (10% of final grade)

Reading: Your primary source will be the provided notes, slides, and papers on the reading list. Barry Naughton’s The Chinese Economy, MIT Press, 2007 will serve as the reference.

Course outline

Introduction
- Evolutions of cities in the world
- Topics

1. Background on Urbanization in China
- Geography
- Maoist era, 1949 to 1978
- Market transition, post 1978

2. Structural Transformation Phase I: Moving from rural to urban
- What is the true urban population of China? What is hukou?
- Internal migration in China: disparities in destinations; political hierarchy of Chinese cities
- The geography of China’s industrial production

3. Structural Transformation Phase II: Redistributions of Economic Activities
- Spatial redistribution of manufacturing
- Rise of services
- Regional differences in growth by sector
4. Why Cities Exist?
- The first-nature amenities and the second-nature amenities
- Production-side agglomeration economy
- Consumption-side agglomeration economy
- The value of cities

5. Land market and urban land development
- Urban spatial structure and urban land use
- Land market reform in urban China
- What are land-use regulations? What are the impacts of the land-use regulations on the land and housing markets? What are the determinants of land-use regulations?
- How to develop urban land in China? What are the typical land-use regulations in Chinese cities? How restrictive are these regulations?

6. Housing market in urban China
- How much have housing prices in China appreciated during the last decade? How did the price appreciation vary across different Chinese cities?
- Public good provisions and local real estate prices

7. Capital Market
- What are the underlying factors that cause the misallocation of capital?

8. Environmental issues
- What is the current status of China’s environment?
- What kind of environmental policies have been implemented in China? How effective is the policy? What is the impact of the policy on industrial development?

Reading list
1. Background on China’s Economy
   a. China leading up to 1949: geography, resources, historical background
      Readings:
      1. Naughton, Chapter 1, Geography
      2. Naughton, Chapter 2, The Chinese Economy Before 1949
   b. Maoist era, 1949-1978
      Readings:


c. Market transition, post 1978

Readings:
1. Naughton, *Chapter 4, Market Transition: Strategy and Process*

2. Structural transformation Phase I: Moving from rural to urban

Naughton text, *Chapter 5, Section 5.1: The Urban-Rural Divide*


Rural-to-urban migration: Labor market & Occupational segregation

Naughton text

Chapter 8: Labor markets
Chapter 9: Inequality


Rural-to-urban migration: Living conditions


3. Structural transformation phase II: redistribution of economic activities


Chen, Z., Poncet, S., Xiong, R., 2016. “Inter-industry relatedness and industry-policy efficiency: Evidence from China’s export processing zones.”


4. Why cities exist?


Couture, Victor, 2016. “Valuing the consumption benefits of urban density.”


5. Land market

Urban spatial structure and urban land use


Land-use regulations in Chinese cities


Land markets: brownfield development


Land markets: greenfield development


6. Housing market in Urban China


**Inner City Structure**


7. Capital market


8. Environmental issues


(http://zhiwang2013brownenecon.weebly.com/research.html)


