Urban China Research Seminar

Level: Graduate
Prerequisites: None
Course options:
   11.403 (9 units, 2-0-7, with customized research training, letter-graded)
   11.S969 (3 units, 2-0-1, lunch lectures mainly, graded P/D/F)

Instructor:
   Siqi Zheng, 9-323, sqzheng@mit.edu, http://siqizheng.mit.edu

Teaching Assistants:
   Angie Jo, http://angiejo@mit.edu
   Rui Du, http://durui@mit.edu

Lunch lectures: Mondays 12:30-2:00 pm, Room 9-451
   September 10, 24; October 15, 29; November 19; December 3.

Internal seminar and discussions: Tuesdays 2:00-3:30 pm, Room 9-451
   September 18; October 2, 23; November 6, 27; December 11.

Course Description and Objectives

China’s urbanization over the last three decades has been unprecedented in human history – 260 million migrants have moved to cities supporting rapid economic growth, while also creating huge opportunities for the real estate market. Over the next 30 years, an additional 300 million Chinese are likely to move to cities. This massive wave of urbanization has not only changed the lives of hundreds of millions, but significantly modified the world’s political, economic, and environmental landscapes.

This graduate research seminar is an introduction class that explores the driving forces of China’s urbanization and will focus on the fundamental mechanisms and key policy issues of urban development, real estate markets, and sustainability in China, posing three key questions:

1) With the liberalization of China’s land and real estate markets since the 1980s, how can we better understand the incentives and location choices of firms and households, the developers’ response to demand and regulation, and the aggregate consequences of such individual choices on real estate market dynamics, housing affordability, urban land use and spatial growth patterns?
2) Along other key dimensions of sustainable urbanization—e.g., land, housing, transportation, energy and environment, local public finance and urban inequality—what are the tensions, discontinuities and potential threats to sustainability? Has the government—at local, provincial, and central levels—and their policies succeeded or failed in addressing such challenges?

3) What differentiates China from other countries in their equivalent urbanizing historical periods? What may China’s experience offer for the rest of the world?

The course treats China’s real estate and urban development as the joint result of socioeconomic processes and conscious actions by governments, markets, and the public. This course is structured into three sections that examine the connections between these multiple functional domains. The course entails subjects that evolve continually to keep pace with current dynamics in China’s real estate sector and urbanization processes, engaging students to provide critical insights and produce cutting-edge academic work. In addition, the course will engage with the experiences of other rapidly urbanizing countries through an international comparative approach, in order to examine both the unique and general aspects of China’s experiences, and use these experiences to inform the ever-evolving discourse on economic development and urban theory.

The course welcomes graduate students with a research interest in Chinese urbanization issues. This course has four main goals:

1. Introduce students to a systematic body of knowledge related to China’s urbanization, urban development, and real estate sector
2. Improve capabilities in identifying key research questions, the most relevant scholars and literature engaging China’s urban and real estate markets, and other related topics you are interested in.
3. Equip students with interdisciplinary (qualitative reasoning and quantitative methods), structured, and rigorous approaches to analyze urban topics in China, and do comparison studies between China and other countries.
4. Offer opportunities for open discussions on practice implications from case studies of most exhilarating urban phenomenon in China.
5. Assist students in forming ideas for their ongoing and future research, such as thesis projects, especially topics related to China (mainly for the 9-unit option).
6. Provide students with the basic training for writing a journal paper in a relevant field, and help students in improving the publication potential of their papers (mainly for the 9-unit option).

**Course Organization and Assignments**

The class will meet once a week (either Monday or Tuesday) from 9/10 to 12/12, Fall 2018.

On selected Mondays (9/10, 9/24, 10/15, 10/20, 11/19, 12/03), students will attend lunch lectures from 12:30 – 2:00 pm (lunch will be provided).
On selected Tuesdays (9/18, 10/2, 10/23, 11/6, 11/27, 12/11), students will participate in
discussion seminars and internal presentations from 2:00 – 3:30 pm. Students who choose the 3-
unit option are recommended to participate in at least two seminar sessions.

1. **Readings and questions before the lecture**  
   *Mainly for the 9-unit course option*

   Complete the assigned readings in advance of each lecture, and develop at least one question
   that you would like to pose to the speaker. Please post your questions in the “Forum” section
   (by replying to Angie’s initial post) on our course’s Stellar site by 10 pm on Sunday night
   before the lecture (on Monday). We hope that least some of you will get to ask that question
   at the dialogue, and we will grapple with the other questions collectively as part of the
   follow-up discussion seminar.

2. **Lectures (Monday sessions)**  
   *Required for both 3-unit and 9-unit course options*

   Lectures will be organized as a semi-structured dialogue. Programming of each lecture (and
   accompanying dialogue) includes:
   - Siqi opens the topic (5 min)
   - Speaker presentation (30 min)
     - Speaker gives an overview of a particular topic and speaks on how their recent
       research relates to the topic.
     - Speaker speaks on the significance/impact of their research, general
       conclusions, and some comparative reflections.
   - Dialogue (30 min): Siqi (or an invited discussant) challenges the speaker; students
     participate in the debate/discussion
   - Speaker reflects on the discussion (10 min)
   - Siqi concludes (5 min)

3. **Reflection memo and discussion seminar (Tuesday sessions)**  
   *Mainly for the 9-unit course option*

   The week following each lunch lecture (Monday sessions), we will have an internal seminar-
   style discussion or internal presentation (Tuesday sessions). These discussion sessions will
   have two parts:
   
   1) Student-led reflections and discussion on the previous guest speaker’s lunch lecture as
      well as selected student mini presentations on some related subtopics.
   2) A high-level overview of the next week’s topic – for example, on place-based policies
      and economic development strategies in the Chinese context over the last 40 years. This
      will help position the guest speaker’s research in the larger framework and background of
      China’s urban issues, institutional structure, and history, as well as give an introduction to
      students who are unfamiliar with the Chinese urban context.
   3) Discuss the practice implications drawn from this research area.
4) International development comparisons and implications for related topics elsewhere in the world.

Before each Tuesday discussion seminar, students will write a 1 or 2-page reflection memo, including a response to the following questions:

1) What do you consider to be the key points made in the speaker’s presentation and the proceeding dialogue?
2) What do the presentation and dialogue trigger you to think about in terms of interesting research questions for you or other scholars’ future studies?

Please upload your reflection memo by noon (12pm) on the Monday prior to each discussion seminar on Tuesday (2-4pm), to the “Assignment” section on the course’s Stellar website. Be prepared to discuss the memo during the next discussion seminar (8-10 min per student, NOT graded).

4. Office hours
For the 9-unit course option

Students enrolled in this version of the class are eligible to sign up for Siqi’s office hours (Tuesday or Wednesday afternoons), to discuss research ideas, paper writing, and other related topics. Email Angie (angiejo@mit.edu) to make an appointment:

- General discussion: 20 min
- Specific discussion: 40 min

Students are also welcome to attend Angie’s and Rui’s office hours on Tuesdays, 1-3pm (or by appointment).

5. Term paper
For the 9-unit course option

Each student will deliver a term paper by the end of this course. Each student will choose one of the candidate topics (provided by Siqi later in the course), or if you would like to propose a different topic (which is equally encouraged), please talk to Siqi for comments and advice.

There will be three steps to conduct this term paper:

1) Term paper proposal: each student will need to write a 3-5 page proposal (outline) - Due by 4 pm on Friday, November 3rd (upload to this course’s Stellar system). In class on November 6th, each student will have 5 min to present their proposal. Siqi and other students will comment on the presentations. Siqi will also provide suggestions on how to implement the research (in the class and in office hour meetings).
2) Term paper: in the final class on December 11, each student will have 10 min to present their term paper. Siqi and other students will give comments. Students will then revise the paper based on the comments.

3) The final version of the term paper (up to 18 pages, with 2-line spacing, 12 pt fonts, based on APA Style) is due by 5 pm on Friday, December 21st (upload to Stellar).

Here are the suggested formats of the term paper proposal and term paper.

<table>
<thead>
<tr>
<th>Term paper proposal</th>
<th>Term paper</th>
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<tbody>
<tr>
<td>Paper title</td>
<td>Paper title</td>
</tr>
<tr>
<td>Highlights (2-3 bullet points)</td>
<td>Highlights (2-3 bullet points)</td>
</tr>
<tr>
<td>1. Introduction</td>
<td>Abstract (250 words)</td>
</tr>
<tr>
<td>a. motivation/context/significance</td>
<td>Key words (3-5 key words)</td>
</tr>
<tr>
<td>b. objectives/research questions</td>
<td>1. Introduction</td>
</tr>
<tr>
<td>2. Brief literature review</td>
<td>a. motivation/context/significance</td>
</tr>
<tr>
<td>3. Methodology</td>
<td>b. objectives/research questions</td>
</tr>
<tr>
<td>a. data</td>
<td>2. Literature review</td>
</tr>
<tr>
<td>b. models/theories/methods</td>
<td>3. Methodology</td>
</tr>
<tr>
<td>4. Expected results</td>
<td>a. data</td>
</tr>
<tr>
<td>5. Expected impact and policy implications</td>
<td>b. models/theories/methods</td>
</tr>
<tr>
<td>6. References</td>
<td>4. Results and interpretation</td>
</tr>
</tbody>
</table>

**Class participation requirements and grading**

The course grants two options for student participation in order to allow different levels of student commitment. See the following details for class registration details and requirements:

<table>
<thead>
<tr>
<th>Options for class registration</th>
<th>9 units</th>
<th>3 units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Course number</td>
<td>2-0-7</td>
<td>2-0-1</td>
</tr>
<tr>
<td>Course number</td>
<td>11.403</td>
<td>11.S969</td>
</tr>
<tr>
<td>Grading</td>
<td>Letter</td>
<td>P/D/F</td>
</tr>
<tr>
<td>(1) Readings, questions submitted before lecture</td>
<td>Required (10%)</td>
<td>Optional</td>
</tr>
<tr>
<td>(2) Attendance at lunch lectures and dialogue (Monday sessions)</td>
<td>Required (10%)</td>
<td>Required</td>
</tr>
<tr>
<td>(3) Bi-weekly reflection memo and participation in discussion seminar (Tuesday sessions)</td>
<td>Required (20%)</td>
<td>At least 2 sessions</td>
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<td>(4) Office hours</td>
<td>Offered</td>
<td>Upon special request</td>
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<tr>
<td>(5) Term paper</td>
<td>Required (60%)</td>
<td>Optional</td>
</tr>
</tbody>
</table>

(1) For the 9-unit option, all five elements are required/offered. Siqi’s office hours on Wednesday afternoons are only open to the students who choose this option. 9-unit students will receive a letter grade.

(2) For the 3-unit option, readings before the lecture are not mandatory, but students are encouraged to read them and upload their questions before the lecture. Students are required to attend all lunch lectures (Monday sessions), and at least two discussion seminars (Tuesday sessions). They should finish the corresponding reflection memos before attending discussion seminars. Students are not required to submit a term paper, and will be graded P/D/F based on the above participation requirements.

Satisfactory performance includes consistent class attendance and engagement; satisfactory completion of assignments, and a high-quality term paper submission. Enthusiasm and improvement will be taken into consideration in the evaluation of a student’s performance.

If you must miss a class, you should notify the TA and instructor in advance by email. Students who consistently do not attend classes or are always late for class will obtain lower participation grades at the instructor’s discretion.
Course schedule and readings

Class 1: 09/10 (Lecture)
- Topic: China’s Urbanization: Big Issues and Questions
- Speaker: Yuming Fu
- Pre-class readings

Required:


Recommended:


Building the dreams
By 2030 Chinese cities will be home to about 1 billion people. Getting urban China to work properly is vital to the country’s economic and political future, says James Miles

The paradox of soil
Land, the centre of the pre-industrial economy, has returned as a constraint on growth


The last days of Shenzhen’s great urban village
A smudge on Shenzhen’s pastel landscape, the lively, gritty urban village of Baishizhou has been crucial to the city’s success. With its tangled streets facing demolition, can a shift in policy save the neighborhood?

China’s big city populations shrink as caps take effect
Officials have outlined plans for the capital’s population to stabilise at 23m 'long-term residents' by 2020
Yuan Yang | FT | March 24, 2018 https://www.ft.com/content/be687eea-2790-11e8-b27e6c62a39d57a0
Meet the five urban Chinas
Sifan Liu and Joseph Parilla | Brookings: The Avenue | Wednesday, June 20, 2018
https://www.brookings.edu/blog/the-avenue/2018/06/19/meet-the-five-urban-chinas

Class 2: 09/18 (Internal Discussion)
- Topic: Placed-based policies and urban economic development
- Speaker: Siqi Zheng and Angie Jo
- Students’ reflection on Prof. Fu’s lecture

Class 3: 09/24 (Lunch Seminar)
- Topic: New city development and economic sustainability
- Speaker: Siqi Zheng
- Pre-class readings

Required:


Recommended:


Class 4: 10/09 (Internal Discussion)
- Topic: China’s urban form, socioeconomic environment, and local vibrancy
- Speaker: Yingcheng Li and Lei Dong
- Students’ reflection on Prof. Zheng’s lecture

Class 5: 10/15 (Lunch Seminar)
- Topic: Urban form and vibrancy: Does it matter in a real estate market?
- Speaker: Yan Song
- Pre-class readings

Required:


Recommended:


Class 6: 10/23 (Internal Discussion)
- Topic: Housing price dynamics, housing affordability, and low-income housing policies in China
- Speaker: Xi (Colleen) Qiu and Siqi Zheng
- Students’ reflection on Prof. Song’s lecture

Class 7: 10/29 (Lunch Seminar)
- Topic: A Decent Home for All: Housing Reform, Homeownership, and Inequality in China
- Speaker: Youqin Huang
- Pre-class readings

Required:


Recommended:


Class 8: 11/06 (Lecture/Presentation)

- Topic: Transportation network and its impact in urban China — evidence from high-speed rail and subway housing price capitalization effect
- Speaker: Siqi Zheng
- Students’ reflection on Prof. Huang’s lecture
- Pre-class readings

Required:


Recommended:


Class 9: 11/13 (Internal Discussion)

- Topic: Urbanization, real estate market, and land financing in Chinese cities
- Speaker: Rui Du
• Students’ reflection on Prof. Zheng’s lecture

**Class 10: 11/19 (Lunch Seminar)**

• Topic: Local public finance and property markets
• Speaker: **Brent Ambrose**
• Pre-class readings

  **Required:**


  **Recommended:**


**Class 11: 11/27 (Internal Discussion)**

• Topic: Overview of urban environmental economics
• Speaker: **Siqi Zheng**
• Students’ reflection on Prof. Ambrose’s lecture

**Class 12: 12/3 (Lunch Seminar)**

• Topic: Environmental sustainability of China’s fast urbanization
• Speaker: **Siqi Zheng**
• Pre-class readings

  **Required:**

  [***If with limited time, you can only read chapter 1 and 10.***]

  **Recommended:**


Barwick, Panle Jia and Li, Shanjun and Rao, Deyu and Zahur, Nahim Bin. 2017. “Air Pollution, Health Spending and Willingness to Pay for Clean Air in China.”
*Available at SSRN:* https://ssrn.com/abstract=2999068

* Cost and Benefit of Clean Air Act
  https://www.epa.gov/clean-air-act-overview/40th-anniversary-clean-air-act


Class 13: 12/11 (Final Presentation)