Course Title: China in the Global Economy

Introduction:

The central theme of this course is China’s role in world economy. Specifically, it includes three major types of contents. Firstly, it aims to help international students to understand the global economic structure, institutions and mechanisms where the Chinese economy is sitting; Secondly, it aims to help them to understand Chinese economic reform, covering some major issues of Chinese economy, such as the roadmap of China’s reform and opening-up, urban-rural divide, SOE reform, financial reform, demographic change, FDI in China, sustainable development, economic growth mode etc.; Thirdly, emphasis of this course is the interaction between China and the rest of world in terms of trade, finance, investment, energy, and participation in international economic institutions, and the implications of Chinese economic reform on the global economy.

Meanwhile, it is my strong conviction that to learn China, we cannot simply focus on China. Thus, the course will expand its scope into the outside world or big events that have strong impact on China through the form of case studies, trying to develop a comparative angle to see how neighboring countries conduct their economic reforms.

Course Objectives:

a. To understand the roadmap of Chinese reform and the logic behind it;
b. To understand the uniqueness of China’s transition and its economic implications;
c. To learn how China interacts with the world;
d. To build the capability of studying Chinese economy.
e. Upon completing this course, students are expected to get familiar with China model, China’s economic interaction with the outside world, challenges the Chinese economy is facing, as well as the world economic system.

Proceeding of the Course:

Based on a philosophy that effective learning hinges not only upon teacher-student interaction, but also upon inter-student interaction, this course will be carried out in a variety of forms. Besides lectures offered by the instructor, students are encouraged to engage in class discussions, learning from each other and self-learning. Hence, there will be some team projects like presentations on some case studies and debates.

1) Presentation: Throughout the course, students are required to present some topics. For topic presentation, students may be divided into different groups (depending on the no. of students), each responsible for one topic. Students in the same group need to make joint efforts to make well preparation for their
presentations.

Presentations will count toward final grades. The students who prepare presentations should circulate the PPT slides to other students and the instructor before class. Topic presentation should be around 15-18 minutes, followed by class discussion. Students’ performance in debates and presentations will be counted.

2) Debates: students will be divided into two groups

Students are expected to complete all required readings prior to class meetings and to actively participate in class discussion. Absence without legitimate reasons will lead to deduction in scores for participation and discussion.

Requirements:

Students are required to
a. complete the weekly compulsory readings before class;
b. actively participate in class discussions;
c. present case studies
d. read a book and write a book review
e. class attendance is required.

Hinging upon the number of students, students will be divided into different groups and each group will be responsible for the presentation or debate.

Grading:

Attendance: 25%
Book review: 20%
Case study presentation: 10%
debate: 5%
Final exam: 40%

Reference Books:


Students are required to finish the compulsory readings (those highlighted in bold with *) for each class, but it is their option whether to complete the recommended readings. No book purchase needed. All the compulsory readings will be available in the office.

Academic Integrity:
Taking this course implies that students and the instructor abide by a general norm of equal opportunity and academic integrity. Plagiarism will directly lead to the failure in this course. It is your responsibility to familiarize yourself with the definition of plagiarism.

**Books for review:**


**Class Schedules and Readings:**

**Part 1: China’s Domestic Economic Reform**

**Lecture 1-2: Logic and Rationale of China’s Reforms and Opening-up**

Why did China launch the reform in 1978? What is notable about China’s reform path?

Why has China adopted a gradualism approach to economic reform? What is distinctive about China’s reform path?

**Group Discussion:** Market transition: a comparison between China and Russia

**Readings:**

*Barry Naughton, pp. 55-107.


Lecture 3-4: China’s State-owned Enterprises (SOEs) Reform
How has China carried out its SOE reform? How shall we evaluate the SOEs’ performance? What are the problems? How has China carried out reform over its financial sector? Who are the major actors and what their major concerns are? Any problems left? What is the impact of the reform on Chinese economy?

Student presentation 1: China's demographic trend and its impact on the Chinese economy

Student presentation 2: How have South Korea and/or Singapore carried out their SOE reform?

Group Discussion: SOEs are more a solution than a problem for China’s economic growth? or: Should China privatize all SOEs?

Readings:

* Barry Naughton, pp. 297-328.


Lecture 5: China’s Sustainable Development
How does China perceive and deal with energy security? Why has environmental pollution in China become so serious? What are the major drivers? Can China’s economic mode sustainable?

Debate 1: Will Euro die in the next 10 years?

Group Discussion: How can Beijing be more effective to tackle the heavy haze?

Readings:

*Barry Naughton, pp. 487-502.


Lecture 6: China’s Internal Imbalance and Economic Challenges
How to understand the change of China’s economic growth mode? What are the characteristics in different growth periods? What are the problems?

Student presentation 3: Will China fall into the “Middle income trap”?

Group Discussion: How can Beijing be more effective to tackle the heavy haze?

Readings:


*Cheung, Yin-Wong and Jakob de Haan, chapter 6 and 7.


Part 2: China and the World

Lecture 7-8: China’s Foreign Trade and Global Imbalance
What is global imbalance? Why did it occur? What was the role of China in that process?

Student presentation 4: Will ‘Abeconomics’ (a term describing Japanese prime minister Shinzo Abe’s economic policies) be able to reinvigorate Japan’s economy?

Student presentation 5: China-US Currency Dispute
Readings:


*Cheung, Yin-Wong and Jakob de Haan, chapter 2.


Lecture 9: China and economic regionalization in East Asia
What progress has East Asia made in economic regionalization? What are the mechanisms? What role has China played? And how the US and Japan see China’s regional influence?

Student presentation 6: Rising nationalism and its impact on world economic growth or: Trump’s economic policy and impact on world economy

Readings:


Lecture 10: China’s One Belt, One Road Initiative
What is China’s One Belt, One Road Initiative? Why has China put forth such an initiative? What are the implications to the world? Any potential risks?

Debate 2: Will American supremacy be overtaken by China?


European Council on Foreign Relations, “‘One Belt, One Road’-China’s great leap outward,” June 2015.
The Economist Intelligence Unit, “Prospects and challenges on China’s ‘one belt, one road’: a risk assessment report,” 2015.


Lecture 11: China Model: Debates and Prospect
How to explain China’s economic success? What is Chinese model? Is Beijing consensus a substitute of Washington consensus? What challenges is China facing?

**Student presentation 7:** Will China become the Japan of the 1980s?

**Readings:**

time.dufe.edu.cn/wencong/washingtonconsensus/beijingconsensusesen.pdf


http://www.foreignaffairs.com/articles/65947/the-end-of-the-beijing-consensus

Economist Debate: China Model,  
http://www.economist.com/debate/overview/179


**Final Exam**