STRA3705 China Economy

I. Information on Instructor:

Instructor: Dr. Jing Li
Email: jingli7@hku.hk

Other Information:
Pre-requisites: NA
Co-requisites: NA
Mutually exclusive: ECON2264 Economic Development of China

II. Course Description and Objectives

Course Description
This course provides a general introduction of China economy since 1949 with emphasis on the era of transition from a planned economy to a more market driven one. It aims to help students understand the development and transition of Chinese economy, the working of major market mechanism, as well as related issues that China encounters. Basic economic principles are used to explain the economic issues of modern China.

Specifically, this course will start from an historical overview of China economy. Then it will talk about the economy reform, followed by the reform of firms and household behaviors that are specific to China. Next, it will focus on two important markets: financial market and housing market, focusing on the market mechanism, function of major players, and issues/concerns that may hinder economic development. Besides that, this course will also cover the topic about the interactions between China and the world by focusing on the international trade and foreign direct investments. Finally, this course will have an in-depth discussion of the development of China economy with specific emphasis on driving forces, obstacles, and problems associated.

Course Objectives
The focus of this course is to develop students’ ability to conduct applied economic analysis of Chinese economic issues. By highlighting several topics, this course will guide students to use the basic economic tools to systematically analyze economic problems in China. Besides that, this course provides students with diverse background general knowledge of Chinese economy, as well as the interactions among institutions and other major players in the process of economic development in China.

1. To provide a structured set of assessments of transition and development of China economy.
2. To guide students to apply basic economy theory and empirical analytic skills to study issues that are important to Chinese economic development.
3. To combine lecture, case studies and discussions, as well as project presentation for better development of students’ communication and facilitation skills.
III. Course Learning Outcomes (CLOs)

On completion of this course, students should be able to:

CLO1: Understand the transition and development of Chinese economy and identify current economic challenges in China.

CLO2: Critically examine major economic issues in China using basic economic theory and principles.

CLO3: Develop analytical skills to systematically solve economic issues.

CLO4: Demonstrate effective written skills, communication skills, and team work skills through discussion, presentations, and paper writing.

Alignment of Programme and Course Learning Outcomes

<table>
<thead>
<tr>
<th>Programme Learning Outcomes (PLOs)</th>
<th>Course Learning Outcomes (CLOs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLO1. Acquisition and internalization of knowledge of the programme discipline</td>
<td>CLO1, CLO2, CLO3, CLO4</td>
</tr>
<tr>
<td>PLO2. Application and integration of knowledge</td>
<td>CLO1, CLO2, CLO3, CLO4</td>
</tr>
<tr>
<td>PLO3. Inculcating professionalism and leadership</td>
<td>CLO2, CLO3, CLO4</td>
</tr>
<tr>
<td>PLO4. Developing global outlook</td>
<td>CLO1, CLO2, CLO3, CLO4</td>
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<tr>
<td>PLO5. Mastering communication skills</td>
<td>CLO4</td>
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</tbody>
</table>

IV. Teaching and Learning Activities (TLAs)

<table>
<thead>
<tr>
<th>TLAs Contents</th>
<th>Expected Contact hour</th>
<th>Study Load (% of study)</th>
<th>Aligned CLOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>TLA1. Lectures with in-class discussion and class work: formal lectures are the major part of this course. Each lecture will cover one major aspect of China Economy. Students are strongly encouraged to actively participate in the discussion and each presentation in this course.</td>
<td>24</td>
<td>20%</td>
<td>CLO1, CLO2, CLO3</td>
</tr>
<tr>
<td>TLA2. Group-based Project and Presentation: students will form a group to investigate a specific economic issue in China, and present their work at the end of this course.</td>
<td>26</td>
<td>22%</td>
<td>CLO1, CLO2, CLO3, CLO4</td>
</tr>
<tr>
<td>TLA3. Term Paper: students are expected to conduct further research on his/her interested topics related to China Economy and finish one short paper at the end of this course.</td>
<td>30</td>
<td>25%</td>
<td>CLO1, CLO2, CLO3, CLO4</td>
</tr>
<tr>
<td>TLA4. Self-study: students are encouraged to spend time in reviewing course handout and reference book before/after each lecture.</td>
<td>40</td>
<td>33%</td>
<td>CLO1, CLO2, CLO3, CLO4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>100%</strong></td>
<td><strong>-</strong></td>
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</tbody>
</table>
V. **Reference Book**

There are no required books for this course. Instead, there are two recommended books for you to get a better overview of China Economy:


VI. **Course Schedule**

<table>
<thead>
<tr>
<th>Lecture</th>
<th>Topic</th>
<th>Major Content</th>
</tr>
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</table>
| June 26th | Introduction to China: An Overview          | • Geographic, Demographic settings  
|         |                                             | • Basic economic facts of China                                               |
| June 27th | Market Transition: Strategy and Process    | • Economy before reform: The failed Socialist Experiment  
|         |                                             | • Incentives of reform  
|         |                                             | • Strategy and process of reform  
|         |                                             | • Outcome, implications and issues of the reform                             |
| June 28th | Enterprises in China                       | • State-Owned Enterprises  
|         |                                             | • Firms in non-state sectors                                                  |
| June 29th | Chinese Households                         | • Expenditure trend  
|         |                                             | • Segmenting demand: the wealth pyramid  
|         |                                             | • Specific expenditure behavior by age group  
|         |                                             | • Implications on the Chinese Economy                                        |
| June 30th | Financial Market                           | • Banking system in China  
|         |                                             | • Stock market in China                                                       |
| July 3rd  | Housing Market                             | • Development of housing market in China  
|         |                                             | • Housing bubble  
|         |                                             | • Relation with banking system and related policies                          |
| July 4th  | Foreign Trade and Foreign Direct Investment| • Trade in China  
|         |                                             | • Inward and outward foreign direct investment in China                      |
| July 5th  | Economic growth and issues in China        | • Growth performance of China Economy  
|         |                                             | • Driving force of economic growth  
|         |                                             | • Issues: overcapacity and pollution  
|         |                                             | • The future of China                                                        |
| July 6th  | Students’ Presentation                     |                                                                               |
| July 7th  | Students’ Presentation                     |                                                                               |

VII. **Course Assessment**

**Assessment Task (ATs)**

<table>
<thead>
<tr>
<th>Assessment Task (ATs)</th>
<th>Weight</th>
<th>Aligned CLOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>AT1: Class participation</td>
<td>30%</td>
<td>CLO1, CLO2</td>
</tr>
<tr>
<td>AT2: Group project presentation</td>
<td>30%</td>
<td>CLO1, CLO2, CLO3, CLO4</td>
</tr>
<tr>
<td>AT3: Individual paper</td>
<td>40%</td>
<td>CLO1, CLO2, CLO3, CLO4</td>
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</tbody>
</table>
Assessment Rubrics

1. Class Participation: 30%

Effective participation is very important to guarantee the quality of learning outcome. Basically, the assessment of students’ participation is evaluated through two aspects:

a. Attendance and punctuality (10%): This is the basic requirement of participation. Students are required to attend all the classes on time. Excused absence is allowed but should notify the instructor at least one day ahead. Sick leave can be requested on the day of class.

b. Contribution of the discussion (20%): Discussion is a very important part of the learning process of this class. During the process of lectures and presentations, students are encouraged to ask questions, give comments that would lead the discussion to a new direction. Please be less concerned about the “right” or “wrong”. The main purpose of discussion is to help students develop ability of systematic thinking and skills of effective communication. All the contribution to the discussion are valuable and students’ performance will be tracked.

Note: If you are not comfortable with discussing in the class, please feel free to talk with me during the consultation time. We can work together to get it solved.

2. Group Presentation: 30%

Besides to help students familiarize the economy in China, group work fulfills another major objective of this course—develop analytical skills, communication skills, as well as presentation skills. Students should form groups and choose a topic/ case related to the major topics listed below. Students can choose to present a topic such as discussing a puzzling phenomenon in China economy or conducting a case study during the transition of economic process.

How it works:

Step 1: Form groups. Students are required to form into groups with no more than 3 members each.

Step 2: Choose a topic. Each group should choose a topic related to China Economy. A proposed list of topics is provided below. Students can choose a topic from this list or a new topic by themselves as long as it is related to China Economy. Each listed topic can only have one presentation and the first group who notify the instructor about their choice will be given priority.

Step 3: Notify the instructor. Students should send an email to the instructor about their group information (name of each group member) and the presentation topic no later than June 30th, 2017.

Step 4: Make a presentation. Each group will present their group work on July 6th, 2017 or July 7th, 2017. The order of presentation is up to the draw and it is decided as soon as all the groups are formed.

About the presentation:

- Each group should prepare a 30-mins presentation and leave another 10 mins for questions and comments
- Participation and contribution of audience groups during the presentation will be tracked.
Proposed topics for presentation:

1) Economic Reform
   • Question: To what extent is Hong Kong an international gateway to China economy reform
   • Question: The impact of special economic zones to China economy reform

2) Enterprises in China
   • Case study: the transformation and upgrading of Sichuan Changhong (Note: Sichuan Changhong is one of the state-owned enterprise in China, specialized in household electronic products.)

3) Household Behaviors:
   • Question: Tapping China’s Luxury-goods market: a study of consumers’ purchase behaviors

4) Financial System
   • Case study: Opportunity and challenges of Bank of China
   • Question: Impact of Aging in China on Financial system

5) Housing Market:
   • Case study: The success of Vanke (Vanke is one of the largest real estates in China)

6) Trade and Foreign Direct Investment (FDI):
   • Case study: Anti-dumping on shoes industry between China and EU
   • Case study: Anti-dumping on shrimp industry between China and US
   • Case study: Successful FDI case in China: e.g. Coca Cola

7) Economic Development:
   • Question: Comparisons of economic growth between China and US
   • Question/Case study: Food safety issues in China

3. Term Paper: 40%

The last assessment of this course is the individual term paper, which accounts for the most important part of the final grade. Based on the lectures, handouts, and all other reading materials covered in this class, each student should choose one specific topic and finish writing a term paper at the end of this course. The purpose of this paper is to encourage students to develop ability of critical thinking and learn to apply basic micro/macro theory to analyze economic issues in China.

Requirements:

- The deadline of this paper is **July 31st, 2017**.

- The topic of paper should be specific and related to the materials covered in class. Students should submit the topic of their paper no later than **July 7th, 2017**, the last day of this class.

- Format: (1) a cover page indicating the title of paper, name, student ID (if available), department (if available); (2) double space with no more than 15 pages in total (including tables, graph, reference, etc.); (3) Font: Times New Roman; size: 12.
Guideline of content: Students can choose to follow the logic of what—why—how to construct the paper (up to student’s preference). That means you are suggested to introduce the background and propose your research question/topic (what) in the first part of your paper. Then you should analyze the reason (why) and how this issue is solved (how). Both quantitative and qualitative method can be used in your paper (up to your specialization).

**Standard for Assessment**

<table>
<thead>
<tr>
<th>Course Grade</th>
<th>Descriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>A+, A, A-</td>
<td>Strong evidence of superb ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate, and synthesis.</td>
</tr>
<tr>
<td>B+, B, B-</td>
<td>Strong evidence of the ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate, and synthesis.</td>
</tr>
<tr>
<td>C+, C, C-</td>
<td>Evidence of adequate ability to fulfill the intended learning outcomes of the course at low levels of learning such as describe and apply but not at high levels of learning such as evaluate and synthesis.</td>
</tr>
<tr>
<td>D+, D</td>
<td>Evidence of basic familiarity with the subject.</td>
</tr>
<tr>
<td>F</td>
<td>Little evidence of basic familiarity with the subject.</td>
</tr>
</tbody>
</table>

**VIII. Course Policies on Academic Dishonesty**

The University Regulations on academic dishonesty will be strictly enforced! Please check the University Statement on plagiarism on the web: [http://www.hku.hk/plagiarism/](http://www.hku.hk/plagiarism/)

Academic dishonesty is the behavior in which a deliberately fraudulent misrepresentation is employed in an attempt to gain undeserved intellectual credit, either for oneself or for another. Any type of academic dishonesty will not be tolerated, such as plagiarism, cheating, or unauthorized collaboration.

**IX. Additional Course Information**

Please note that the syllabus and schedules may be changed at the instructor’s discretion.