# ECON2226 – Chinese Economy

## (Fall 2020)

### GENERAL INFORMATION

| Instructor: | Dr. Jing Li |
| Email: | jingli7@hku.hk |
| Office: | 938 K.K. Leung Building |
| Phone: | (852) 3917-0024 |
| Office hour: | Thursday 3:00 pm – 5:00 pm or by appointment |
| Class: | Friday 9:30 am -12:20 pm; Friday 14:30 pm – 17:20 pm |

### Teaching Assistant: TBA

| Email: | TBA |
| Phone: | TBA |
| Office: | TBA |

### Other Information

- Pre-requisites: NA
- Co-requisites: NA
- Mutually exclusive: NA
- Other important details: background in basic calculus and statistics is highly recommended.

### 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.
### PROGRAMME LEARNING OUTCOMES

PLO1: Acquisition and internalization of knowledge of the programme discipline  
PLO2: Application and integration of knowledge  
PLO3: Inculcating professionalism and leadership  
PLO4: Developing global outlook  
PLO5: Mastering communication skills

### COURSE LEARNING OUTCOMES

**Course Learning Outcomes**

On completion of this course, students are 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.

**Aligned Programme Learning Outcomes**

- PLO1, PLO2, PLO4  
- PLO1, PLO2, PLO3, PLO4  
- PLO1, PLO2, PLO3, PLO4  
- PLO1, PLO2, PLO3, PLO4, PLO5

### COURSE TEACHING AND LEARNING ACTIVITIES

**Course Teaching and Learning Activities**

<table>
<thead>
<tr>
<th>Activity Description</th>
<th>Expected contact hour</th>
<th>Study Load (% of study)</th>
</tr>
</thead>
<tbody>
<tr>
<td>T&amp;L1. Lectures with in-class discussion and class work</td>
<td>32</td>
<td>24.62%</td>
</tr>
<tr>
<td>T&amp;L2. Group-based project and presentation</td>
<td>20</td>
<td>15.38%</td>
</tr>
<tr>
<td>T&amp;L3. Term paper</td>
<td>40</td>
<td>30.77%</td>
</tr>
<tr>
<td>T&amp;L4. Self-study</td>
<td>38</td>
<td>29.23%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>130</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**Assessment Methods**

<table>
<thead>
<tr>
<th>Assessment Method</th>
<th>Brief Description (Optional)</th>
<th>Weight</th>
<th>Aligned Course Learning Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1. Class Participation</td>
<td></td>
<td>10%</td>
<td>COL1, COL2</td>
</tr>
<tr>
<td>A2. Quizzes</td>
<td></td>
<td>20%</td>
<td>COL1, COL2, COL3</td>
</tr>
<tr>
<td>A3. Group Presentation</td>
<td></td>
<td>30%</td>
<td>COL1, COL2, COL3, COL4</td>
</tr>
<tr>
<td>A4. Term Paper</td>
<td></td>
<td>40%</td>
<td>COL1, COL2, COL3, COL4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>

**STANDARDS FOR ASSESSMENT**

**Course Grade Descriptors**

A+, A, A-  
Strong evidence of superb ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate, and synthesis.
<table>
<thead>
<tr>
<th>Grade</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<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>

**Assessment Rubrics for Each Assessment**

1. **Class Participation: 10%**
   
   Effective participation is very important to guarantee the quality of learning outcome. Basically, I measure students’ participation through two aspects:

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

   **b. Contribution of the discussion:** Discussion is a very important part of the learning process of this class. During the process of lectures and presentations, you are encouraged to ask questions, give comments that could 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 of your contribution are valuable and I will track all of your participation during discussion.

   **c. Note:**
   - i. For lectures that are delivered online, students are required to finish reviewing all the related online materials (videos) in a timely way.
   - ii. If you are not comfortable of discussing in the class, please feel free to let me know. We can work together to get it solved.

2. **Quizzes: 20%**
   
   Quiz is used as an effective assessment of both students’ learning and instructor’s teaching outcome. Two in-class quizzes will be provided. Each quiz will take one hour. Questions can be in the form of both multiple choices and short essay.

   **Schedule of Quizzes:**

   **Note:**
   No make-up quizzes will be provided unless you demonstrate in advance that you have significant reasons that prevent you from attending the class (e.g. illness or injured confirmed by your doctor, or family emergency).

3. **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 a group and choose a topic/ case related 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 a group. Students are required to form a group with no more than 7 members.
Step 2: Choose a topic.
- **Self-selection period (Sept.4-Sept.30):** Students are allowed to group and select topics by themselves. 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 Economy in China. As soon as you are done with the grouping and topic selection, each group should notify the instructor by email (name of members and topic). Each topic only has ONLY one presentation and the first group notifying the instructor of their choice will be given priority.
- **Public-selection period (Oct.1-Oct.4):** During this period, a list of topics will be provided on Moodle system for registration. Each topic will only allow no more than 7 members. Self-determined topics in last period (Sept.4-Sept.30) with members fewer than 7, will also be listed on Moodle and are open to the public selections.

Step 3: Give a presentation. Each group will present their group work in the last two lectures: November 20th, 2020 and November 27th, 2020.

About the presentation:
- Each group should prepare a 20-mins presentation and leave another 5 mins for questions and comments.
- Participation and contribution of audience during the presentation will be recorded.

Proposed topics for presentation:
1) Economic Reform:
   - Topic: The way of developing innovation economy in China
   - Topic: Position of Hong Kong in the economic development of the Greater Bay Area
2) Enterprises in China:
   - Case study: SOE reform in China (For example: Sinopec, Bright Diary & Food)
   - Case study: The future of private firm in China (For example, Huawei, JD, or BYD)
   - Topic: How the Chinese Firms can survive through the coronavirus?
3) Household Behaviors:
   - Topic: Tapping China’s luxury-goods market: a study of consumers’ purchase behaviors
   - Topic: Post-coronavirus shopping in China
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 (or similar case topic)
   - Case study: Successful FDI case in China: e.g. Coca Cola
   - Topic: Globalization vs Anti-Globalization
   - Topic: Winner of the Trade War-US or China?
7) Economic Growth and Issues:
   - Question: Comparisons of economic growth between China and US (or other countries)
   - Question/Case study: Food safety issues in China

4. **Term Paper: 40%**
The last assessment of this course is the individual term paper, which accounts for the most important part of your 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 by the end of this semester. 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 **November 30th, 2020.**
- The topic should be specific and related to the materials covered in class. Students should submit the template of paper proposal no later than **October 31st, 2020.**
- Format of paper: (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 (based on your specialization).

**COURSE CONTENT AND TENTATIVE TEACHING SCHEDULE**

<table>
<thead>
<tr>
<th>Lecture</th>
<th>Topic</th>
<th>Major Content</th>
</tr>
</thead>
</table>
| Week 1  | Introduction to China: An Overview | • Basic facts of China  
• Overview of the Chinese Economy |
| Week 2  | Market Transition: Strategy and Process | • Economy before reform: The unsuccessful Socialist Experiment  
• Incentives of reform  
• Strategy and process of reform  
• Outcome, implications and issues of the reform |
| Week 3  | Enterprises in China | • State-Owned Enterprises  
• Firms in non-state sectors |
| Week 4  | Chinese Households | • Expenditure trend  
• Segmenting demand: the wealth pyramid  
• Specific expenditure behavior by age group  
• Implications on the Chinese Economy |
| Week 5 & 6 | Financial Market | • Banking system in China  
• Stock market in China |
| Week 8  | Housing Market | • Development of housing market in China  
• Housing bubble  
• Relation with banking system and related policies |
| Week 9  | Foreign Trade | • Overview of trade in China  
• Trade reform  
• Relation with major trade partners |
| Week 10 | Foreign Direct Investment (FDI) | • Inward and outward FDI in China  
• Determinants and impact of FDI |
| Week 11 | Economic growth and related issues in China | • Growth performance of China Economy  
• Driving force of economic growth  
• Issues: overcapacity and pollution  
• The future of China |
**Week 12**  Students’ Presentation

**Week 13**  Students’ Presentation

Note: lectures will be offered in room MWT2.

## REQUIRED/RECOMMENDED READINGS & ONLINE MATERIALS

**Two recommended books for this class:**

## COURSE POLICY (e.g. plagiarism, academic honesty, attendance, etc.)

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.

## ADDITIONAL COURSE INFORMATION (e.g. e-learning platforms & materials, penalty for late assignments, etc.)

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