Syllabus

China in Global Economy

Spring, 2010

Instructor: Dr. Li Jing
Classroom: Hist.209
Class time: Thursday, 1:30pm—4:20pm

Course Description and Objective

Course Description

This course offers an opportunity for international students to begin studying the Chinese economy in the era of globalization and the interaction between China and the rest of world. It aims to develop the learners' understanding of the process of China's economic reforms and opening-up policy, how China was involved into the global economic circulation, it will be conducive to improving the learners' sense of awareness in economics. The contents of this course is issues-oriented, it covers issues emerged in the last 30 years, and the analysis on issues are also based on the related theory.

There are three parts in the course.

The first part covers a number of issues areas that together provide an answer to the questions of enterprises reform, financial system reform, three rural problems, resource, environment and sustainable development of China. It will help the learners to get a general structure of the structural reforms and its outcomes.

The Second part covers the interactions between China and world economy from the foreign trade, foreign investment and economic adjustment under the WTO frame work, the relations between China and its top trade partners.

The third part covers China's macroeconomic policy since 1990, fiscal policy, monetary policy, exchange rate policy and China's response in times of crisis. It will address and compare China's stimulus package and its outcomes during Asian Crisis (1997-1998) and global financial crisis (2008-).

The design of the course does not assume prior systematic knowledge about China or the Chinese economy. The students can expect to build a solid knowledge basis for learning, more systematically, about China and China's ties with the rest of the world.

Learning Outcomes

By the end of the course, students should

a) Well understand China's roadmap in economic reform and opening- up policy, especially the **logic behind it.**

b) Well understand the Chinese economic features in the era of globalization and tasks ahead for China.

c) Build the capability of studying the Chinese economy with economics knowledge.

Prerequisite: principles of economics or permission of department.

Course Requirements

Students are expected to read through the articles selected for each week before the class convenes. In order to better comprehend the course readings and in-class discussions, however, students are strongly encouraged to refer to the following surveys of the Chinese economy:

1. Angus Maddison, *Chinese Economic Performance in the Long Term* (OECD Development Center Studies, 1998).
2. Wu Jinglian, *Understanding and Interpreting Chinese Economic Reform* (Thomson/South-Western, 2005).
3. Barry Naughton, *The Chinese Economy: transitions and growth*, (MIT Press, 2007).
4. Barry Eichengreen, ed., *China, Asia, and the New World Economy* (Oxford University Press, 2008).

(The above books on reserve in the American University Program office)

5. Wang Mengkui, *China's Economic Transformation Over 20 Years*(Foreign Languages Press , Beijing), 2000
6. Li Jingwen, *The Chinese Economy into the 21st Century*, (Foreign Languages Press , Beijing), 2000

Each student will be asked to make a presentation and lead a discussion based on a topic assigned for the week. The discussion shall be based on but not limited to the weekly readings assigned.

The students will be grouped, and each group will participate in the in-class discussion; each group is required to make a presentation at the last class. The topic shall be based on the topics of each week but not limited to the weekly readings.

In the **fifth week**, each student must present a one-page **'writing plan'** for the term paper, which is due the last day of the course. Use the **Chicago Manual of Styles** for formatting the paper and observe the usual rules of academic integrity.

Required Work and Grading Policy

Your final grade will be determined by the following:

1. Attendance 15%
2. In- Class group discussion and presentation 10%
3. Term Report Presentation (in group, in the last class) 10 %
4. Individual presentation 15%
5. Term paper 50%（should be personal）

Grades are on a 100 points scale:

90-100	80-89	70-79	60-69	59-
A	B	C	D	E

CLASS SCHEDULE

Week	**Topics**	**Lecture (hours)**	**Other activities**

01	Chapter1 An Review on the Chinese Economy The roadmap of China's Reforms and Opening-up	**3**	
02	Chapter 2 Reform of Enterprises (SOEs and SMEs)	**2**	In –class discussion
03	Chapter 3 China's Financial System and Supervision	**3**	
04	Chapter 4 Three Rural Problems	**3**	
05	Chapter5 Resource, Environment and Sustainable development	**2**	In –class discussion
06	Chapter 6 Foreign Trade Development	**3**	
07	Chapter 7 China's Inward & Outward FDI and Other Investments	**3**	
08	Chapter 8 China's WTO Entry: A Long March to Geneva	**2**	In –class discussion
09	Chapter 9 Bilateral Ties between China and Its Top 3 Trade Partners	**2**	In –class discussion
10	Chapter10 China's Macroeconomic Policy Since 1990	**3**	
11	Chapter11 China's stimulus package in Time of Crisis	**3**	
12	Chapter12 An Conclusion and Tasks Ahead for China	**1**	Term report Presentation Feedbacks Hand in the term paper

Work Schedule

Part I **Basic Reforms and Outcomes**

Week one Chapter 1 An Review on the Chinese Economy
The roadmap of China's Reforms and Opening-up

Wang Mengkui, *China's Economic Transformation Over 20 Years*(Foreign Languages Press , Beijing), 2000, Chapter 4,5

Li Kui-wai, The two decades of Chinese economic reform compared, *China & World Economy*, No. 2., 2001

Liu Guoguang, Economic Reform and Development in China, *China and World Economy* No.1, 1998

Conference News 30 Years of Economic Reforms in China：Retrospect and Outlook (81) **,** *China & World Economy*, No.1,2008

Hu Angang, China's Economic Growth and Poverty Reduction(1978-2002), edited by Wanda Tseng and David Cowen, *India's and China's Recent Experience with Reform and Growth*, IMF, 2005 . Chapter 3

Week Two Chapter 2 Reform of Enterprises (SOEs and SMEs)

Wang Mengkui, *China's Economic Transformation Over 20 Years*(Foreign Languages Press , Beijing), 2000,

Jiang Xiaojuan ,The Globalization of China's Economy and the Formation and Development of En terprise Groups , *China & World Economy*, No. 1 ,2000

Shiyong Zhao, Government Policies and Private Enterprise Development in China： 2003-2006, *China & World Economy*, No.4.2009

Wang Zhongyu, State-owned Enterprise Reform in a Major Stage ,*China & World Economy, No.* 2,1997

Zhang Chunlin, Revisiting China's SOE Reform Strategy, *China & World Economy*, No.2, 2002

Week Three Chapter 3 China's Financial System and Supervision

Barry Naughton, China's Financial Reform: Achievements and Challenges, BRIE Working Paper 112.1998, BRIE

Chen Yuan, Financial System Reform and Economic Development in China, edited by Wanda Tseng and David Cowen, *India's and China's Recent Experience with Reform and Growth*, IMF, 2005

Xie Ping, Financial Reform in China: Review and Future Challenges, *China & World Economy,* No. 5, 1999

Xia Bin China Ready for Adopting a Universal Banking System? **,** *China & World Economy,* No. 2, 2001

Week Four Chapter 4 Three rural problems

Wang Mengkui, *China's Economic Transformation over 20 Years* (Foreign Languages Press, Beijing), 2000, Chapter 3 Reform of Economic Structure in China's Rural Area

Zhu Ling, Gender Inequality in the Land Tenure System of Rural China**,** *China & World Economy***,** No. 2, 2001

Zhigang Xu RanTao, Urbanization, Rural Land System and Social Security in China, *China & World Economy,* No.6, 2004

LiZhou, Public Goods, Environmental Protection,and the Development Paradigm in Rural China , *China & World Economy* , No.6,2004

Tao Ran Liu Mingxing, Rural Taxation and Government Regulations in China, China & World Economy**,** No.2, 2003

Yang Yao, Village Elections, Accountability and Income Distribution in Rural China, *China & World Economy,* No.6, 2006

Fang Cai Meiyan Wang, A Counterfactual Analysis on Unlimited Surplus Labor in Rural China , *China & World Economy*, No.1, 2008

Week Five Chapter 5 Resource, Environment and Sustainable development

Li Jingwen, The Chinese Economy into the 21st Century, (Foreign Languages Press , Beijing), 2000, Chapter 17 The Environment

Warwick J. McKibbin, Global Energy and Environmental Impacts of an Expanding China, *China & World Economy*, No.4, 2006

Pan Jiahua, Du Yaping, Environmental Degradation as a Threat to China's Food Security, *China & World Economy*, No. 1, 1998

Shi Min, Environmental Protection in China: Existent Problems and Improvement Measures, *China & World Economy*, No. 4, 1998

Chunsheng Tian, Sino-Russian Energy Cooperation and Geo-Strategic Issues, *China & World Economy*, No.3, 2005

Dan Shi Energy Industry in China：Marketization and National Energy Security, *China & World Economy*, No.4, 2005

Jason Zunsheng Yin David Forre, Elasticity of Energy Demand and Challenges for China's Energy Industry, *China & World Economy*, No.4,2006

Part II The Interaction between China and World Economy

Week Six Foreign Trade Development

Nicholas R. Lardy, Trade Liberalization and its role in Chinese Economic Growth, edited by Wanda Tseng and David Cowen, *India's and China's Recent Experience with Reform and Growth*, IMF, 2005 .Chapter 7

Hung-gay Fung, China's Foreign Trade and Investment：An Overview and Analysis , *China & World Economy*, No.3, 2005

Pingyao Lai ,China's Foreign Trade：Achievements, Determinants and Future Policy Challenges, *China & World Economy*, No.6, 2004

Fung Hung－gay, Are China's Trade Policies Effective？China & World Economy, No.1, 2003

Week Seven China's Inward & Outward FDI and Other Investments

Xiaojuan Jiang, Prospects and Analysis of FDI in China, *China & World Economy*, No.4, 2005

Judith M. Dean, "Are foreign investors attracted to weak environmental regulations? Evaluating

the evidence from China," *Journal of Development Economics*, November 2008 (on-line).

Furong Jin Keun Lee Yee-Kyoung, Changing Engines of Growth in China：From Exports, FDI and Marketization to Innovation and Exports, *China & World Economy*,No.2,2008

Laijun Luo Louis Brennan Chan , Factors Influencing FDI Location Choice in China′s Inland Areas, *China & World Economy*, No.2, 2008

Zhang Honglin，Why Does China Receive So Much Foreign Direct Investment？*China & World Economy*，No.3, 2002

Jiang Xiaojuan, New Regional Patterns of FDI Inflow：Policy Orientation and Expected Performance, *China & World Economy*, No.2, 2002

Foreign Capital Utilization in China: Prospects and Future Strategy, World Bank,
《中国利用外资的前景和战略》，世界银行主编，中信出版社，2007（This book is written in both Chinese and English）

Week Eight　China's WTO Entry: A Long March to Geneva

Song Hong,The Impact of China's WTO Accession on Industrial Development, *China & World Economy*, No. 1 , 2000

Liping He, Xiaohang Fan, Foreign, *China & World Economy*, No.5, 2004

Li Yuefen, Economic Implications of China's Accession to the WTO,*China&World Economy*，No.2, 2003

Guo Kesha，Comprehensive Impacts of China's WTO Entry on Its Industrial Sector，*China & World Economy*，No.2,2003

Zhang Xiaopu , Chinese policy options on international capital flow after WTO accession, *China &World Economy*，No.3, 2003

Changhong Pei　Lei Peng, Responsibilities of China after Accession to the WTO，*China & World Economy*，　No4, 2007

Wang Yu，some important issues concerning China's macroeconomic management after WTO entry –interview with prof. Lawrence lau, *China &World Economy*，No.5, 2003

Kanamori Toshiki, China's Economy and Financial Market after the WTO Entry, *China &World Economy*，No 6, 2001

Week Nine　Bilateral Ties between China and Its Top 3 Trade Partners

Changhong Pei, Analysis of the Changes in the Growth of Japan′s Direct Investment in and Trade with China , *China & World Economy*,No.6, 2005

Willem F. Duisenberg, China and the Euro Area in a Global Perspective, *China & World*

Economy, No.3, 2002

Zhao Longyue and Wang Yan, “Trade Remedies and Non-Market Economies: Economic Implications Of The First US Countervailing Duty Case On China”， *World Bank Research Working papers*, December 2008, pp. 1-50.

David Scott, “China-EU convergence 1957–2003: towards a ‘strategic partnership’”, *Asia Europe Journal*, Volume 5, Number 2, June 2007, pp. 217-233.

Wing Thye Woo, “Dealing sensibly with the threat of disruption in trade with China: the analytics of increased economic interdependence and accelerated technological innovation,” *Economic Change and Restructuring*, Volume 40, Numbers 1-2, June 2007， pp. 1-26.

Bibo Liang , Political Economy of US Trade Policy towards China, *China & World Economy*, No.5, 2007

He Li Ping, Sino-Japanese economic relational: a Chinese perspective， *China & World Economy*, 2003.5

Part III China’s Macroeconomic Policy

Week Ten China’s Macroeconomic Policy Since 1990

Olivier Blanchard Francesco Gi, Rebalancing Growth in China：A Three-Handed Approach, *China & World Economy*, No.4, 2006

Stephen S. Roach, *On Next Asia: Opportunities and Challenges for a New Globalization*, Chapter 3 , Chinese Rebalancing, John Wiley & Sons, Inc, 2009

Yu Yong-ding, A Review of China's Macroeconomic Development and Policies in the 1990s *China & World Economy*, No. 6 ,2001

Week Eleven China’s stimulus package in Time of Crisis

Yu Yongding, China's Macroeconomic Situation and Future Prospect, *China & World Economy*, No.1, 1999

Yu Yongding, China 1999-2000: The Macroeconomic Situation and Financial Reforms, *China & World Economy*, No. 1, 2000

Xin Wang, China as a Net Creditor： An Indication of Strength or Weaknesses？ *China & World Economy*, No.6, 2007

Hung-Gay Fung Qingfeng, China’s Outward Direct and Portfolio Investments Wilson, *China & World Economy*, No.6, 2007

Week Twelve　A　Conclusion and Tasks Ahead for China

Guiyang Zhuang, How Will China Move towards Becoming a Low Carbon Economy？*China & World Economy* No.3, 2008

Shi Dan, Energy Restructuring in China：Retrospects and Prospects, *China & World Economy* No.4, 2008

Xin Wang, China as a Net Creditor：An Indication of Strength or Weaknesses？*China & World Economy*, No.6, 2007

Jonathan Anderson，Capital Account Controls and Liberalization：Lessons for India and China, edited by Wanda Tseng and David Cowen, *India's and China's Recent Experience with Reform and Growth*, IMF, 2005 Chapter 3