China in the Global Economy (CCCH9007 Section A)

Fall 2021

Dr. Jing Li

University of Hong Kong Faculty of Business and Economics

(Updated on 01/09/2021)

Note: The schedule may be updated as needed throughout the semester

Subject Matter

This course examines how China has grown into the second largest economy in the world and how it has been integrated into the market-oriented global trade, investment and financial systems. It aims to help students understand the dynamics of China's evolving governance/growth model and its implications for the global economy, focusing particularly on the interactions between China's domestic reform and the opening of its trade, investment and financial sectors. Topics include how cross-border trade and investment and decentralization of economic management to local governments turned China into a global manufacturing powerhouse, how investment in infrastructure and liberalization of product and input markets led to rapid urbanization, and how rapid growth created new challenges such as corruption, inequality, excessive debts, over-capacity, bubbles in asset markets, China-US economic tension, and issues about macroeconomic management and RMB.

Lectures

Time: Wednesday 2:30 – 4:20 pm (see the detailed schedule below)

Venue: LE1 (https://www.les.hku.hk/teaching-space/le1)

Tasks/ Grading

Participation (20% total) Lecture participation Tutorial participation	(10%) (10%)
2. Problem sets (15% total)	
Pset 1: due on Sept.26 th	(5%)
Pset 2: due on Oct.24 th	(5%)
Pset 3: due on Nov 21 st	(5%)
3. In-class quizzes (10% total)	
Quiz 1: Oct 6 th , 2021	(5%)
Quiz 2: Nov 10 th , 2021	(5%)
4. Group presentation (30% total)	
Topic and outline: due on Oct.17 th	(5%)
Presentation in the last two lectures	(15%)
Slides: due in two weeks after presentation	(5%)
Replies to questions: same due date as the slides	(5%)
5. Five-page essay (25% total)	
Proposal: due on Oct 31 st	(5%)
Paper submission: due on Dec 10 th	(20%)

Schedule

(2 introductory lectures, 3 lectures on economic frameworks, 4 lectures on specific topics)

Date	Lecture Topics	Tasks
Sept 1	Introduction; overview of the Chinese and global economy	
Sept 8	Chinese economic structural transformation in the post-reform era (since 1978)	
Sept 15	Framework 1: Intro to Macroeconomics	
Sept 26		Problem set 1 due*
Sept 29	Framework 2: Intro to International Trade and Global Value Chains	
Oct 6	Framework 3: Intro to International Finance	30-minute in-class quiz 1
Oct 17		Presentation outline due*
Oct 20	Topic 1: China's Growth Miracle	
Oct 24		Problem set 2 due*
Oct 27	Topic 2: Industrial and Trade Policy in China	
Oct 31		Paper proposal due*
Nov 3	Topic 3: Foreign investment strategies and implications in China	
Nov 10	Topic 4: Challenges and Opportunities in the Chinese Economy	30-minute in-class quiz 2
Nov 17	Presentation Day 1	
Nov 21		Problem set 3 due*
Nov 24	Presentation Day 2	
Dec 1	Slides and replies to questions due (for presentations on Nov 17) *	
Dec 8	Slides and replies to questions due (for presentations on Nov 24) *	
Dec 10		5-page essay due*

^{*}All the due files should be **submitted on Moodle by 11pm** on the due date.

Lecturer Dr. Jing Li

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Teaching Assistant Ms. Jiuqi Zhao (zhaojq@hku.hk; KKL 1026)

Ms. Zhao will hold tutorial before the lecture each week, starting from the third week of this semester. Attendance and active participation in tutorials are required. Performance in tutorials will account for 10% of final grade.

Office Hours Dr. Jing Li: Thursday 4:45 pm-5:45 pm, or by appointment (Online/ face-to-

face)

Ms. Jiuqi Zhao: TBC, or by appointment

Moodle Page All course materials including lecture notes, problem sets and additional

readings are posted on Moodle.

Note: We reserve the right to update/add to these materials as necessary so

please check Moodle regularly for the latest information.

⁻ A detail reading list will be posted separately on Moodle.

Required Reading

- 1. Lecture notes
- 2. Assigned articles and chapters on Moodle when the course progresses
- 3. Arthur R. Kroeber, "China's Economy: What Everyone Needs to Know", Oxford University Press, 2016.

Participation

Students are expected to actively answer questions and participate in discussions in lectures and tutorials. We understand that participation in a large-class setting sometimes is hard, but it should be understandable that if you ask and answer questions in class, you will enjoy the learning experience a lot more. Participation in both lectures and tutorials will account for 20% of the total grade, with 10% for lectures and presentation and another 10% for tutorials.

For the evaluation details for tutorials, please follow TA's requirements.

Problem Sets

There will be 3 required problem sets assigned throughout the course. Each problem set will account for 5% of your total grade. Problem sets should be completed individually. Identical answers with your classmates' work are considered plagiarism, which will lead to a zero score for that problem set. Repeated plagiarism will result in a failing grade for the entire course.

Problem sets need to be submitted on Moodle before the due date as listed on the schedule. Late submission will be subject to penalty and may not be even accepted after 5 days. See the "late submission penalty" section below.

In-class Quizzes

2 in-class quizzes will be offered. The goal is not to test your knowledge on details of the course, but only to make sure that you understand the content discussed in the course. They aim to encourage you to attend lectures frequently and keep up with the reading. Each quiz will only account for 5% of your grade.

More details about the quizzes:

- Date: Oct 6 and Nov 10, 2021
- Time: the last 30 mins of the two lecture-days mentioned above
- Format: open-book test
- Content to be tested: quiz one covers the topics discussed in the lectures before Oct. 6, 2021; quiz two covers the topics discussed on and after Oct. 6, 2021 and before Nov.10, 2021.

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).

Group Presentation

Group Formation and topic selection: Students will form a group of about 9 members (TBD after the add/drop period). Each group will propose a topic related to the course material. <u>Proposals will need to be approved by the instructor.</u>

In order to help you find group members and choose the presentation topic, here is the plan for you:

a) Sept 1 – Sept 30: Self-grouping period

- You are free to find your own group members and propose a topic you like and submit the topic and your group members' name and student ID on Moodle by <u>Sept 30, 2021</u>;
- The self-selected topic should be related to the course content. If the topic is too far off, you will be advised to revise;
- Given the large size of the class, each group can have up to 9 members (the final group limit is up to change according to the size of the class). If you cannot fill enough members, your topic will be open to the class. Other students who are also interested in that topic can choose to join in the public selection period.

b) Oct 1 – Oct 3: Public selection period

- During this period, a list of topics will be provided on Moodle for public selection. Each topic allows up to 9 (TBD) students to join.
- Topics from self-grouping with fewer than 8 (<8) members will also be listed for the rest of the class to choose based on first come first join.

<u>Suggested directions for topic selection:</u> The following are some of the important areas/ direction about China in the global economy for your consideration.

- 1. Opportunities and challenges for China's economic growth
- 2. The impact of the return of state capitalism (or not) in China
- 3. Population ageing in China
- 4. Pollution and environmental policy in China
- 5. Technology, trade, and rising inequality in China
- 6. Greater Bay Area and opportunities for its constituent cities
- 7. Causes and consequences of China's economic slowdown
- 8. The impact of China-US trade/ technology war on the Chinese economy
- 9. The prospects of China's Belt-and-Road Initiative
- 10. Digital economy in China and its global impact
- 11. COVID and Chinese Economy

Note: the list above is just "areas", but not "topics" for your presentation. A topic necessarily has a clearer direction and focus, which will be left to the groups to decide.

Submission of Presentation Outline: By Oct 17th, 2021, each group should nominate a person to submit the names of the group members, together with a brief description of the topic of presentation using a template posted on Moodle page. The outline will account for 5% of your total grade.

Expectation on the presentation: All presentations will take place in the last 2 lectures. Each presentation should be 10-minute long, followed by 3-minute questions from the fellow students and lecturer. You are advised to rehearse your presentation to make sure that the 10 minutes are well spent. Students not in the group doing the presentation are expected to pay attention, raise questions, or make comments.

The presentation should be comprehensive, well structured, and with substantial contents, so that the audience will have a good learning experience. The major effort in the project should not be just compilation of facts and data, but selection and processing of relevant information to tell an interesting story with good analysis. Presentations will be marked on how much materials have been studied, how deep the discussion is, and how well the contents integrate with basic principles covered in the course. The marking will also depend on team work as shown in the outline and presentation.

Students are expected to have a good command of the issues they present. Simple cutting-and-pasting from existing materials into slides and reading them out will be considered as poor presentation. Similarly, reading directly from notes or smartphone will be considered as poor performance.

All the questions for the presentations will be collected. Each group has to provide a short-written reply to each question that is not able to be answered during the presentation day given the limited time. The due date for submitting the replies should be in two weeks after the presentation. For example, the group with presentations done on Nov 17, 2021 should submit their replies to questions by Dec 1, 2021, 11:00pm on Moodle.

Presentation slides need to be submitted on Moodle for evaluation <u>on the same</u> <u>due date with the replies to the audience's questions</u>. The quality of the slides and replies to questions will account for <u>10% of your total grade</u>.

Evaluation and free-riding issue: Evaluation of the presentation is composed by two parts: audience's evaluation and the peer evaluation within each group. The audience evaluation is only based on the overall group and it will determine 70% of your final score for the group presentation. The peer evaluation (within group) will determine 30% of your final score of the presentation.

It is expected that each student in the group will share the work equally (or on a fair base) in order to receive the same grade. After the presentation, you will be asked to conduct a peer-assessment. Specifically, you will be asked to evaluate your and other group members' contributions to the final work. If all of your group members believe you contribute the least, a penalty will be applied with 50% off of your group score.

5-page write-up

Essay: Students are required to write a 5-page essay (between 1250-1500 words) on an assigned topic with proper citation. Graphs and figures are strongly encouraged but are not counted toward the page and word count requirement. The final write-up should be submitted on <u>Dec 10th</u>, 2021 by 11 <u>pm. Each paper will be checked against plagiarism</u>.

Proposal of the Essay: an essay proposal should be submitted by Oct 31^{st} , 2021, 11 pm. In the proposal, it is essential to identify a debatable economic issue related to China in the global context. A template will be provided on Moodle. The proposal will account for 5% of your total grade.

The proposal needs to include:

- (1) The proposed issue (or title) for the essay;
- (2) Three key questions related to the issue to be discussed in the essay;
- (3) Cite at least three articles with different perspectives on the topic;

Late Submission

Students are required to hand in their course assignments, including problem sets, proposals, essays, presentation slides on or before the submission deadlines. Failure to observe this requirement will result in a reduction in coursework marks. For late submissions, it will result in a 5% reduction of the mark for the first calendar day of delay. Two, three, four days of delay will get a 10%, 20%, 40% reduction on the mark, respectively. Any assignment submitted over 5 calendar days after the deadline will not be accepted for assessment and will therefore be awarded a zero mark.

Academic Integrity

Group Work

No student's name should appear on a group project if the student has not contributed to the production of the project. The following is an example of unacceptable conduct.

In group work, all group members are responsible for the integrity of work that is submitted. Group members should always question other members about the source of material and analysis that is being included in group projects. If a group member has any concerns about the integrity of material being submitted by the group, that group member should discuss those concerns with the instructor.

Plagiarism

The members of any academic community are expected not to present ideas or material from other sources as their own. In the context of this course, it is acceptable to, for example:

- Refer to concepts, frameworks, and analytical tools from the readings or class lectures without citation. For example, you may refer to comparative advantage, sustainable competitive advantage, decentralization, privatization, and so on without citing the source.
- However, it is not acceptable to quote or paraphrase analysis from another source and present it as your own. For example, it would be unacceptable to find an analysis of your essay on the web and quote or paraphrase it in the analysis you hand in without correctly attributing it. There is a difference between consulting a source and then forming your own opinion based on what you have read, and copying material directly.

Learning Outcomes

- On completing the course, students will be able to:		Alignment with the Common Core (CC) Program Learning Outcome (PLO)
1	Articulate useful perspective about the rapid growth of the Chinese economy since 1978 and its gradual integration into the global trade, investment and financial systems.	CC PLO: 1
2	Appreciate the relations and interactions between China's domestic economic reforms and growth and its opening to the global economic communities.	CC PLO: 2
3	Analyse the impacts of China's economic development on the global economy in terms of challenges and opportunities to individuals, companies, and countries around the world.	CC PLO: 3
4	Identify and communicate the social and economic problems China faces in its quest for modernization and possible solutions so as to facilitate better actions for global prosperity.	CC PLO: 4

Assessment: 100% course work

Assessment Task	Details of Assignment	Weight	Alignment with Course Learning Outcome (CLO)
Participation	Attend the weekly lectures and tutorials, and contribute to discussion and debates on the assigned reading materials and topics	20%	CLO: 1, 2, 3, 4
Problem Sets	3 problem sets	15%	CLO: 1, 2, 3, 4
In-class Quizzes	2 open-book half an hour quizzes on the contents of lectures and reading.	10%	CLO: 1, 2, 3, 4
Group Presentation	Finish group project and deliver a 10-minutes presentation in the last two lectures.	30%	CLO: 1, 2, 3, 4
Essay	A 5-page essay around 1250-1500 words on an assigned topic.	25%	CLO: 1, 2, 3, 4

Grade Description

Grade	Critera and Standards
	Assessment Task: Tutorials
A+, A, A-	 Demonstrates thorough preparation of all relevant topics prior to all tutorials. Demonstrates thorough understanding of the subejct matter in all tutorials. Contributes to the discussion, engages with other students' ideas sensitively and helps move the discussion forward in all tutorials. Presents ideas clearly, fluently and articulately in all tutorials.
B+, B, B-	 Demonstrates sufficient preparation of the relevant topics prior to the tutorials. Demonstrates good understanding of the subejct matter in most tutorials. Contributes to the discussion, engages with other students' ideas sensitively and helps move the discussion forward in most tutorials. Presents ideas clearly and fluently most of the time.
C+, C, C-	 Demonstrates some preparation of the relevant topics prior to tutorials. Demonstrates only basic understanding of the subejct matter in the tutorials. Contributes to the discussion but sometimes with prompting, and has little engagement with other students' ideas. Has difficulty articulating well but on the whole clear.
D+, D	 Demonstrates little preparation of the relevant topics prior to tutorials. Demonstrates limited understanding of the subejct matter in the tutorials. Infrequent participation in discussion even after prompting, and has little engagement with other students' ideas. Has difficulty articulating well and on the whole unclear.
F	 Absence in tutorials without prior approval or acceptable (mainly medical) justification. Demonstrates little or no preparation of the relevant topics prior to tutorials. Demonstrates limited or no understanding of the subejct matter in the tutorials. Rarely participates in discussion and does not respond positively to prompting. Has serious difficulty articulating and unclear most of the time.

	Assessment Task: In-class Quizzes
A+, A, A-	 Demonstrates superior grasp of all aspects of the course (basic concepts and major perspectives and arguments in the literature). Demonstrates excellent ability to interrelate and synthesize course materials, and to arrive at ones own position in controversial issues based on knowledge acquired from the course.
B+, B, B-	 Demonstrates good grasp of all major aspects of the course (basic concepts and major perspectives and arguments in the literature). Demonstrates reasonable ability to interrelate and synthesize course materials, and to arrive at ones own position in controversial issues based on knowledge acquired from the course.
C+, C, C-	 Demonstrates acceptable grasp of most major aspects of the course (basic concepts and major perspectives and arguments in the literature). Demonstrates acceptable ability to interrelate and synthesize course materials, and to arrive at ones own position in controversial issues based on knowledge acquired from the course.
D+, D	 Demonstrates a marginally acceptable grasp of some major aspects of the course (basic concepts and major perspectives and arguments in the literature). Demonstrates a marginally acceptable ability to interrelate and synthesize course materials, and to arrive at ones own position in controversial issues based on knowledge acquired from the course.
F	 Failure to meet a minimum standard of knowledge base in the subject matter. Failure to arrive at ones own position in controversial issues based on knowledge acquired from the course.

	Assessment Task: Short Essay
A+, A, A-	 Identifies and addresses the main themes and issues clearly, including their subsidiary, embedded or implicit aspects. Consistent perceptive and critical engagement with the themes and issues based on comprehensive understanding of relevant concepts and theories, with effective analysis, synthesis and application of knowledge. Demonstrates a comprehensive command of existing arguments relevant to the topic, and examines the issues from all important perspectives including rival positions and counter-evidence. The arguments fit together logically and build a compelling case. The report has a clear structure and organization, with an introduction that states the main themes and writer's position and a conclusion that summarizes the main arguments. Each paragraph has a central idea which is developed throughout the pargraph with supporting details. The report has very few, if any, errors in grammar and vocabulary. Conventions of academic writing (e.g., citation, references, footnotes, etc) are followed meticulously. Quoted materials from other sources (with proper citation) are used only to support and strengthen arguments instead of replacing the student's own writing.
B+, B, B-	 Identifies and addresses the main themes and issues, but not all of the subsidiary, embedded or implicit aspects. Generally perceptive and critical engagement with the themes and issues based on good understanding of relevant concepts and theories, as well as effective analysis, synthesis and application of knowledge. Demonstrates a good command of existing arguemnts relevant to the topic, and examines the issues with regard to some important perspectives including rival positions and counter-evidence. The arguments fit to form a clear own position, but some arguments are underdeveloped and some considerations overlooked. The report has a clear structure and organization, with an introduction that states the main themes and the writer's position and a conclusion that summarizes the main arguments. Some paragraphs lack a central idea or supporting details. The report has some errors in grammar and vocabulary. Conventions of academic writing (e.g., citation, references, footnotes, etc) are mostly followed. Quoted materials from other sources (with proper citation) are used to support and strengthen arguments, but sometimes also used to replace the student's own writing.
C+, C, C-	 Identifies and addresses the main themes and issues, but not the subsidiary, embedded or implicit aspects. Only occasional perceptive and critical engagement with the themes and issues reflecting mostly superficial understanding of relevant concepts and theories, with some inaccurate analysis, synthesis and application of knowledge. Demonstrates insufficient command of existing arguemnts relevant to the topic, and not all main arguments or counter-arguemtnes examined. Offers own position but the reasoing is sometimes impaired by weak, emotive or inconsistent arguementation. The presentation has an introduction and conclusion, but these do not fully capture the essence of the topic and discussion. Some paragraphs lack a central idea or supporting details. There are distracting language errors though the overall meaning is still intelligible. Convention of academic writing (e.g., citation, references, footnotes, etc.) sometimes improper and incomplete. Quoted materials from other sources (with proper citation) are used more to replace the student's own writing than to support and strengthen arguments.
D+, D	 Identifies and addresses the main themes and issues only partially. Very limited critical engagement with the themes and issues, rarely goes beyond reproduction of relevant concepts and theories, and with some inaccuracies even doing so. Demonstrates a lack of understanding of existing arguemnts relevant to the topic. Offers own position but the arguments are poorly made and not well supported. The topic is not properly introduced and the conclusion is very brief. Shows little ability to construct paragraphs with a central idea and supporting details. Frequent errors in simple grammar and vocabulary. Errors are distracting and the overall meaning is not easily intelligible. Convention of academic writing (e.g., citation, references, footnotes, etc.) are sometimes improper, incomplete and even lacking. Quoted materials from other sources (with proper citation) are heavily used to replace the student's own writing.
F	 Failure to identify and address any main theme and issue. No critical engagement with any issue, little mentioning and application of relevant concepts and theories, and with inaccuracies when doing so. Demonstrates a lack of understanding of existing arguemnts relevant to the topic. No coherent own position and the arguments are confused and flawed. Introduction and conclusion are unclear, lack details or missing altogether. Shows little ability to organize the report into paragraphs that have a central idea and supporting details. Language errors are so frequent and distracting that eh report is largely incomprehensible. Does not adhere to the conventions of academic writing (e.g., citation, references, footnotes, etc.) Quoted materials from other sources are heavily used to replace the student's own writing, sometimes without proper citation.

Assessment Task: Group presentation Identifies and addresses the main themes and issues clearly, including their subsidiary, embedded or implicit aspects. A+, A, Consistent perceptive and critical engagement with the themes and issues based on comprehensive understanding of Δ. relevant concepts and theories, with effective analysis, synthesis and application of knowledge. Demonstrates a comprehensive command of existing arguments relevant to the topic, and examines the issues from all important perspectives including rival positions and counter-evidence. The arguments fit together logically and build a compelling case. The presentation has a succinct outline, structure and conclusion, with clear transition between different parts (by different presenters). Presenters show full command and understanding of the presented contents (e.g., powerpoint files, if any), which are predominantly their own writing. Presenters engage the audience at all times through good communication skills (e.g., eye contact, gestures and variation in tone) and adhere strictly to the set time limits. B+, B, Identifies and addresses the main themes and issues, but not all of the subsidiary, embedded or implicit aspects. Generally perceptive and critical engagement with the themes and issues based on good understanding of relevant Rconcepts and theories, as well as effective analysis, synthesis and application of knowledge. Demonstrates a good command of existing arguemnts relevant to the topic, and examines the issues with regard to some important perspectives including rival positions and counter-evidence. The arguments fit to form a clear own position, but some arguments are underdeveloped and some considerations overlooked. The presentation has a succinct outline, structure and conclusion, with clear transition between different parts (by different presenters). Presenters show good command and understanding of the presented contents (e.g., powerpoint files, if any), which are mostly their own writing. Presenters engage the audience through good communication skills (e.g., eye contact, gestures and variation in tone) most of the time and adhere to the set time limits. C+, C, Identifies and addresses the main themes and issues, but not the subsidiary, embedded or implicit aspects. Only occasional perceptive and critical engagement with the themes and issues reflecting mostly superficial understanding of relevant concepts and theories, with some inaccurate analysis, synthesis and application of knowledge. Demonstrates insufficient command of existing arguemnts relevant to the topic, and not all main arguments or counterarguemtnes examined. Offers own position but the reasoing is sometimes impaired by weak, emotive or inconsistent arguementation. The presentation has an outline, structure and conclusion, but the transition between different parts (by different presenters) is not clear. Presenters show insufficient command and understanding of the presented contents (e.g., powerpoint files, if any), which are mostly not their own writing. Some presenters engage the audience relatively ineffectively and some are slightly off the set time limits. D+, D Identifies and addresses the main themes and issues only partially. Very limited critical engagement with the themes and issues, rarely goes beyond reproduction of relevant concepts and theories, and with some inaccuracies even doing so. Demonstrates a lack of understanding of existing arguemnts relevant to the topic. Offers own position but the arguments are poorly made and not well supported. The presentation is not well structured, and the transition between different parts (by different presenters) is not clear. Presenters show little understanding of the presented contents (e.g., powerpoint files, if any), which are mostly not their own writing. Some presenters fail to engage the audience and some are off the set time limits. Failure to identify and address any main theme and issue. No critical engagement with any issue, little mentioning and application of relevant concepts and theories, and with some inaccuracies when doing so. Demonstrates a lack of understanding of existing arguemnts relevant to the topic. No coherent own position and the arguments are confused and flawed. The presentation is not structured, and the transition between different parts (by different presenters) is illogical. Presenters show little understanding of the presented contents (e.g., powerpoint files, if any), which are not their own The presenters fail to engage the audience and some are off the set time limits.