

Course Form for PKU Summer School International 2020

Course Title	China in the Global Economy
	中国与全球经济
Teacher	CHEN Shaofeng
First day of classes	June 29, 2020
Last day of classes	July 12, 2020
Course Credit	3 credits (50 credit hours)
Course Description	
Introduction	
<p>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 rationale and 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, regional integration, and participation in international economic institutions, and the implications of Chinese economic reform on the global economy.</p> <p>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.</p>	
Objective:	
<ol style="list-style-type: none"> 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. 	
Pre-requisites /Target audience	
<p>No prerequisites. Undergraduate and graduate students are all eligible.</p>	
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, group discussions 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 presentations will be counted.

(2) Group discussions and debates. Some topics will be assigned to the students for discussions and debates in the class. Students should make some preparations before the class in order for an more effective engagement.

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.

Evaluation Details

Attendance: 30%
Case presentation: 10%
Final Paper/Exam: 50%

Text Books and Reading Materials

Barry Naughton, *The Chinese Economy: Adaptation and Growth*, Cambridge: The MIT Press, 2nd edition, 2018.

Required readings: Those readings in bold letters; other readings are not compulsory.

Academic Integrity (If necessary)

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 a failure in this course. It is your responsibility to familiarize yourself with the definition of plagiarism.

CLASS SCHEDULE

(Subject to adjustment)

Session 1-2: China's Reform and Opening-up

Date: 6-29 morning

<p>【Description of the Session】 (purpose, requirements, class and presentations scheduling, etc.)</p> <p>To understand the Rationale and Roadmap of Chinese reform and open-up</p>	
<p>【Questions】</p> <ul style="list-style-type: none"> ➤ Why did China launch the reform and opening-up in 1978? ➤ How did China carry out reform and opening-up? ➤ What is notable about China’s reform path? ➤ Why has China adopted a gradualism approach to economic reform? 	
<p>【Readings, Websites or Video Clips】</p> <p>Barry Naughton, <i>The Chinese Economy</i>, pp. 95-126.</p> <p>Justin Yifu Lin, “Lessons of China’s Transition from a Planned Economy to a Market Economy,” Distinguished Lectures Series no. 16, Warsaw, 17 December 2004.</p> <p>Jeffery Sachs and Wing Thye Woo, “Structural factors in the economic reforms of China, Eastern Europe, and the former Soviet Union,” <i>Economic Policy</i>, Vol. 18, No. 1, 1994, pp. 102-145.</p> <p>Leong H. Liew, “Gradualism in China's Economic Reform and the Role for a Strong Central State,” <i>Journal of Economic Issues</i>, Vol. 29, No. 3 (Sep., 1995), pp. 883-895.</p>	
<p>Class continues and Group Discussion: Market transition: a comparison between China and Russia</p>	<p>6-29 afternoon</p>
<p>Session 2-3: China’s Enterprise (SOE) Reform</p>	
<p>Date: 6-30 & 7-1 morning</p>	
<p>【Description of the Session】 (purpose, requirements, class and presentations scheduling, etc.)</p> <p>To understand major problems of Chinese SOEs, why SOE reform matters in China, how to reform and prospect of the SOE reform</p>	
<p>【Questions】</p> <ul style="list-style-type: none"> ➤ How has China carried out its SOE reform? ➤ How shall we evaluate the SOEs’ performance? ➤ Can mixed ownership reform save Chinese SOEs? 	

➤ What are the problems?

【Readings, Websites or Video Clips】

Barry Naughton, *The Chinese Economy*, pp. 333-362; 479-512.

Justin Yifu Lin, Fang Cai and Zhou Li, “ Competition, Policy Burdens, and State-Owned Enterprise Reform,” *The American Economic Review*, Vol. 88, No. 2, May, 1998, pp. 422-427.

*Fan Gang and Nicholas C. Hope, “Chapter 16 The Role of State-Owned Enterprises in the Chinese Economy,” in China-United States Exchange Foundation (ed.), *US-China 2022: Economic Relations in the Next 10 Years*, China-United States Exchange Foundation, 2013.

CHEN Shaofeng, “Are Chinese Small and Medium Enterprises Victims of Institutional Pitfalls?” in Gungwu Wang, Zheng Yongnian, Yongnian Zheng (eds.), *China: Development and Governance*, London, Singapore and New York: World Scientific Press, 2012, pp. 237-245.

Xiao Geng, Xiuke Yang and Anna Janus, “ State-owned enterprises in China: Reform dynamics and impacts”, Ross Garnaut, Ligang Song and Wing Thye Woo (eds.), *China’s New Place in a World in Crisis: Economic, Geopolitical and Environmental Dimensions*, Canberra: The Australian National University E Press, 2009, chapter 9.

“Why SOE Reform Cannot Be Avoided,”
<http://english.caixin.com/2013-06-20/100543615.html>

Tracy Yang, Jamus Jerome Lim, and Toshiki Kanamori, “ Strategies for the People’s Republic of China’s Small and Medium Enterprise Development within the National Innovation System,” ADB Institute Research Paper Series No. 73, November 2008,
<http://www.adbi.org/files/2008.11.05.rp73.prc.strategies.national.innovation.system.pdf>

Debate 1: Will American supremacy be overtaken by China?

Date: 6-30
afternoon

Student presentation 1: The impact of the Coronavirus (COVID-19) pandemic on China’s economy

7-1 afternoon

Session 4: China’s Sustainable Development

Date: 7-2 morning

<p>【Description of the Session】 (purpose, requirements, class and presentations scheduling, etc.)</p> <p>To understand major challenges for China’s sustainable development, why environmental pollution has become so serious in China</p>	
<p>【Questions】</p> <ul style="list-style-type: none"> ➤ 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? 	
<p>【Readings, Websites or Video Clips】</p> <p>*Barry Naughton, pp. 543-570.</p> <p>*Damien Ma, “China's Search for A New Energy Strategy,” <i>Foreign Affairs</i>, June 4, 2013.</p> <p>Jenny Lin, “China’s Energy Security Dilemma”, http://project2049.net/documents/china_energy_dilemma_lin.pdf</p> <p>Jian Zhang, “China's Energy Security: Prospects, Challenges, and Opportunities,” The Brookings Institution, Center for Northeast Asian Policy Studies</p>	
<p>Student presentation 2 China's demographic trend and its impact on the Chinese economy</p>	<p>Date: 7-2 afternoon</p>
<p>Session 5: China’s Internal Imbalance and Economic Challenges</p>	
<p>【Description of the Session】 (purpose, requirements, class and presentations scheduling, etc.)</p> <p>To understand China’s economic growth mode and problems associated with it</p>	
<p>【Questions】</p> <ul style="list-style-type: none"> ➤ How to understand the change of China’s economic growth mode? ➤ What are the characteristics in different growth periods? ➤ What are the problems? 	
<p>【Readings, Websites or Video Clips】</p> <p>Ettore Dorrucci, Gabor Pula and Daniel Santabárbara, “China’s Economic Growth and Rebalancing,” Occasional Paper Series No. 142 / Feb. 2013, European Central Bank, http://www.ecb.europa.eu/pub/pdf/scpops/ecbocp142.pdf.</p> <p>Cheung, Yin-Wong and Jakob de Haan (eds.), <i>The evolving role of China in the global</i></p>	

economy, Cambridge: MIT Press, 2013, chapter 6 and 7.

John Wong & Wei Liu (eds.), *China's Surging Economy: Adjusting for More Balanced Growth*, New Jersey, London & Singapore: World Scientific, pp. 9-28; 133-151.

Ming Zhang, "The Transition of China's Development Model," in Wilhelm Hofmeister, Konrad-Adenauer-Stiftung e.V. (eds.), *G20: Perceptions and Perspectives for Global Governance*, Konrad Adenauer Stiftung, Oct. 2011, pp. 51-56.

Sylvie D'emurger, "Infrastructure Development and Economic Growth: An Explanation for Regional Disparities in China?" *Journal of Comparative Economics* 29, 95–117 (2001), pp. 95-117.

Yan Wang and Yudong Yao, "Sources of China's Economic Growth, 1952-99: Incorporating Human Capital Accumulation," The World Bank, July 2001.

Student presentation 3 Will US' surging debts spark a financial crisis?	Date: 7-3 afternoon
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Session 6-7: China's Foreign Trade and Global Imbalance	Date: 7-6/7 morning
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【Description of the Session】 (purpose, requirements, class and presentations scheduling, etc.)

To understand the world we are in and how the world economy is operating and governed, the role of China in leading to global imbalance

【Questions】

- How has the world economy been governed? What are the major institutions and mechanisms?
- Why and how global imbalance happened?
- Has global imbalance been redressed?

【Readings, Websites or Video Clips】

Barry Naughton, *The Chinese Economy*, pp. 397-422.

Justin Yifu Lin, **Hinh T. Dinh** & **Fernando Im** (2010), "US–China external imbalance and the global financial crisis," *China Economic Journal*, 3:1, 1-24, DOI: 10.1080/17538963.2010.487348.

Mi Dai, **Madura Maitra** and **Miaojie Yu**, "Unexceptional Exporter Performance in China? Role of Processing Trade," *Journal of Development Economics*, 2016, 121, pp.177-189.

Yu Yongding, “Global Imbalances: China’s Perspective,” Paper prepared for international conference on Global Imbalances, Organized by IIE Washington, 8 February 2007.

Steven Dunaway, Global Imbalances and the Financial Crisis, Council Special Report No. 44, Council on Foreign Relations Press, March 2009.

Chinn M.D. (2013), “Global Imbalances”. In: Gerard Caprio (ed.) The Evidence and Impact of Financial Globalization, Vol. 3, pp. 67-79. Oxford: Elsevier Inc.

Claudio Borio and Piti Disyatat, “Global imbalances and the financial crisis: Link or no link,” Bank for International Settlements (BIS) Working Papers No. 346, May 2011, <http://www.bis.org/publ/work346.pdf>

Martin Feldstein, “Resolving the Global Imbalance: The Dollar and the U.S. Saving Rate,” Journal of economic perspectives 22(3): 113-125.

Andrew Walter, “Global economic governance after the crisis: The G2, the G20, and global imbalances,” <http://personal.lse.ac.uk/wyattwal/images/Globaleconomicgovernanceafterthecrisis.pdf>

Student presentation 4: China-US trade war: why it happened and who will win?	Date: 7-6 afternoon
Student presentation 5: Will economic decoupling between China and the US take place?	Date: 7-7 afternoon

Session 8: China and economic regionalization in East Asia	Date: 7-8 morning
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【Description of the Session】 (purpose, requirements, class and presentations scheduling, etc.)
 To understand why countries join regional integration projects, the evolution of FTAs in the world, the status quo and features of regional integration in East Asia, why it differs from Europe and North America

- 【Questions】**
- What progress has East Asia made in economic regionalization?
 - What are the major arrangements?
 - What role has China played?
 - And how the US and Japan see China’s regional influence?

【Readings, Websites or Video Clips】
 Françoise Nicolas, “ East Asian Regional Economic Integration: A Post-Crisis Update,” Ifri Center for Asian Studies, Asiie Visions 43, September 2011.

C. Fred Bergsten, “Chapter 9 China and Economic Integration in East Asia: Implications for the United States,”

http://csis.org/files/media/csis/pubs/090212_09china_and_economic.pdf

Li, Xing, “East Asian Regional Integration: From Japan-led "Flying-geese" to China-centred "Bamboo Capitalism". (pp. 1-23). Aalborg: CCIS - Center for Comparative Integration Studies, 2007, http://vbn.aau.dk/files/13003157/CCIS_wp_no_3

Student presentation 6 Rising populism and its impact on world economy

Date: 7-8 afternoon

Session 9: China’s One Belt, One Road Initiative

Date: 7-9 morning

【Description of the Session】 (purpose, requirements, class and presentations scheduling, etc.)

To help understand the logic, motives and rationale of the BRI

【Questions】

- 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?

【Readings, Websites or Video Clips】

Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road, Issued by the National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce of the People's Republic of China, with State Council authorization, 28 March 2015.

Yiping Huang, "Understanding China's Belt & Road Initiative: Motivation, framework and assessment," China Economic Review, 2016, vol. 40(C), pages 314-321.

The Economist Intelligence Unit, “Prospects and challenges on China’s ‘one belt, one road’: a risk assessment report,” 2015.

Student presentation 7: Will ‘Abeconomics’ (a term describing Japanese prime minister Shinzo Abe’s economic policies) be able to reinvigorate Japan’s economy?

Date: 7-9 afternoon

Session 10: China Model: Debates and Prospect

Date 7-10 morning

【Description of the Session】 (purpose, requirements, class and presentations scheduling, etc.)

To understand the debate surround the China model, whether it can be exported to other countries, and whether it will defy the Washington Consensus

【Questions】

- How to explain China's economic success?
- What is Chinese model?
- Is Beijing consensus a substitute of Washington consensus?
- What challenges is China facing?

【Readings, Websites or Video Clips】

Joshua Cooper Ramo, "The Beijing Consensus", *The Foreign Policy Centre*, May 2004.
time.dufe.edu.cn/wencong/washingtonconsensus/beijingconsensusen.pdf

Yang Yao, "The End of the Beijing Consensus," *Foreign Affairs*, February 2, 2010.
<http://www.foreignaffairs.com/articles/65947/the-end-of-the-beijing-consensus>

Shaun Breslin, "The 'China model' and the global crisis: from Friedrich List to a Chinese mode of governance?" *International Affairs* 87:6 (2011) 1323–1343.

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

Rowan Callick, "The China Model," *The American*, November/December 2007,
<http://www.american.com/archive/2007/november-december-magazine-contents/the-china-model>

Student presentation 8: Will China become the Japan of the 1980s?

Date: 7-10 afternoon

A CV of 250-300 words and a high-resolution personal photo should also be provided

My Bio:

Shaofeng CHEN is associate professor at the School of International Studies, Peking University (PKU). He is also an advisor for PhD candidates. Before joining in PKU, he worked as a research official and visiting research fellow at the East Asian Institute, National University of Singapore. Currently he serves as an editorial board member of *Korean Journal of Policy Science* and *Asia-Pacific Security Dialogue*, respectively. He was a visiting professor at Hong Kong University in 2014 and New York University in 2015. His research interests cover energy security, regional cooperation and regional integration in the Asia Pacific, and global economic governance. He has published for more than 40 papers and book chapters, and his works appear in both English and Chinese journals, such as the *China Quarterly*, *Journal of Current Chinese Affairs*, *China: An International Journal*, *Copenhagen Journal of Asian Studies*, *Policy and Society*, *Journal of Chinese Political Science*, *International Politics Quarterly*, *International Journal of China Studies*, *American Study*, and so on.

