

## Course Form for PKU Summer School International 2026

<b>Course Title</b>	<b>China in the Global Economy</b>
<b>Teacher</b>	CHEN Shaofeng
<b>First day of classes</b>	July 6, 2026
<b>Last day of classes</b>	July 17, 2026
<b>Course Credit</b>	3 credits (50 学时)
<b>Course Description</b>	
<b>Introduction</b>	
<p>The central theme of this course is help enhance students' comprehension of China and the world in the economic arena. Specifically, it includes three major themes. First, it aims to help international students to understand the global economic structure, institutions and mechanisms where the Chinese economy is sitting; Second, it aims to help understand Chinese economic reform, covering some major issues of Chinese economic reform, such as the rationale and roadmap of China's reform and opening-up, SOE reform, financial reform, demographic change, FDI in China, sustainable development, economic growth mode etc.; Third, emphasis of this course is the interaction between China and the rest of world in terms of trade, finance, investment, regional economic integration, participation in international economic institutions, and 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>	
<b>Objective:</b>	
<ul style="list-style-type: none"> <li>a. To understand the roadmap of Chinese reform and the logic behind it;</li> <li>b. To understand the uniqueness of China's transition and its economic implications;</li> <li>c. To learn how China interacts with the world;</li> <li>d. To build the capability of studying Chinese economy.</li> <li>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.</li> </ul>	
<b>Pre-requisites /Target audience</b>	
<b>Proceeding of the Course</b>	

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 will be divided into X different groups (hinging upon the no. of students), each group responsible for one topic. Students in the same group need to make joint efforts to make well preparation for their presentations. The suggested readings contribute to helping you understand the topic you will present, but they may not be enough, so you can search for other relevant materials.

Presentations will be counted into final grades. The students who prepare presentations should circulate the PPT slides to other students and the teachers before class. Topic presentation should be around 30 minutes. Presentation in the form of debates are strongly encouraged. Students' performance in presentations will be counted.

(2) Group discussions. After the presentation, students need to have discussions in the class. Class discussion can revolve around the presented topics, lectures in the morning, and the suggested readings by the lecturer. You can also be divided into small groups to have discussions. After that, each group is required to present your major discussions and questions to the whole class. Students should make well preparations before the class in order for more effective engagements. Your contribution to group discussions will be counted as well.

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**

Class participation, including attendance and student involvement in class discussions: 40%  
 Student Presentation + small report (group based, no more than 5 pages): 10%  
 Final exam: 50%

### **Text Books and Reading Materials**

**Barry Naughton**, *The Chinese Economy: Adaptation and Growth*, Cambridge: The MIT Press, 2<sup>nd</sup> 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**  
(may be adjusted)

**Session 1-2: China's Reform and Opening-up: Why it's necessary and How it can?**

Date: 7-7 morning

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

To understand the rationale and roadmap of Chinese reform and open-up

**【Questions】**

- 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?

**【Readings, Websites or Video Clips】**

Barry Naughton, *The Chinese Economy*, pp. 95-126.

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.

Jeffery Sachs and Wing Thye Woo, "Structural factors in the economic reforms of China, Eastern Europe, and the former Soviet Union," *Economic Policy*, Vol. 18, No. 1, 1994, pp. 102-145.

Leong H. Liew, "Gradualism in China's Economic Reform and the Role for a Strong Central State," *Journal of Economic Issues*, Vol. 29, No. 3 (Sep., 1995), pp. 883-895.

**Class continues**

7-8 afternoon

<b>Session 2-3: China's State-Owned Enterprise (SOE) Reform</b>	Date:
<b>【Description of the Session】</b> (purpose, requirements, class and presentations scheduling, etc.)	
<p>To understand major problems of Chinese SOEs, why SOE reform matters in China, how to reform and prospect of the SOE reform</p>	
<b>【Questions】</b> <ul style="list-style-type: none"> <li>➤ How has China carried out its SOE reform?</li> <li>➤ How shall we evaluate the SOEs' performance?</li> <li>➤ Can mixed ownership reform save Chinese SOEs?</li> <li>➤ What are the problems?</li> </ul>	
<b>【Readings, Websites or Video Clips】</b> <p>Barry Naughton, <i>The Chinese Economy</i>, pp. 333-362; 479-512.</p> <p>Justin Yifu Lin, Fang Cai and Zhou Li, "Competition, Policy Burdens, and State-Owned Enterprise Reform," <i>The American Economic Review</i>, Vol. 88, No. 2, May, 1998, pp. 422-427.</p> <p>*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.), <i>US-China 2022: Economic Relations in the Next 10 Years</i>, China-United States Exchange Foundation, 2013.</p> <p>CHEN Shaofeng, "Are Chinese Small and Medium Enterprises Victims of Institutional Pitfalls?" in Gungwu Wang, Zheng Yongnian, Yongnian Zheng (eds.), <i>China: Development and Governance</i>, London, Singapore and New York: World Scientific Press, 2012, pp. 237-245.</p> <p>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.), <i>China's New Place in a World in Crisis: Economic, Geopolitical and Environmental Dimensions</i>, Canberra: The Australian National University E Press, 2009, chapter 9.</p> <p>"Why SOE Reform Cannot Be Avoided,"  <a href="http://english.caixin.com/2013-06-20/100543615.html">http://english.caixin.com/2013-06-20/100543615.html</a></p> <p>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,  <a href="http://www.adbi.org/files/2008.11.05.rp73.prc.strategies.national.innovation.system.pdf">http://www.adbi.org/files/2008.11.05.rp73.prc.strategies.national.innovation.system.pdf</a></p>	

Study trip	
<b>Student presentation 1:</b> China's demographic trend and its impact on the Chinese economy	
<p><b>Suggested readings:</b></p> <p>Charles Goodhart and Manon Pradhan: “The great demographic reversal: ageing societies, waning inequality, and an inflation revival,” SUERF Policy Note, Issue No 197, 2020.  <a href="https://www.suerf.org/policynotes/17385/the-great-demographic-reversal-ageing-societies-waning-inequality-and-an-inflation-revival">https://www.suerf.org/policynotes/17385/the-great-demographic-reversal-ageing-societies-waning-inequality-and-an-inflation-revival</a></p> <p>DU Yang, “The Impact of Demographic Changes on Chinese Economy,”  <a href="http://new.cf40.org.cn/uploads/202106dy.pdf">http://new.cf40.org.cn/uploads/202106dy.pdf</a></p>	
<b>Session 4: China’s Sustainable Development</b>	Date:
<p><b>【Description of the Session】</b> (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><b>【Questions】</b></p> <ul style="list-style-type: none"> <li>➤ How does China perceive and deal with energy security?</li> <li>➤ Why has environmental pollution in China become so serious?</li> <li>➤ What are the major drivers?</li> <li>➤ Can China’s economic mode sustainable?</li> </ul>	
<p><b>【Readings, Websites or Video Clips】</b></p> <p>*Barry Naughton, pp. 543-570.</p> <p>* Xu Gong, You Wang, Boqiang Lin, "Assessing dynamic China’s energy security: Based on functional data analysis," <i>Energy</i>, Vol. 217, 15 February 2021.</p> <p>Damien Ma, “China's Search for A New Energy Strategy,” <i>Foreign Affairs</i>, June 4, 2013.</p>	

Jenny Lin, “China’s Energy Security Dilemma”,  
[http://project2049.net/documents/china\\_energy\\_dilemma\\_lin.pdf](http://project2049.net/documents/china_energy_dilemma_lin.pdf)

Jian Zhang, “China's Energy Security: Prospects, Challenges, and Opportunities,” The Brookings Institution, Center for Northeast Asian Policy Studies

**Student presentation 2:** The upgrading of Chinese manufacturing and its impact on the West: Taking EVs or solar photovoltaics as an example

Date:

### Suggested readings:

R. York, S.E. Bell, “Energy transitions or additions?: why a transition from fossil fuels requires more than the growth of renewable energy,” *Energy Res Soc Sci*, 51 (2019), pp. 40-43, 10.1016/j.erss.2019.01.008,

Shu Zhang & Wenying Chen, “Assessing the energy transition in China towards carbon neutrality with a probabilistic framework,” *Nature Communications*, Vol. 13, No. 87 (2022),  
<https://www.nature.com/articles/s41467-021-27671-0>

### Session 5: “Economic New Normal” and Transformation of China’s Economic Growth Mode

Date:

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

To understand China’s economic growth mode and problems associated with it

### 【Questions】

- How to understand the change of China’s economic growth mode?
- What are the characteristics in different growth periods?
- What are the problems?

### 【Readings, Websites or Video Clips】

\* Ni Hongfu<sup>1</sup> and Tian Ye, “ China’s Industrial Upgrading and Value Chain Restructuring Under the New Development Pattern,” *China Economist*, Vol.16, No.5, Sep.-Oct. 2021. <http://www.chinaeconomist.com/pdf/2021/2021-9/Ni%20Hongfu.pdf>

\* Lin Justin Yifu & Xiaobing Wang, “Dual Circulation: a New Structural Economics view of development,” *Journal of Chinese Economic and Business Studies*, Vol.20, Iss. 4, 2022, <https://www.tandfonline.com/doi/full/10.1080/14765284.2021.1929793>

United Nations Development Programme, *Assessment Report on Impact of COVID-19 Pandemic on Chinese Enterprises*, April 2020.

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 China fall into the “Middle income trap”?

Date:

### Suggested readings:

Linda Glawe and Helmut Wagner, “China in the middle-income trap?” *China Economic Review*, 2020, Vol. 60, Iss. C.

<http://www.sciencedirect.com/science/article/pii/S1043951X19300033>

### Session 6-7: China's Foreign Trade in the Turbulent World

Date:

**【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.**

**\*Baldwin, R and R Freeman (2020), “Supply chain contagion waves: Thinking ahead on manufacturing ‘contagion and reinfection’ from the COVID concussion”, VoxEU.org, 01 April.  
<https://voxeu.org/article/covid-concussion-and-supply-chain-contagion-waves>**

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,”



<p><i>Journal of Economic Perspectives</i> 22(3): 113-125.</p> <p>Andrew Walter, “Global economic governance after the crisis: The G2, the G20, and global imbalances,”  <a href="http://personal.lse.ac.uk/wyattwal/images/Globaleconomicgovernanceafterthecrisis.pdf">http://personal.lse.ac.uk/wyattwal/images/Globaleconomicgovernanceafterthecrisis.pdf</a></p>	
<p><b>Student presentation 4:</b> Who are the winners and losers in the Russia-Ukraine War? What lessons can China learn from the unprecedented sanctions on Russia by the West?</p>	<p>Date:</p>
<p><b>Student presentation 5:</b> Will China and the US be economically decoupled? Ramifications for China</p>	<p>Date:</p>
<p><b>Suggested readings:</b></p> <p>Scott Neuman &amp; Alyson Hurt, “The ripple effects of Russia's war in Ukraine continue to change the world,” February 22, 2023.  <a href="https://www.npr.org/2023/02/22/1157106172/ukraine-russia-war-refugees-food-prices">https://www.npr.org/2023/02/22/1157106172/ukraine-russia-war-refugees-food-prices</a></p> <p>IMF Staff Statement on the Economic Impact of War in Ukraine, March 5, 2022.  <a href="https://www.imf.org/en/News/Articles/2022/03/05/pr2261-imf-staff-statement-on-the-economic-impact-of-war-in-ukraine">https://www.imf.org/en/News/Articles/2022/03/05/pr2261-imf-staff-statement-on-the-economic-impact-of-war-in-ukraine</a></p>	
<p><b>Session 8: China and Economic Regionalization in East Asia</b></p>	
<p><b>【Description of the Session】</b> (purpose, requirements, class and presentations scheduling, etc.)</p> <p>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</p>	
<p><b>【Questions】</b></p> <ul style="list-style-type: none"> <li>➤ What progress has East Asia made in economic regionalization?</li> <li>➤ What are the major arrangements?</li> <li>➤ What role has China played?</li> <li>➤ And how the US and Japan see China’s regional influence?</li> </ul>	
<p><b>【Readings, Websites or Video Clips】</b></p> <p>Guanzu Ding, Guangyuan Guo et al, “China-US trade friction and welfare: The role of regional trade agreements,” <i>Economic Modelling</i> 113 (2022) 105877,</p>	

<https://www.sciencedirect.com/journal/economic-modelling/special-issue/10L5N6Z852B>

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

[http://csis.org/files/media/isis/pubs/090212\\_09china\\_and\\_economic.pdf](http://csis.org/files/media/isis/pubs/090212_09china_and_economic.pdf)

Françoise Nicolas, “East Asian Regional Economic Integration: A Post-Crisis Update,” Ifri Center for Asian Studies, Asiie Visions 43, September 2011.

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](http://vbn.aau.dk/files/13003157/CCIS_wp_no_3)

**Student presentation 6:** De-dollarization: Drivers and Prospects

Date:

### Suggested readings:

“Regional Perspectives on the Indo-Pacific Economic Framework,”

<https://www.csis.org/analysis/regional-perspectives-indo-pacific-economic-framework>

SU Qingyi, “The Indo-Pacific Economic Framework as an Economic Agreement: An Analysis,” China Watch Vol. 2, No. 25, June 2022,

<https://china-cee.eu/2022/06/28/the-indo-pacific-economic-framework-as-an-economic-agreement-an-analysis/>

**Session 9: “Belt & Road Initiative” amidst Sino-US strategic competition**

Date:

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

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

<p><b>【Questions】</b></p> <ul style="list-style-type: none"> <li>➤ What is China's One Belt, One Road Initiative?</li> <li>➤ Why has China put forth such an initiative?</li> <li>➤ What are the implications to the world?</li> <li>➤ Any potential risks?</li> </ul>	
<p><b>【Readings, Websites or Video Clips】</b></p> <p><i>Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road</i>, 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.</p> <p>Yiping Huang, "Understanding China's Belt &amp; Road Initiative: Motivation, framework and assessment," <i>China Economic Review</i>, 2016, vol. 40(C), pages 314-321.</p> <p>The Economist Intelligence Unit, "Prospects and challenges on China's 'one belt, one road': a risk assessment report," 2015.</p>	
Study Trip	Date:
<p><b>Suggested readings:</b></p> <p>Brookings, "Words and policies: "De-risking" and China policy,"  <a href="https://www.brookings.edu/articles/words-and-policies-de-risking-and-china-policy">https://www.brookings.edu/articles/words-and-policies-de-risking-and-china-policy</a></p> <p>Arendse Huld, "The EU's New China Strategy – Understanding the Concept of "De-Risking", <i>China Briefing</i>, July 13, 2023,  <a href="https://www.china-briefing.com/news/the-eus-china-strategy-understanding-the-concept-of-de-risking/">https://www.china-briefing.com/news/the-eus-china-strategy-understanding-the-concept-of-de-risking/</a></p>	
Session 10: Course Review	
Final Exam	& Good luck!