

CET Syllabus of Record



Program: Chinese Studies and Internship in Shanghai

Course Title: The Chinese Economy

Course Code: SH/ECON 230

Total Hours: 45

Recommended Credits: 3

Primary Discipline / Suggested Cross Listings: Economics / International Business, Chinese Studies

Language of Instruction: English

Prerequisites/Requirements: Open to all program students

Description

This course is meant to provide an overview of Chinese economy and its impact on the rest of the world. The first part of the course gives a brief historical overview of China's economy, from Mao to Deng's reforms, and on to the 21st century challenges of transitioning from a manufacturing-based economy to a system more incorporated into the global framework. The second part focuses on China's role in globalization and regional economic integration including the topics of uneven growth and development in China's western regions and China's rise from economic isolation. A special emphasis on US-China trade relations helps students evaluate and understand the economic pursuit of these two superpowers in East Asia. The third section of the course considers the unique challenges for multinational corporations to compete in the Chinese market. Students are exposed to the Chinese consumer—their culture and buying behavior. Throughout the course, students analyze the opportunities and risks of international businesses in China.

Objectives

During this course, students:

- Gain a basic understanding of the sources of growth of the Chinese economy
- Analyze the current economic challenges in China
- Evaluate and understand the extent of globalization and economic integration in the East Asian region
- Identify and evaluate, mainly through case studies, the business strategies of international businesses in China
- Analyze the behavior of the Chinese consumer from an economic and business perspective

Course Requirements

Course readings, averaging 50 pages per session, should be completed before class. Students must attend all classes and are expected to participate actively in all class discussions.

Students are required to submit reading notes to ensure that they are completing the course readings and keeping up with all material. The notes are critically evaluated for completeness, critical thinking, and research ideas.

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Students complete one group presentation for their class project, as well as a group project paper. Group project presentations and papers are assigned at the start of the course. The assignment is to provide global and local insights to an international business that intends to expand into China. Group size is two to three students. Presentations are twenty minutes in length and group project papers are approximately 3,000 words in length. Presentations are graded on quality of presentation and soundness of analysis. Papers are similarly graded, further requirements being proper referencing and a good choice of sources.

At the end of the course, students take a final exam where students choose one of five questions, and write an essay of approximately 1200 words in length. Students are given 72 hours to complete this task.

Methods of Evaluation

The final grade is determined as follows:

Group project	35%
Group project presentation	15%
Weekly notes	20%
Final Exam	30%

Primary Texts

Hill, Charles W. L. (2009). *International Business: Competing in the Global Marketplace (8th edition)*. McGraw-Hill, New York.

Lin, Justin Yifu (2011). *Demystifying the Chinese Economy*. Cambridge University Press, Cambridge, UK.

Naughton, Barry (2007) *The Chinese Economy: Transitions and Growth*. Cambridge: MIT Press.

Supplementary Texts

Doctoroff, Tom. (2012) *What Chinese Want: Culture, Communism, and China's Modern Consumer*. New York: Palgrave MacMillan.

Phanisharn, A. (2006). "Economic Implications of China's "Go-West" Policy". *ASEAN Economic Bulletin*, Vol. 23 Issue 2, 253-265

Zhao, Changwen and Jiang Du (2009). "Capital Formation and Economic Growth in Western China". *Chinese Economy*, Nov/Dec Vol. 42 Issue 6, p7-26,

Pomeranz, K. (2000). *The Great Divergence: China, Europe, and the Making of the Modern World Economy*. Princeton University Press, New Jersey.

Yan, R. (1994). "To Reach China's Consumers, Adapt To Guo Qing," *Harvard Business Review*, September-October, pp. 66-74.

Gerth, K (2010), *As China Goes, So Goes the World: How Chinese Consumers Are Transforming Everything*. Hill and Wang, New York.

De Mooij, M. and Hofstede, G. (2011), "Cross-Cultural Consumer Behavior: A Review of Research Findings", *Journal of International Consumer Marketing*, 23, pp. 181-192

Arnould, E.J. and Thompson, C.J. (2005), "Consumer Culture Theory (CCT): Twenty Years of Research", *Journal of Consumer Research*, March, 31, (4), pp. 868-882

Dijk, M. (2011). A different development model in China's western and eastern provinces? *Modern Economy*, 2(5), 757-768.

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- Shostya, A. & Morreale, J. C. (2014). U.S.-China economic and political relations: Youths' perceptions. *International Advances in Economic Research*, 20(2), 189-202.
- Gadiesh, O., Leung, P., & Vestring, T. (2007). The battle for China's good-enough market. *Harvard Business Review* 85(9), 80–89.
- Hung, K. H., Gu, F. F., & Yim, C. K. B. (2007). A Social Institutional Approach to Identifying Generation Cohorts in China with a Comparison with American Consumers. *Journal of*
- Laroche, M., Nepomuceno, M. V., Huang, L., & Richard, M. (2011). What's so funny? The use of humor in magazine advertising in the United States, China and France. *Journal of Advertising Research*, 51(2), 404–416.
- Westjohn, S. A., Singh, N., & Magnusson, P. (2012). Responsiveness to global and local consumer culture positioning: a personality and collective identity perspective. *Journal of International Marketing*, 20(1), 58-73.
- Jovanovic, M (2008), Does Globalization Make Sense, *Economia Internazionale*, Feb. 2008, pp. 47-80.
- Ghemawat, P. (2005). Regional Strategies for Global Leadership. *Harvard Business Review*. December 2005.
- Morgan, R. and Katsikeas, C.S. (1997). Theories of International Trade, Foreign Direct Investment and Firm Internationalisation: A Critique. *Management Decisions* 35 (1).
- World Investment Report 2014, www.unctad.org
- Frost, S. (2004). Chinese Outward Direct Investment in Southeast Asia: How Big are the Flows and What Does it Mean for the Region? *The Pacific Review* 17 (3).
- Trompenaars, F. (1996), "Resolving International Conflicts: Culture and Business Strategy", *Business Strategy Review*, London Business School, Vol. 7 No. 3, pp. 51-68.
- Ghemawat, P. (2001), "Distance Still Matters", *Harvard Business Review*, September 2001.
- Brothers, Brothers and Wilkinson (1998) "Strategic Alliances: Choose Your Partners", *Long Range Planning*, Volume 28, Issue 1.
- Bhartlett and Ghosal (2000), "Going Global: Lessons for Late Movers", *Harvard Business Review*.
- Ghoshal and Nohria (1993), "Horses for Courses", *Sloan Management Review*, Winter.
- Ghemawat, P. (2007), "Managing Differences: The Central Challenge of Global Strategy", *Harvard Business Review*, March 2007.
- Ghemawat, P. (2003), "The Forgotten Strategy", *Harvard Business Review*, November 2003.
- Cremer, R. and B. Ramasamy, Engaging China: Strategies for the Small Internationalizing Firm, *Journal of Business Strategy*, forthcoming.
- Sally, R. (2007), "Trade Policy in Asia: Where next with a crippled WTO and weak FTAs?", *ECIPE Policy Briefs* No. 01/2007.
- Xu, Mingqi (2003). East Asian Economic Integration: China's Perspective and Policy. *Pacific Economic Papers* No. 341, Australia – Japan Research Centre, Asia Pacific School of Economics and Government, Australian National University.
- Miyagawa, M. (2005). Integrating Asia Through Free Trade. *Far Eastern Economic Review* July-August 2005, 168 (7).
- Baldwin, R. (2006). Managing the Noodle Bowl: The Fragility of East Asia Regionalism.

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Williamson, J. (2005). A Currency Basket for East Asia, Not Just China. Policy Briefs in International Economics, No. PB05-1, Institute for International Economics.

Outline of Course Content

Note: Fall/Spring students cover approximately 1 or 2 topics per week. During the summer, when class periods are longer, students cover approximately 2 or 3 topics per week.

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| Topic 1 | Chinese Economy: An Overview |
| Topic 2 | Brief Historical Overview 1: From State Socialism to Deng Xiaoping |
| Topic 3 | Brief Historical Overview 2: Transformation into the 21st century |
| Topic 4 | Chinese Economy: Urban vs. rural divide |
| Topic 5 | China and the World: Globalization from a Chinese perspective |
| Topic 6 | US-China Trade Relations |
| Topic 7 | China and its Asian Neighbors |
| Topic 8 | Economic Dilemmas: Inequality, Environment, GDP |
| Topic 9 | The State vs. the Private Sector |
| Topic 10 | "One Belt One Road": China's Next Step |
| Topic 11 | Marketing in China: Current Marketing Environment |
| Topic 12 | Marketing in China: Who Will Succeed |
| Topic 13 | Chinese Consumer Behavior |
| Topic 14 | Chinese Consumer Culture |