Course title: China’s Economic Reforms
Course code: EAST 3002 SBLC / ECON 3002 SBLC
Programs offering course: Accelerated Chinese Language, Business, Language and Culture, China in a Global Context
Language of instruction: English
U.S. semester credits: 3.00
Contact hours: 45.00
Term: Spring 2021

Course Description

This course introduces students to both domestic and international aspects of China’s economy. It explores the political, social, and cultural forces that are shaping China’s modernization and how the country’s businesses interact with the world marketplace. The course also provides students with the knowledge of processes of reforms in different economic aspects in China and tries to help students to understand the characteristics of Chinese economy.

Learning Objectives

By completing this course, students will:

- Examine the macro and micro economic characteristics of Chinese economy.
- Critique the economic mechanism in the so-called “Socialist Market Economy”.
- Analyze the achievements and challenges that China is facing in its further economic reform and modernization.
- Use practical methods to propose policy solutions appropriate to China’s actual current economic situation.

Course Prerequisites

One semester of macroeconomics

Methods of Instruction

Lectures together with student questions and answers will be the main method of instructions. There will also be group discussions following the introduction of important aspects of the course in class. There will also be a fieldtrip during the term.

Total required readings are 600 pages, and average 50 pages per week. Each student should finish weekly reading assignments in advance of class. All required readings will be provided in a course reader, and will include all works listed in the below bibliography.

Assessment and Final Grade

1. Midterm Exam 20%
2. PPT Outline of Oral Presentatino 15%
3. In Class Oral Presentation 20%
4. Research Paper 30%
5. Class Participation 15%
TOTAL 100%

Course Requirements

Midterm Exam

There will be an in-class midterm exam. The exam will be mainly short answer essay questions and will take place in Week Seven. Specific instructions about the exam will be announced before Week Five.

PPT Outline of Oral Presentatino
In Class Oral Presentation

Each student will be asked at least once to make an oral presentation to talk on specific topic discussed in the class or his/her intended paper topic in the class. So the students should be prepared to make such presentation after Week Eight.

Research Paper

A research paper is due toward the end of the semester analyzing a topic we discussed in class. The paper should be approximately 3,000 words and is due by the end of Week Thirteen. All written assignments should be formatted with double line spacing and typed using a 12-point font and include proper footnotes and bibliography of works cited.

Class Participation

Students are expected to:

- be on time for class and attendance all class sessions.
- be active in class, participate and contribute to the class discussions;
- read assigned chapters and readings BEFORE coming to class on the day that they are assigned so that they are prepared to discuss the material in class;
- attend all the lectures, discussions, and presentations.

Attendance

Regular class attendance is required throughout the program, and all absences will result in a lower participation grade for any affected CIEE course. Due to the intensive schedules for Open Campus and Short Term programs, absences that constitute more than 10% of the total course will result in a written warning.

Students who transfer from one CIEE class to another during the add/drop period will not be considered absent from the first session(s) of their new class, provided they were marked present for the first session(s) of their original class. Otherwise, the absence(s) from the original class carry over to the new class and count against the grade in that class.

For CIEE classes, excessively tardy (over 15 minutes late) students must be marked absent.

Attendance policies also apply to any required co-curricular class excursion or event, as well as to any required field placement. Students may not miss placement/work hours at an internship or service learning site unless approved in advance by the Academic Director and placement supervisor. All students must complete all of the requisite 100 minimum work hours on site at the internship or service learning placement to be eligible for academic credit.

Students who miss class for personal travel, including unforeseen delays that arise as a result of personal travel, will be marked as absent. No make-up or re-sit opportunity will be provided.

Attendance policies also apply to any required class excursion, with the exception that some class excursions cannot accommodate any tardiness, and students risk being marked as absent if they fail to be present at the appointed time.

Absences for classes will lead to the following penalties:
<table>
<thead>
<tr>
<th>Percentage of Total Course Hours Missed</th>
<th>Minimum Penalty</th>
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<tbody>
<tr>
<td>Up to 10%</td>
<td>Participation graded as per class requirements</td>
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<tr>
<td>10 – 20%</td>
<td>Participation graded as per class requirements, 3% grade penalty &amp; written warning</td>
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<tr>
<td>More than 20%</td>
<td>Automatic course failure, and possible expulsion</td>
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N.B. Course schedule is subject to change due to study tours, excursions, or local holidays. Final schedules will be included in the final syllabus provided to students on site.

**Weekly Schedule**

**Week 1**

**Class:** An Overview of Chinese Economy

This lecture discusses the main achievements that have been made during reform process and current problems and challenges Chinese economy is facing and gives students a general view of Chinese Economy.

Reading requirements: Yeh, 11-54. He, 1-18

**Week 2**

**Class:** Rural Reform and Agricultural Development in China

This lecture mainly discusses the pioneer reform in rural area in China and giving students basic knowledge of commune system before reform and analyzing how the contract responsibility system changed rural area and agriculture in China.

Reading requirements: Ash, 55-87; Chen, 15-31; Lin: 34-51.

**Week 3**

**Class:** State-Owned Enterprise Reform

This lecture discusses Chinese state owned enterprises’ role in Chinese economy before and after reform measures have been introduced. It will also talk about current situation of state owed enterprises and the need of further reforms in the future.

Reading requirements: Gao and Chi, 37-80; Tenev and Zhang, 1-30; Ling and Yau, 52-65; Lardy (d), 1-2.

**Week 4**

**Class:** Private Enterprises Development in China

This lecture mainly discussed the path of Chinese private enterprise grew in the reform process and why it is important to develop private enterprises for the Chinese economy.

Reading requirements: International Financial Corporation, 1-34; Wang, 109 -119; Lardy (c), 1-20

**Week 5**

**Class:** China’s Financial System Reform
This lecture discusses how a simple and unified banking system under plan economy develop into a modern sophisticated financial system in China.


**Midterm Exam**

**Week 6**  
Class: Financial System Opening and Capital Account Liberalization  
This lecture discusses controversial issue of Chinese financial service industry opening and financial market opening and tries to let the students understand Chinese gradual opening method in this area.  
Reading requirements: Lardy (b), 1-25.

**Week 7**  
Class: China’s Foreign Trade Reform and Development  
This lecture mainly discusses the monopoly and state controlled foreign trade system before reform and how this was replaced by free market based foreign trade system.  
Reading requirements: Lardy (a), 217-246; Li: 54-70.

**Begin oral presentations this week**

**Week 8**  
Class: Continuing Oral Presentation and Class Discussion

**Week 9**  
Class: China’s Foreign Investment and Opening Policy  
This lecture mainly discusses the evolution of opening policy and foreign direct investment role in the Chinese economic development.  
Reading requirements: Kuen, 159-216; Fujikawa and Watanabe, 56-67.

**Week 10**  
Class: Taxation Reform and Government Expenditure  
This lecture discusses the evolution of Chinese tax system in the past 60 years the change of government fiscal policy during the reform period.  
Reading requirements: Background material 1-11; Yang, 1-9; Tao and Qin, 19-23.

**Week 11**  
Class: Disparity of income Distribution and Social Security Problem  
This lecture mainly discusses inequality issue in China and how this was related with reform and how to cure the widening gap between rich and poor.  
Reading requirements: Shi et al, 40-50; Wu and Perloff, 1-24; Jiang and Li: 38-53. Dollar, 1-34.

**Week 12**  
Class: Energy Security and Food Security in China  
This lecture discusses two controversial issues of energy supply and food supply in China as China speeding up industrialization and has limited land and crude oil reserve.  
Reading requirements: Kambara, 217-246; He and Qin: 93-104; Mao, 105-111.

*(Handing in the research paper)*

**Research paper due in the Friday of this week (last day of handing in the final paper )**
Readings


China Tax System reform, 1-11 (background reading material provided by Xu Mingqi).


OECD: Reforming State Asset Management and Improving Corporate Governance: the Two Challenges of Chinese Enterprise Reform, document,

<http://www.oecd.org/document/32/0,2340,en_2649_33735_35340704_1_1_1_1,00.html>.


