

# Syllabus of Record



**Program:** CET Shanghai

**Course Code / Title:** (SH/ECON 230) The Chinese Economy

**Total Hours:** 45

**Recommended Credits:** 3

**Primary Discipline / Suggested Cross Listings:** Economics / East Asian Studies, International Relations, Business, International Management

**Language of Instruction:** English

**Prerequisites/Requirements:** None

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## Description

This is an intermediate-level course on the Chinese economy and its impact not only on Chinese people but also the rest of the world. The course begins with a historical review of China's economy from the Mao Years to the Deng Xiaoping reform era to the 21st-century challenge 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 regional economic integration and globalization, including the topics of unbalanced growth and development in China's western regions and other issues specific to the nation. 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 challenges that international businesses encounter competing in the Chinese market. Students are exposed Chinese consumer culture and buying behavior. The course concludes with a discussion on the future of the Chinese economy. Students have at least one field-based class at a local branch of a major multinational corporation or a leading Chinese corporation where they gain insight into topics such as the latest progress in manufacturing and services and managerial issues in China.

## Objectives

In this course, students:

- Gain a critical understanding of the sources of growth within the Chinese economy.
- Analyze the economic challenges in China and the impact of consumer behavior.
- Evaluate the extent of globalization and economic integration in the East Asian region.
- Identify and examine, mainly through case studies, the strategies of international businesses in China.
- Build skills to evaluate China's economic policies in the coming decades.
- Conduct research in a Chinese environment and present findings to peers.

## Course Requirements

Students are expected to attend each class and field-based course component, as outlined in the CET Attendance Policy. Assigned readings, averaging 50-80 pages per session, must be completed before class. Active participation is essential in this course, and students are expected to come prepared to participate thoughtfully in class discussions.

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Students take two 15-minute quizzes during the course. A quiz includes five multiple choice questions and one short-answer question. At the end of the term, students take a two-hour final exam. The questions include multiple choices, essay questions, and peer evaluation.

Students complete a 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 help a Chinese business go international. Group size is two to three students. Presentations are twenty minutes in length and group project papers are at least 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.

### Grading

The final grade is determined as follows:

- Preparation and participation: 20%
- Quizzes: 20%
- Group project: 15%
- Group project presentation: 15%
- Final exam: 30%

### Readings

Arnould, Eric J. and Thompson, Craig J. "Consumer Culture Theory (CCT): Twenty Years of Research." *Journal of Consumer Research* 31, no. 4 (March 2005): 868-882.

Baldwin, Richard E. "Managing the Noodle Bowl: The Fragility of East Asia Regionalism." Asian Development Bank Working Paper Series on Regional Economic Integration No. 7 (Feb. 2007). <https://www.adb.org/sites/default/files/publication/28464/wp07-baldwin.pdf>

Bartlett, Christopher A. and Sumantra Ghosal. "Going Global: Lessons for Late Movers." *Harvard Business Review* 78, no. 2 (March–April 2000): 132–142.

Brouthers, Keith D., Lance Elliot Brouthers, and Timothy J. Wilkinson. "Strategic Alliances: Choose Your Partners." *Long Range Planning* 28, no. 3 (June 1995): 18-25.

Cremer, Rolf D. and Bala Ramasamy. "Engaging China: Strategies for the Small Internationalizing Firm." *Journal of Business Strategy* 30, no. 6 (2009): 15-26.

De Mooij, Marieke and Geert Hofstede. "Cross-cultural Consumer Behavior: A Review of Research Findings." *Journal of International Consumer Marketing* 23 (2011): 181–192.

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

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Frost, Stephen. "Chinese Outward Direct Investment in Southeast Asia: How Big are the Flows and What Does it Mean for the Region?" *The Pacific Review* 17, no. 3 (2004): 323-340.

Gadiesh, Orit, Philip Leung, and Till Vestring. "The Battle for China's Good-Enough Market." *Harvard Business Review* 85, no.9 (2007): 80–89.

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

Ghemawat, Pankaj. "Distance Still Matters: The Hard Reality of Global Expansion." *Harvard Business Review*, Sept. 2001.

\_\_\_\_\_. "The Forgotten Strategy." *Harvard Business Review*, Nov. 2003.

\_\_\_\_\_. "Regional Strategies for Global Leadership." *Harvard Business Review*, Dec. 2005.

\_\_\_\_\_. "Managing Differences: The Central Challenge of Global Strategy." *Harvard Business Review*, March 2007.

Ghoshal, Sumantra and Nitin Nohria. "Horses for Courses: Organizational Forms for Multinational Corporations." *Sloan Management Review* (Winter 1993).  
<https://sloanreview.mit.edu/article/horses-for-courses-organizational-forms-for-multinational-corporations/>

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

Hung, Kineta H. et al. "A Social Institutional Approach to Identifying Generation Cohorts in China with a Comparison with American Consumers." *Journal of International Business Studies* 38, no. 5 (Sept. 2007): 836-53.

Jovanovic, Miroslav. "Does Globalisation Make Sense?" *Economia Internazionale* 31, no.1 (Feb. 2008): 47-80.

Laroche, Michel, et al. "What's So Funny? The Use of Humor in Magazine Advertising in the United States, China and France." *Journal of Advertising Research* 51, no. 2 (2011): 404-16.

Lin, Justin Yifu. *Demystifying the Chinese Economy*. Cambridge: Cambridge University Press, 2007.

Lucas Jr., Robert E. "Why Doesn't Capital Flow from Rich to Poor Countries?" *American Economic Review* 80, no. 2 (1990): 92–96.

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Miyagawa, M. "Integrating Asia Through Free Trade." *Far Eastern Economic Review* 168, no. 7 (2005).

Morgan, Robert E. and Constantine S. Katsikeas. "Theories of International Trade, Foreign Direct Investment and Firm Internationalization: A Critique." *Management Decisions* 35, no. 1. (1997): 68-78.

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

Phanishsarn, Aksornsri. "Economic Implications of China's 'Go-West' Policy: A View from Thailand." *ASEAN Economic Bulletin* 23, no. 2 (2006): 253-265.  
[muse.jhu.edu/article/209203](http://muse.jhu.edu/article/209203).

Pomeranz, Kenneth. *The Great Divergence: China, Europe, and the Making of the Modern World Economy*. Princeton, NJ: Princeton University Press, 2000.

Sally, Razeen. "Trade Policy in Asia: Where Next with a Crippled WTO and Weak FTAs?" *ECIPE Policy Briefs* 1 (2007).  
<https://pdfs.semanticscholar.org/1fe1/1974570c8ebe2b1b273d75615fc8b353546d.pdf>

Shostya, Anna and Joseph C. Morreale. "U.S.-China Economic and Political Relations: Youths' Perceptions." *International Advances in Economic Research* 20, no. 2 (2014): 189-202.

Trompenaars, Fons. "Resolving International Conflicts: Culture and Business Strategy." *Business Strategy Review, London Business School* 7, no. 3 (1996): 51-68.

van Dijk, Meine Pieter. "A Different Development Model in China's Western and Eastern Provinces?" *Modern Economy* 2, no. 5 (2011): 757-768.

Westjohn, Stanford A., Nitish Singh, and Peter Magnusson. "Responsiveness to Global and Local Consumer Culture Positioning: A Personality and Collective Identity Perspective." *Journal of International Marketing* 20, no. 1 (2012): 58-73.

Williamson, John. "A Currency Basket for East Asia, Not Just China." *Policy Briefs in International Economics*, No. PB05-1, Institute for International Economics, Aug. 2005.  
<https://piie.com/publications/pb/pb05-1.pdf>

Xu, Mingqi. "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, 2003.

Zhao, Changwen and Jiang Du. "Capital Formation and Economic Growth in Western China." *Chinese Economy* 42, no. 6 (2009): 7-26.

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### Outline of Course Content

- Topic 1: Globalization from a Chinese perspective
- Topic 2: An overview of the Chinese economy
- Topic 3: The Chinese economy from isolationism to Deng Xiaoping
- Topic 4: Transformation of the Chinese economy into the 21st century
- Topic 5: US-China trade relations
- Topic 6: China and regional economic integration
- Topic 7: The East-West gap
- Topic 8: Rural and environment issues
- Topic 9: International businesses in China
- Topic 10: Chinese consumers
- Topic 11: Future trends in the Chinese economy