



China's Modern Economy SHGH ECON 3369

This course is being offered at East China Normal University, CAPA's academic partner in Shanghai. The Chinese academic system differs from the US, particularly with grading. ECNU professors expect students to undertake a good deal of independent study to achieve a high mark in their classes.

ECNU classes fill quickly, so make your selections as soon as possible. Please have an alternative ECNU course in mind in case your first choice is unavailable.

For additional information about this class, please contact the Boston Program Advising Team at 1-800-793-0334.



Global Curriculum Program China's Modern Economy

Language of Instruction: English

Contact Hours: 52 course hours. One course hour is 45 minutes.

Recommended Credit: 3

Course Description:

In the past three decades, China is one of the most dynamic and fastest growing countries in the world. Why has China been growing so fast in the last three decades? What are the keys to develop a successful business in China? How does the emergence of China affect the world economy? This course is designed to answer the above questions using a general framework developed for the Chinese economy. China remains a communist country with a significant legacy of a command economy. But it is also a market economy. Understanding this mixture - capitalism with Chinese characters - is a major aim of this course.

We will begin with several classes on the historical development of the Chinese economy. This includes the nature of the command economy developed during the Maoist era and the period of economic reform under Deng Xiaoping. Then we will investigate the main players of such an economy (central/local governments and various types of firms). The next is to analyze the three growth engines, globalization, industrialization and urbanization, and to show how they are interacted. We will also study the distorted state financial system and its implication on external imbalances. The last part of the course will be on the future of the Chinese economy.

Textbooks

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

<http://www.amazon.com/The-Chinese-Economy-Transitions-Growth/dp/0262640643>

Course outline (tentative, more detailed syllabus will be given at the beginning of the class)

- Fundamentals of Economic Analysis
 - Demand, supply and markets



- National output and overall price level
- Aggregate demand and supply
- Money and money supply
- Economic Growth
- Economic Fluctuations
- Macroeconomic Policies

- Historical Background of Chinese economy
 - Before 1949
 - Experiment of plan economy
 - Market economy transition

- Important market participates
 - The state-owned enterprises
 - The foreign-invested enterprises
 - The domestic private enterprises
 - Government
 - The China's communist party
 - Decentralized authoritarianism
 - Local government competition

- Financial Markets and Banking system
 - The banking sector
 - The stock market
 - Monetary policies

- Growth engine of Chinese economy
 - Industrialization
 - Structural changes
 - The world manufacturing center
 - Demand structural shifts
 - Urbanization
 - Rural and urban migration
 - Urban transformation
 - The housing market
 - Globalization (Open Economy)
 - Firms and exports
 - The global impact of China's exports
 - Trade imbalances
 - Exchange rate and currency reevaluation

- Projecting China's Performance
 - The future of structural transformations
 - Demographic transition: The impact of the one child policy
 - On the evolution and sustainability of the China model