

ECON6031
The Chinese Economy
Spring 2004

Dr. XIAO Geng

Lecture hours: 6:45-9:45pm Thursday
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Course description:

This course reviews the economic transformation of the People's Republic of China and its implications. China's experiences are subjected to theoretical and empirical analysis of modern economics. The course covers structural and institutional changes as well as current debates on reform and policy. Topics include history, geography, population, rural reform, industrialization, urbanization, enterprise reform, foreign trade and investment, financial system, and regional development. The objective is to gain understanding on the working of the Chinese economy and its relations with the global economy. The course provides opportunities for students to apply economic theories to real world problems.

Course work and grading:

There will be no written final exam. The grading will be based on the following weighting:

- **Participation in course activities (20%)**
- **Presentation (30%)**
Students are required to make a 45-minute group presentation at one of the nine workshops.
- **Comments on presentation (20%)**
Students are required to make oral and written comments on one of the group presentations.
- **Term paper (30%)**
Students are required to submit a term paper on or before 6 May 2003.

Tentative schedule on topics for lectures and workshops

1. Institutional economics (lecture on Feb 12)
2. Property rights and China's economic reform (lecture on Feb 19)
3. Overview of China's economic reform (lecture on Feb 26)
4. Rural and agricultural reform and development (workshop on March 4)

5. Reform and development of enterprise and industry (workshop on March 11)
6. Foreign trade and investment (workshop on March 25)
7. Banking and financial sector development (workshop on April 1)
8. Capital markets development (workshop on April 8)
9. Taxation and central-local fiscal relations (workshop on April 15)
10. Monetary policy and exchange rate regime (workshop on April 22)
11. Employment, social safety net, and regional development (workshop April 29)
12. Government, regulation and legal system (workshop on May 6)

Basic readings:

- Kasper, Wolfgang and Streit, Manfred E. Institutional Economics: Social Order and Public Policy, Cheltenham, UK: Edward Elgar, 1999.
- Werin, Lars. Economic Behavior and Legal Institutions: An Introductory Survey, Singapore: World Scientific, 2003.
- De Soto, Hernando. The Mystery of Capital: Why capitalism triumphs in the west and fails everywhere else, London: Transworld Publishers, 2000.
- Maddison, Angus. Chinese Economic Performance in the Long Run, Paris: Development Centre of the OECD, 1998.
- OECD, China in the World Economy: An OECD Economic and Statistical Survey, London: Kogan Page, 2003.
- Garnaut, Ross and Huang, Yiping. Growth without Miracles: Readings on the Chinese Economy in the Era of Reform, New York: Oxford University, 2000.
- China National Bureau of Statistics. China Statistical Yearbook 2003, Beijing: China Statistics Press, 2003.

Additional readings:

- Articles by Dr. Geng Xiao and additional reading lists on institutional economics and the Chinese economy <http://www.econ.hku.hk/~xiaogeng>
- China Economic Review <http://www.sciencedirect.com/science/journal/1043951X>
- China Project at the Royal Institute of International Affairs http://www.riia.org/riia/scan/st=sql/fi=pages/sf=page_ID/se=137/va=thisSection%3dresearch/va=SectionID%3d5/va=thisPage%3dchinaproject/va=thisDetail%3d0/va=thisprog%3d0/va=thispageid%3d137/sp=content/fp=content.html
- China Research Services Center at the Chinese University of Hong Kong <http://www.usc.cuhk.edu.hk/uscen.asp>
- Sina.Com <http://englishcenter.sina.com/>