

The Chinese University of Hong Kong  
Department of Economics

**ECON5310 Chinese Economy**  
**1<sup>st</sup> Term, 2017-2018**

**Professor: Zheng (Michael) Song**  
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**Teaching Assistant: Hanyi Tao**

**Course Schedules:**

Lecture	Course Code	Date	Time	Venue
L1	ECON5310	13-Sep-17	We 08:30 - 11:15	CKB LT3
L2	ECON5310	20-Sep-17	We 08:30 - 11:15	CKB LT3
L3	ECON5310	27-Sep-17	We 08:30 - 11:15	CKB LT3
L4	ECON5310	4-Oct-17	We 08:30 - 11:15	CKB LT3
L5	ECON5310	11-Oct-17	We 08:30 - 11:15	CKB LT3
L6	ECON5310	18-Oct-17	We 08:30 - 11:15	CKB LT3
L7	ECON5310	25-Oct-17	We 08:30 - 11:15	CKB LT3
L8	ECON5310	1-Nov-17	We 08:30 - 11:15	CKB LT3
L9	ECON5310	TBC	We 08:30 - 11:15	TBC
L10	ECON5310	15-Nov-17	We 08:30 - 11:15	CKB LT3
L11	ECON5310	22-Nov-17	We 08:30 - 11:15	CKB LT3
L12	ECON5310	29-Nov-17	We 08:30 - 11:15	CKB LT3
L13	ECON5310	6-Dec-17	We 08:30 - 11:15	TBC

**Course Description**

This course provides a conceptual framework that helps us understand China's growth over the three decades since the late 1970s and its recent slowdown. We will: (i) explore the politico-economic arrangements that have been underpinning China's high growth; (ii) discuss the institutional changes that may be responsible for the recent slowdown; (3) evaluate welfare implications of the rise of Chinese economy in a global perspective; (4) discuss timely topics including the rise of the service sector, the adjustment of external imbalances, the efficiency of R&D investment and the transformation of the financial sector.

## Course Materials

Lecture notes, compulsory and optional readings. All materials will be available for downloading before each meeting.

Textbook: N.A.

Reference: [See the materials in the course web/email](#)

## Assessments

The course grade is based on final exam (60%), presentation (30%) and class performance (10%).

Presentation: Group presentation is encouraged. **You may work in teams of up to 4 people.** Each presentation can go up to a maximum of 15 minutes. Presentations will be given at the beginning of the second half of class. If you decide to present, please email me about your preferred presentation dates. The email of your proposal should be sent to me at least two weeks ahead of the presentation. Your proposal will be accepted (or denied) if it has (or lacks) general interests.

## Topics

Topic 1: Overview, China's Data and Conceptual Framework (A Model of "Crony Capitalism")

Topic 2: Firms: Crony Capitalism in the Private and State sectors

Topic 3: Government: Merit- vs. Connection-Based Evaluation and its Implications

Topic 4: Extension of the Baseline Framework: Misallocation and Aggregate Implications

Topic 5: Extension of the Baseline Framework: Recent Institutional Changes and Economic Slowdown

Topic 6: Domestic Structural Issues (barriers to rural-urban migration, population

ageing, underdeveloped service sector, allocative inefficiency of R&D investment ...)

Topic 7: External Imbalances (the nature of trade imbalances and their recent correction, macro consequences of capital account liberalization ...)

Topic 8: Banking and Finance (the nature of local financing vehicles, the rise of shadow banking, welfare consequences of China's partial financial liberalization ...)

### **Academic Honesty**

Attention is drawn to University policy and regulations on honesty in academic work, and to the disciplinary guidelines and procedures applicable to breaches of such policy and regulations. Details may be found at

<http://www.cuhk.edu.hk/policy/academichonesty/>.