

ECON3370: BUSINESS ENVIRONMENT OF CHINA

Instructor: Yifan Zhang

Office: ELB 920

Phone: 3943-8185

Email: yifan.zhang@cuhk.edu.hk

Course Description

This course develops, from an economic perspective, an understanding of the basic conditions of the Chinese economy and Chinese society, the underlying forces behind the Chinese economic development, the political structure of China, as well as some key aspects of China's consumer market. We also examine the key challenges and opportunities that complex business environment has provided for Chinese firms, including state-owned enterprises, private firms and foreign invested firms.

Learning Outcomes:

Upon completion of the course, students

1. Will be able to understand the economic, political and social background of China's economic reform.
2. Will be able to compare, contrast and evaluate the strengths and weaknesses of China's business environment.
3. Will be able to apply the theories introduced in class to the analysis of business environment in China.

Measurement of Learning Outcomes

1. Students' knowledge of China's economic reform and business environment will be measured by class discussion and quizzes. (LO1, LO2)
2. Students' ability to apply the economic theories on China's business environment will be measured by class discussion and an individual essay. (LO3)

Assessment

Class attendance and discussion	10%
Individual essay	30%
Quizzes	60%
Total	100%

Indicative Contents

1. Economic Reforms

- Timeline of major reforms
- Rural reforms
- Macroeconomic reforms

2. Firms

- State owned enterprises
- Private firms

3. Trade and Investment

- International trade
- Inward and outward foreign investment

4. Government and Law

- Political structure
- Legal environment

5. Society and Culture

- Social environment
- Business culture

Required Readings

There is no required textbook for this course. Reading materials can be downloaded and printed from the *Blackboard*.

Supplementary Readings

- Arthur R. Kroeber (2020) *China's Economy: What Everyone Needs to Know*, 2nd edition, Oxford University Press.
- Barry Naughton (2018) *The Chinese Economy: Adaptation and Growth*, 2nd edition, The MIT Press

Individual Essay

You are required to write an essay on a topic from the following list.

- A case study of foreign or Hong Kong investment in China.

You can choose either a sector (banking, or online shopping, for example) or a company and examine the trend, motivation, and strategies of their FDI in China. For example, why is it important to study the case? What will be the future prospects? What are your insightful suggestions or recommendations for future direction?

- Trade or FDI between a foreign country (or a region) and China.

You can provide a detail study of trade or FDI between a foreign country (or a region) and China: the patterns, trade relationships, sectoral and geographic distribution of FDI, etc. You can also study in what way the FDI pattern and strategies from that country (region) differ from those of other countries? You may also include in your research a case study of a multinational company from this country.

The essay should be around 10 - 20 pages in length (including tables, figures, and references). To ensure consistency, the main text of the essay should comply with the following format:

- Font: Times New Roman
- Font size: 12 point
- Margin: 1 inch all around
- Spacing: 0pt before, 0pt after, double line spacing

You are required to submit a softcopy of the essay via VeriGuide. The deadline for submission is **December 13, 2021**. Late submission will have 20% of the mark deducted per 24-hour period.