

CCSS2450 Business and China
CHES2102 China's Business Environment in Historical Perspective
Fall 2020

Instructor: Prof Li Chen (Email: lichen@cuhk.edu.hk)

Online Lecture/Tutorial (Zoom): Wed 2:30 - 5:15pm

Office Hours: by appointment

Office: Room1108, 11/F, Yasumoto International Academic Park, CUHK

Course Description

China's transition from a central-planning company to a more market-oriented system has been a remarkable process of reforms and opening up. The business environment in China has been transformed accordingly. This course discusses the evolution of business sector development in contemporary China. Using economic reforms as the overall framework, it combines institutional analyses with business histories and company-level case studies.

Learning outcomes

By the end of the semester, students should:

- gain a better understanding of the historical evolution and key contemporary features of Chinese business systems.
- be familiar with basic firm-level case studies on Chinese companies.
- understand the evolving responses of the Chinese government, corporate and financial sectors to the changing trends of the global economy and business environment.

Course readings

This course has no standard textbook. Readings will be assigned by the instructor.

Assessment

Class attendance	10%
Discussion participation	15% (including a business documentary film session)
Project I: leading discussion on assigned case study seminar	25%
Project II: presentation on self-selected company, industry or business issue	25%
Term paper	25%

- Discussion participation: students are expected to actively participate in discussion and will be assessed for each class.
- Project I: leading discussion on assigned case study seminar (online, zoom): starting from the third week, there will be a weekly case study seminar, and students are expected to come to class having read the materials and ready to participate in class discussion. Students are encouraged to conduct further background research on the assigned cases. Students are divided into groups to give introductory presentations on required readings, which will be uploaded to the Blackboard system.

- Presentation (online, zoom): each student is required to research and make an individual presentation discussing a self-selected Chinese company, industry or a self-selected business-relevant issue in China. The arrangement of student presentation will be announced later depending on the size of the class.
- Term paper: students will research and write a paper discussing a self-selected Chinese company or a self-selected business-relevant issue in China. The topics may be the same with their presentation, or can be different ones. Students should resort to original company reports (annual reports, investor presentations, other company website materials), academic references (journal articles, book chapters), official statistics, and reliable news media reporting. The paper should be of the length of around 3000-4000 words.

Students should submit a soft copy to the *Veriguide* system first and include the *Veriguide* receipt on the final copy that they submit to the instructor. The final copy must be submitted no later than 5pm on Dec 09, double-spaced with standard margins and in 12-point *Times New Rome* font. **Final copies without the *Veriguide* receipt will NOT be graded.** See the website:

https://services.veriguide.org/academic/login_CUHK.jspx

Late submission of papers without a documented medical excuse will result in a 5% penalty and an additional 5% for every additional day.

Academic Honesty and Plagiarism

The University Regulations on academic dishonesty will be strictly enforced.

Please check the University Statement on plagiarism on the web:

http://www.cuhk.edu.hk/policy/academic_honesty/

1) Lecture topics

Class 1-3 Economic reform and the development of a corporate sector

Useful Reference

Wu, Jinglian (2005) *Understanding and Interpreting Chinese Economic Reform*, Singapore: Thomson

Huang, Yasheng (2008) *Capitalism with Chinese Characteristics: Entrepreneurship and the State*, Cambridge: Cambridge University Press

Class 4-5 From state-owned enterprises to state-controlled corporations

Useful Reference

Wu, Jinglian (2005) *Understanding and Interpreting Chinese Economic Reform*, Singapore: Thomson

Sutherland, D. (2003) *China's Large Enterprises and the Challenge of Late Industrialisation*, London: RoutledgeCurzon.

Class 6-7 Industrial policy and innovation

Useful Reference

Nolan, P. (2001) *China and the Global Economy: National Champions, Industrial Policy and the Big Business Revolution*. Houndsmill: Palgrave

Edward Tse (2015) *China's Disruptors: How Alibaba, Xiaomi, Tencent, and Other Companies are Changing the Rules of Business*.

Lee, K. (2019) *The Art of Economic Catch-Up: Barriers, Detours and Leapfrogging in Innovation Systems*. Cambridge: Cambridge University Press.

Class 8-10 Banking

Useful Reference

Walter, C. E. and Howie, F.J.T. (2011) *Red Capitalism: the Fragile Financial Foundation of China's Extraordinary Rise*, Singapore: John Wiley & Sons.

Sanderson, H. and Forsythe, M. (2013) *China's Super-bank: Debt, Oil and Influence – How China Development Bank is Rewriting the Rules of Finance*, Singapore: John Wiley & Sons.

Class 11-12 Capital markets

Useful Reference

Allen, William and Shen Han (2012) "Assessing China's Top-down Securities Markets" in Randall Morck and Joseph Fan (eds), *Capitalizing China*, University of Chicago Press, pp.149-201.

Walter, C. and Howie, F. (2006) *Privatizing China: Inside China's Stock Markets*, Singapore: John Wiley & Sons

Walter, C. E. and Howie, F. (2011) *Red Capitalism: the Fragile Financial Foundation of China's Extraordinary Rise*, Singapore: John Wiley & Sons

Class 13 Government, business environment and the changing economic trends

Useful Reference

Nolan, P. (2013) *Is China Buying the World?* Cambridge: Polity Press.

Steinfeld, E. (2010) *Playing Our Game: Why China's Economic Rise Doesn't Threaten the West*, Oxford: Oxford University Press.

Zhang, X. and Zhu, T. (eds.) (2017) *The Chinese Political Economy: Business, Government and Economic Institutions*. Basingstoke: Palgrave Macmillan.

2) Case study seminars

Case 1: The transformation of local state enterprise: the case of Haier

Case 2: The transformation of central state enterprise: China's national oil companies

Case 3: The high-tech/R&D sector: the case of China's aviation industry

Case 4: Digital champions: the rise of China's Bigtech firms

Case 5: Innovation and the rise of China's telecom giant: the case of Huawei

Case 6: Corporatization of state-owned banks: the case of ICBC

Case 7: China Development Bank and infrastructural development

Case 8: Sovereign Wealth Fund, Chinese style: China Investment Corporation

Case 9: Boom and crash, Chinese style: China's stock market crisis in 2015

Case 10: SOEs go global? Cross-border M&As

Case 10: Industrial restructuring and China's steel industry

Case 11: China as a global clean energy champion

Case 12: Navigating changing policy environment: China's independent refineries

Please note the instructor reserves the rights to change the syllabus at any time.

Back-up Plan: the lectures, tutorials and assessment will be conducted online as specified above until face-to-face teaching is resumed according to CUHK instructions.