

The Chinese University of Hong Kong  
Department of Economics

**ECON5310 Chinese Economy**  
**1<sup>st</sup> Term, 2020-2021**

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**Teaching Schedule:**

**Saturday, 8:30AM to 11:00AM**

**Teaching period: Sep 19 to Dec 12**

**All class meetings will be conducted online.**

*Black-up Plan: Face-to-face teaching and assessment may be resumed when the pandemic stabilizes*

**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 5 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: China's National Accounts

Topic 2: Conceptual Framework: A Model of "Crony Capitalism"

Topic 3: Firms: The Rise of the Private Sector and the Transformation of the State Sector

Topic 4: Government: Merit- vs. Connection-Based Evaluations and their Implications

Topic 5: Extension of the Baseline Framework: Misallocation and Aggregate Implications

Topic 6: Extension of the Baseline Framework: Recent Institutional Changes and Economic Slowdown

Topic 7: Domestic Structural Issues (barriers to rural-urban migration, population ageing, underdeveloped service sector, allocative inefficiency of R&D investment ...)

Topic 8: External Imbalances (the nature of trade imbalances and their recent correction, macro consequences of capital account liberalization and capital controls ...)

Topic 9: Banking and Finance (local financing vehicles, shadow banking, 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/>.