

# Theory and Practice of Socialist Economics – Economics of Development

Lecturer: Prof Guy Liu

Credits: 3

Total of Direct Contact Teaching Hours: 36 hrs

Weekly Teaching Hours: 6 hrs

Pre-request for attending the Course: elementary economics

Contact email: [liusj@phbs.pku.edu.cn](mailto:liusj@phbs.pku.edu.cn)

## MAIN AIMS OF THE COURSE

China is playing an increasingly important role in the World economy. As the World's largest emerging and transitional economy, a good understanding of its economic fundamental and sources of growth will be vital for policy making and business strategy in relation to the region. In line of this demand, the PKU-HSBC master course on the Economy of China in Reform and its Development will aim to equip students with comprehensive understanding of main aspects of China's economic development and reform since the founding of the People's Republic of China. The course will particularly provide students with (1) in-depth knowledge on China's economy and reform, (2) general theory of economics that can be applied to explain economic phenomenon in China and (3) analytical ability to address issues in relation to growth and other aspects of China's economic reform and sustainable development for business applications, policy making and further advanced research in academy.

## LEARNING OUTCOMES FOR THE COURSE

The course aims to contribute towards the academic and professional development of students. In particular, the course provides opportunities for students to acquire or develop in-depth knowledge and understanding, skills and other attributes in the following areas:

### (A) Knowledge and Understanding

1. To equip students with broad knowledge and in-depth understanding of China's economic development and its reform in the political and social context since founding People's Republic of China
2. To understand China's economic management structure and its evolution; major economic conditions, events and its development from the pre-reform period (1949-1978) to the reform period (1978-date).

3. A critical evaluation of China's reform strategies and policies in terms of its effectiveness and challenges.

4. An awareness of current challenges and opportunities for China's economic development.

(B) Cognitive skills

5. Problem solving ability in regards to economic problems and issues related to the Chinese economy and business.

6. Critically analysing the factors that contribute to the determination of reform policy and strategies in China.

(C) Other Skills and Attributes (Practical/Professional/Transferable)

7. A working knowledge of using data sources for studies in China's economy and evaluation of its development policies

8. Developing a market awareness concerning China's sustainable development, economic policy for growth, industrial restructuring and reform.

MAIN TOPICS OF STUDY:

Topic 1: China's economy before reform and overview of the reform

Topic 2: Chinese economy in transition – Price reform and theory of the dual-price system

Topic 3: Chinese economy in transition – Enterprise reform and Ownership restructuring

Topic 4: Chinese economy in transition – Theory of contract system and corporate governance

Topic 5: Chinese economy in transition - Banking reform and monetary policy

Topic 6: China's economy: how large is the size?

Topic 7: China's economy: the theory of growth and its sustainable growth

Topic 8: China's economy: Consumption, saving and Investment

Topic 9: China's economy: Energy sector reform and energy security

TEACHING AND LEARNING METHODS/STRATEGIES USED TO ENABLE THE ACHIEVEMENT OF LEARNING OUTCOMES: these might include lectures, seminars,

tutorials, practicals, workshops, laboratories, distance learning, projects or other methods (please specify).

This module is structured as follows:

- A three-hours lecture on a topic per week
- A one-hour practical seminar on discussion of problem solving per week
- There will be invited international leading scholars as a guest lecturer to present a particular issue or topics of their research
- Private time of study of 10 hours per week is recommended

|  |                   |
|--|-------------------|
| <b>ASSESSMENT METHODS WHICH ENABLE STUDENT TO DEMONSTRATE THE LEARNING OUTCOMES FOR THE MODULE</b> (please provide the length/duration of each assessment listed): | <b>WEIGHTING:</b> |
| 3 hours unseen-paper examination   | 100 %             |

#### INDICATIVE READING LIST:

The topic covered in the course is extensive and there is a lot of literature related to it. Naturally, many of the textbooks cover material far beyond the scope of this course.

Essential recommended reading:

Barry Naughton, *The Chinese Economy, Transitions and Growth*, Massachusetts: MIT Press, 2007

Chow, Gregory C., *China's Economic Transformation* (Blackwell Publishers Ltd. Oxford, 2002) Lardy, Nicholas, *China's Unfinished Economic Revolution* (Washington, DC: Brookings Institution, 1998)

Lin, Justin Yifu, Fang Cai, and Zhou Li, *The China Miracle: Development Strategy and Economic Reform* (Hong Kong: Chinese University Press, 1996)

R. Guo, *How the Chinese Economy Works* (Palgrave Macmillan, 2009)

Additional topical reading will be provided according to recent economic developments in China as the course progresses.