

School of International Education, UIBE

China's Economic and Business System

Fall

Syllabus

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Aims and Objectives of the Course

- Aims

The course aims to provide an introduction to China's overall economic and institutional environment and the major strategic and operational issues facing multinational corporations in doing business in the Chinese market.

- Objectives

On completion of this course, students will be able to:

1. Appreciate how China's recent economic and political history has shaped its business environment for local and foreign firms. Understand the economic policies in China in the era of economic transition and catching up.
2. Apply basic principles to understanding the management of international business in the Chinese context.
3. Understand the advantages and disadvantages of exporting, licensing and foreign direct investment as market servicing strategies for China.
4. Be aware of the political, economic, legal and social factors that will most impact on foreign business in China, and to have insight as to how these are best managed.
5. Comprehend the opportunities and challenges for foreign firms in selected Chinese strategic industries.
6. Explore the key factors in China's Development Model and challenges for sustainable development in China.

Course Approach

- Teaching Approach
 - Primarily lecturing and case method
 - Class discussion as an important learning channel
 - Cases backed up by applying theoretical framework to China's real situations for structured and disciplined thinking
 - Tutorial
 - Cumulatively building and applying
- Lots of feedback – two ways
 - Me to you – both individual and class level
 - You to me – periodic, anonymous informal questions
- Course materials
 - No Textbook
 - Teaching notes
 - Supplementary articles, internet sources, to be distributed
- Team project
 - Up to 4 students form a team
 - Assignments and term paper by team
 - Term paper (4000 words)
- Basis for grades
 - Class Participation – 10%
 - Assignments – 20%
 - Term paper – 40%
 - Team presentation– 30%

Class Policies and Ground-Rules

- Attendance

Attendance at classes is compulsory and is recorded. Where there is a good reason for absence please let the tutor know, in advance if possible. Failure to meet the work requirements may lead to exclusion from the course. More than two absences could result in grade reduction or failing the class

- Promptness
 - We are going to start on time; persistent or serious lateness will be frowned upon
 - Conversely, I will not keep you beyond the end of class

- Academic Integrity
 - You are expected to prepare your own team work
 - Plagiarism or cheating in any form will result in failure in the course

Course Schedule

Lecture	Time	Topic
1	Sep.15	Introduction to China's economic and business environment
2	Sep.29	China's governmental, administration and bureaucratic systems
3	Oct.13	State Owned Enterprises in China
4	Oct.20	Private Sector in China
5	Oct.27	Managing Foreign Business in China (1)-Entry Mode and Partner Selection
6	Nov.3	Managing Foreign Business in China (2) – HR and Marketing
7	Nov.10	Managing Foreign Business in China (3) – Products , Production and SCM; IPR, Technology Transfer and R&D
8	Nov.17	Financial System in China
9	Nov.24	China's Social Security System
10	Dec. 1	China's Regional Development
11	Dec.8	China and the World: FTA,WTO and Go Global
12	Dec.15	Presentation and Final Exam

Course Outline

1. Introduction to China's economic and business environment

In this introduction lecture, I will cover the following topics:

- Overview
- China Profile as a world largest LDC and emerging power
- Features of Chinese economy
- China's experience for reform and openness
- China's stimulus plan to trickle down global financial crisis

2. China's governmental, administration and bureaucratic systems

In this chapter, you will understand China's unique political and civil system combined with traditional Chinese civil norms, modern democratic state and communist regime. The topics include:

- Understanding brief history of Chinese economy and system choice
- The Chinese governmental and bureaucracy system
- The role of Chinese Communist Party in Chinese society
- The coming reform

3. State Owned Enterprises in China

State Owned Enterprise (SOE) plays strategic role in socialist market economy. In this chapter, we will discuss the origin of SOE, the problems which SOEs faced and the process of SOE restructuring. Case studies are employed to analyze China's industrial sectors like automobile, telecommunications and business opportunities for foreign firms to cooperate with China's SOEs. The topics include:

- The basic of traditional SOE
- Problems of SOEs since 1990s and reform of SOEs.
- SOE regulations, new SOEs and anti-trust in China
- SOE, China's MNCs and go global strategy

4. Private Sector in China

Expansion of private sector in China is a driving force for China's economic miracle. In this lecture, we will discuss private sector in China in a SWOT model. The main topics will cover:

- History of China's private sector and Chinese culture towards private business
- SOE reform and opportunities for private business

- China's economic growth and private sector development
- Discrimination against private business in China
- Obstacle of private business

5. Managing Foreign Business in China (1)-Entry Mode and Partner Selection

China opened its door to the world and attracted numerous foreign investments towards China. In this chapter, we will introduce China's policies towards foreign business and how to make decision to select business partner in China. The topics will cover:

- China's policy for foreign investment industries
- Procedure of investment in China
- Market entry mode to China's market
- Selection of business partner in China
- Negotiations with Chinese stakeholders

6. Managing Foreign Business in China (2) – HR and Marketing

In this chapter, we deal with the issues of human resource and marketing for foreign enterprises in China when they decide to entry into Chinese market. The topics include:

- Recruitment, training, wages, retention of HR for foreign business
- China's Hukou system and labor migration
- Career development and competition for talents
- Marketing strategies and localization in China
- Challenges for distribution in China
- Chinese customers behaviors and marketing techniques

7. Managing Foreign Business in China (3) – Products , Production and SCM

In this chapter, we deal with how to effectively produce the right products and services in China. Case studies are used to demonstrate the experiences and mistakes made by foreign enterprises. The topics include:

- Product selection
- Quality control
- Processing trade and supply chain management in China
- China as world factory

8. Managing Foreign Business in China (4) – IPR, Technology Transfer and R&D

Technology help foreign enterprises to probe Chinese market since Chinese government encourage technology transfer. We will discuss the following issues:

- Manage intellectual property rights in China.
- Model of technology transfer in China
- R&D strategies
- Utilize China's R&D resources
- Case study for China's fast train project

9. Financial System in China

In this chapter, you will understand how China's financial system works and how to finance foreign business in China. The topics include:

- Structure of China's financial system
- Banking system and its reform
- Financial markets
- Regulations
- Informal Financial Institutions
- China's fiscal and taxation system
- Hot issues in China's financial system

10. China's Social Security System

China's social security system is underdeveloped. You will learn from this chapter how China transits from traditional socialist regime to market economy and rebuilds its social security system. The topics will cover

- Social insurance
- Social welfare
- Special care and placement system
- Social relief
- Housing services
- Social Security in Rural Areas

11. China's Regional Development

The Great wall divides two Chinas, ruralites vs urbanites. There is big disparity among regions across China. This Chapter deals with China's regional development policy. The topics cover:

- Industrialization in 1950s
- Inward-looking Industrialization in 1960s
- Outward-looking strategies and coastal area development

- Developing west region
- Restoration of northeast region
- Development of Bohai-Rim economic circle
- Development of middle China
- Rural development and new socialist village project

12. China and the World: FTA,WTO and Go Global

China has a positive attitude towards globalization. In this chapter, we will discuss the issues related to China's international economic relations. The topics include:

- Greater China: mainland with Hong Kong, Macau, Taiwan and overseas Chinese
- China's FTA with foreign countries:10+1 and others
- China and WTO; the expected role of China in WTO
- Outward FDI from China to the world: China's go global strategy
- China model or new colonialism