

## **Does China or Doesn't China? – Chinese Economy and its Impact on the World**

### About the course title

The title of this course pays homage to a successful 1956 advertising campaign to promote a Clairol hair coloring product, "Does she...or doesn't she? Only her hairdresser knows for sure". There are uncanny parallels between Clairol then and Chinese economy today. Both are viewed with a mixture of astonishment on the effects and suspicion about the actuation and intention.

Just like hair coloring was new then, and so are many economic phenomena in China today unorthodox to observers who cannot easily reconcile the complex facts, sometimes seemingly contradictory, with their conventional framework. Confusions ensue.

This course is an attempt to clarify and enlighten. Through closer examinations of wide range of economic issues currently faced by China you will gain insights of the key features of Chinese economic system so that you are equipped escape the prejudice often held by mainstream pundits. On a micro level, the cases of Chinese companies may also inspire a new thinking on how to corporate and compete Chinese companies. As globalization is rapidly reshaping, it is important for business leaders to gain a deep understanding of Chinese economy, and frame their strategies with China in the picture.

Within six years of Clairol Does-she-or-doesn't-she ad campaign, 70% of women in the U.S. were coloring their hair. Will China be able to exert similar influences? It is worth repeating another advertisement of Clairol's Radiantly Red, "Some lucky girls are born red. Others catch up." (Source: Wikipedia)

### Course contents

1. Economic growth with Chinese characteristics
  - Key features of Chinese economic system and its historical and social context.
  - How Chinese economic growth fits the textbook economic growth models, and how not, and its implications for economic growth.
  - The ascendance of Chinese economy and its global impact
2. Current issues of Chinese economy
  - An update of the current state of Chinese economy
  - The current challenges (demographical trend, inequality, housing market, international trade, geopolitical tensions, etc.)

3. Chinese financial system
  - Banking and financial markets in China
  - The resilience and (in)efficiency of Chinese financial system
  - Internationalization of Renminbi and China's place in global financial system
  - What do Chinese financial markets mean for international investors?
4. China's green growth initiatives
  - China's environmental and energy policy and its implications for economic growth
  - The development of Chinese green technologies
  - China's role in the combat of global warming
5. Innovative China: Towards Sustainable Growth
  - An overview of Chinese research and development capabilities in global perspective
  - Product innovations and business model innovations of Chinese companies
6. China and the world
  - China perspective: How should China grow with the world?
  - Global perspective: How to take advantage of the opportunities offered China and meet the challenges posed by China?

#### Cases

1. SHEIN vs. Zara: Digital transformation in the fast-fashion industry, By: Shuqing Luo, Guoli Chen
2. BYD Company, Ltd., By: Robert S. Huckman, Alan MacCormack
3. Zhejiang Geely Holding Group: Acquisition of Volvo Cars, By: Felix Oberholzer-Gee, Willy Shih, Nancy Dai
4. NIO A Chinese EV Company's Global Strategy, By: William C. Kirby, Shu Lin, Noah B. Truwit
5. InMobi: An Indian Internet Company Cracking China, By: Shameen Prashantham, Zhijing Cao
6. The BRI in Africa: The Kenya Standard Gauge Railway, By: Jonas Gamso, Michael H. Moffett

#### Assessment method

The course will be offered to The course grade will consist of two parts. (1) Course participation, 50%, including individual writeups and class participation; (2) Group project and final presentation, 50%. The topic will be developed during the course with consultation with the instructor.

## Key features

- Independent thinking about China that is framed by sound economic theories and based on solid economic data.
- A mixture of macro data, micro cases and videos.
- Forward-looking.
- Interactive and conversational style.

## Faculty

Xiaozu Wang is a professor at School of Management of Fudan University. He is also an honorary professor of School of Business of Hong Kong University, an honorary professor of BI Norwegian Business School and serves as the academic director of BI-Fudan MBA program. He was a visiting professor Seoul National University of South Korea. Before joining Fudan University in 2003, he was an assistant professor at City University of Hong Kong. He has published widely in economics and finance in international academic journals, and contributed regularly to Chinese and international media on Chinese economy and financial markets. He received numerous teaching awards.

Prof. Wang conducted trainings or consulting on financial management and Chinese economy for a wide range of companies. He has served on boards of a number of Chinese companies. He was a consultant for The World Bank on issues related to corporate governance in China.

Prof. Wang received Ph.D. in Economics from New York University and B.A. in Economics from Peking University.

## References

1. Tian Zhu, *Catching Up to America: Culture, Institutions, and the Rise of China*, Cambridge University Press, 2021.
2. *The Great Economic Rivalry: China vs the U.S.*, Graham Allison, Nathalie Kiersznowski, Charlotte Fitzek, Belfer Center for Science and International Affairs, Harvard Kennedy School, 2022.
3. *14<sup>th</sup> Five-year Plan: China's Road Map to 2025*, by Guoxiong Zhang, The Economist Group, 2021.