

# Inside the China Miracle

May 2009

**Course Description:** The study in China program is designed to encourage experiential learning regarding China's economic emergence and to understand Chinese perspectives regarding policy development, economic change, and trade strategies, and to interact with practitioners, academics, and policy specialists.

Assignments and Course grading structure:

1. Book Review (15%)
2. Analytical Policy Reflection (15%)
3. Research Paper: (50%)
4. Class participation: (20%)

## 1. Book Review

A comparative book review of either 2 books or 1 book and a comprehensive set of articles (max 1,500 words) is to be submitted pre-departure by June 7, 2006. Compare and contrast the content and the basic thesis about China, with a special emphasis on prospects for the future. Your book review should reflect the history, US China relations, and China's place in the global economy. Email your book reviews to Professor Robert Rogowsky at [robert.rogowsky@usitc.gov](mailto:robert.rogowsky@usitc.gov). You are also required to bring a hard copy of your book review to China.

Choose 2 books or 1 book and a set of articles for your book review from the following:

### **Books:**

*China Inc How the Rise of the Next Superpower challenges America and the World* by Ted Fishman, 2005.

*China: The Balance Sheet What the World Needs to Know now about the Emerging Superpower.* Copyright 2006. The book is by the Center for Strategic And International Studies and the Institute for International Economics.

*China's Rise: Challenges and Opportunities: The China Balance Sheet Project*, Bergsten, C. Fred, Nicholas Lardy, Charles Freeman, and Derek J. Mitchell., 2008 [a joint, multiyear project of the Center for Strategic and International Studies and the Peterson Institute],

<http://bookstore.petersoninstitute.org/book-store//4174.html>

*China: Fragile Superpower*, Susan Shirk, 2007, Oxford Press.

*China's Trapped Transition: The Limits of Developmental Autocracy.* Minxin Pei, 2006, Harvard University Press. [Pei is a leading critic of China's government, and the tone of his writing reflects his pessimism for China. Rather negative on China's prospects].

### **Background**

China: Description of Selected Government Practice and Policies Affecting Decision Making in the Economy, USITC, 2007, at [http://www.usitc.gov/publications/abstract\\_3978.htm](http://www.usitc.gov/publications/abstract_3978.htm)

*The China Reader: The Reform Era*, 1999, Vintage Books [a good overview--short articles and documents covering all aspects of China's development in the 1980s and 90s].

The *China Business Review* website (<http://www.chinabusinessreview.com>) makes selected articles from each issue available online. The current issue is on the main page. For back issues, click on CBR archives (left side) and you can search for articles by topic--some will be available and others are for subscribers only, but you can buy individual issues on the website as well.

Two excellent timely articles about US-China business/economic relations are available online from the Center for Strategic and International Studies:

<http://www.csis.org/china/econtrade/finance.cfm> . They are: “The US-China Trade Imbalance and Other Issues concerning Bilateral Economic Relations,” by Pieter Bottelier and “A Matter of Business,” by Robert Kapp (A longer version of this article appears in China in the American Political Imagination; see above under US-China Relations General)

**2. Research Paper**The paper assignment is to produce a critical essay on a crucial issue confronting China today as it globalizes (8 pages, 1.5 spacing). You may choose any topic relevant to your interests or program concentration. The paper is due by June 23, 2006. You will have time to work on the paper in China. Recommendation: Work on your paper before departure. This way you will be able to fully maximize the lectures. Then, while in China, you will be able to add to your paper as you collect additional information from the lectures.

**3. Economic Indicators (as part of your participation grade)**

You will also be responsible for familiarizing yourself with the leading economic indicators for China. These can be found at the economist.com (under markets and data and country briefings). Here you can find a country profile and forecast for China, including GDP, public debt, unemployment, etc.

The best way to keep informed of the all the important figures and events is to visit:

<http://english.peopledaily.com.cn/>

See World Bank website: <http://www.worldbank.org> Available online from the World Bank: China Country Assistance Strategy 2003 (This is technical and contains a lot of World Bank-speak.)

A good source of statistics on China’s economy and US-China investment and trade: <http://www.uschina.org/china-statistics.html>, Documentary: *China in the Red*, Produced by Sue Williams (Frontline, 2003) [This film presents individual human stories behind the economic and social transformations taking place in China. It can be viewed

<http://www.pbs.org/wgbh/pages/frontline/shows/red>]

## List of Possible Readings:

### Congressional Research Reports on China

US-China Trade Issues October 7, 2008.

<http://www.fas.org/sgp/crs/row/RL33536.pdf>

“China’s Currency: A Summary of the Economic Issues.” November 20, 2008.

[http://assets.opencrs.com/rpts/RS21625\\_20081120.pdf](http://assets.opencrs.com/rpts/RS21625_20081120.pdf)

China and the Global Financial Crisis November 17, 2008

<http://fpc.state.gov/documents/organization/112547.pdf>

“China’s Economic Conditions.” September 16, 2008, CRS Report RL33534.

“Comparing Global Influence: China’s and US Diplomacy, Foreign Aid, Trade, and Investment in the Developing World.” August 15, 2008, CRS Report RL34620.

“Why are Saving Rates of Urban Households in China Rising?” Marcos Chamon and Eswar Prasad. Brookings Global Economy and Development Working Paper No. 31 December 2008.

Link, Perry. “Corruption and Indignation: Windows into Popular Chinese Views on Right and Wrong.” American Enterprise Institute: Tocqueville on China Project. February 2008.

“Where the Chinese Miracle Vanishes into Thin Air.” Economist Intel. Unit. April 9<sup>th</sup>, 2008.

Brad W. Setser. Council on Foreign Relations. “Sovereign Wealth and Sovereign Power The Strategic Consequences of American Indebtedness.” September 2008.

Financial Times Geoff Dyer and Richard McGregor. “China’s Champions: Why State Ownership is No Longer Proving A Dead Hand. March 16, 2008.

Center for Strategic and International Studies. “The Graying of the Middle Kingdom.” April, 2004.

“Can China’s Growth Trajectory be Sustained,” P. Bottelier and G. Fosler, Conference Board 2007.

The McKinsey Quarterly Yasheng Huang. “Private Ownership: The Real Source of China’s Economic Miracle.” 2009, Number 1.

The McKinsey Quarterly, Jonathan R. Woetzel. “Reassessing China’s State Owned Industries.” July, 2008.

Henry M. Paulson Jr. From *Foreign Affairs*, September/October 2008. “A Strategic Economic Engagement.”

World Trade Organization. China Trade Policy Review. April 16, 2008.

Broda, Christian and John Romalis. University of Chicago and NBER. "Inequality and Prices: Does China Benefit the Poor in America?" March 6, 2008.

Zhi Wang, Robert Koopman, and Shang-jin Wei. April 2008, "How Much of Chinese Exports Is Really Made in China? Assessing Foreign and Domestic Value-Added in Gross Exports," USITC Working Paper.

Judith Dean, K.C. Fung, and Zhi Wang. September 2008, "How Vertically Specialized is Chinese Trade?" (Publication EC2008-09-D).USITC Working Paper.