

China and Globalization

Fudan University

Department: School of Economics

Course Code	ECON130258		
Course Title	China and Globalization		
Credit	4	Credit Hours	72
Course Nature	<input type="checkbox"/> Specific General Education Courses <input type="checkbox"/> Core Courses <input type="checkbox"/> General Education Elective Courses <input type="checkbox"/> Basic Courses in General Discipline <input type="checkbox"/> Professional Compulsory Courses <input checked="" type="checkbox"/> Professional Advanced Courses <input type="checkbox"/> Others		
Course Objectives	After you finish the course, you are supposed to know basic empirical work in Firm Heterogeneity, Agribusiness, etc .		
Course Description	This seminar course investigates the present status of Chinese firms and their global competitors in 9 selected industries through case study. We start from international trade and investment theories as our guidelines. Starting from the sixth meeting, we will study business cases and each student is expected to lead class discussion at least once. The goal of this course is to assess the future status of Chinese firms in light of trade theories.		
Course Requirements: Prerequisites: There are no prerequisites for this course. Each student is evaluated based on three parts: leading discussion, class participation, and an individual essay.			
Teaching Methods: Lecture, presentation, group discussion			

Instructor's Academic Background:

Dr. Liu graduated from the Mathematical Economics Experimental Class of Wuhan University with a double degree in mathematics and economics. He graduated from Hong Kong University of Science and Technology in 2008 and received his PhD in economics from Yale University in 2014. The current research focuses on the impact of the tax system on business growth and cross-enterprise resource allocation. Teaching three courses in development economics, China and globalization, and the Chinese tax system in Fudan.

Members of Teaching Team				
Name	Gender	Professional Title	Department	Responsibility
Yu Liu	Male	Lecturer	Public Economics	

Course Schedule**Module1: Comparative Advantage****Materials**

Krugman et al. Chapter 3. Labor Productivity and Comparative Advantage: The Ricardian Model.

Module2: Sources of Comparative Advantage**Materials**

Krugman et al. Chapter 5. Resources and Trade: The Heckscher-Ohlin Model.

Module3: Economies of Scale**Materials**

Krugman et al. Chapter 7. External Economies of Scale and the International Location of Production.

Module4: Firm Heterogeneity**Materials**

Melitz, Marc. 2003. "The Impact of Trade on Intra-Industry Reallocations and Aggregate Industry Productivity." *Econometrica* 71: 1695-1725.

Module5: Multinational**Materials**

Krugman et al. Chapter 8. Firms in the Global Economy: Export Decisions, Outsourcing, and Multinational Enterprises.

Module6: Agribusiness

Materials

6.1 "Syngenta: Committed to Africa," Forest Reinhardt and Mary Shelman. Harvard Business School Case# 9-715-010. May 6, 2015.

6.2 "International Agribusiness in China: Charoen Pokphand Group," William C. Kirby, Michael Shih-Ta Chen, Tracy Yuen Manty, and Yi Kwan Chu. Harvard Business School Case # 9-910-418. November 17, 2011.

6.3 "Arcadia Biosciences: Seeds of Change (Abridged)," Arthur Daemmrigh, Forest Reinhardt and Mary Shelman. Harvard Business School Case # 9-711-050. July 19, 2012.

Module7: Processed food

Materials

7.1 "COFCO", David E. Bell and Natalie Kindred. Harvard Business School Case # 9-516-057. January 26, 2016.

7.2 "Shuanghui Acquisition of Smithfield Foods," Ray A. Goldberg. Harvard Business School Case #9-914-413, December 11, 2013.

7.3 "Yum! China," David Bell and Mary Chelman. Harvard Business School Case # 9-511-040. February 14, 2012.

Module8: Iron and Steel

Materials

8.1 "The Transformation of China's Steel Industry," Xiaohong Wu and Michael J. Enright. Asia Case Research Centre Case # HKU416. Poon Kam Kai Series, University of Hong Kong. July 29, 2005.

8.2 "Baosteel Group: Governance with Chinese Characteristics," Lynn Sharp Paine and G.A. Donovan. Harvard Business School Case # 9-309-098. March 12, 2009.

8.3 "Heavy Metal (A): Baosteel Enters Brazil," Regina M. Abrami and Jacob Koch-Weser. Harvard Business School Case # 9-912-411. Dec 14, 2011; "Heavy Metal (B): Baosteel Struggles in Brazil," Regina M. Abrami and Jacob Koch-Weser. Harvard Business School Case # 9-912-412. Dec 14, 2011.

Module9: Petroleum

Materials

9.1 Sinopec: Refining Its Strategy," Richard Vietor and Julia Galef. Harvard Business School Case #9-708-018. November 21, 2008.

9.2 "PetroChina," Alexander Dyck and Yasheng Huang. Harvard Business School Case # 9-701-040. June15, 2004.

9.3 "CNOOC: Building a World-Class Energy Company," Joseph L. Bower, Nancy Hua Dai, and Michael Shih-Ta Chen. Harvard Business School Case # 9-311-074.

Module10: Machinery

Materials

10.1 "Komatsu in China," Krishna Palepu, Akiko Kanno, and Nobuo Sato. Harvard Business School Case #9-114-004. April 3, 2014.

10.2 "Sany: Going Global," Rajiv Lal, Stefan Lippert, Nancy Hua Dai, and Di Deng. Harvard Business School Case # 9-513-058. January 2, 2013.

10.3 "ATG (A): A Chinese Miracle? A Sino-Japanese-Euro Joint Venture," Anne-Marie Carrick and Henri-Claude De Bettignies. Insead Case # INS846. February 7, 2002.

Module11: Automobile**Materials**

11.1 "Changan Automobile Co., Ltd.," Dennis Campbell and Donglin Xia. Harvard Business School Case #9-107-006. March 6, 2008.

11.2 "BYD Company, Ltd.," Robert S. Huckman and Alan D. McCormack. Harvard Business School Case# 9-606-139. September 15, 2009.

11.3 "Chery: Vying for a Piece of the American Pie (A)," John Branch. Michigan Ross School of Business Case # W85C82. August 28, 2014.

Module12: Telecommunication equipment**Materials**

12.1 "Cisco Goes to China: Routing an Emerging Economy," Geoffrey Jones and David Kiron. Harvard Business School Case # 9-805-020. March 27, 2015.

12.2 "Huawei: A Silent Chinese Telecom Multinational," IESE Case # IES265. April 27, 2007.

12.3 "Huawei Enters the United States," Tim Simpson. IVEY Case # W13306. October 28, 2015.

Module13: Semiconductor**Materials**

13.1 "Intel: Strategic Decisions in Locating a New Assembly and Test Plant," Juan Alcacer and Kerry Herman. Harvard Business School Case # 9-713-406. December 2, 2013.

13.2 "Semiconductor Manufacturing International Corporation: Reverse BOT," Willy Shih. Harvard Business School Case # 9-609-062. October 18, 2012.

13.3 "Taiwan Semiconductor Manufacturing Company Limited: A Global Company's China Strategy," William C. Kirby, Michael Shih-Ta Chen, and Keith Wong. Harvard Business School Case # 9-308-057. October 2, 2015.

Module14: Industrial Robotics**Materials**

14.1 "China: To Float or Not To Float? (E): ABB Investment in China," Laura Alfaro, Rafael Di Tella, and Ingrid Vogel. Harvard Business School Case # 9-706-035. November 21, 2006.

14.2 "ABB: 'In China, for China'," J. Gunnar Trumbull, Elena Corsi, Elisa Farri. Harvard Business School Case # 9-711-044. December 20, 2012.

14.3 "Shanghai NSE Electric Co. Ltd. and Its International Cooperation," IVEY Case # W14502. October 10, 2014.

The design of class discussion or exercise, practice, experience and so on:

Lead Discussion (50%):

Starting from the sixth week, two students form one group and lead class discussion. Each group presents one case for 30 minutes and leave 15 minutes for discussion. I will send the licensed case to the respective group members. Groups receive bonus if they present more than the average.

- Present the case and address the following questions: (30 mins)
 - Does China have comparative advantage in the industry?
 - Are there economies of scale in this industry?
 - Is there productivity heterogeneity across firms in this industry?
 - What are the benefit and cost of foreign direct investment (FDI) versus trade?
- Lead discussion: (15 mins)
 - How will Chinese firms perform in this industry in the future?
 - What are the global impacts of these Chinese firms, in terms of efficiency and equality?

Individual Essay (30%)

Each student chooses a specific industry and assess its current status. He/she is expected to fully discuss the Chinese firms and their competitors in the industry. In addition, he/she should discuss the future of Chinese firms in the next 10-20 years in this industry. Will they succeed or will they fail? The essay should be no less than four pages, font 12, double spaced.

If you need a TA, please indicate the assignment of assistant:

Yes, a TA is needed and will help the lecturer with the attendency, organization of group discussion.

Grading & Evaluation (Provide a final grade that reflects the formative evaluation process):

Evaluation % of Final Grade

1. Leading Discussion 50%
2. Class Participation 20%
3. Individual Essay 30%

Teaching Materials & References (Including Author, Title, Publisher and Publishing time):

The main textbook that we use is the International Economics: Theory and Policy (9th edition), by Krugman, Paul R, Maurice Obstfeld, and Marc Melitz. This book is available at

www.amazon.cn (publisher: Tsinghua University Press).