Course Objectives: This course can be viewed as the most significant case study of your EMBA education – the case of China, the second largest economy in the world and on course to overtake the US economy in size. This presents enormous opportunities for firms everywhere as well as challenges. We will discuss how the Chinese economy gets to where it is – by managing three transitions simultaneously: from Marx to market, from an inward-looking Middle Kingdom to an externally-oriented world factory, and from farming to industrialization. We will consider factors that could influence the chance of success/failure of doing business in China, including the history that lives in the Chinese psyche, local financial and macroeconomic environment, corruption, and culture. We will discuss the future trajectory of the Chinese economy and its implications for business at home and abroad.

Course Features: Much of the learning in the course depends on students’ independent research including readings of relevant literature and on-site research and interviews.

Short Research Report:
A research report will be due by 15 May, via a drop box on the course website. Students are given the option of doing one of two types of reports. A Type 1 report will describe a business plan or an investment idea that takes advantage of salient features of the Chinese economy and satisfies an unmet demand. A Type 2 report will be akin to a consulting report that analyzes an aspect of a corporate strategy for an international firm with a China business: What challenges is the strategy designed to address? Has it been successful? How would you improve it?

The report should make use of materials discussed in the class, information learned from the company visits, as well as your own additional research. It should be written with clarity, illustrated with tables and graphs when appropriate, and in a way that is interesting to read. You should clearly indicate all sources of your information.

The report should be 6-10 pages long, including any tables and graphs. The text itself should not exceed 6 pages. You are encouraged to form a team to work on the report (with up to 3 coauthors in total). All team members will get the same grade on the report. I will judge the report both by its absolute quality and by its quality relative to all others in the class.
Grading:

Class participation (including corporate visits)  40 points
Quiz  20 points
Research report  40 points
Bonus  5 points
*Maximum points in the class  105 points

A bonus of 5 points will be awarded to students who have helped the class in successfully securing a company visit or a guest speaker during the seminar.

Expectation
I expect you to bring your name card to each class session.

Attendance at all meetings and classes is mandatory. Each meeting/class missed will lower your grade.

Textbook:

*The Chinese Economy: Transitions and Growth, by Barry Naughton, Massachusetts Institute of Technology Press, 2007,* provides a useful background in understanding the Chinese economy.

You should read at least Chapters 1, 4 and 13 of Naughton’s book before you land in Shanghai.
**Tentative Schedule and Assigned Readings**

- The class takes place in Shanghai, China, from 9 am, May 1st, 2018, to 12:30 pm on Saturday, May 5, 2018. Because of the distance between the hotel and the airport, please do not book any tickets that will leave Shanghai before 5:30 pm on Saturday.

- Please note that the content below is only indicative at this stage. Since the course uses guest speakers who often cannot confirm availability until much closer to the actual date of the class in Shanghai, the schedule is subject to change.

**Tuesday Morning:**  China’s Three Transitions and Implications for Business

Reading:  
*The Chinese Economy* by Barry Naughton, Chapters 1, 4 and 13.

**Tuesday afternoon:**  Negotiation in China

Reading:  
“How Universal?” by Zhigang Tao and Shang-Jin Wei

This is a negotiation simulation exercise that involves role playing.

- Instructions for individual role playing are not included in the reading packet, but will be distributed in class.

**Wednesday morning:**  Macro and Financial Environment in China

Panel discussion by invited speakers.

**Wednesday Afternoon:**  Company Visits (I)

**Thursday morning:**  
Business Opportunities and Challenges: A Perspective from International investors

**Thursday Afternoon:**  Company Visits (II)

**Friday Morning:**  The Government and the Economy

**Friday Afternoon, Time for self-organized activities**

Or follow-up visits to companies to be arranged by students
Saturday Morning, **Taking Stock of the Week in China**

Short quiz; Business and economic implications of China’s social policies

The class adjourns by **12:30 pm** on Saturday.

**Quiz**

There will be a short quiz on the last class day in Shanghai. The subject will be observations and lessons from the company visits and in-class discussions early in the week. The quiz is designed to provide incentives for students to learn by actively observing, thinking and asking questions.

The quiz will ask a combination of simple factual questions (e.g., company name and line of business) and a brief “think piece” around one of the issues discussed in relative depth during the company visits or classroom discussions.
Company visit guidelines

Company visits are an integral part of the International Seminar Course in Shanghai.

Possible format of a company visit (about 2.5 hours on site)

a. A general introduction by the company on the company’s history and business; General remarks by the company on opportunities and challenges facing firms in China

b. Pick one or two specific areas in which the company could illustrate an issue with concrete examples from its experience. Below are some examples.

On human resource and labor issues: Is it easy to hire, train, retain, and manage labor? How does the company deal with the new labor contract law that went into effect early this year?

On law and government relations: Does the company have any concern over intellectual property rights protection? What steps has it taken to mitigate the risk? What kind of regulations is the firm is subject to? What is its experience in dealing with regulators and other government officials? How is it compared with other locations (in or outside China) that the company has experience with?

On financing issues: What is the source of the company’s financing? What is it like to tap into local banks and the capital market?

c. A visit to the factory floor (if feasible and applicable)