

Teaching Trade and Industrial Economics in Northern China

David Lasheng YUAN

During May 4 to July 17, 2006, under the support of the OYCF-Ford Teaching Fellowship, I taught courses and gave seminars at the following universities in northern China: Eastern Liaoning University, Northeastern University of Finance and Economics, Harbin Institute of Technology and Shandong University. The courses and seminars are on various topics related to trade and industrial organization.

COURSES

The course I taught at Eastern Liaoning University was “WTO Accession and China Trade.” The course examines microeconomic aspects of the globalization phenomenon. In doing so, it provides a detailed explanation of trade flows, gains from trade and trade policy measures and goes on to consider issues such as: strategic trade policy in the presence of imperfect competition, trade and technological change, trade-related aspects of intellectual property, and trade, trade policy and the environment. A key focus of the course is China’s industrial and trade policies under WTO.

The course was offered to graduate students (both Masters and Ph.D. levels). Some senior undergraduate students and junior faculty members audited the course. In total, class attendance was over fifty. This course included thirty-six hours of lectures, ten office hours and a final exam, given over a period of three and half weeks. Three assignments were given during the course with a weight of 40% and a final exam with a weight of 60% of the final grade.

Trade has become a more and more significant part of Chinese economy since 1980, after China adopted the “Open-Door” policy. Understanding international trade and effects of policy initiatives becomes even more urgent and crucial to the efficient operation of Chinese economy after China’s accession to the World Trade Organization a few years ago. Yet, most colleges and universities in China still use old-fashioned, descriptive international trade curricula. Thus, there is a great need of teaching formal international trade theory in China. My course, aiming to bridge this gap, was warmly welcomed by students and faculties.

In addition, I also taught over six weeks on “Topics in Industrial Economics and Game Theory” to Masters and Ph.D. students at Shandong University and Northeastern University of Economics and Finance. Topics included static and dynamic games, imperfect information games, organizational choices in competition, franchising strategies, optimal design in privatization of electricity industries, and revitalization of traditional industry bases, globalization. The teaching consisted of some formal lectures on fundamental theories, seminars of my current research, discussions, assignments and a final exam. The primary goal was to systematically train students in methodologies and theory and illustrate how to apply those tools to actual research projects.

My teaching was bilingual: The lectures were delivered in Chinese and notes were written in English. The assignments and final exams were also in English. I found that the students, in general, were highly qualified with very strong analytical skills and a fairly good command of English. They were very enthusiastic and highly motivated. However, compared to graduate students, especially Ph.D. students in North America, they lacked systematic training in theory

and methodology. Many of the required courses are descriptive and lack of theoretical depth. The primary reason is the problematic curriculum and a lack of qualified professors. I had extensive discussions with both students and faculty about their curriculum design. It was clearly very important to revamp the course list and its sequencing. Graduate students as well as young faculty were especially interested in learning how to apply Western economics methodologies in research projects. I received a few requests to create and offer such a course in the coming year.

SEMINARS

During my visit in China, I also gave four seminars at Eastern Liaoning University, Shandong University, Northeastern University of Finance and Economics, and Harbin Institute of Technology.

The seminar at Eastern Liaoning University was on industry clusters formation and industry policies. I introduced the current economic theories on industry clusters formation and analyzed a number of typical cases of industry clusters formed in China over the last twenty years. Over a hundred and fifty students and faculty members attended the seminar.

The seminar at Shandong University was “Technology Heterogeneity and Adverse Competition.” The main purpose of the seminar was to introduce one of my recent thoughts on competition and to stimulate the debates on the pros and cons of competition when China is in the process of forming anti-trust laws for the first time. Around thirty-five graduate students and faculty members attended the seminar.

The seminar at Northeastern University of Finance and Economics was on strategic choices of internal organization forms by multinational firms under various kinds of competition environment. About twenty-five graduate students and faculty members from the Center of Industry Studies at Northeastern University of Finance and Economics attended the talk.

The public lecture at Harbin Institute of Technology was on the sustainability of economic growth in China. I used the traditional Solow growth model to analyze the growth in China in the last twenty-five years. Then, I analyzed the potential growth of labor force, capital investment, technology, demand, and urbanization in the next ten to twenty years and derived estimates of future growth rates. I also compared current economic growth in China with other Asian countries at similar stage. About two hundred people attended the lecture.

CONFERENCES

To interact with Chinese colleagues at universities and research institutes, and to learn more about important economic issues, I also took part in a few conferences during my stay in China. The first conference I attended was organized by Shandong University and China Ocean University in Qingdao, from May 12 to 14, 2006. The theme was national industrial policies and industrial structures evolution in China. Over forty high-ranking government officials, experts and academics attended the conference. I contributed to the discussion and learned a great deal about current industry issues and the policy front. The second conference was in Harbin in mid June, 2006. The theme was the revitalization of traditional industrial bases in Northeastern China. Over thirty experts in industrial economics from Japan, Russia, USA, Canada and China attended the conference. I gave a half hour talk on the special roles of local governments on economic development and industry structures. I also attended the Industrial Organization Workshop at Beijing University on July 7 and 8, 2006. All of the participants were overseas Chinese economists and each presented a seminar paper. My presentation was on the choice of game forms in modeling. After that, I participated in the Far East Econometric Society Meeting in Qinghua University from July 10 to 12, 2006. I met many Chinese colleagues in those

conferences, had stimulating discussions, and learned a lot about current issues and the state of research in China.

OTHER ACTIVITIES

I also served as dissertation defense committee member for four Ph.D. candidates at the Department of Econometrics and Mathematics at Northeastern University of Finance and Economics. My participation in those dissertation defenses gave a valuable opportunity to learn in depth the research ability of Ph.D. candidates and dissertation requirements in Chinese universities.

Out of classrooms, I enjoyed very much many informal activities with my students, regular faculty members and university officials. The hosting institutes organized informal discussion sessions to exchange research ideas and develop common research interests. I highly appreciated the chances to meet and discuss important administrative issues with high level university officials including deans and presidents. I believe that it is very important to exchange lessons and experiences in how to run universities between academic institutions in China and in other countries. Most of all, I enjoyed the extensive interactions with my students in office hours and we further bonded at an end-of-course party. They gave a lot of good suggestions on future related courses.

CONCLUDING REMARK

I am very pleased with what I have accomplished on this teaching trip. The materials I taught were very much in demand in China and eagerly received by students. I believe that my interactions with colleagues and university administrators are very important in building lasting connections and exchanging information and new ideas. Finally, I would like to thank OYCF for the generous support.

[David Lasheng YUAN is an Associate Professor of Economics at University of Calgary, Canada.]