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GIM China

Winter 2020

Tuesdays, 6:30 – 9:30 PM

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GIM Program Purpose and Objectives

GIM Purpose:

- For students to develop a foundation of knowledge about global sectors and economies through classroom learning and in-country immersion.

GIM Objectives:

- To gain a foundational understanding of the macroeconomic trends, politics, history and culture of a country or region outside the United States.
- To experience firsthand through meetings with government officials and company representatives the economic ecosystems, business practices, market dynamics, and future opportunities and challenges of a particular country or region.
- To develop the skills necessary to collaborate with peers on a project that analyzes and proposes solutions to a particular problem within a sector of industry, including the skills required to set up and conduct independent business meetings abroad.

Course Description and Objectives

Over the next 10-15 years, China is expected to overtake the United States as the world's largest economy. The last time a reshuffling of the global pecking order took place was when Great Britain passed the baton to the United States at the turn of the 20th century. Global power transitions have never been particularly smooth; China's rise will be no different and is already proving to be disruptive.

Becoming a business leader in today's world requires an understanding of the implications of this defining event of the 21st century.

This course's purpose is to provide students with an essential grounding in the business environment and market dynamics of China. It will primarily focus on the present and near future, but revisiting pre-reform era China is necessary for understanding how the country works today.

The goals of the course are: 1) To establish a basic understanding of the economic, social, and political context in which China's business environment is forged; 2) To gain insight into China's diverse market opportunities 3) To gain first-hand experience of how the China market really ticks through a valuable in-country trip; 4) To provide a unique opportunity for a team project that will have intellectual and practical value for approaching the China market.

Overall, the course will include readings, lectures, guest speakers, in-class debates, and occasional role playing on specific issues. It is designed for students who have minimal exposure to China and the Asia-

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Pacific, the world's most economically dynamic, populous, and diverse region. However, individual students who might wish to delve deeper into a particular area or topic should see the professor about supplemental materials and resources.

Attendance Policy

Due to the nature of the GIM program, **attendance for all GIM classes is mandatory**, as is participation in the 10-day field trip. Attendance on the first day of class is also mandatory. If a student misses more than one class throughout the term, one letter grade will be deducted from his or her final grade. Exceptions may be made by the faculty member in cases of extreme circumstances.

Role of the In-Country Advisor

Throughout your GIM trip, you will be accompanied by an in-country advisor **Robyne Hart**, who is a staff member at Kellogg. The in-country advisor is responsible for the integrity and quality of the in-country experience. Among other logistical roles during the trip, he or she will be assessing each student's level of participation during the plenary meetings and will be assigning 15% of the students' overall grade.

Kellogg Honor Code

The students of the Kellogg School of Management regard honesty and integrity as qualities essential to the practice and profession of management. The purpose of the Kellogg Honor Code is to promote these qualities so that each student can fully develop his or her individual potential. Upon admission, each student makes an agreement with his or her fellow students to abide by the Kellogg Honor Code. Students who violate the Kellogg Honor Code violate this agreement and must accept the sanction(s) imposed by the Kellogg community.

The Kellogg Honor Code is administered by students and is based on the concept of self-government. The efficacy of such a student-administered honor code is dependent upon a high degree of dedication to the ideals of honesty, integrity and equal opportunity reflected by the code. The Kellogg Honor Code requires that each student act with integrity in all Kellogg activities and that each student hold his or her peers to the same standard. In agreeing to abide by the code, the Kellogg students also agree to report suspected violations. By not tolerating lapses in honesty and integrity, the Kellogg community affirms the importance of these values.

Accommodations

Kellogg Academic Advisors and the Student Life Office work with students with disabilities to ensure that they receive the resources and assistance that they need. These offices contact the faculty member for each class in which a student is enrolled to make sure that the student receives the required accommodations. Please contact your Academic Advisor or the Student Life Office with any questions and to discuss how accommodations can best be implemented throughout the course.

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Course Materials*

*Please keep up with daily economic and politics news related to China. Some of the best English sources on China are: *Wall Street Journal*, *Financial Times*, *The Economist*, and *Bloomberg*. You can also use MacroPolo as a resource, which focuses on analyzing various aspects of the Chinese political economy and markets: <https://macropolo.org>. I may also assign additional weekly readings that are currently not in the syllabus but are relevant to in-class discussions and lectures.

Course pack materials:
Art Kroeber: <i>China's Economy: What Everyone Needs to Know</i>
Damien Ma/Bill Adams: <i>In Line Behind a Billion People</i>
Matt Sheehan: <i>The Transpacific Experiment</i>
Nicholas Lardy: <i>Markets over Mao</i>
Richard McGregor: <i>The Party</i>
Ian Bremmer: <i>The End of the Free Market</i>

Recommended List:
Henry M. Paulson: <i>Dealing with China</i>
Evan Osnos: <i>Age of Ambition</i>
Kaifu Lee: <i>AI Superpower</i>
Joe Studwell: <i>How Asia Works</i>

Course Schedule and Assignments

Week 1	1/7/20
Topics:	<ul style="list-style-type: none"> Course overview, expectations, and final project discussion Student, instructor, and advisor introductions Team formation and discussion of project proposals Lecture and discussion on the Mao era
Speaker:	N/A
Assignments:	-Readings: <ul style="list-style-type: none"> Xujun Eberlein on Mao's Great Famine The Cultural Revolution: all you need to know about China's political convulsion -Settle on team project topics
Week 2	1/14/20
Topics:	<ul style="list-style-type: none"> The Economy In-class discussion of projects and IPG meetings

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<i>Speaker:</i>	TBD
<i>Assignments:</i>	-Readings: <ul style="list-style-type: none"> • Arthur Kroeber (course pack) • Barry Naughton: Deng Xiaoping - The Economist (will distribute) • Ma and Adams (course pack) • Michael Pettis: Rebalancing, Wealth Transfers, and the Growth of Chinese Debt - Project Proposal Due

Week 3	1/28/20
<i>Topics:</i>	<ul style="list-style-type: none"> • The Political System • Chinese New Year celebration
<i>Speaker:</i>	N/A
<i>Assignments:</i>	-Readings: <ul style="list-style-type: none"> • Richard McGregor: <i>The Party</i> (course pack) • Ian Bremmer: End of the Free Market (course pack) • Ma and Thomas: In Xi We Trust • MERICS: The Party Leads on Everything

Week 4	2/11/20
<i>Topics:</i>	<ul style="list-style-type: none"> • Tech and Innovation • Setting up WeChat • Mid-point check-in on projects and IPG meetings
<i>Speaker:</i>	TBD
<i>Assignments:</i>	-Readings <ul style="list-style-type: none"> • Matt Sheehan: The Transpacific Experiment (course pack) • Kaifu Lee: Why China Can Do AI More Quickly and Effectively • HBR: "Why China Can't Innovate" • Made in China 2025 industrial policy • World Bank: Innovative China: New Drivers of Growth (will distribute) - Background Research Due

Week 5	2/25/20
<i>Topics:</i>	<ul style="list-style-type: none"> • Energy and Environment • "Get to know" teams • Basic Chinese lessons
<i>Speaker:</i>	TBD
<i>Assignments:</i>	-Readings

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	<ul style="list-style-type: none"> • Damien Ma: "Rebalancing China's Energy Strategy" • Ma and Adams (course pack) • Mckinsey: China's Green Revolution (will distribute) • BNEF: China Is Winning the Race to Dominate Electric Vehicles • Watch "Under the Dome": https://www.youtube.com/watch?v=T6X2uwIQQM
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Week 6	3/3/20
<i>Topics:</i>	<ul style="list-style-type: none"> • US-China • Wrap-up/final takeaways • Pre-trip details and logistics and AMA
<i>Speaker:</i>	TBD
<i>Assignments:</i>	-Readings <ul style="list-style-type: none"> • Foreign Affairs: Did America Get China Wrong? • Neil Thomas: Boeing case study • Bloomberg: https://www.bloomberg.com/news/articles/2018-11-11/trump-s-china-cold-war-yields-hard-look-at-global-supply-chains • James Mann: America's Dangerous "China Fantasy" • Inside Higher Ed: Stealing Innovation • Watch Paulson "Economic Iron Curtain" speech: https://www.youtube.com/watch?v=ixF7emSeMRM - In-Country Research Plan due

In-Country Field Research - March 18th– March 26th

Final Class	[tentative date 4/8/20 9:30-12:30]
<i>Topics:</i>	Debrief of In-Country Experience; IPG presentations
<i>Assignments:</i>	Final presentations; written report, peer evaluations, and IPG database google sheet information due at 9 AM

In-Country Academics

Students are reminded that GIM is first and foremost an academic program. 15% of your overall grade will be based on your participation in the plenary meetings and engagement in other activities as assessed by the in-country advisor. In order to achieve a high grade, students are expected to not only attend all plenary meetings, but to be actively engaged during the meetings and other learning opportunities in country.

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Assessment

Research Project	70%
Background Research	10%
In-Country Research Plan	10%
In-Class Presentation	10%
Written Report	25%
Peer Evaluation	12%
IPG Database Google Sheet	3%
Participation	30%
In-Class Participation (attendance, discussion, engagement)	15%
In-Country Participation (plenary meeting participation, student role, overall participation; determined by GIM advisor)	15%

GIM Research Project

The core of the GIM class is an independent research project. Groups of 4 to 6 students will select an international business, economic or management issue on which to study in depth and present. The students begin secondary research at the start of the course, incorporating perspectives from the class readings and speakers. They will also spend considerable time in-country speaking with resident experts, gathering local data, and testing their hypotheses and recommendations in the field. In general, the project should be based on original research that contributes to an intellectual body of work but also strives to have practical applications for the market.

*(Students must schedule **five to seven** IPG meetings throughout their trip with **at least** one meeting in every city that class visits on a business day. Students are not obligated to schedule meetings in cities that the class visits only for the weekend.)*

Research Topics

Before the term begins, the faculty will send out a google sheet with a list of broad topics or industries wherein students can then rank their preferences. The faculty will then assign students to groups based on topic interest which the students will then refine throughout the term with the help and advice of their faculty member. Good GIM projects are generally built around interesting, clear, and relatively narrow research topics. Some titles from successful projects from recent years have included “How Uniqlo’s Brand Positioning and Marketing Strategy Allow the Company to Thrive in China’s Fast Fashion Market” and “Expanding Wine Sales to Middle-Class Brazilians: A Proposal to Concha Y Toro.” Weak GIM projects often have excessively broad or unfocused topics such as “An Overview of the Brazilian Beverage Industry.”

Project Report Structure

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Final reports should be at least fifteen pages in length, excluding exhibits. Groups may choose from the following report formats:

- **Traditional analytical research paper** – A research question is described; competing answers to the question are discussed; evidence collected on the trip is used to argue for or against the alternative answers.
- **Industry analysis** – A particular industry is surveyed in order to examine a narrowly focused, well-defined topic pertaining to the competitive dynamics of the industry. An example would be an analysis of a market entry opportunity presented to a foreign multinational.
- **Business recommendation report** – A consulting report recommending specific strategic, operational and organizational actions to solving a clearly defined business issue (e.g.: strategies for overcoming cold-chain logistics and distribution challenges in India.).
- **Business or industry case study** – A case for eventual classroom use developed with a clear underlying business question in mind. Teams pursuing this option are encouraged to work with Case Publishing before and after the trip to ensure a high quality product that may eventually be used in the classroom.

Project Deliverables

- **Research Project Proposal** – Each project group will submit a 2-page description of their proposed research topic, including:
 - A description of the specific and narrowly-focused research question(s) to be addressed
 - Description of the topic's importance, timeliness, economic, or social significance
 - Identification of possible in-country visits with companies, governmental agencies, NGOs, etc.
- **Background Research Review** – Each project team will submit a review examining secondary information relevant to its research topic. This review may serve as a first draft of the background section of the final project report.
- **In-Country Plan** – This is a detailed matrix of five or more investigative research meetings arranged in country. The best plans will include day/time/location of meeting; name/description of organization; name/title/bio of interviewee; agenda and interview

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guide for each meeting.

- **In-Class Presentation** – During the final class, each project group will make a presentation in class summarizing their research findings. The purpose of this deliverable is to allow faculty members and students to learn about and provide feedback on the project groups' final findings. It is suggested that each team be given 15 minutes to present and 5 minutes for audience questions and suggestions.
- **Written Report** – The final report, generally 10-15 pages long before exhibits and appendices, prepared according to one of the formats discussed above.
- **Peer Evaluation** – Each member within the project group will assess every other member's contributions to the project, including their own, with a confidential peer review form that takes into account each member's intellectual contribution, initiative and organization, workload contribution and overall contribution.
- **IPG Database Google Sheet** – Maintained by the Global Programs' Office, the IPG Database Google Sheet serves as a repository for IPG contact information shared amongst multiple years of GIM students. About a week before final reports are due, the GPO will be sending out a link to the sheet for each IPG group to fill out with information about their contacts. Please note that the requirement for filling out the google sheet is due at the same time as the written report.