

**THE UNIVERSITY OF HONG KONG  
SCHOOL OF ECONOMICS AND FINANCE**

**CCCH 9028 – Hong Kong and China’s Economic Development  
January 2017  
Wednesday 12:30 – 14:20 in KKL109**

**Y.F. Luk**

**I. Course Description and Objectives**

Hong Kong has been playing a pivotal role in the mainland’s economic development, both when the mainland was under central planning and economic reform. At the same time, economic interactions with the mainland have strongly shaped the Hong Kong economy. In recent years, however, further opening up of the mainland and rapid development of its coastal cities, especially after WTO accession, have called into question the future roles of Hong Kong in China’s economic development. This course provides an overview of the economic linkages between Hong Kong and the mainland from the twentieth century to the present. It traces the changing roles that Hong Kong has assumed during different phases in China’s economic development, investigates the interaction between the two economies and explores the roles that Hong Kong can continue to serve China in the future.

**II. Learning Outcomes**

Upon completion of the course and with sufficient input of efforts, students should be able to achieve the Course Learning Outcomes listed below, which are mapped to the various Learning Outcomes of the Common Core Curriculum.:

| <b>Number</b> | <b>Course Learning Outcome (CLO)</b>  | <b>Alignment with Common Core Program Learning Outcomes</b> |
|---------------|---|---|
| 1             | Describe the economic interactions between Hong Kong and the mainland since the early twentieth century and particularly since China’s economic reform.     | PLO1, PLO2, PLO3  |
| 2             | Identify the economic functions that Hong Kong serves for China and the underlying unique advantages of Hong Kong.  | PLO1, PLO3  |
| 3             | Apply basic economic concepts to understand economic and financial interactions between Hong Kong and the mainland.   | PLO1, PLO2  |
| 4             | Evaluate the challenges and opportunities that Hong Kong faces in response to the changing socio-economic environment in the regional and global economies. | PLO3  |
| 5             | Demonstrate an awareness of Hong Kong’s past, present and future.   | PLO3  |

### III. Teaching and Learning Activities

The major part of the course consists of formal lectures and tutorials. Students are expected to attend both, and to participate in discussion whenever the situation arises, especially in the tutorials.

As this is a common core course, aside from the subject matter, the emphasis is on the enhancement of students' interest and ability in pursuing academic investigation. Students have to read, think, discuss and present materials that are not covered in the lectures and tutorials. They will also be required to write a report on their presented topic.

Note that most of the assessments will be done towards the end of the semester. Students are reminded to spend continuous efforts throughout the semester instead of waiting till the last minutes.

### IV. Course Assessment

Students will be assessed according to the following scheme:

1. Weekly tutorials (25 percent)
  - There will be assigned readings to be discussed in the tutorials.
  - Students will be graded on how well they prepare, participate and contribute to the discussion.
  - One overall grade will be given according to tutorial performance throughout the semester, instead of one grade given for each week's tutorial.
2. Final exam (40 percent)
  - The exam date/time/venue will be set by the University.
  - It will cover all materials discussed in the lectures and assigned for the tutorials.
3. Group project presentation and report (35 percent)
  - Students will form groups of six each to investigate a topic directly related to the subject matter of the course and make a presentation at the end of the semester.
  - To ensure that students do not wait till the last moment to work on the project, they are required to submit a project topic with an outline on March 1 (Wednesday) before the Reading Week. An outline template will be provided for students to fill in. The quality of this outline will count towards the presentation grade. Prior approval is needed for subsequent change of topic.
  - The instructor will give written feedback and comments on the outlines to individual groups. If needed, meetings with individual groups will be arranged.
  - The presentation will be in the Revision Period (after teaching is over and before the final exams begin). This will be confirmed later and the exact time slot for each group will be arranged.
  - All students have to show up in their group's presentation or else get zero mark for it.
  - For the presentation part of course assessment, the grades of students in the same group may vary according to individual performance.

- Students will submit a group report based on their representation and the queries and comments given during the presentation. The report is expected to be a much improved version of the presented materials and well thought, organized and written.
- The report will be due at 11:59 pm, May 7 (Sunday), right before the first day of the exam period. It will be checked against plagiarism.
- All students in the same group will get the same grade for the report unless there are consistent complaints of some group members free-riding or shirking.
- Students should notify the instructor early if a member of the group does not contribute his/her fair share in the project.

The above assessment tasks are used to check students' achievements in the various course learning outcomes with the following matching:

| Assessment Tasks                         | Course Learning Outcomes (CLOs) |
|--|---------------------------------|
| 1. Tutorials                             | CLO1, CLO2, CLO3, CLO4          |
| 2. Group project presentation and report | CLO1, CLO3, CLO4                |
| 3. Examination                           | CLO1, CLO2, CLO3, CLO4          |

## V. Course Schedule

The course will proceed in more or less the following order. References for reading materials will be provided as the course goes on.

| Date         | Class | Topic/Event  |
|--------------|-------|--|
| Jan 18 (Wed) | 1     | Introduction: overview of Hong Kong's economic development |
| Jan 25 (Wed) | 2     | Hong Kong and the mainland before China's economic reform  |
| Feb 1 (Wed)  |       | Lunar New Year Holiday: No class                           |
| Feb 8 (Wed)  | 3     | Trade between Hong Kong and the mainland                   |
| Feb 15 (Wed) | 4     | Trade between Hong Kong and the mainland                   |
| Feb 22 (Wed) | 5     | Investment between Hong Kong and the mainland              |
| Mar 1 (Wed)  | 6     | Economic integration and CEPA                              |
| Mar 1 (Wed)  |       | Individual Project Outline due date                        |
| Mar 8 (Wed)  |       | Reading Week: no class and no tutorial                     |
| Mid/Late Mar |       | Feedback on group project outline                          |
| Mar 15 (Wed) | 7     | Financial relations between Hong Kong and the mainland I   |
| Mar 22 (Wed) | 8     | Financial relations between Hong Kong and the mainland II  |
| Mar 29 (Wed) | 9     | Hong Kong and the Pearl River Delta                        |
| Apr 5 (Wed)  | 10    | Hong Kong and Shanghai and the Yangtze River Delta         |
| Apr 12 (Wed) | 11    | Labor market and human resources                           |
| Apr 19 (Wed) | 12    | Hong Kong and the mainland: wrap-up                        |
| Apr 26 (Wed) |       | Preparation for group project: no class and no tutorial    |
| Early May    |       | Group Project Presentation: date/time/venue to be arranged |

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|-------------|--|---|
| May 7 (Sun) |  | Group project report due date                   |
| May ??      |  | Exam (date to be arranged by the HKU Exam Unit) |

## VI. Course materials

The following are for general references. Specific readings will be assigned as the class goes on.

- Wong, Yue Chim Richard (2013). *Diversity and occasional anarchy: On deep economic and social contradictions in Hong Kong*. Hong Kong: Hong Kong University Press.
- Sung, Y. W. (1991). *The China-Hong Kong connection: The key to China's open-door policy*. Cambridge: Cambridge University Press.
- Central Policy Unit, HKSAR (China). (2009). *A further study on the future development of the Hong Kong economy, consolidation and enhancement of existing core industries and development of economic areas with high potential in Hong Kong*. Hong Kong: Chinese University of Hong Kong.
- Central Policy Unit, HKSAR (China). (2009). *A study on Hong Kong's Economy: Transformation, competitiveness and sustainability*.
- Sung, Y. W. (1998). *Hong Kong and South China: The economic synergy*. Hong Kong: City University of Hong Kong Press.
- Sung, Y. W. (2009). *Hong Kong and Shanghai as global service hubs: Rivalry or complementarity?* Hong Kong: Shanghai-Hong Kong Development Institute.
- Yeung, Y. M. (2007). *The first decade: The Hong Kong SAR in retrospective and introspective perspectives*. Hong Kong: Chinese University Press.
- Lee, Pui-tak, ed. (2005). *Colonial Hong Kong and Modern China: Interaction and Reintegration*. Hong Kong: Hong Kong University Press.

The following are some useful websites which you may want to refer to:

Hong Kong SAR Government Central Policy Unit Research Reports  
[http://www.cpu.gov.hk/en/research\\_reports/archives/archives\\_all.html](http://www.cpu.gov.hk/en/research_reports/archives/archives_all.html)

Hong Kong Monetary Authority  
<http://www.info.gov.hk/hkma/>

Hong Kong Trade Development Council  
<http://www.hktdc.com/mis/ahktdc/en/s/abt-hktdc-about.html>

Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)  
<http://www.tid.gov.hk/english/cepa/>

Search for Statistical Products, Census and Statistical Department, HKSAR

## VII. Grade Descriptors

| Grade                              | Criteria and Standards  |
|------------------------------------|---|
| <b>Assessment Task: Tutorials</b>  |   |
| A+, A,<br>A-                       | <ul style="list-style-type: none"> <li>• Demonstrates thorough preparation of all relevant topics prior to all tutorials.</li> <li>• Demonstrates thorough understanding of the subject matter in all tutorials.</li> <li>• Contributes to the discussion, engages with other students' ideas sensitively and helps move the discussion forward in all tutorials.</li> <li>• Presents ideas clearly, fluently and articulately in all tutorials.</li> </ul>   |
| B+, B,<br>B-                       | <ul style="list-style-type: none"> <li>• Demonstrates sufficient preparation of the relevant topics prior to the tutorials.</li> <li>• Demonstrates good understanding of the subject matter in most tutorials.</li> <li>• Contributes to the discussion, engages with other students' ideas sensitively and helps move the discussion forward in most tutorials.</li> <li>• Presents ideas clearly and fluently most of the time.</li> </ul>   |
| C+, C,<br>C-                       | <ul style="list-style-type: none"> <li>• Demonstrates some preparation of the relevant topics prior to tutorials.</li> <li>• Demonstrates only basic understanding of the subject matter in the tutorials.</li> <li>• Contributes to the discussion but sometimes with prompting, and has little engagement with other students' ideas.</li> <li>• Has difficulty articulating well but on the whole clear.</li> </ul>  |
| D+, D                              | <ul style="list-style-type: none"> <li>• Demonstrates little preparation of the relevant topics prior to tutorials.</li> <li>• Demonstrates limited understanding of the subject matter in the tutorials.</li> <li>• Infrequent participation in discussion even after prompting, and has little engagement with other students' ideas.</li> <li>• Has difficulty articulating well and on the whole unclear.</li> </ul>  |
| F                                  | <ul style="list-style-type: none"> <li>• Absence in tutorials without prior approval or acceptable (mainly medical) justification.</li> <li>• Demonstrates little or no preparation of the relevant topics prior to tutorials.</li> <li>• Demonstrates limited or no understanding of the subject matter in the tutorials.</li> <li>• Rarely participates in discussion and does not respond positively to prompting.</li> <li>• Has serious difficulty articulating and unclear most of the time.</li> </ul> |
| <b>Assessment Task: Final Exam</b> |   |
| A+, A,<br>A-                       | <ul style="list-style-type: none"> <li>• Demonstrates superior grasp of all aspects of the course (basic concepts and major perspectives and arguments in the literature).</li> <li>• Demonstrates excellent ability to interrelate and synthesize course materials, and to arrive at ones own position in controversial issues based on knowledge acquired from the course.</li> </ul>   |
| B+, B,<br>B-                       | <ul style="list-style-type: none"> <li>• Demonstrates good grasp of all major aspects of the course (basic concepts and major perspectives and arguments in the literature).</li> <li>• Demonstrates reasonable ability to interrelate and synthesize course materials, and to arrive at ones own position in controversial issues based on knowledge acquired from the course.</li> </ul>  |
| C+, C,<br>C-                       | <ul style="list-style-type: none"> <li>• Demonstrates acceptable grasp of most major aspects of the course (basic concepts and major perspectives and arguments in the literature).</li> <li>• Demonstrates acceptable ability to interrelate and synthesize course materials, and to arrive at ones own position in controversial issues based on knowledge acquired from the course.</li> </ul>   |
| D+, D                              | <ul style="list-style-type: none"> <li>• Demonstrates a marginally acceptable grasp of some major aspects of the course</li> </ul>  |

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|   | <p>(basic concepts and major perspectives and arguments in the literature).</p> <ul style="list-style-type: none"> <li>• Demonstrates a marginally acceptable ability to interrelate and synthesize course materials, and to arrive at ones own position in controversial issues based on knowledge acquired from the course.</li> </ul>  |
| F   | <ul style="list-style-type: none"> <li>• Failure to meet a minimum standard of knowledge base in the subject matter.</li> <li>• Failure to arrive at ones own position in controversial issues based on knowledge acquired from the course.</li> </ul>  |
| Assessment Task: Group project presentation |   |
| A+, A, A-                                   | <ul style="list-style-type: none"> <li>• Identifies and addresses the main themes and issues clearly, including their subsidiary, embedded or implicit aspects.</li> <li>• Consistent perceptive and critical engagement with the themes and issues based on comprehensive understanding of relevant concepts and theories, with effective analysis, synthesis and application of knowledge.</li> <li>• Demonstrates a comprehensive command of existing arguments relevant to the topic, and examines the issues from all important perspectives including rival positions and counter-evidence.</li> <li>• The arguments fit together logically and build a compelling case.</li> <li>• The presentation has a succinct outline, structure and conclusion, with clear transition between different parts (by different presenters).</li> <li>• Presenters show full command and understanding of the presented contents (e.g., powerpoint files, if any), which are predominantly their own writing.</li> <li>• Presenters engage the audience at all times through good communication skills (e.g., eye contact, gestures and variation in tone) and adhere strictly to the set time limits.</li> </ul>                                      |
| B+, B, B-                                   | <ul style="list-style-type: none"> <li>• Identifies and addresses the main themes and issues, but not all of the subsidiary, embedded or implicit aspects.</li> <li>• Generally perceptive and critical engagement with the themes and issues based on good understanding of relevant concepts and theories, as well as effective analysis, synthesis and application of knowledge.</li> <li>• Demonstrates a good command of existing arguemnts relevant to the topic, and examines the issues with regard to some important perspectives including rival positions and counter-evidence.</li> <li>• The arguments fit to form a clear own position, but some arguments are underdeveloped and some considerations overlooked.</li> <li>• The presentation has a succinct outline, structure and conclusion, with clear transition between different parts (by different presenters).</li> <li>• Presenters show good command and understanding of the presented contents (e.g., powerpoint files, if any), which are mostly their own writing.</li> <li>• Presenters engage the audience through good communication skills (e.g., eye contact, gestures and variation in tone) most of the time and adhere to the set time limits.</li> </ul> |
| C+, C, C-                                   | <ul style="list-style-type: none"> <li>• Identifies and addresses the main themes and issues, but not the subsidiary, embedded or implicit aspects.</li> <li>• Only occasional perceptive and critical engagement with the themes and issues reflecting mostly superficial understanding of relevant concepts and theories, with some inaccurate analysis, synthesis and application of knowledge.</li> <li>• Demonstrates insufficient command of existing arguemnts relevant to the topic, and not all main arguments or counter-arguemtnes examined.</li> <li>• Offers own position but the reasoing is sometimes impaired by weak, emotive or inconsistent arguementation.</li> </ul>   |

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|  | <ul style="list-style-type: none"> <li>• The presentation has an outline, structure and conclusion, but the transition between different parts (by different presenters) is not clear.</li> <li>• Presenters show insufficient command and understanding of the presented contents (e.g., powerpoint files, if any), which are mostly not their own writing.</li> <li>• Some presenters engage the audience relatively ineffectively and some are slightly off the set time limits.</li> </ul>   |
| D+, D  | <ul style="list-style-type: none"> <li>• Identifies and addresses the main themes and issues only partially.</li> <li>• Very limited critical engagement with the themes and issues, rarely goes beyond reproduction of relevant concepts and theories, and with some inaccuracies even doing so.</li> <li>• Demonstrates a lack of understanding of existing arguments relevant to the topic.</li> <li>• Offers own position but the arguments are poorly made and not well supported.</li> <li>• The presentation is not well structured, and the transition between different parts (by different presenters) is not clear.</li> <li>• Presenters show little understanding of the presented contents (e.g., powerpoint files, if any), which are mostly not their own writing.</li> <li>• Some presenters fail to engage the audience and some are off the set time limits.</li> </ul>   |
| F  | <ul style="list-style-type: none"> <li>• Failure to identify and address any main theme and issue.</li> <li>• No critical engagement with any issue, little mentioning and application of relevant concepts and theories, and with some inaccuracies when doing so.</li> <li>• Demonstrates a lack of understanding of existing arguments relevant to the topic.</li> <li>• No coherent own position and the arguments are confused and flawed.</li> <li>• The presentation is not structured, and the transition between different parts (by different presenters) is illogical.</li> <li>• Presenters show little understanding of the presented contents (e.g., powerpoint files, if any), which are not their own writing.</li> <li>• The presenters fail to engage the audience and some are off the set time limits.</li> </ul>  |
| <b>Assessment Task: Group project report</b> |  |
| A+, A, A-                                    | <ul style="list-style-type: none"> <li>• Identifies and addresses the main themes and issues clearly, including their subsidiary, embedded or implicit aspects.</li> <li>• Consistent perceptive and critical engagement with the themes and issues based on comprehensive understanding of relevant concepts and theories, with effective analysis, synthesis and application of knowledge.</li> <li>• Demonstrates a comprehensive command of existing arguments relevant to the topic, and examines the issues from all important perspectives including rival positions and counter-evidence.</li> <li>• The arguments fit together logically and build a compelling case.</li> <li>• The report has a clear structure and organization, with an introduction that states the main themes and writer's position and a conclusion that summarizes the main arguments. Each paragraph has a central idea which is developed throughout the paragraph with supporting details.</li> <li>• The report has very few, if any, errors in grammar and vocabulary. Conventions of academic writing (e.g., citation, references, footnotes, etc) are followed meticulously.</li> <li>• Quoted materials from other sources (with proper citation) are used only to support and strengthen arguments instead of replacing the student's own writing.</li> </ul> |
| B+, B, B-                                    | <ul style="list-style-type: none"> <li>• Identifies and addresses the main themes and issues, but not all of the subsidiary, embedded or implicit aspects.</li> </ul>  |

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|           | <ul style="list-style-type: none"> <li>• Generally perceptive and critical engagement with the themes and issues based on good understanding of relevant concepts and theories, as well as effective analysis, synthesis and application of knowledge.</li> <li>• Demonstrates a good command of existing arguemnts relevant to the topic, and examines the issues with regard to some important perspectives including rival positions and counter-evidence.</li> <li>• The arguments fit to form a clear own position, but some arguments are underdeveloped and some considerations overlooked.</li> <li>• The report has a clear structure and organization, with an introduction that states the main themes and the writer’s position and a conclusion that summarizes the main arguments. Some paragraphs lack a central idea or supporting details.</li> <li>• The report has some errors in grammar and vocabulary. Conventions of academic writing (e.g., citation, references, footnotes, etc) are mostly followed.</li> <li>• Quoted materials from other sources (with proper citation) are used to support and strengthen arguments, but sometimes also used to replace the student’s own writing.</li> </ul>  |
| C+, C, C- | <ul style="list-style-type: none"> <li>• Identifies and addresses the main themes and issues, but not the subsidiary, embedded or implicit aspects.</li> <li>• Only occasional perceptive and critical engagement with the themes and issues reflecting mostly superficial understanding of relevant concepts and theories, with some inaccurate analysis, synthesis and application of knowledge.</li> <li>• Demonstrates insufficient command of existing arguemnts relevant to the topic, and not all main arguments or counter-arguemtnes examined.</li> <li>• Offers own position but the reasoing is sometimes impaired by weak, emotive or inconsistent arguementation.</li> <li>• The presentation has an introduction and conclusion, but these do not fully capture the essence of the topic and discussion. Some paragraphs lack a central idea or supporting details.</li> <li>• There are distracting language errors though the overall meaning is still intelligible. Convention of academic writing (e.g., citation, references, footnotes, etc.) sometimes improper and incomplete.</li> <li>• Quoted materials from other sources (with proper citation) are used more to replace the student’s own writing than to support and strengthen arguments.</li> </ul> |
| D+, D     | <ul style="list-style-type: none"> <li>• Identifies and addresses the main themes and issues only partially.</li> <li>• Very limited critical engagement with the themes and issues, rarely goes beyond reproduction of relevant concepts and theories, and with some inaccuracies even doing so.</li> <li>• Demonstrates a lack of understanding of existing arguemnts relevant to the topic.</li> <li>• Offers own position but the arguments are poorly made and not well supported.</li> <li>• The topic is not properly introduced and the conclusion is very brief. Shows little ability to construct paragraphs with a central idea and supporting details.</li> <li>• Frequent errors in simple grammar and vocabulary. Errors are distracting and the overall meaning is not easily intelligible. Convention of academic writing (e.g., citation, references, footnotes, etc.) are sometimes improper, incomplete and even lacking.</li> <li>• Quoted materials from other sources (with proper citation) are heavily used to replace the student’s own writing.</li> </ul>   |
| F         | <ul style="list-style-type: none"> <li>• Failure to identify and address any main theme and issue.</li> <li>• No critical engagement with any issue, little mentioning and applciation of</li> </ul>   |



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|  | <p>relevant concepts and theories, and with inaccuracies when doing so.</p> <ul style="list-style-type: none"> <li>• Demonstrates a lack of understanding of existing arguments relevant to the topic.</li> <li>• No coherent own position and the arguments are confused and flawed.</li> <li>• Introduction and conclusion are unclear, lack details or missing altogether. Shows little ability to organize the report into paragraphs that have a central idea and supporting details.</li> <li>• Language errors are so frequent and distracting that the report is largely incomprehensible. Does not adhere to the conventions of academic writing (e.g., citation, references, footnotes, etc.)</li> <li>• Quoted materials from other sources are heavily used to replace the student's own writing, sometimes without proper citation.</li> </ul> |
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### VIII. Academic Conduct

The University Regulations on academic dishonesty will be strictly enforced! Academic dishonesty is behavior in which a deliberately fraudulent misrepresentation is employed in an attempt to gain undeserved intellectual credit, either for oneself or for another. It includes, but is not necessarily limited to, the following types of cases:

- a. Plagiarism - The representation of someone else's ideas as if they are one's own. Where the arguments, data, designs, etc., of someone else are being used in a paper, report, oral presentation, or similar academic project, this fact must be made explicitly clear by citing the appropriate references. The references must fully indicate the extent to which any parts of the project are not one's own work. Paraphrasing of someone else's ideas is still using someone else's ideas, and must be acknowledged. For further understanding, you should take the initiative to check the University Statement on plagiarism on the web: <http://www.hku.hk/plagiarism/>.
- b. Unauthorized Collaboration on out-of-class projects - The representation of work as solely one's own when in fact it is the result of a joint effort.
- c. Cheating on in-class tests and exams - The covert gathering of information from other students, the use of unauthorized notes, unauthorized aids, etc.
- d. Unauthorized advance access to a test or exam - The representation of materials prepared at leisure, as a result of unauthorized advance access (however obtained), as if it were prepared under the rigors of the exam setting. This misrepresentation is dishonest in itself even if there are not compounding factors, such as unauthorized uses of books or notes.

Where a candidate for a degree or other award uses the work of another person or persons without due acknowledgement:

1. The relevant Board of Examiners may impose a penalty in relation to the seriousness of the offence.

2. The relevant Board of Examiners may report the candidate to the Senate, where there is prima facie evidence of an intention to deceive and where sanctions beyond those in (1) might be invoked.

#### **IX. Instructor and teaching assistant**

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