

# PSCI 405/652: Chinese Political Economy

Winter 2015

AL 209 Friday 11:30-2:20

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**Office Location:** Hagey Hall 301

**Office Hours:** F 10-11 am

**Course Description:** China's economy has grown rapidly in the last few decades. Has the Chinese model of development been a success or a failure? What have been the major driving forces of growth? What are the obstacles for further economic reform? How sustainable is China's economic growth in the long run? Moreover, China has become increasingly integrated with the rest of the global economy. How has the global economy shaped China's economic development? What impact has China's presence – through its trade, investment, and aid – had on the development of other countries? These are questions with important theoretical and policy implications.

This course will be organized around these questions. We will begin with an overview of the historical legacies of the pre-1949 era and then move onto discussing the socialist economy and the post-socialist transition. The focus will then stay on the economic reform and development since the 1970s. We will examine the interaction between politics and economics that has shaped China's rural and urban economy in this era as well as the social and political consequences of economic development. Later the focus will shift to China's integration with the global economy and its growing economic presence in other parts of the world.

**Pre-Requisites:** A minimum of 0.50 unit of PSCI; Level at least 4A.

Prior knowledge about Chinese history and politics will be very useful for the course. For students who are new to the study of China, it is highly recommended that they read one of the following two books (Kenneth Lieberthal, *Governing China*; or Tony Saich, *Governance and Politics of China*) early in the semester.

## **Course Objectives:**

By the end of this course, students should:

- Have gained basic knowledge about the current state of Chinese economy and, particularly, the achievements and failures of China's economic reform.

- Have developed a good understanding of how politics shapes economic policies and how economic development affects social and political development.
- Have learned basic skills in using credible sources for research on contemporary Chinese politics and economy.
- Have become well-informed about one or two specific issues in Chinese economy and foreign economic relations.

## **University Regulations:**

### **Cross-listed course:**

Please note that a cross-listed course will count in all respective averages no matter under which rubric it has been taken. For example, a PHIL/PSCI cross-list will count in a Philosophy major average, even if the course was taken under the Political Science rubric.

### **Academic Integrity:**

**Academic Integrity:** In order to maintain a culture of academic integrity, members of the University of Waterloo are expected to promote honesty, trust, fairness, respect and responsibility.

**Discipline:** A student is expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (e.g., plagiarism, cheating) or about “rules” for group work/collaboration should seek guidance from the course professor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, disciplinary penalties will be imposed under Policy 71 – Student Discipline. For information on categories of offenses and types of penalties, students should refer to Policy 71 - Student Discipline, [Student Discipline <http://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-71>](http://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-71).

**Grievance:** A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read Policy 70 - Student Petitions and Grievances, Section 4, [Student Petitions <http://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-70>](http://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-70). In addition, consult [Student Grievances <http://arts.uwaterloo.ca/student-grievances-faculty-arts-processes>](http://arts.uwaterloo.ca/student-grievances-faculty-arts-processes) for the Faculty of Arts’ grievance processes.

**Appeals:** A student may appeal the finding and/or penalty in a decision made under Policy 70 - Student Petitions and Grievances (other than regarding a petition) or Policy 71 - Student Discipline if a ground for an appeal can be established. Read Policy 72 - Student Appeals, [Student Appeals <http://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-72>](http://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-72).

**Academic Integrity website (Arts):** Academic Integrity  
[http://arts.uwaterloo.ca/arts/ugrad/academic\\_responsibility.html](http://arts.uwaterloo.ca/arts/ugrad/academic_responsibility.html)

**Academic Integrity Office (uWaterloo):** Academic Integrity Office  
<http://uwaterloo.ca/academic-integrity/>

### **Accommodation for Students with Disabilities:**

**Note for students with disabilities:** The AccessAbility Services (AS) Office, located in Needles Hall, Room 1132, collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the AS Office at the beginning of each academic term.

### **Texts:**

Barry Naughton, The Chinese Economy, The MIT Press, 2007. (Required)

Besides this textbook, there are articles that are also part of the reading assignments, as listed below. You can find them through the university library's electronic databases. They are meant to either update the information offered in the main textbook or to enhance the political and comparative perspectives on Chinese political economy.

The text book is available for purchase at the University of Waterloo bookstore.  
The text book is on 3-hour reserve at the Dana Porter Library.

### **Course Requirements, Expectations, and Standards:**

#### **Assignments:**

##### *Assignment #1:*

The format of this course is a seminar. Students are expected to come to class having read the assigned readings. You should be ready to summarize and share your thoughts about the **required** reading materials. You should also respond actively and productively to other students' presentations. Your in-class participation will constitute **15** percent of your course grade.

##### *Assignment #2:*

Beginning with the second week, we will have 1-2 students report on the **optional** reading assignments for the week. The student reporter(s) will summarize the main question(s) and argument(s) of the optional reading materials, and reflect on the insights in those materials most relevant to the themes of the required readings, and pose questions for the class to discuss. Although this is not a written assignment, it will be helpful for you to prepare your report in

written form before your presentation. Two of these reports will constitute **30** percent of your course grade.

*Assignment #3:*

Each student will conduct an independent research project on a topic relevant to the course and approved by the professor. We will devote parts of several classes to hearing and discussing students' research designs. Your research design should spell out your research question(s), the significance of your project, your research methods, sources, and anticipated findings. Again, this is not a written assignment, but it will be useful for you to write up your research design (e.g. 3-5 pages) before your presentation. Your presentation and your answers to questions regarding your research design will account for **15** percent of your grade.

*Assignment #4:*

Toward the end of the semester, you will present your completed research project. Your finalized paper will be due one week after our last class. The paper should be about 15 pages (double spaced, plus bibliography) for those enrolled in PSCI 405, and 25 pages (double-spaced, plus bibliography) for those enrolled in PSCI 652. Your presentation of the research project and your research paper will constitute **40** percent of your grade.

**Late Policy:**

There will be no make up for missed assignments or presentations except special circumstances beyond your control (e.g., illness and other types of emergencies), for which you need to submit written documentation.

**Schedule:** (Items with \* are required; other items are optional)

**Week 1 Introduction**

**Week 2 Pre-1949 legacies**

\*Reading 1: Naughton: Introduction, Chapters 1 and 2.

Reading 2: Huang, Philip CC. "Development or involution in eighteenth-century Britain and China?." *The Journal of Asian Studies* 61.2 (2002): 501-538.

Reading 3: Hacker, Barton C. "The Weapons of the West: Military Technology and Modernization in 19th-Century China and Japan." *Technology and Culture* (1977): 43-55.

**Week 3 Socialist economy and post-socialist transition**

\*Reading 1: Naughton: Chapters 3 and 4.

Reading 2: Goldstein, Steven. "China in Transition: The Political Foundations of Incremental Reform" *The China Quarterly* no. 144 (1995): 1105-1131.

Reading 3: Lü, Xiaobo. "Booty socialism, bureau-preneurs, and the state in transition: Organizational corruption in China." *Comparative Politics* (2000): 273-294.

#### **Week 4 The rural-urban divide**

\*Reading 1: Naughton: Chapters 5 and 8.

Reading 2: Chan, Kam Wing. "Fundamentals of China's urbanization and policy." *China Review* (2010): 63-93.

Reading 3: Chan, Chris King-Chi, and Pun Ngai. "The making of a new working class? A study of collective actions of migrant workers in South China." *The China Quarterly* 198 (2009): 287-303.

#### **Week 5 The rural economy**

\*Reading 1: Naughton: Chapters 10, 11, and 12.

Reading 2: Tsai, Lily L. "Solidary groups, informal accountability, and local public goods provision in rural China." *American Political Science Review* 101.02 (2007): 355-372.

Reading 3: Chuang, Julia. "China's Rural Land Politics: Bureaucratic Absorption and the Muting of Rightful Resistance." *The China Quarterly* (2014): 1-21.

#### **Week 6 The urban economy**

\*Reading 1: Naughton: Chapters 13, 14, and 15.

Reading 2: Pearson, Margaret M. "The business of governing business in China: institutions and norms of the emerging regulatory state." *World Politics* 57.02 (2005): 296-322.

Reading 3: Nahm, Jonas, and Edward S. Steinfeld. "Scale-up Nation: China's Specialization in Innovative Manufacturing." *World Development* 54 (2014): 288-300.

#### **Week 7 Macroeconomics and finance**

\*Reading 1: Naughton: Chapters 18 and 19

Reading 2: Wong, Christine. "The fiscal stimulus programme and public governance issues in China." *OECD Journal on Budgeting* 2011.3 (2011).

Reading 3: Prasad, Eswar S. "Is the Chinese growth miracle built to last?." *China Economic Review* 20.1 (2009): 103-123.

#### **Week 8 Human dimensions of development**

\*Reading 1: Naughton: Chapters 8 and 9

Reading 2: Zweig, David, and Huiyao Wang. "Can China bring back the best? The Communist Party organizes China's search for talent." *The China Quarterly* 215 (2013): 590-615.

Reading 3: Solinger, Dorothy J., and Yiyang Hu. "Welfare, wealth and poverty in urban China: the dibao and its differential disbursement." *The China Quarterly* 211 (2012): 741-764.

### **Week 9 The environment**

\*Reading 1: Naughton: Chapter 20

\*Reading 2: Eaton, Sarah, and Genia Kostka. "Authoritarian Environmentalism Undermined? Local Leaders' Time Horizons and Environmental Policy Implementation in China." *The China Quarterly* (2014): 1-22.

Reading 3: Lo, Alex Y. "Active conflict or passive coherence? The political economy of climate change in China." *Environmental Politics* 19.6 (2010): 1012-1017.

Reading 4: Zhan, Xueyong, and SHUI-YAN TANG. "Political opportunities, resource constraints and policy advocacy of environmental NGOs in China." *Public Administration* 91.2 (2013): 381-399.

### **Week 10 Integrating with the global economy**

\*Reading 1: Naughton: Chapters 16 and 17

Reading 2: Fewsmith, Joseph. "The political and social implications of China's accession to the WTO." *The China Quarterly* 167 (2001): 573-591.

Reading 3: Huang, Yasheng. "One country, two systems: Foreign-invested enterprises and domestic firms in China." *China Economic Review* 14.4 (2003): 404-416.

### **Week 11 "Going out"**

\*Reading 1: Wu, Friedrich, and Koh De Wei. "From Financial Assets to Financial Statecraft: the case of China and emerging economies of Africa and Latin America." *Journal of Contemporary China* ahead-of-print (2014): 1-23.

\*Reading 2: Rosen, Daniel H., and Thilo Hanemann. "The changing US–China investment relationship." *China Economic Journal* 7.1 (2014): 84-102.

Reading 3: Eichengreen, Barry. "ADB Distinguished Lecture Renminbi Internationalization: Tempest in a Teapot?." *Asian Development Review* 30.1 (2013): 148-164.

Reading 4: Bräutigam, Deborah. "Aid 'With Chinese Characteristics': Chinese Foreign Aid and Development Finance Meet the OECD-DAC Aid Regime." *Journal of international development* 23.5 (2011): 752-764.

### **Week 12 Research presentations**