

National Chengchi University  
Graduate Institute of East Asian Studies  
Chinese Political Economy  
Spring 2019  
Wednesday 2-5 pm

Instructor: 劉致賢 Chih-shian Liou

Office: Room 27100C, Floor 10, North Wing of General Building

Office Hours: Appointment Only

Email: [cliou@nccu.edu.tw](mailto:cliou@nccu.edu.tw)

## **COURSE DESCRIPTION**

This graduate seminar offers a broad introduction to the field of political economy of contemporary China. It examines the main theoretical and methodological approaches to the study of Chinese economic reform. After more than three decades of reform, China has become one of the economic powerhouses in the world today. In the course of reforming its economy, China has experienced the fastest economic growth and social transformation in human history. To what extent, however, does China's development follow the orthodox recipes prescribed by the literature of political economy? What exactly is the source of China's economic growth for the past three decades? What is the current state of the market institutions in China? How do we interpret China's ascendancy economically and politically? To answer the preceding questions from the perspective of political science, the seminar has three main goals: (1) to familiarize students with empirical knowledge related to China's development; (2) to provide students with theoretical tools to analyze Chinese political economy; and (3) to hone students' analytical skills and improve their writing and presentation skills.

## **REQUIREMENTS**

This is a reading course. Seminar members should attend all class meetings, have the readings for each session prepared, and participate actively in discussion each class meeting. Students are expected to raise discussion questions in class as well as answer discussion questions raised by others. To facilitate class discussion, each student is required to post her/his one-page, single-spaced response memo on Moodle 12 hours before each class. The memo should be a product of critical review of the issues related to the week's topic rather than just a summary of the assigned readings. That said, you should at least be able to identify the main arguments of each reading, its counterarguments, its empirical evidence, and your critiques. Throughout the semester you will be writing a research proposal that will ideally serve as your master/doctoral thesis proposal. For a useful guide to write an academic paper in the field of social science, see Barry Weingast, "Structuring Your Papers (Caltech Rules)," which is available at [https://web.stanford.edu/group/mcnollgast/cgi-bin/wordpress/wp-content/uploads/2013/10/CALTECH.RUL\\_.pdf](https://web.stanford.edu/group/mcnollgast/cgi-bin/wordpress/wp-content/uploads/2013/10/CALTECH.RUL_.pdf). Another helpful piece written by a leading

social science scholar is Robert O. Keohane, "Political Science as a Vocation," *PS: Political Science & Politics* 42:2(2009), pp. 359-63.

This course will not introduce specialized methods. For students interested in qual/quant distinction, a good short piece is John Gerring, "Qualitative Methods," *Annual Review of Political Science* 20 (2017).

In addition to the assigned readings, students are expected to keep up with current events and intellectual debates by reading newspapers and new magazines on a regular basis. Recommended news sources include 經濟觀察報, 南方週末, 南風窗, 財新週刊, 財經, 中國新聞週刊, and 中國改革。

Your final grade will be determined by the following criteria:

Class participation	40%
Response memos	30% (due at Moodle by 2 am each Wednesday)
Research Proposal	30% (due on the last day of class, June 26, 2019)

## **POLICIES**

Do not enter the room late. If the bell has rung, stay out and do not disrupt your fellow students.

Students must obtain permission from the instructor to be absent.

Classroom etiquette: Turn off your electronic devices while you are in class. If your cell phone rings during class, you will be asked to leave.

Due dates will be rigidly enforced. There will be no extensions for any written assignments and oral presentations. Late assignments will receive a grade of zero.

Plagiarism will not be tolerated. Students found guilty of plagiarism will be penalized. They should expect to receive zero marks for the final grade, and may receive greater penalties in accordance with the regulations of the University. For a useful article about what constitutes plagiarism, see Kurt Weyland, "How to Assess Plagiarism of Ideas," *PS: Political Science and Politics* 40: 2 (April 2007), pp. 375-376.

*Changes to the syllabus...* I may make minor changes to the syllabus. These will be announced at least a week in advance.

## **READING MATERIALS**

Articles and book chapters are available through electronic access via the library's website and course website (Moodle).

## **CLASS SCHEDULE**

### **WEEK 1 (February 27, 2019) Introduction**

#### Suggested Reading

Henry Kissinger. 2011. *On China*. New York: The Penguin Press.

Ezra F. Vogel. 2011. *Deng Xiaoping and the Transformation of China*. Cambridge, MA: Harvard University Press.

Henry M. Paulson. 2015. *Dealing with China: An Insider Unmasks the New Economic Superpower*. New York: Twelve.

### **WEEK 2 (March 6, 2019) Overview: The Current State of the China Field**

#### Required Reading

Kevin J. O'Brien. 2018. "Speaking to Theory and Speaking to the China Field." *Issues and Studies* 54(4):184007-1-16.

Scott Kennedy. 2011. "Overcoming Our Middle Kingdom Complex: Finding China's Place in Comparative Politics." In Scott Kennedy, ed., *Beyond the Middle Kingdom: Comparative Perspectives on China's Capitalist Transformation*. Palo Alto: Stanford University Press.

Kellee, S. Tsai. 2013. "China's Political Economy and Political Science." *Perspectives on Politics* 11(3): 860-871.

Lily L. Tsai. 2017. "Bring in China: Insights for Building Comparative Political Theory." *Comparative Political Studies* 50(3): 295-328.

#### Suggested Reading

Elizabeth J. Perry. 2007. "Studying Chinese Politics: Farewell to Revolution?" *The China Journal* 57 (January): 1-22.

Allen Carlson, Mary E. Gallagher, and Melanie Manion. Eds. 2010. *Contemporary Chinese Politics: New Sources, Methods, and Field Strategies*. New York: Cambridge University Press.

### **WEEK 3 (March 13, 2019) The Initiation and Process of Economic Reform**

### Required Reading

Dali L. Yang. 1996. "Governing China's Transition to the Market: Institutional Incentives, Politicians' Choices, and Unintended Outcomes." *World Politics* 48(3): 424-452.

Shu-Yun Ma. 2000. "Understanding China's Reform: Looking beyond Neoclassical Explanations," *World Politics* 52(4): pp. 586-603.

Barry Naughton. 2007. *The Chinese Economy: Transitions and Growth*. Cambridge, MA: The MIT Press, Chapter 4. (ebook)

### Suggested Reading

Susan Shirk. 1993. *The Political Logic of Economic Reform in China*. Berkeley & Los Angeles: University of California Press.

Barry Naughton. 1995. *Growing Out of the Plan: Chinese Economic Reform, 1978-1993*. New York: Cambridge University Press.

Arthur R. Kroeber. 2016. *China's Economy: What Everyone Needs to Know*. New York: Oxford University Press.

## **WEEK 4 (March 20, 2019) The Rural Economy**

### Required Reading

Jean C. Oi. 1999. *Rural China Takes Off: Institutional Foundations of Economic Reform*. Berkeley and Los Angeles: University of California Press. Chapters 1-2.

James Kai-sing Kung and Yi-min Lin. 2007. "The Decline of Township-and Village Enterprises in China's Economic Transition." *World Development* 35(4): 569-84.

Xueguang Zhou. 2011. "The Autumn Harvest: Peasants and Markets in Post-Collective Rural China," *The China Quarterly* 208: 913-931.

### Suggested Reading

Susan Whiting. 1999. *Power and Wealth in Rural China: The Political Economy of Institutional Change*. New York: Cambridge University Press.

Jean C. Oi. 1991. *State and Peasant in Contemporary China: The Political Economy of Village Government*. Berkeley and Los Angeles: University of California Press.

Yiqing Xu and Yang Yao. 2015. "Informal Institutions, Collective Action, and Public Investment in Rural China," *American Political Science Review* 109(2): 371-391.

Daniel Mattingly. 2016. "Elite Capture: How Decentralization and Informal Institutions Weaken Property Rights in China." *World Politics* 68(3): 383-412.

## **WEEK 5 (March 27, 2019) The Urban Economy**

### Required Reading

Edward S. Steinfeld. 1999. *Forging Reform in China: The Fate of State-owned Industry*. New York: Cambridge University Press, Chapter 1.

Meg Rithmire. 2017. "Land Institutions and Chinese Political Economy: Institutional Complementarities and Macroeconomic Management." *Politics & Society* 45 (1): 123-153.

Xiaoxiao Shen and Kellee S. Tsai. 2016. "Institutional Adaptability in China: Local Developmental Models under Changing Economic Conditions." *World Development* 87: 107-127.

### Suggested Reading

Yimin Lin and Tian Zhu. 2001. "Ownership Restructuring in Chinese State Industry." *The China Quarterly* 166: 305-41.

Carsten A. Holz. 2001. "Economic Reforms and State Sector Bankruptcy in China," *The China Quarterly* 166: 342-67.

Chen Li. 2016. "Holding 'China Inc.' Together: The CCP and the Rise of China's *Yangqi*." *China Quarterly* 228: 927-949.

## **WEEK 6 (April 3, 2019) State Capitalism and China**

### Required Reading

Lin, Li-Wen and Curtis J. Milhaupt. 2013. "We are the (National) Champions: Understanding the Mechanisms of State Capitalism in China," *Stanford Law Review* 65: 697-759.

Kellee S. Tsai and Barry Naughton. 2015. "State Capitalism and the Chinese Economic Miracle," in Barry Naughton and Kellee S. Tsai, eds., *State Capitalism, Institutional Adaptation, and the Chinese Miracle*. New York, NY: Cambridge University Press.

劉致賢，「中國國家資本主義：一個新的政治經濟學研究議程」，*台灣政治學刊*，第 19 卷第 2 期(2015)，頁 41-80。

### Suggested Reading

Also Musacchio and Sergio G. Lazzarini. 2014. *Reinventing State Capitalism: Leviathan in Business, Brazil and Beyond*. Cambridge: Harvard University Press.

Sarah Eaton. 2016. *The Advance of the State in Contemporary China: State-Market Relations in the Reform Era*. Cambridge, UK: Cambridge University Press.

Benjamin L. Liebman and Curtis J. Milhaupt. Eds. 2016. *Regulating the Visible Hand? The Institutional Implications of Chinese State Capitalism*. New York: Oxford University Press.

Xi Li, Xuewen Liu, and Yong Wang. 2015. "A Model of China's State Capitalism." Working Paper, <https://papers.ssrn.com/sol3/papers.cfm?abstract-id=2061521>.

## **WEEK 7 (April 10, 2019) The Private Sector**

### Required Reading

Kellee Tsai. 2005. "Capitalists without a Class: Political Diversity among Private Entrepreneurs in China." *Comparative Political Studies* 39 (November): 1130-1158.

Bruce J. Dickson. 2008. *Wealth into Power: The Communist Party's Embrace of China's Private Sector*. Cambridge: Cambridge University Press, Chapter 1.

Victor Nee and Sonja Opper. 2012. *Capitalism from Below: Markets and Institutional Change in China*. Cambridge, MA: Harvard University Press, Chapters 1-2.

### Suggested Reading

Kellee S. Tsai. 2002. *Back-Alley Banking: Private Entrepreneurs in China*. Ithaca: Cornell University Press.

Bruce J. Dickson. 2003. *Red Capitalists in China: The Party, Private Entrepreneurs, and Prospect for Political Change*. New York: Cambridge University Press.

Nicholas R. Lardy, 2014. *Markets over Mao: The Rise of Private Business in China*. Washington, D.C.: Peterson Institute for International Economics.

## **WEEK 8 (April 17, 2019) China's Regulatory State**

### Required Reading

Margaret M. Pearson. 2005. "The Business of Governing Business in China: Institutions and Norms of the Emerging Regulatory State." *World Politics* 57(2): 296-322.

Yukyung Yeo. 2009. "Between Owner and Regulator: Governing the Business of China's Telecommunications Service Industry." *The China Quarterly* 200: 1013-1032.

Chung-min Tsai. 2014. "Regulating China's Power Sector: Creating an Independent Regulator without Autonomy." *The China Quarterly* 218: 452-473.

#### Suggested Reading

Dali L. Yang. 2004. *Remaking the Chinese Leviathan: Market Transition and the Politics of Governance in China*. Stanford, C.A.: Stanford University Press, Chapters 2, 5, and 6.

Roselyn Hsueh. 2011. *China's Regulatory State: A New Strategy for Globalization*. Ithaca: Cornell University Press.

### **WEEK 9 (April 24, 2019) Mid-term Review**

*Research topic and research question due!!*

### **WEEK 10 (May 1, 2019) Tax Reform**

#### Required Reading

Thomas P. Bernstein and Xiaobo Lü. 2003. *Taxation without Representation in Contemporary Rural China*. New York: Cambridge University Press, Chapters 1 & 8. (ebook)

Hongbin Cai and Daniel Treisman. 2006. "Did Government Decentralization Cause China's Economic Miracle?" *World Politics* 58(4): 505-535.

An Chen. 2014. "How Has the Abolition of Agricultural Taxes Transformed Village Governance in China? Evidence from Agricultural Regions." *The China Quarterly* 219: 715-735.

#### Suggested Reading

Yingyi Qian, Hehui Jin, and Barry R. Weingast. 2005. "Regional Decentralization and Fiscal Incentives: Federalism, Chinese Style." *Journal of Public Economics* 89(9-10): 1719-1742.

Jing Vivian Zhan. 2011. "Explaining Central Intervention in Local Extra-Budgetary Practices in China." *Asian Survey* 51(3): 497-519.

### **WEEK 11 (May 8, 2019) The Financial System**

#### Required Reading

Edward S. Steinfeld. 2002. "Moving beyond Transition in China: Financial Reform and the Political Economy of Declining Growth," *Comparative Politics* 34(4): 379-98.

Sebastian Heilmann. 2005. "Regulatory Innovation by Leninist Means: Communist Party Supervision in China's Financial Industry." *The China Quarterly* 181: 1-21.

Victor Shih. 2007. "Partial Reform Equilibrium, Chinese Style: Political Incentives and Reform Stagnation in Chinese Financial Policies." *Comparative Political Studies* 40(10): 1238-1262.

Richard W. Carney. 2012. "Political Hierarchy and Finance: The Politics of China's Financial Development." In Andrew Walter and Xiaoke Zhang, eds., *East Asian Capitalism: Diversity, Continuity, and Change*. Oxford: Oxford University Press.

### Suggested Reading

Nicholas Lardy. 1998. *China's Unfinished Economic Revolution*. Washington, DC: Brookings Institution Press, Chapters 2, 3, and 5.

Loren Brandt, Hongbin Li, and Joanne K. Roberts. 2005. "Banks and Enterprise Privatization in China." *Journal of Law, Economics and Organization* 21(2): 524-546.

Victor Shih. 2008. *Factions and Finance in China: Elite Conflict and Inflation*. New York: Cambridge University Press.

## **WEEK 12 (May 15, 2019) Foreign Trade and Investment**

### Required Reading

Yasheng Huang. 2003. *Selling China: Foreign Direct Investment during the Reform Era*. Cambridge: Cambridge University Press, Chapter 1.

Yumin Sheng. 2007. "Global Market Integration and Central Political Control: Foreign Trade and Intergovernmental Relations in China," *Comparative Political Studies* 40(4): 405-34.

Chih-shian Liou. 2014. "Rent Seeking at Home, Capturing Market Share Abroad: The Domestic Determinants of the Transnationalization of China State Construction Engineering Corporation." *World Development* 54(2): 220-231.

### Suggested Reading

Nicolas R. Lardy. 2002. *Integrating China into the Global Economy*. Washington D.C.: Brookings Institution Press.



Elizabeth C. Economy and Michael Levi. 2014. *By all Means Necessary: How China Resources Quest is Changing the World*. New York: Oxford University Press.

William J. Norris. 2016. *Chinese Economic Statecraft: Commercial Actors, Grand Strategy, and State Control*. New York: Cornell University Press.

### **WEEK 13 (May 22, 2019) Labor Politics**

#### Required Reading

Jonathan Unger and Anita Chan. 1995. , “China, Corporatism, and the East Asian Model,” *The Australian Journal of Chinese Affairs* 33: 29-53.

Ching Kwan Lee and Eli Friedman. 2010. “Remaking the World of Chinese Labor: A Thirty Year Retrospective” *British Journal of Industrial Relations* 48 (3): 3-17.

Linda Wong. 2011. “Chinese Migrant Workers: Rights Attainment Deficits, Right Consciousness and Personal Strategies,” *The China Quarterly* 208: 870-892.

#### Suggested Reading

Mary Elizabeth Gallagher. 2005. *Contagious Capitalism: Globalization and the Politics of Labor in China*. Princeton University Press.

Ching Kwan Lee. 2007. *Against the Law: Labor Protest in China’s Rustbelt and Sunbelt*. Berkeley: University of California Press.

William Hurst. 2009. *The Chinese Worker after Socialism*. Cambridge: Cambridge University Press.

### **WEEK 14 (May 29, 2019) Civil Society**

#### Required Reading

Timothy Hildebrandt. 2013. *Social Organizations and the Authoritarian State in China*. New York: Cambridge University Press. Chapters 1 & 8.

Jessica C. Teets. 2013. “Let Many Civil Societies Bloom: The Rise of Consultative Authoritarianism in China.” *The China Quarterly* 213: 19-38.

Rory Truex. 2017. “Consultative Authoritarianism and Its Limits.” *Comparative Political Studies* 50(3): 329-361.

#### Suggested Reading

Benjamin L. Read. 2008. "Assessing Variation in Civil Society Organizations: China's Homeowner Associations in Comparative Perspective." *Comparative Political Studies* 41(9): 1240-1265.

Ching Kwan Lee and You-tien Hsing (eds.). 2009. *Reclaiming Chinese Society: The New Social Activism*. London and New York: Routledge.

Guobing Yang. 2009. *The Power of Internet in China: Citizen Activism Online*. New York: Cambridge University Press

## **WEEK 15 (June 5, 2019) Debating the China Model**

### Required Reading

Barry Naughton 2010. "China's Distinctive System: Can it be a Model for Others?" *Journal of Contemporary China* 19(65): pp. 437-60.

Scott Kennedy. 2010. "The Myth of the Beijing Consensus." *Journal of Contemporary China* 19(65): pp. 461-77.

Minxin Pei. 2016. *China's Crony Capitalism: The Dynamics of Regime Decay*. Cambridge MA: Harvard University Press, Introduction and Chapter 1.

### Suggested Reading

Jashua Cooper Ramo. 2004. *The Beijing Consensus: Notes on the New Physics of Chinese Power*. London: Foreign Policy Centre, available at <http://fpc.org.uk/fsblob/244.pdf>.

Wei Pan. 2007. *The Chinese Model of Development*. London: Foreign Policy Centre, available at <http://fpc.org.uk/fsblob/888.pdf>.

黃平，崔之元(主編). 2005. 《中國與全球化：華盛頓共識還是北京共識》. 社會科學文獻出版社.

俞可平，黃平，謝曙光，高健(主編). 2006. 《中國模式與“北京共識”超越“華盛頓共識”》. 社會科學文獻出版社.

Yasheng Huang. 2008. *Capitalism with Chinese Characteristics: Entrepreneurship and the State*. New York: Cambridge University Press, Chapter. 5. (ebook)

陳志武. 2010. 《沒有中國模式這回事》. 八旗文化.

丁學良. 2011. 《辯論“中國模式”》. 社會科學文獻出版社.

## **WEEK 16 (June 12, 2019) China and Global Governance**

### Required Reading

Scott Kennedy. 2005. “China’s Porous Protectionism: The Changing Political Economy of Trade Policy.” *Political Science Quarterly* 120(3): 407-432.

Edward S. Steinfeld. 2010. *Playing Our Game: Why China’s Rise Doesn’t Threaten the West*. Oxford: Oxford University Press, Chapters 1-2.

David Shambaugh. 2013. *China Goes Global: the Partial Power*. New York: Oxford University Press, Chapter 4.

### Suggested Reading

Margaret M. Pearson and Gregory Chin. Eds. 2013. Special Issue on “International Political Economy in China: The Global Conversation,” *Review of International Political Economy* 20(6).

G. John Ikenberry and Darren J. Lim. 2017. “China’s Emerging Institutional Statecraft: The Asian Infrastructure Investment Bank and the Prospects for Counter-hegemony,” *Project on International Order and Strategy at Brookings*.

## **WEEK 17 (June 19, 2019) China’s Dual Transition**

### Required Reading

Mary Elizabeth Gallagher. 2002. “Reform and Openness: Why China’s Economic Reform Have Delayed Democracy.” *World Politics* 54(3): 338-72.

Minxin Pei. 2006. *China’s Trapped Transition: The Limits of Developmental Autocracy*. Cambridge MA: Harvard University Press, Introduction and Chapter 1.

Greg Distelhorst, “The Power of Empty Promises: Quasi-Democratic Institutions and Activism in China,” *Comparative Political Studies* 50(4): 464-498.

### Suggested Reading

An Chen. 2002. “Capitalist Development, Entrepreneurial Class, and Democratization in China,” *Political Science Quarterly* 117 (3): 401-22.

Kellee Tsai. 2007. *Capitalism without Democracy*. Ithaca: Cornell University Press.

Jie Chen and Bruce J. Dickson. 2010. *Allies of the State: Democratic Support and Regime Support among China's Capitalists*. Cambridge, MA: Harvard University Press.

**WEEK 18 (June 26, 2019) Seminar Paper Presentations**

*Research proposal due!!*