

**Course ID Number: REC 5761**  
**Course Title: Chinese Political Economy**

No. of Credits: 2

Graduate School of International Relations  
International University of Japan

Term: Fall 2011

Instructor: Janet Xuanli Liao

**Course Introduction**

This course is designed to introduce major feature and structure of China's political and economic systems. It will first introduce China's political system and economic system, the reforms and the problems occurred in the process. It will then examine a number of specific issues including China's social development, trade, energy, and environment/climate change related issues, before looking at the challenges facing China today.

The course aims to acquaint students with knowledge of China's political system and economic development, and the evolution occurred from the Maoist era to the reform period. It will also cover the dynamics between the two systems, the problems associated, and the likely implications to China's future development.

# Syllabus for the Course on Chinese Political Economy

(5 October – 7 December 2011)

**Instructor:** Dr Janet Xuanli Liao,

**Class time:** Wednesday 10:30-12:00 and 13:00-14:30

**Classroom:** TBD

**Office Hours:** Wednesdays 3-5pm

## Introduction

This course is designed to introduce major feature and structure of China's political and economic systems. It will first introduce China's political system and economic system, the reforms and the problems occurred in the process. It will then examine a number of specific issues including China's social development, trade, energy, and environment/climate change related issues, before looking at the challenges facing China today.

The course aims to acquaint students with knowledge of China's political system and economic development, and the evolution occurred from the Maoist era to the reform period. It will also cover the dynamics between the two systems, the problems associated, and the likely implications to China's future development.

## Organization

The course will be conducted mainly by lectures (with classroom discussions), but students are also expected to give a presentation (by group or individual) on certain issues, followed by classroom discussions. Two 90 minutes sessions will be devoted to student presentations in this term.

## Assessment

1. **One research paper** (4,500 words +/-10%): the topic can be decided by a student based on his/her preference, but the analysis needs to demonstrate the student's understanding of the key issues relating to China's political economy, as well as the ability of academic criticism. The research paper will count for 70%.
2. **One class presentation:** Students are required to do a 15 minutes presentation on a specific issue covered by the course. The Slides should be ready for circulation to the whole class by 5pm the day before the presentation. 20%
3. **Classroom performance and attendance:** 10%.

## Policies

1. The course participants are encouraged to attend the sessions on time, and to actively participate in classroom discussions. It is also highly recommended that the participants do some basic readings before coming to the class.
2. The course participants should choose a topic of their interest for the research paper. A preliminary discussion with the course instructor (via email or in person) is also encouraged for the purpose of approval.
3. Evaluation is based largely on clarity of views, ability to analyze concepts and dynamics, and adherence to ethical academic practices is a must. Serious action will be taken against plagiarism.

## **Weekly Schedule**

This section will introduce the topics and issues that will be covered in each class. In addition, what the students should read or prepare for a class should be clearly specified. It should include information about tests/exams, paper submissions, etc.

### **Week 1 (5 October 2011)**

#### **Chinese Political System under Maoist Era**

- The establishment of the PRC regime
- The Mao Zedong Thought and the governance principles
- The structure of the Chinese political system
- Relationships between the Communist Party, the government and the military
- Techniques for making the system work

#### **Reading Materials:**

\* Kenneth Lieberthal (2004) *Governing China: from Revolution through Reform*, Chapters 3-4 (pp. 59-121) & 6-7 (pp. 157-218).

Kenneth Lieberthal and Michel Oksenberg (1988), *Policy Making in China: Leaders, Structures, and Processes*, Chapters 2 & 4, pp. 35-62 & 135-168.

\* Roderick MacFarquhar ed. (1993), *The Politics of China, 1949-1989*, Cambridge: Cambridge University Press, Chapters 1-4, pp. 5-339.

\* Tony Saich (2004), *Governance and Politics of China*, Chapters 2 (pp. 25-56) & 5-8 (pp. 121-232)

### **Week 2 (12 October 2011)**

#### **Chinese Economic System under Maoist Era**

- The establishment of the command economic system
- Economic development amongst political campaigns
- The Chinese industry sectors and the government
- The agriculture sector and the status of farmers

#### **Reading Materials:**

Kenneth Lieberthal (1993), "The Great Leap Forward and the split in the Yan'an leadership", 1958-65", in R. MacFarquhar ed., *The Politics of China, 1949-1989*, pp. 87-147.

\* Kenneth Lieberthal and Michel Oksenberg (1988), *Policy Making in China: Leaders, Structures, and Processes*, Chapter 3 (pp. 63-134) & 7 (pp. 339-390).

\* Barry Naughton (2007), *The Chinese Economy: Transitions and Growth*, The MIT Press, Chapter 3 (pp. 55-84).

\* Frederick C. Teiwes (1993), "The establishment and consolidation of the new regime, 1949-57", in R. MacFarquhar ed., *The Politics of China, 1949-1989*, pp. 5-86.

### **Week 3 (19 October 2011)**

#### **Chinese Political & Economic System under Reform**

- The changing style of governance
- The succession of leadership
- Reform towards a market economy
- Reform and the rural economic development
- Population growth and the one-child policy

#### **Reading Materials:**

\* Lowell Dittmer (2001), "The Changing Shape of Elite Power Politics", *The China Journal*, No. 45, pp. 53-67 (electronic version available).

Kenneth Lieberthal (2004) *Governing China: from Revolution through Reform*, Chapter 11 (pp. 293-313).

Barry Naughton (2007), *The Chinese Economy: Transitions and Growth*, Chapters 7 (pp.161-177) and 10 – 12 (pp.231-293).

\* Michel Oksenberg (2001), "China's Political System: Challenges of the Twenty-First Century", *The China Journal*, No. 45, pp. 21-35 (electronic version available).

\* Tony Saich (2004), *Governance and Politics of China*, Chapters 3 (pp. 57-90) & 10 (pp. 268-304).

### **Week 4 (26 October 2011)**

#### **Incomplete Government Reform and the SOEs**

- The government reform: separation of the government and SOEs
- Ownership change and governance of SOEs
- The rationale of SOEs' existence: reliance, efficiency and fairness
- Price reform and social stability
- Merits and problems associated with the government reform

#### **Reading Materials:**

\* Anita Chan and Jonathan Unger (2009), "A Chinese State Enterprise under the Reforms: What Model of Capitalism?" *The China Journal*, No. 62, pp. 1-26 (electronic version available).

\* Ross Garnaut, Ligang Song, Yang Yao (2006), "Impact and Significance of State-Owned Enterprise Restructuring in China", *The China Journal*, No. 55, pp. 35-63 (electronic version available).

Scott Kennedy (2003), "The Price of Competition: Pricing Policies and the Struggle to Define China's Economic System", *The China Journal*, No. 49, pp. 1-30 (electronic version available).

\* Barry Naughton (2007), *The Chinese Economy: Transitions and Growth*, Chapters 13-14 (pp. 297-347)

Jean C. Oi (2005), "Patterns of Corporate Restructuring in China: Political Constraints on Privatization" *The China Journal*, No. 53, pp. 115-136 (electronic version available).

## **Week 5 (2 November 2011)**

### **The Urban-Rural Divide and Urbanization**

- A dualistic system: the division between urban and rural
- The administrative barriers and the division
- Policy change to reduce the urban-rural divide
- Urbanization and the likely implications
- A more sustainable future: urbanization or urban-rural equality?

### **Reading Materials:**

\* Weixing Chen (2002), "Control from the Center in the Reform Era in China: The Changing Modes", in Liu and Chen eds., *New Directions in Chinese Politics for the New Millennium*, pp. 9-36.

Chengfang Liu, Linxiu Zhang, Renfu Luo, Scott Rozelle, Linxiu Zhan (2009), "Infrastructure Investment in Rural China: Is Quality Being Compromised during Quantity Expansion?" *The China Journal*, No. 61, pp. 105-129 (electronic version available).

\* James Kung, Yongshun Cai, Xiulin Sun (2009), "Rural Cadres and Governance in China: Incentive, Institution and Accountability", *The China Journal*, No. 62, pp. 61-77 (electronic version available).

\* Barry Naughton (2007), *The Chinese Economy: Transitions and Growth*, pp. 113-139.

Zhang, Wei-Wei (2000), *Transforming China: Economic Reform and Its Political Implications*, pp. 9-15

## **Week 6 (9 November 2011)**

### **China's Entry into WTO**

- The process of China's trade reform
- Chinese markets open to foreign direct investments
- The tough negotiation of China's WTO membership
- The implications of China's entry into WTO
- WTO and the disputes between China Western powers: the case of rare earth

### **Reading Materials:**

Tran Van Hoa (2010), "Impact of the WTO Membership, Regional Economic Integration, and Structural Change on China's Trade and Growth", *Review of Development Economics*, Special Issue: Guest Editor: Kar-yiu Wong, 14(3): 577-591 (electronic version available).

\* Barry Naughton (2007), *The Chinese Economy: Transitions and Growth*, Chapters 16-17 (pp. 377-423).

\* Margaret M. Pearson (2001), "The Case of China's Accession to GATT/WTO", in D. M. Lampton ed., *The Making of Chinese Foreign and Security Policy in the Era of Reform, 1978-2000*, pp. 337-370.

\* Wang Rongjun (2004), "China's foreign trade policy after WTO accession", in Kokubun and Wang eds., *The Rise of China and A Changing East Asian Order*, pp. 119-138.

## **Week 7 (16 November 2011)**

### **China's Energy Security: Domestic Issues**

- China's perspectives on energy security and the strategies
- China's energy shortage: economic strategy and energy efficiency
- The governance issue: should China have an Energy Ministry?
- The role of the market vs the Chinese NOCs
- What should be done to ensure energy security?

### **Reading Materials:**

Bo Kong (2009), "China's Energy Decision-Making: becoming more like the United States?" *Journal of Contemporary China*, 18 (62), pp. 789-812 (electronic version available).

\* Christian Constantin (2007), "Understanding China's energy security", *World Political Science Review*, Volume 3, Issue 3, (electronic version available).

\* Eric Downs, (2006), *The Brookings Foreign Policy Studies Energy Security Series*, China, (electronic version available).

Lieberthal, Kenneth and Michel Oksenberg (1988), *Policy Making in China: Leaders, Structures, and Processes*, pp. 339- 390.

\* Janet Xuanli Liao (2009), "China's dealing with energy security: domestic reform and international challenges", in Raimund Bleischwitz ed., *Sustainable Resource Management at A Global Scale*, Berlin: Wuppertal Institute for Climate, Environment and Energy, Germany (in German), pp. 81-94 (English electronic version available).

Zha Daojiong (2006), "China's Energy Security: Domestic and International Issues", *Survival* 48 (1), pp. 179–190 (electronic version available).

## **Week 8 (23 November 2011)**

### **China's International Energy strategy**

- China's oil shortage and its "Going out" strategy since the late 1990s
- Different driving forces behind China's energy diplomacy
- China's dealing with Central Asia and Russia: the role of SCO
- China and the Middle East: for oil or for politics?
- China and Africa: neo-colonialism?

### **Reading Materials:**

\* Andrews-Speed, Philip, Xuanli Liao and Roland Dannruether (2002), *The Strategic Implications of China's Energy Needs*, London: The International Institute for Strategic Studies.

Lieberthal, Kenneth and Mikkal Herberg (2006), "China's Search for Energy Security: Implications for U.S. Policy", *NBR Analysis*, Vol. 17, No 1 (electronic version available).

\* Janet Xuanli Liao (2006), "Central Asia and China's Energy Security", *China and Eurasia Forum Quarterly*, November, pp. 61-69 ((electronic version available).

\* Ian Taylor (2006), "China's oil diplomacy in Africa" *International Affairs*, 82 (5), pp. 937–959 (electronic version available).

Flynt Leverett and Jeffrey Bader (2005), "Managing China-U.S. Energy Competition in the Middle East", *The Washington Quarterly*, 29 (1), pp.187–201(electronic version available).

\* Brock Tessman and Wojtek Wolfe (2011), "Great Powers and Strategic Hedging: The Case of Chinese Energy Security Strategy", *International Studies Review*, 13, 214–240 (electronic version available).

## **Week 9 (30 November 2011)**

### **China's Position on Environment and Climate Change**

- The cost of China's rapid economic development
- Evolution of China's climate change policy over the past decade
- The problems facing the post-Kyoto climate arrangement
- China and the post-Kyoto international climate regime
- Is it possible for the rising powers to follow a different path of development?

### **Reading Materials:**

Kristen A. Day ed. (2005), *China's Environment and the Challenge of Sustainable Development*, Armonk, N.Y.: M.E. Sharpe.

\* Peter Ho (2003), "Mao's War against Nature? The Environmental Impact of the Grain-First Campaign in China", *The China Journal*, No. 50, pp. 37-59 (electronic version available).

\* Kenneth Lieberthal (2004) *Governing China: from Revolution through Reform*, Chapter 10 (pp. 278-291).

Guiyang Zhuang (2008), "How will China move towards becoming a low carbon economy?" *China & World Economy*, 16 (3): 93–105.

\* Yang Yi, (2010), "Domestic Constraints and International Forces: Exploring China's Position on International Climate Change Policy", [http://www.nautilus.org/projects/seoul/workshop-papers/Exploring\\_Chinas\\_Position\\_on\\_International\\_Climate\\_Change\\_Policy.pdf](http://www.nautilus.org/projects/seoul/workshop-papers/Exploring_Chinas_Position_on_International_Climate_Change_Policy.pdf), pp. 1-16.

## **Week 10 (7 December 2011)** (Class Presentations during the first session)

### **New Challenges Facing China Today**

- The new generation of Chinese leadership: after Hu Jintao
- The political challenges: corruption, social justice and good governance
- The economic challenges: a greener and sustainable economic development
- Political reform and civil society building
- Will/should economic development enable political reform? Why?
- What will be China look like in 20 years' time? Why?

### **Reading Materials:**

Joseph Fewsmith (2011), "Political Reform Was Never on the Agenda", available at: <http://media.hoover.org/sites/default/files/documents/CLM34JF.pdf>

Willy Wo-Lap Lam (2006), *Chinese Politics in the Hu Jintao Era: New Leaders, New Challenges*, N.Y.: M.E. Sharpe.

\* Cheng Li (2008), "China's Fifth Generation: Is Diversity a Source of Strength or Weakness?" NBR, Asia Policy 6 (electronic version available).

Alice Miller (2011), "Splits in the Politburo Leadership?" available at: <http://media.hoover.org/sites/default/files/documents/CLM34AM.pdf>

\* James Mulvenon (2011), "Xi Jinping and the Central Military Commission: Bridesmaid or Bride?" available at: <http://media.hoover.org/sites/default/files/documents/CLM34JM.pdf>.

Barry Naughton (2011), "What Price Continuity?" available at: <http://media.hoover.org/sites/default/files/documents/CLM34BN.pdf>

\* Tony Saich (2004), *Governance and Politics of China*, Chapters 12 (pp. 329-347).



## Reading Materials for Chinese Political Economy

Andrews-Speed, Philip, Xuanli Liao and Roland Dannruether (2002), *The Strategic Implications of China's Energy Needs*, London: The International Institute for Strategic Studies.

Anita Chan and Jonathan Unger (2009), "A Chinese State Enterprise under the Reforms: What Model of Capitalism?" *The China Journal*, No. 62, pp. 1-26 (electronic version available).

Constantin, Christian (2007), "Understanding China's energy security", *World Political Science Review*, Volume 3, Issue 3, (electronic version available).

Day, Kristen A. ed. (2005), *China's Environment and the Challenge of Sustainable Development*, Armonk, N.Y.: M.E. Sharpe.

Dittmer, Lowell (2001), "The Changing Shape of Elite Power Politics", *The China Journal*, No. 45, pp. 53-67 (electronic version available).

Downs, Eric (2006), *The Brookings Foreign Policy Studies Energy Security Series*, China, (electronic version available).

Garnaut, Ross, Ligang Song, Yang Yao (2006), "Impact and Significance of State-Owned Enterprise Restructuring in China", *The China Journal*, No. 55, pp. 35-63 (electronic version available).

Gilley, Bruce (2004), "The 'End of Politics' in Beijing" *The China Journal*, No. 51, pp. 115-135 (electronic version available).

Ho, Peter (2003), "Mao's War against Nature? The Environmental Impact of the Grain-First Campaign in China", *The China Journal*, No. 50, pp. 37-59 (electronic version available).

Hoa, Tran Van (2010), "Impact of the WTO Membership, Regional Economic Integration, and Structural Change on China's Trade and Growth", *Review of Development Economics*, Special Issue: Guest Editor: Kar-yiu Wong, 14(3): 577-591 (electronic version available).

Kokubun, Ryosei and Wang Jisi ed. (2004), *The Rise of China and A Changing East Asian Order*, Tokyo New York: Japan Center for International Exchange

Lam, Willy Wo-Lap (2006), *Chinese Politics in the Hu Jintao Era: New Leaders, New Challenges*, N.Y.: M.E. Sharpe.

Li, Cheng (2004), "Cooling Shanghai Fever: Macroeconomic Control and Its Geopolitical Implications", *China Leadership Monitor*, No. 12, pp. 1-12, Available at: [HTTP://MEDIA.HOOVER.ORG/SITES/DEFAULT/FILES/DOCUMENTS/CLM12\\_LC.PDF](http://media.hoover.org/sites/default/files/documents/clm12_lc.pdf).

Li, Cheng (2008), "China's Fifth Generation: Is Diversity a Source of Strength or Weakness?" *NBR, Asia Policy* 6, pp. 1-42 (electronic version available).

Liao, Janet Xuanli (2006), "Central Asia and China's Energy Security", *China and Eurasia Forum Quarterly*, November, pp. 61-69 ((electronic version available).

Liao, Janet Xuanli (2009), "China's dealing with energy security: domestic reform and international challenges", in Raimund Bleischwitz ed., *Sustainable Resource Management at A Global Scale*, Berlin: Wuppertal Institute for Climate, Environment and Energy, Germany (in German), pp. 81-94 (English electronic version available).

Lieberthal, Kenneth and Michel Oksenberg (1988), *Policy Making in China: Leaders, Structures, and Processes*, Princeton, N.J.: Princeton University Press,

Lieberthal, Kenneth (2004) *Governing China: from Revolution through Reform*, 2<sup>nd</sup> Edition, New York: W.W. Norton.

Lieberthal, Kenneth and Mikka Herberg (2006), "China's Search for Energy Security: Implications for U.S. Policy", *NBR Analysis*, Vol. 17, No 1 (electronic version available).

Liu, Guoli and Weixing Chen edited (2002), *New Directions in Chinese Politics for the New Millennium*, Lewiston, N.Y.: Edwin Mellen Press.

MacFarquhar, Roderick ed. (1993), *The Politics of China, 1949-1989*, Cambridge: Cambridge University Press.

Naughton, Barry (2007), *The Chinese Economy: Transitions and Growth*, Cambridge, Mass.: MIT Press.

Oksenberg, Michel (2001), "China's Political System: Challenges of the Twenty-First Century", *The China Journal*, No. 45, pp. 21-35 (electronic version available).

Pearson, Margaret M. (2001), "The Case of China's Accession to GATT/WTO", in D. M. Lampton ed., *The Making of Chinese Foreign and Security Policy in the Era of Reform, 1978-2000*, pp. 337-370.

Oi, Jean C. (2005), "Patterns of Corporate Restructuring in China: Political Constraints on Privatization" *The China Journal*, No. 53, pp. 115-136 (electronic version available).

Saich, Tony (2004), *Governance and Politics of China*, 2<sup>nd</sup> edition, PalgraveMacmillan.

Smith, Graeme (2009), "Political Machinations in a Rural County", *The China Journal*, No. 62, pp. 29-59 (electronic version available).

Wang, Rongjun (2004), "China's foreign trade policy after WTO accession", in R. Kokubun and Wang J. ed. (2004), *The Rise of China and A Changing East Asian Order*, Tokyo New York: Japan Center for International Exchange, pp. 119-138.

Xu, Chenggang (2010), *The Fundamental Institutions of China's Reforms and Development* (electronic version available).

Zhang, Wei-Wei (2000), *Transforming China: Economic Reform and Its Political Implications*, NY: St. Martin's Press, 2000.