



**BEIJ ECCD370 China's Economic Development: 1978 to the Present –
and Beyond
The Alliance for Global Education China Now: Development, Politics
and Social Change Program, Fall 2009**

Professor Matt Ferchen

Course Description

Few countries have undergone as rapid and profound an economic transformation as contemporary China and no economy is more important for American students to understand than China's. Yet such an understanding is complicated by the seemingly contradictory portrayals of the Chinese economy in the West. Is China a rising economic powerhouse driven by its strategic economic policies and prowess as the world's factory floor? Or is China a corrupt hybrid of authoritarianism and capitalism that is often incapable of regulating its own markets or protecting its own, let alone the world's, consumers? In this course we will search for answers to these questions by taking an inter-disciplinary approach that includes the historical, economic and political dimensions of China's transformation and the country's international economic relations. In addition to lecture and discussion classes, the course will include periodic field trips where students can observe key aspects of the contemporary Chinese economy first-hand.

Course Requirements

For each class session students will be expected to complete the required readings, which will primarily consist of book chapters as well as journal and newspaper articles. In addition to active participation in class discussions each student will be responsible for selecting three (3) class sessions for which s/he will write a short response paper of between 2-3 pages and will then act as a discussant or co-discussant during the class. The response paper must be sent by email to everyone in the class within 24 hours of the session for which it has been prepared and the discussant will then be responsible for guiding the in-class discussion. These response papers are not meant to be book reviews that summarize the readings, but instead are an opportunity for students to draw connections between themes in the readings, to provide critical feedback on ideas and arguments in the readings themselves or to simply present questions about the readings.

Students will also work in groups to complete short presentation projects that focus on the scope and purpose of key economic bureaucracies in the Chinese government. Group presentations are scheduled for the second to last week of class. More details will be explained in class.

There will be an in-class mid-term and final exam in which students are asked to respond to a combination of identification and short essay questions. Students will be presented with a number of IDs and essays options and formats from which they can select.

For a number of the class sessions I will be inviting guest speakers who specialize in the topic for that class. No student discussion papers will be required during these guest presentations. However, students are asked to carefully read the materials for guest presentations and to prepare questions related to the specific topics.

In addition to normal class sessions held on campus, we will on occasion also go to sites around Beijing where we can observe first-hand the topic for that week. Students will be asked to write a one page journal entry to be submitted to the instructor by email within 2 days of each field trip.

Grading

Preparation and Class Discussion: 15%
Response Papers/Discussant: 30% (each paper 10%)
Mid-Term Exam: 15%
Group Presentations: 15%
Final Exam: 25%

Important Note on Deadlines, original work and class etiquette: All work must be handed in on time in order to receive full credit. For each day that an assignment is late you will lose a full letter grade. If you are ill and are not able to hand an assignment in on time you should notify me or the program director before the deadline and we will make alternative arrangements.

All course work must be completely original. You should be careful to cite and reference any work that is not your own. Plagiarism will be strictly punished, with the minimum being an F for the assignment in question with the possibility of stricter penalties including expulsion from the class and the program. Please refer to the Alliance program rules for more details.

The class will be a combination of lecture and discussion. You are expected to come prepared to each class and to engage in discussions. You are encouraged to bring a critical eye to the readings, to the teacher's arguments and to the comments of fellow students. This all should be done in a spirit of mutual respect. As such, no cell phone use in class is permitted and laptops should be used strictly for class related purposes.

Course Meeting and Readings Schedule

Week 1 (August 31-September 4)

Monday, August 31: Course Introduction

Wednesday, September 2: Film: China: A Century of Revolution, 1949-1976. PBS Documentary.

Week 2 (September 7-11)

Monday, September 7: Historical Background I: The Maoist Era Economy, 1949-1978

- Lippit, Victor. "The Maoist Period, 1949-78: Mobilizational Collectivism, Primitive Accumulation and Industrialization." Christopher Hudson and Fitzroy Dearborn, eds., *The China Handbook*. Taylor and Francis Publishing Group.

Wednesday, September 9: Historical Background II - Deng Xiaoping and the Decision for Reform: Was Reform Inevitable?

- White, Gordon. 1993. "The Failure of the Maoist Developmental State and the Rise of the Economic Reformers." In *Riding the Tiger: The Politics of Economic Reform in Post-Mao China*. Stanford: Stanford University Press.

Week 3 (September 14-18)

Monday, September 14: Roots of Reform I: Agricultural Transformation (Discussant: John)

- Kelliher, Daniel. 1992. *Peasant Power in China: The Era of Rural Reform, 1979-1989*. New Haven, CT: Yale University Press. Chapter 1.

Wednesday, September 16: Roots of Reform II: Rural Industry and the Township and Village Enterprises (Discussants:)

- Huang Yasheng. 2007. "The Rural Roots of China's Miracle." *Financial Times* (October 21). See <http://www.ftchinese.com/story.php?lang=en&storyid=001014907>.
- Oi, Jean. 1992. "Fiscal Reform and the Economic Foundations of Local State Corporatism." *World Politics* 45(1): 99-126.

Week 4: (September 21-25)

Monday, September 21: State, Economy and Society I: The Regulatory State (Discussant:)

- Yang Dali. 2004. "Economic Transformation and State Rebuilding in China." In Barry J. Naughton and Dali L. Yang, eds., *Holding China Together: Diversity and National Integration in the Post-Deng Era*. Cambridge: Cambridge University Press.
- Wang Shaoguang. 2006. "Regulating Death at Coal Mines: changing mode of governance in China." *Journal of Contemporary China* 15(46): 1-30.

Wednesday, September 23: State, Economy and Society, Part II: The Developmental State

- Johnson, Chalmers. 1999. "The Developmental State: Odyssey of a Concept." In Meredith Woo-Cumings, ed., *The Developmental State*. Ithaca: Cornell University Press.
- Pearson, Margaret. 2005. "The Business of Governing Business in China: Institutions and Norms of the Emerging Regulatory State." *World Politics* 57: 296-322.

Week 5: (September 28-October 2)

Monday, September 28: State, Economy and Society, Part III: Partial Reform

- Pei Minxin. 2003. "Rotten from Within: Decentralized Predation and Incapacitated State." In T.V. Paul, G. John Ikenberry and John Hall, eds., *The Nation-State in Question*. Princeton: Princeton University Press.
- Lü Xiaobo. 2000. "Booty Socialism, Bureau-Preneurs, and the State in Transition: Organizational Corruption in China." *Comparative Politics* 32(3): 273-294.

Wednesday, September 30: The Chinese Debate

- Liu Junning. 2000. "Classical Liberalism Catches on in China." *Journal of Democracy* 11(3): 48-57.
- Mishra, Pankaj. 2006. "China's New Leftist." *The New York Times*, October 15.
- Fewsmith, Joseph. 2005. "China under Hu Jintao." *China Leadership Monitor* 14: 1-9.

Week 6: (October 5-9)

National Day Holiday and Alliance Field Study Trips: No Classes

Week 7: (October 12-16)

Monday, October 12: Midterm Review

Wednesday, October 14: Midterm

Week 8: (October 19-23)

Monday, October 19: China and International Trade, from SEZs to the WTO

- Zweig, David. 2002. "Explaining Internationalization: Channels, Resources and Fevers." *In Internationalizing China: Domestic Interests and Global Linkages*. Ithaca: Cornell University Press.

Wednesday, October 21: China and FDI: Inward and Outward Bound Investment

- Bergsten, Fred C, Bates Gill, Nicholas R. Lardy, and Derek Mitchell. 2006. *China The Balance Sheet: What the World Needs to Know about the Emerging Superpower*. Washington, DC: Center for Strategic and International Studies, and the Institute for International Economics. Chapter 4.
- Rosen, Daniel H. and Thilo Hanemann. 2009. "China's Changing Outbound Foreign Direct Investment Profile: Drivers and Policy Implications." Peterson Institute for International Economics.

Week 9: (October 26-30)

Individual Travel Vacation: No Classes

Week 10: (November 2-6)

Monday, November 2: China's Financial System

- Shih, Victor. 2008. "China's Financial Performance in Comparative Perspective." In *Factions and Finance in China: Elite Conflict and Inflation*.

Wednesday, November 4: China, the US and the International Financial Crisis

- Pettis, Mike. 2008. "Can China Adjust to the US Adjustment?" Available at: <http://piaohaoreport.sampa.com/china-financial-markets/blog/Can-China-adjust-to-the-US-adjus.htm>.

Week 11: (November 9-13)

Fieldtrip: American Chamber of Commerce or US Embassy (Date and Time to be Announced)

Week 12 (November 16-20)

Monday, November 16: Deng, State-Owned Enterprise Reform and Corruption

- Naughton, Barry. 1993. "Deng Xiaoping: The Economist." *China Quarterly* 135: 491-514.
- Ding, X.L. 2000. "The Illicit Asset Stripping of Chinese State Firms." *China Journal* (43): 1-28.

Wednesday, November 18: Evaluating the "Local State": Local Developmentalism or Corruption?

- Segal, Adam and Eric Thun. 2001. "Thinking Globally, Acting Locally: Local Governments, Industrial Sectors, and Development in China." *Politics and Society* 29(4): 557-588.
- Blecher, Marc and Vivienne Shue. 2001. "Into Leather: State-led Development and the Private Sector in Xinji." *The China Quarterly* 166 (June): 368-393.

Week 13: (November 23-27)

Monday, November 23: China's Regulatory Challenges: The Environment and Food and Product Quality

- Economy, Elizabeth. 2007. "The Great Leap Backward?" *Foreign Affairs*. See http://airdye.com/downloads/120_Articles_100107_ForeignAffairs.pdf.
- Tam Weikeung and Yang Dali. 2005. "Food Safety and the Development of Regulatory Institutions in China." *Asian Perspective* 29(4): 5-36.
- Marx, Patricia. 2009. "Letter from China: Kosher Takeout, Supervising a Food-production Boom." *The New Yorker* (January 5): 24-28.

Wednesday, November 25: The Battle over China's Informal Economy

- Tsai, Kellee. 2002. *Back-Alley Banking: Private Entrepreneurs in China*. Ithaca: Cornell University Press. Chapter 1.
- Ferchen, Matt. 2007. "The City Appearance Administration and Street Vendors: Regulating Market Order in Nanjing." Dissertation Chapter.

Week 14 (November 30-December 4)

Monday, November 30: Where Is China's Middle Class? (Discussants:)

- Tsai, Kellee. 2005. "Capitalists Without a Class: Political Diversity Among Private Entrepreneurs in China." *Comparative Political Studies* 38(9): 1130-1158.
- "A Capitalist Paradise: The Urban Middle Class Has a Lifestyle that Looks Familiar." 2005. *U.S. News and World Report* (June 6).
- Ford, Peter. 2007. "Consumer Tidal Wave on the Way: China's Middle Class." *Christian Science Monitor* (January 2).

Wednesday, December 2: Assessing the China "Miracle"

- Gilboy, George F. 2005. "The Myth Behind China's Miracle." *Foreign Affairs* 83(4): 33-48.
- Anderson, Jonathan. 2006. "China's True Growth: No Myth or Miracle." *Far Eastern Economic Review* (September): 9-16.

Week 15: (December 7-11)

Monday, December 7: Presentation Preparation

Wednesday, December 9: Final Presentations

Week 16: (December 14-18)

Monday, December 14: Final Exam Review

Wednesday, December 16: Final Exam