POLITICAL SCIENCE 389: STATE & MARKET IN CONTEMPORARY CHINA

Class Day & Time: Monday & Wednesday, 10:00—11:30 am
Classroom Location: 1400 CHEM

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Office Hours: Wednesday, 11:30 am-12:30 pm or by appointment

COURSE OVERVIEW

Market reforms since 1978 have transformed the Chinese economy and society dramatically, triggering profound consequences for China and the world. Once a deeply impoverished communist country, China is the world’s second largest economy today. In fact, by some estimates, China has already surpassed the United States to become the world’s largest economy. Yet China’s capitalist transformation is far from over. As the country approaches middle-income status, new and daunting challenges of governance and economic reforms have arisen.

This course introduces you to the political economy of China’s reforms. We will review the timeline of China’s reforms, highlighting the problems and strategies that define distinct phases of development. We will focus on the role of the state in the reform process, especially that of local governments. A third emphasis is corruption, its patterns and relationship with economic growth.

REQUIRED TEXTS


Only assigned chapters from other books and news/magazine articles will be posted on Ctools > resources.

All journal articles can be downloaded for free at UM Library website.

The required texts have been placed on reserve at the library.

NO LAPTOP POLICY

Laptop use is not permitted during lectures. Cell phones should also be turned off. Lecture slides will be posted on Ctools a week before each lecture, so you can print the slides and take notes in class.
ASSIGNMENTS & GRADES

Biweekly Quizzes (40%)

There is a short quiz at the end of almost every lecture. One exception is Jan 14. There will be no lecture, and the in-class quiz is replaced by an online quiz that you will take on Ctools.

Wildcard policy: We will drop 3 quizzes with the lowest grades, meaning, if you miss class or don’t do well on the quizzes for whatever reason, you are automatically excused 3 times.

Participation in Lectures & Sections (20%)

You can only be excused for missing class if you have a medical note from the doctor, an official note that verifies your participation in competitions, or other official reasons approved by the instructor (for lectures) or GSI (for sections) at least two weeks before class. Other than that, there will be no exception. If you have a legitimate excuse approved by me, your absence will not take up your 3 “wildcards.”

10 out of 20 points of the participation grade will be based on regular attendance in sections. The remaining 10 points will be based on your quality of class participation, graded based on the scale below. Your GSI will elaborate on the evaluation of participation quality during sections.

Arriving late to class is disrupting. Thus, tardiness in lectures and sections will be marked. We pardon occasional tardiness. But if you’re persistently late, we may deduct points.

Response to Guest Lecture (10%)

There will be three guest lectures this semester (see below). Write a response on ONE lecture. To post your response, go to Ctools > assignments > response. Your response should be about two single-spaced pages in length. State the title and date of the event at the top of the page. In 1-2 paragraphs, summarize the speaker’s arguments or findings. Share your responses (e.g., what you’ve learned, how it relates to class, whether you agree/disagree with the argument).

- Prof. Su Yang, Associate Professor of Sociology, UC-Irvine, lecture on the politics of the Tiananmen
- Prof. Hiroki Takeuchi, Associate Professor of Political Science, Southern Methodist University, lecture on village elections
- Prof. Terry Sicular, Professor of Economics, Western Ontario University, lecture of inequality patterns

You need only to write ONE response. The deadline for submission is April 15, 5 pm. However, you have the choice of resubmitting a second response if you submit a first one by March 8, 5 pm. If you are not satisfied with your grade on the first submission, you can resubmit a second response by April 15. We will count the response that earns a higher grade.

Late submissions for the optional first response are not accepted. If you submit your response after the April 15, 5 pm deadline, 5% of your grade will be deducted for every day of lateness. Even if you submit only a few minutes after 5 pm, this will count as one day of lateness.

Midterm and Final (30%)
The mid-term and final will each take up 15% of your grade and will be conducted in class. The mid-term will cover materials from Class#5-12, and the final from Class#18 to 28.

**Extra Credit (Up to 3 points)**

Write a response on any one of the three talks below. Your review should do three things: (1) Summarize the talk, highlighting what you’ve learned from it; (2) discuss its connection to the course, if you see any; and (3) discuss your reactions. Recommended length is 1,000 words.

You can expect to receive at least some credit if you submit a reasonably good response. But only truly deserving reviews—thoughtful and well-written—will obtain the maximum score.

This assignment is due on April 18 (Friday), 5 pm. Post your review on Ctools > Assignment > extra credit. Late submissions are not accepted.

**Grade Scale**

Final grades for the course will be determined as follows: A+ (100+); A (95-100); A- (90-94); B+ (87-89); B (83-86); B- (80-82); C+ (77-79); C (73-76); C- (70-72)

In computing your grade, we do not round off. For example, if your final grade is 94.9, it is an A-, not an A. There is no bargaining around this rule.
COURSE SCHEDULE & READINGS

Introduction

Course theme; teaching objectives; assignments

China in Comparative and Historical Context

Required
Louise Levathes. *When China Ruled the Seas*. Prologue; Chap 4 (Treasure Fleet); Chaps 9-10 (Last voyage)

Supplemental

Discussion questions:
- Diamond: The rise of the West through industrialization and colonization. Why Europe, why not China?
- Levathes: China’s glorious past as seen through Zheng He’s expedition. Why was China’s economic and political power not sustained? Why did China decline?
- *A Century of Revolution* Part I (documentary): From the end of the Qing Dynasty to 1949, China was ravaged by foreign invasion, civil war, and deep poverty. What is the impact of this tumultuous period on post-1949 China?

#3 (1/13)
NO CLASS—Watch documentary and take online quiz

Watch *China: A Century in Revolution (Part I), 1911-1949*. (**Don’t watch the wrong part. This is the part on 1911-1949**) You can view the video on youtube at [https://www.youtube.com/watch?v=m7C4oM9GM3k](https://www.youtube.com/watch?v=m7C4oM9GM3k) or in Ctools > Media Gallery. We have also reserved the DVD in the library.

After watching the video, go to “Ctools > Test Center > Online Quiz” to take a quiz on the documentary. It should take about 15 minutes to complete.

Part I: Temporal Overview from Socialism to Capitalism

The Socialist Era, 1949-1978 (Land reform)

Huang. *The Spiral Road*. Introduction, Chapter 1 (Prologue), Chapter 3 (The Liberation) pp. 41-49

Discussion questions:
- How does a planned economy work? Why and how was the land reform carried out?
- Bottom-up view (Huang, Liao): Following CCP rule, what fundamental changes happened in rural China?
The Socialist Era, 1949-1978 (Great Leap Forward)

Required
Yang Jisheng. Tombstone. Chap 1 (Epicenter of Disaster)
Huang. The Spiral Road. Chapter 4 (Hunger, Hunger)

Supplemental

Discussion questions:
- What happened during the Great Leap Forward?
- What explains such a tragic disaster? What particular aspects of authoritarian rule made such a disaster possible?
- What remnants of the GLF might we still see in reform-era China?

The Socialist Era, 1949-1978 (The Cultural Revolution)

Vogel. Deng Xiaoping. Chap 1 (Background), Chapter 2 (Banishment & Return).

Discussion questions:
- What happened during the Cultural Revolution? What explains the “ten years of madness” during the CR? Do the effects of the CR continue to linger in present-day China?
- What did Deng go through under Mao’s rule? What do you think he learned from his personal setbacks and traumas? How did these experiences influence Deng’s vision of reform?

Market Transition Part I (before 1993): Growing Out of the Plan

Naughton. The Chinese Economy. Chapter 4 (Market Transition), pp. 85-99
Vogel. Deng Xiaoping. Chapter 7, pp. 245-248 (on the Third Plenum), Chapter 14 (Experiments)
Huang. The Spiral Road. Chapter 8 (Prosperous Years), pp. 136-150

Discussion Questions:
- Why is China’s reform divided into two distinct phases: before and after 1993?
- What were the distinctive goals and features of the pre-1993 reform?
- What role did capitalist experiments in Southern China (Guangdong and Fujian) play in national reforms? How did the reformers cope with political resistance?

Market Transition Part II (before 1993): Tiananmen & Deng’s Southern Tour

Vogel. Deng Xiaoping. Chapter 21 (Tiananmen), Chapter 23 (Deng’s finale).
Jan Wong. “Red China Blues.” Chapter 13 (people power).

Discussion Questions:
- What led to the Tiananmen Incident? People’s quality of life generally improved after reforms. So why were people still unsatisfied and took to the streets?
- Student protestors in Tiananmen pressed for democracy. What did they understand by democracy?
- How did Deng respond to the Tiananmen crisis? What strategies did he use during the Southern Tour? How did he build support for continued market reforms? What are his legacies?

**Market Transition Part III (after 1993)**

Yingyi Qian & Jinglian Wu. “China’s Transition to a Market Economy: How Far Across the River?” in *How Far Across the River* 

**Discussion Questions:**
- How are the features of the second phase of market transition? How is it distinguished from the first phase? 
- Why did the second phase of reform involve changes in governance? Specifically, what governmental reforms were conducted?

**Market Transition Part IV (China 2030)**

"China’s Miracle is Over, Now Comes the Nightmare," *New York Post*, July 8, 2015 

**Discussion questions:**
- What are the problems of China’s model of economic growth in the past 30 years? 
- What are the main elements of reform proposed in the 2030 report? 
- What do you think are the challenges of implementing these reforms?

**Part II: The Party-State**

**Formal Structure**

Lawrence and Martin. “Understanding China’s political system.” CRS Report for Congress. 

**Discussion questions:**
- What are the core components and characteristics of the U.S. political system? How do these American features compare to those in China’s political system? 
- In China, what is the relationship between the party and the state, and between central and sub-national governments? 
- In what way is power fragmented in China? Does such fragmentation constitute constraints on power? Are there checks and balances in China’s political system?

**Targets & Cadre Evaluation**

YY Ang, Chapter on “Franchising the Bureaucracy” (first half only), from *How China Escaped the Poverty Trap*, 2016

Discussion questions:
- Why are targets and cadre evaluation so important in China’s political system?
- What are the limitations of target-setting? How might it backfire? (hint: falsification)
- How have targets evolved from the Maoist period, reform period, and until the present day? Why has it evolved in this direction? What is the impact of these changes?

**Part III: Role of the state**

**Developmental role of local governments Part I (rural industrialization)**

Naughton. The Chinese Economy. Chapter 12 (Rural Industrialization)

Discussion Questions:
- Evans: What is a developmental state? Why might strong state intervention be especially important for late-developing economies?
- Oi: How is the developmental model in China different from East Asia’s? Why did local states enthusiastically promote rural industrialization?
- Naughton & Oi: What are TVEs? How did they differ from state-owned and private enterprises? What explains their rise and decline?

**Developmental Role Part II (land financing and urbanization)**

Weiping, Wu. “Fiscal decentralization, infrastructure financing, and regional disparity.” In *China’s Local Public Finance in Transition*

“Local-government debt, Bridging the fiscal chasm,” The Economist, Feb 22, 2014

Discussion questions:
- After the 1990s, the economic strategies of local states shifted away from promoting TVEs toward land financing. What was the origin of this shift? (hint: change in fiscal system)
- What are the consequences of land financing (selling land to raise local revenue)? How is it related to urbanization? Why has it led to social protests and conflicts?

**Part IV: Corruption & Anti-Corruption**

**Corruption: Forms and Patterns**

Sun, Yan. 2004. *Corruption and market in contemporary China*. Chapter 1 (phemenology)
Chen Guidi and Wu Chuntao. *Will the Boat Sink the Water?* Chapter 5 (A vicious cycle)
“In Rise and Fall of China’s Bo Xilai, an Arc of Ruthlessness,” *New York Times*, May 6, 2012
“Investigation into wedding banquet for Chinese police chief’s daughter,” 5 Jan 2010, *The Guardian*
What do we mean by corruption in general?
In China, what forms of corruption exist at the highest and lowest levels of power? How do patterns of corruption vary across regions?
What are some new, ambiguous forms of corruption in China? How do they compare to influence peddling and lobbying in the United States?

Corruption and Economic Boom

Discussion questions:
- Wedeman: What are the different forms of corruption and how do their economic consequences differ?
- How would you characterize the prevalent type/s of corruption in China? How have they changed over time?
- Why do you think China’s economy has boomed despite vast corruption?

Private sector and political connections
Required:

Discussion questions:
- Why and how did private businesses protect themselves by developing guanxi with local officials?
- Has the significance of guanxi declined as China modernizes and as formal institutions like courts become more widely available? What does the evidence suggest?

The Internet and Anti-Corruption

Discussion questions:
- Can online activism effectively fight corruption in China? Why or why not?
- Aside from state censorship, what are the problems that hobble the efficacy of online activism in China? Why do we not find similar problems in India?
- How has prolonged authoritarian rule and past political experiences influenced present-day civil society in China?