

CHES 5138 Political and Economic Reforms since the Early 1980s

*2020-21, Term 1, Tuesdays 6:30pm-9:15pm
 Conducted online through Zoom*

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This course charts the trajectory of major political and economic policies since the late patriarch Deng Xiaoping inaugurated the Era of Reform and Open Door policy in 1978. Deng's efforts to liberalize Mao Zedong-style authoritarianism – and to introduce grassroots elections and other forms of democracy – will be examined. Also analyzed will be measures taken by the leadership under ex-presidents Jiang Zemin and Hu Jintao to introduce international norms to modernize the cadre system and the civil service. “Intra-party democracy” as well as reforms in the legal and judicial systems will be assessed. The evolution and significance of Beijing's policies toward NGOs, dissidents, the media and the Internet will also be studied. The implications of President Xi Jinping's “Chinese Dream” – and his more orthodox, quasi-Maoist art of governance – for the country's reforms will be evaluated.

This course also looks at reforms in the industrial, agricultural and financial sectors that have made possible China's emergence as the world's second largest economy. The main features of the “China model” – a mixed economy where state fiats coexist with market forces – will be assessed. The comparative roles of state-owned enterprises, foreign direct investments and the fast-developing private sector will be examined. Also appraised will be whether Beijing is successful in turning the “world factory” into a “global innovation hub,” as symbolized by the Made in China 2025 game plan. The ramifications of so-called “Likonomics” – or Premier Li Keqiang's economic reforms – will be discussed. The question of whether Xi's ultra-ambitious project – the One Belt One Road – will bring benefits to the Chinese economy and the country's global clout will be debated. Also discussed will be the impact of on-going trade disputes and geopolitical contention with the U.S. – which many see as facets of a new “Cold War” between the two major powers – on the evolution of economic and political restructuring in the foreseeable future. The course will conclude with a look at whether economic and political reforms undertaken by Beijing have satisfied the people's aspirations – and helped render the country into a “responsible stakeholder” in the international order.

After taking the course, students will acquire

1. An adequate understanding of Chinese political, economic, social and legal institutions; A good grasp of the major initiatives and policies of the Era of the Reform and Open Door, which is still on-going.
2. An ability to analyze specific reform policies given China's unique national conditions as well as the country's interactions with the global community.
3. A capacity to assess the achievements and shortcomings of reform policies in relation to the country's basic political and economic structure.
4. An ability to make appraisals and suggestions regarding how certain political or

economic reform measures can be fine-tuned to suit the fast-shifting changes in the 21st century, particularly China's recent confrontational stance vis-a-vis the U.S.

Course Contents: Week-to-week schedule

1. (September 8) Party-State Institutions and Historical Assessment of Political and Economic Reforms Analysis and evaluation of major party, government and military institutions and systems. The tradition of Chinese Communist Party (CCP) supremacy. The lack of "checks and balances" in the polity. Interplay between the party, the state, the civil society and the people. Historical assessment of political and economic reforms since Deng Xiaoping took power in late 1978. The "new ideas" of Deng and his two key lieutenants, the late general secretaries Hu Yaobang and Zhao Ziyang. The introduction of village-level elections; revival of "rule by law"; separation of party and government. Efforts to dismantle Mao Zedong's "command economy": the resuscitation of private capital and absorption of foreign direct investment (FDI). The establishment of the special economic zones.

Readings:

Jean-Pierre Cabestan, "The party runs the show: how the CCP controls the state and towers over the government, legislature and judiciary," in *The Routledge Handbook of the Chinese Communist Party*, ed., Willy Lam, Routledge, 2018, pp. 75-91.

Richard McGregor, *The Party: The Secret World of China's Communist Rulers*, Harper Perennial, 2012, pp. 1-33.

Zheng Yongnian and Weng Cuifen, "The development of China's formal political structures," in Robert S. Ross and Jo Inge Bekkevold, ed., *China in the Era of Xi Jinping*, Georgetown University Press, 2016, pp. 32-65.

Joseph Y.S. Cheng, "Evolution of the party since 1976: ideological and functional adoptions," in *The Routledge Handbook of the Chinese Communist Party*, op. cit., pp. 135-152.

Joseph Fewsmith, *Dilemmas of Reform in China: Political Conflict and Economic Debate*, Routledge 2016, pp. 176-240.

2. (September 15) Impact of the Tiananmen Square incident and Jiang Zemin's "Theory of the Three Represents." Moratorium on political, ideological and institutional reforms in the run-up to and after the Tiananmen Square incident. Restoration of the party's primacy as sole decision-making body. Jiang Zemin's "Theory of the Three Represents" and the introduction of "elite politics." Emergence of the "new class" of state and private entrepreneurs and an evaluation of their role in Chinese politics.

Readings:

Joseph Fewsmith, "Studying the Three Represents," *China Leadership Monitor*, no. 8 (2003), https://www.hoover.org/sites/default/files/uploads/documents/clm8_jf.pdf.

Jia Heping, "The Three Represents Campaign: Reform the Party or Indoctrinate the Capitalists," *Cato Journal*, January 2004,
<file:///C:/Users/Willy/Downloads/cato2005threerepresents.pdf>

Excerpts from Willy Lam, *The Era of Jiang Zemin*, Prentice Hall, 1999. (pp. 85-129)

3. (September 22) Administrative reforms and Prospects of "Intra-Party Democracy."

The development of "intra-party democracy" under Hu Jintao and Wen Jiabao. "Democracy within the party" as demonstrated by initiatives introduced at the 16th, 17th and 18th CCP Congress (respectively 2002, 2007 and 2012). President Hu's ideals of a "harmonious society" and the "scientific outlook on development." Administrative reforms including the modernization of the civil service and the cadre systems. The introduction of Western civil-service norms. The promotion of clean and efficient governance; and fight against corruption. Major institutions policies behind the anti-graft campaigns of leaders from Jiang Zemin to Xi Jinping. The development of "intra-party democracy" under Hu Jintao and Wen Jiabao. "Democracy within the party" as demonstrated by initiatives introduced at the 16th, 17th and 18th CCP Congress (respectively 2002, 2007 and 2012). President Hu's ideals of a "harmonious society" and the "scientific outlook on development."

Readings:

David Shambaugh, "Training China's Political Elite: the Party School System," *China Quarterly*, December 2008, Vol 196, pp. 827-844.

Akio Takahara: "The CCP's meritocratic cadre system," in *The Routledge Handbook of the Chinese Communist Party*, op. cit. pp. 153-164.

Andrew Nathan, "Authoritarian Resilience" *Journal of Democracy*, Vol 14, No. 1, January 2003, pp. 6-17.

Cheng Li, "The End of the CCP's Resilient Authoritarianism? A Tripartite Assessment of Shifting Power in China," *The China Quarterly*, Vol 211, September 2012, pp 595 623.

Willy Lam, "Intra-party democracy with Chinese Characteristics," in Joseph Cheng, ed., *Whither China's Democracy? Democratization in China since the Tiananmen Incident*, City University of Hong Kong Press, 2011.

4. (September 29) Reform of the Legal System. Modernization of the legal system: rule by law versus rule of law. The evolving functions and authority of the National People's Congress. The question of independence of the judiciary. The role of the CCP Central Commission on Political-Legal Affairs. The quality and political orientation of judges and lawyers. The idea of justice in the service of the party's political goals. Hu Jintao and Xi Jinping's views on rule by law with Chinese characteristics.

Readings:

Benjamin L. Liebman, "China's Law and Stability Paradox," in *China's Challenges*, ed. Jacques deLisle and Avery Goldstein, University of Pennsylvania Press, 2015, pp. 157-77.

Qiang Fang & Xiaobing Li, "Power versus Law in Modern China: Cities, Courts, and the Communist Party," in Shiping Hua, ed., *Asia in the New Millennium*, University of Kentucky Press, 2017, pp. 149-180.

Willy Lam, "The Politicisation of China's Law-Enforcement and Judicial Apparatus" *China Perspectives* Hong Kong, No. 2, 2009.

5. (October 6) Economic Reforms particularly after China's Accession to the WTO.

Overall assessment of the reform of the economic structure from the early 1980s. Significance and implications of China's WTO membership. Analysis of the three major locomotives of growth: government investment; trade and consumer spending. The expanding role of private and foreign capital; the peculiar traits and contributions of the Chinese stock market.

Readings:

Excerpts from Barry Naughton: *The Chinese Economy: Adaptation and Growth*, MIT Press, 2018. (Chapters 14, 15 and 19)

Excerpts from Willy Lam, *Chinese Politics in the Era of Xi Jinping*, Routledge, 2015. (pp. 75-126)

Jeffrey D. Sachs and Wing Thye Woo, "China's Economic Growth After WTO Membership," *Journal of Chinese Economic and Business Studies* (2010) 1:1, pp 1-31.

6. (October 13) Strengths and Weakness of the "China Model." The "China model" of economic development: the coexistence of government planning and market initiatives. Virtues and problems of China's "mixed economy" system. The issue of corporate governance. Economic development and environmental concerns.

Yun-Han Chu, "Sources of Regime Legitimacy and the Debate over the Chinese Model," *China Review*, Chinese University Press, Vol. 13, No. 1 (Spring 2013), pp. 1-42.

Barry Naughton, "China's Distinctive System: can it be a model for others?" *Journal of Contemporary China*, 2010, 19:65, 437-460.

Excerpts from Daniel Bell, *The China Model: Political Meritocracy and the Limits of Democracy*, Princeton University Press, 2015. (pp. 179-198)

7. (October 20) The Role of State-Owned Enterprise Conglomerates. The role, performance and significance of China's *yangqi*, or the 100-odd state-held flagship corporations. Comparisons of these Chinese-style "national industrial champions" with *chaebol* in South Korea and *keiretsu* in Japan. Reasons behind the relatively small number of successful Chinese multinational corporations. Hu Jintao and Xi Jinping's policies on reform of state-owned enterprises.

Readings:

Private Enterprise in China ed. Ross Garnaut, Ligang Song, Yang Yao and Xiaolu Wang

ANU Press, 2012, pp. 53-77.

Kjeld Erik Brødsgaard, "Politics and Business Group Formation in China: The Party in Control?" *The China Quarterly*, No. 211 (September 2012), pp. 624-648.

Excerpts from Nicholas R. Lardy, *Sustaining China's Economic Growth After the Global Financial Crisis*, Peterson Institute, Washington D.C., 2012. (pp.67-105)

8. (October 27) China's Capacity for Innovation in High Technology and other areas. Spotlight on Chinese innovation. Beijing's strategy for research and development in high technology and other sectors. How the "world factory" can be transformed into a "global technological hub." Impediments to innovation in the age of the information economy. The prospects of the "Made in China 2025" program. Reasons behind Washington's "conspiracy" against Chinese high-tech development. The examples of ZTE and Huawei.

Readings

George S. Yip, "China's drive for innovation," in *China's Next Strategic Advantage*, ed. George S. Yip and Bruce McKern, MIT Press, 2016.

Jost Wübbeke, Mirjam Meissner, Max J. Zenglein, Jaqueline Ives and Björn Conrad, "Made in China 2025: The making of a high-tech superpower and consequences for industrial countries," Mercator Institute for China Studies, No. 2, 2016, http://www.iberchina.org/files/2016/MadeinChina_2025_merics.pdf.

Sun-Wei Guo, "China's 'Gene War of the Century' and Its Aftermath: The Contest Goes On," *Minerva*, Vol. 51, No. 4 (2013), pp. 485-512.

9. (November 3) China in the World Economy. China's interaction with the world economy. The role of the Chinese government and corporations in global forums such as the G20 and APEC. China's "going-out" policy: significance of fast-growing Chinese-originated outbound-foreign direct investment (OFDI). Relations between China's OFDI strategy on the one hand, and diplomatic and security concerns on the other. Assessment of the Xi Jinping leadership's ambitious "One Belt, One Road" (or Belt and Road Initiative) strategy as well as the establishment of the Asian Infrastructure Development Bank.

Readings

Yong Wang, "Offensive for defensive: the Belt and Road Initiative and China's new grand-strategy," in *The Pacific Review*, 2016, 29:3, 455-463.

Srinivasa Madhur, "China-Japan-Korea FTA: A Dual Track Approach to a Trilateral Agreement," *Journal of Economic Integration*, Vol. 28, No. 3 (September 2013), pp. 375-392.

Chien-peng Chung, "China and Japan in 'ASEAN Plus': Multilateral Arrangements Raining on the Other Guy's Parade," *Asian Survey*, Vol. 53, No. 5 (September/October 2013), pp. 801-824.

10. (November 10) The Role and Future Development of the Civil Society. How the hard-authoritarian state tries to stifle the views and activities of liberal intellectuals, human rights lawyers, members of the underground church and other NGOs. How the Internet has effectuated changes in the relationship between the government and the populace. The phenomenon of brain drain in the 21st century: the enhanced emigration of professionals and business people to the West.

Readings

Chloe Froissart, "Changing patterns of Chinese civil society: comparing the Hu-Wen and the Xi Jinping eras," in *The Routledge Handbook of the Chinese Communist Party*, op. cit., pp. 352-371.

David Bandurski, "Can the Internet and social media change the Party?" in *The Routledge Handbook of the Chinese Communist Party*, op. cit., pp. 372-391.

Carsten T. Vala, "Protestant Christianity and Civil Society in Authoritarian China: The Impact of Official Churches and Unregistered 'Urban Churches' on Civil Society Development in the 2000s," *China Perspectives*, No. 3, (2012): 43-52.

11. (November 17) Prospects for Political and Economic Reform in the 2020s. An examination of the prospects for political and economic reforms after the 18th and 19th Party Congress. The reform strategies of the Fifth-Generation leadership under Xi Jinping. President Xi's apparent efforts to become a "Putin-style strongman" and his abandonment of Deng Xiaoping's institutional changes. Xi's anti-graft and rectification campaigns. The role of new "super-agencies" such as the Central Commission for Comprehensively Deepening Reforms and the Central National Security Commission. The significance of the "Chinese Dream" mantra and the rise of nationalism – and their impact on political and economic reform.

12. (November 24) The development of China under the conditions of a "Cold War" with the U.S. An assessment will be made on the impact of the on-going China-U.S. trade dispute and geopolitical contention, which could stoke the flames of a new "Cold War" between the two nations, on the political and economic milieu in the PRC. For example, has the monumental clash between the two major world powers exposed weaknesses and dislocations in the Chinese economy as well as the party-state's decision-making processes? Have Washington's apparent efforts to target "Made in China 2025" shown up structural problems in Chinese-style innovation? Is the "China model" under attack? And how will the likely responses of the Xi Jinping team alter the trajectory of political and economic liberalization in China in the foreseeable future? Also touched upon will be the changing relations between American allies/quasi-allies such as the EU, Australia, Japan and India on the one hand, and China on the other.

13. (December 1) Final Examination. It will be in the form of a “take home” exam. Questions will be e-mailed to students, who will e-mail the answers to the instructor after a designated period of time.

Assessment:

Students will be assessed on not only their understanding of lecture and reading materials but also their ability to formulate and articulate their own judgments on topics related to Chinese political and economic reforms. Also appraised will be students’ ability to conduct independent research and their capacity for original thinking.

Scholarly paper: 40% Topics for the scholarly paper will be announced at the beginning of term. Length of the papers is around 2,500 words (excluding footnotes). The deadline will be three weeks before the end of term.

Final exam: 40% Students should have a good understanding of the main points of topics presented in each lecture. They are expected to have a good grasp of the lecture notes and the mandatory readings. Students are expected to demonstrate critical thinking and originality in tackling exam questions.

Class Presentations: 20% Either individually or in small groups, students will be asked to do a presentation on a subject-matter relevant to the course. The lecturer and TA will assist students in picking a suitable topic for presentation, which will typically last for up to 20 minutes each. Special credit will be given to originality and creativity. The presentation will be done in the ZOOM format.

Attention is drawn to University policy and regulations on honesty in academic work, and to the disciplinary guidelines and procedures applicable to breaches of such policy and regulations. Details may be found at <http://www.cuhk.edu.hk/policy/academichonesty/>. With each assignment, students will be required to submit a signed declaration that they are aware of the policies, regulations and procedures.

Textbooks and References

Relevant reading materials and references will be distributed by the lecturer for every class.

Daniel Bell

The China Model: Political Meritocracy and the Limits of Democracy

Princeton: Princeton University Press, 2015

Joseph Y.S. Cheng (editor)

Whither China’s Democracy: Democratization in China since the Tiananmen Incident

[Paperback] Hong Kong: City University of Hong Kong Press, 2011

Willy Wo-Lap Lam
Chinese Politics in the Era of Xi Jinping [Paperback] New York and London: Routledge, 2015

Willy Wo-Lap Lam (editor)
The Routledge Handbook of the Chinese Communist Party, New York and London: Routledge, 2018

Willy Wo-Lap Lam
The Fight for China's Future [Paperback], New York and London: Routledge, 2020

Nicholas R. Lardy
Sustaining China's Economic Growth After the Global Financial Crisis
[Paperback] Washington D.C.: Peterson Institute, 2012

Kenneth Lieberthal
Governing China: From Revolution to Reform (Second Edition) [Paperback],
New York: W. W. Norton & Company, 2003

Barry Naughton:
The Chinese Economy: Adaptation and Growth [Paperback] Cambridge, Mass: The MIT Press, 2018