The University of Hong Kong
Department of Politics and Public Administration
Second Semester, 2019-20

Course code and title: POLI3031 Politics of Economic Reform in China

Course credits: 6

Course Level: Advanced

Time (lectures): Thu, 10:30 am – 12:20 pm   **Location:** CPD-LG.59

Lecturer: Dr. Chang Sun

Office: Room 1226, K.K.Leung Building

Email: sunc@hku.hk

Office hours: Friday 1:20 to 2:20 pm

TA: TBA

Tentative time and location for tutorials: TBA

Course Description:
This course examines the politics of economic reform in contemporary China. Issues covered include: the connections between politics and economics, the political debates over economic reforms, the rationale and themes of the economic reform programme, and the social and political consequences resulting from the implementation of these reforms. Reform policies to be studied include rural reform, enterprise reform, central-local relations as well as foreign economic policy.

Course Learning Outcomes:
At the end of the course, students will be able to:
1. Know the history of China's economic reform on various fronts
2. Understand basic economic and political trade-offs between different policies and institutional arrangements
3. Equip with a framework to analyze current policy debates and challenges the Chinese government face in deepening reforms

Course-programme level learning outcome alignment:
(please refer to Appendix II for programme learning outcomes)

CLOs	GL-LLB PLOs	GL PLOs	PPA major PLOs
1	5,6,9	2,5,6,10	5,6,10
2	3,5,6,7,9	2,3,4,5,6,8,9	2,3,4,5,6,8,9,10
3	1,3,7,9,10	1,2,3,4,8,9,10	1,2,3,4,8,9,10

Teaching and Assessment Methods:
Course performance is assessed through 60% coursework 40% examination.

Assessment Methods	Assessment Ratio (%)	Aligned Course Learning Outcome (the item number of CLO)
Coursework	60	1,2 & 3
Examination	40	1,2 & 3

Coursework (60%)

Participation (15%) = Attendance (7%) + Discussion (8%)
　　It is mandatory to attend lectures and tutorials. You are also expected to actively participate in discussions during lectures and in tutorials. Tutorial attendance is mandatory. If you attend all the tutorials on time, you get 7% of the full mark. The remaining 8% depends on the quality and frequency of your contribution to the discussions both in lectures and tutorials.

*In-class Quizzes (5%*2)*
　　There are two in-class quizzes, currently scheduled in Week 5 (Feb 27) and Week 10 (Apr 2). The quizzes contain multiple choices and true/false questions and each lasts for 15 min. More details about the quizzes will be announced later.

Group Project (35%) = Presentation (15%) + Term Paper (20%)
　　You are required to form groups of two to four (depending on the number of students enrolled) to write a research paper on the political economy of China's ongoing reforms. You can get clues for research questions from the lectures and readings. A list of potential topics and research questions will also be posted on Moodle. The TA and I can help you narrow your research question. Please talk to us.
　　The term paper is due after the final examination, but I encourage you to start working on it early. To ensure that every group makes timely progress, you are required to submit a two-page outline of the paper by Mar 15 at 11:59 pm. The TA and I will provide feedback. A more detailed guidance for the outline and the research paper will be posted on Moodle.
　　In Week 13, each group will need to do a 20-25 min presentation about their project during the tutorials.

Final Examination (40%)
　　Students are required to take a two-hour examination during the exam period. The final exam is a combination of multiple choice, true-or-false and essay questions.

Course Conduct Policies
Attendance
　　Students are required to attend lectures/tutorials on time. Arriving late or leaving early or walking in/out during class without permission will lower your class participation grade. Students are required to put your mobile phone on silent during the class.

Written Assignments
　　No late submission of the term paper will be accepted. The Department of Politics &

Public Administration expects that all students work will conform to the highest standards of academic integrity. Student's work will be scrutinized for academic misconduct, which includes plagiarism of other's words and/or ideas, falsification, fabrication, and misuse of data. For more information about the policy on plagiarism at HKU, please visit: http://www.hku.hk/plagiarism.

Course Outline

Date	Lecture	Topic
Week 1, Jan 23	Lecture 1	Introduction and Overview of the Planning Era
Week 2, Feb 6	Lecture 2	Two Phases of the Reform
Week 3, Feb 13	Lecture 3	Central-local relations and fiscal federalism
Week 4, Feb 20	Lecture 4	Rural transformation
Week 5, Feb 27	Lecture 5	Enterprise Reform (Quiz #1)
Week 6, Mar 5	Lecture 6	Reforming the financial system
Week 7	Reading Week	
Week 8, Mar 19	Lecture 7	Trade and Foreign Investment
Week 9, Mar 26	Lecture 8	Labor market and human capital, I
Week 10, Apr 2	Lecture 9	Labor market and human capital, II (Quiz #2)
Week 11, Apr 9	Lecture 10	Inequality and social mobility
Week 12, Apr 16	Lecture 11	Political incentives and governance
Week 13, Apr 23		Presentations

Textbook and Readings

- The required textbook is
    - Naughton, Barry J. *The Chinese Economy: Transitions and Growth*. Cambridge, Mass.: The MIT Press, 2006.
- Lecture notes, required and recommend readings will be posted on the course's website before class, except for chapters in the textbook (referred to as "Naughton" in the list). Below is a list of required and recommended readings from *last year*. Required readings are denoted with asterisks (single asterisk for required readings for lectures while *double asterisks for required readings discussed in tutorials*), and will be discussed in depth during lectures and tutorials. The list is *subject to change* as the course progresses. Readings other than chapters in the textbook will be posted on Moodle before lectures and tutorials. Please refer to Moodle for the latest reading lists.

Week	Readings
1 & 2	**Recommended reading for the lecture:** Jinglian, Wu. 2013. "Thinking through China's Thirty-Year Economic Reform Process from an Institutional Perspective." In *Wu Jinglian: Voice of Reform in China*, MIT Press, p. 33–60.

	(available on Jstor through HKUL) Naughton, Chapters 3 & 4 Zhao, Suisheng. 1993. "Deng Xiaoping's southern tour: elite politics in post-Tiananmen China." *Asian Survey* 33(8): 739–756. (available on Jstor through HKUL)
3	**Required readings for the lecture:** • Naughton, Chapter 18.2 • Chapter 6 (p. 173 – 188) in Lieberthal, Kenneth. 2003. *Governing China: From Revolution Through Reform, 2nd Edition.* New York: W. W. Norton & Company. You can download a copy by clicking here, but it is **for this course only**. **Please do not distribute**. Thank you. **Recommended readings:** • Naughton, Chapter 18.3 • Montinola, Gabriella, Yingyi Qian, and Barry R. Weingast. 1995. "Federalism, Chinese Style: The Political Basis for Economic Success in China." World Politics 48(1): 50–81. (A classic piece that created the concept of "Chinese-Style Fiscal Federalism") • Wang, Xiao, and Richard Herd. 2013. *The System of Revenue Sharing and Fiscal Transfers in China*. OECD Economics Department Working Papers. (A more technical survey of China's fiscal system, worth reading if you want to do some research about it.)
4	**Required Readings for lecture:** • Eckholm, Erik. 1998. "Xiaogang Journal; Village of Small Farmers Marks Own Great Leap." *The New York Times.* **Recommended Readings:** • Naughton, Chapter 10
5	**Required Readings for the lecture (Enterprise Reform):**

	• Naughton, Chapter 12.2 - 12.4 • Naughton, Chapter 13.3 **Required Readings for the tutorials (Land Rights in Rural China):** • Chapter 2 in Lie, Anne Christine. 2014. (p.p.17 - 31) "Rethinking rural resistance in China - A Case Study of the 2011 Wukan Incident in Guangdong province." https://www.duo.uio.no/handle/10852/40779. **Recommended Readings:** • A series of documentaries produced by Al Jazeera on Wukan. Here is Episode 1 on Youtube. • Cal Wong. 2016. "China's Wukan Democracy Experiment Comes to a Violent End." The Diplomat, September 21. http://thediplomat.com/2016/09/chinas-wukan-democracy-experiment-comes-to-a-violent-end/.
6	**Required Readings for the Lecture (Financial Reform):** • Naughton, Chapter 19.1-19.3 **Required Readings for the Tutorial (Reforming SOEs):** • Martin, Martin, and Andrew Martin. 2014. "The Chinese Government Is Getting Rich Selling Cigarettes." Bloomberg Business Week. • "Reform of China's ailing state-owned firms is emboldening them." 2017. The Economist. When doing the tutorial readings, try to think about the following questions: • What do you think about China National Tobacco Corp? It there any justification for the state to operate in the tobacco industry? • Is there any justification for SOEs? • What are the current problems with Chinese SOEs? • If you were the head of Chinese government, what would you do to reform SOEs?
8	**Required Reading for the Lecture (Trade and Foreign Investment):**

	• Naughton, Chapter 16.1-16.3, 17.1 **Required Readings for the tutorials (Fintech):** • "In fintech, China shows the way." 2017. *The Economist.* • "China warns its banks about four of its most global companies." 2017. *The Economist.* • Youtube Video on "One Belt, One Road": https://goo.gl/vB9R2y
9	**Required Readings for the lecture (Labor Market and Human Capital):** • Naughton, Chapters 7.1-7.3 **Recommended Readings:** • Zhang, Junsen. 2017. "The Evolution of China's One-Child Policy and Its Effects on Family Outcomes." Journal of Economic Perspectives 31(1): 141–160. • Naughton, Chapter 7.4-7.5
10	**Required Readings for the lecture (Labor Market and Human Capital)** • Naughton, Chapter 8.2 **Required Readings for the tutorials (Labor Rights):** • Freeman, Richard B., and Xiaoying Li. 2013. *How Does China's New Labor Contract Law Affect Floating Workers?* National Bureau of Economic Research. Working Paper. http://www.nber.org/papers/w19254 • Wong, Edward. 2010. "As China Aids Labor, Unrest Is Still Rising." *New York Times.* **Recommended Readings:** • Li, Hongbin, Prashant Loyalka, Scott Rozelle, and Binzhen Wu. 2017. "Human Capital and China's Future Growth." *Journal of Economic Perspectives* 31(1): 25–48.
11	**Required Readings for the lecture (Inequality):**

	• Li, Shi, and Terry Sicular. 2014. "The Distribution of Household Income in China: Inequality, Poverty and Policies." *The China Quarterly* 217 (March):1–41. (Available online via HKU Library) **Required Readings for the tutorials** • A 24-min video of Prof. Scott Rozelle's lecture on China's rural human capital problem. Prof. Rozelle has devoted 37 years to education research in rural China. Listen to his description of the problems and potential solutions. You can also find the slides he used here: https://goo.gl/VQUsvU • If you understand Chinese, there is a recent video of Prof. Rozelle talking about some exciting new research https://v.qq.com/x/page/e0550hvi3oa.html Don't worry if you do not speak Chinese. We will update you about his research in the tutorial.
12	**Required Readings:** None **Recommended Readings (Political Incentives):** • Li, Hongbin, and Li-An Zhou. 2005. "Political Turnover and Economic Performance: The Incentive Role of Personnel Control in China." *Journal of Public Economics* 89 (9):1743–62. (access via HKU Lib) • Li, Hongbin, Pak Wai Liu, Junsen Zhang, and Ning Ma. 2007. "Economic Returns to Communist Party Membership: Evidence From Urban Chinese Twins." *The Economic Journal* 117 (523):1504–20. • Li, Hongbin, Lingsheng Meng, Xinzheng Shi, and Binzhen Wu. 2012. "Does Having a Cadre Parent Pay? Evidence from the First Job Offers of Chinese College Graduates." *Journal of Development Economics* 99 (2):513–20.

Tutorial schedule:
The detailed schedule for tutorials will depend on the progress of the course as well as the
number of students enrolled. The first tutorial will start in Week 3.

Appendix I: Course Grading Rubric

Grade/ Competency	A+, A, A-	B+, B, B-	C+, C, C-	D+, D	F
Use of vocabulary and concepts	Student accurately and creatively uses concepts and key course vocabulary throughout the assignment, demonstrating a sophisticated understanding of each.	Student accurately uses concepts and key course vocabulary throughout the assignment, but does not demonstrate creativity in use or fluency.	Student uses concepts and key vocabulary from the course, but in a manner that does not demonstrate understanding or proficiency; use of concepts and vocabulary is perfunctory.	Student rehearses concepts or key course vocabulary but not in a way suggesting understanding at a university level.	Student fails to use concepts or key vocabulary correctly or at all.
Deployment of theories and argumentation	Student deploys theoretical arguments well using their own voice and substantive arguments in a sophisticated way.	Student deploys theoretical arguments well although voice, style and substantive critiques are similar to the source.	Student deploys theoretical vocabulary in a way commensurate with rules for argumentation, but does not show creativity or sophistication in substance or style.	Student rehearses theories and bits of argumentation from others and not in a way suggesting understanding at a university level.	Student fails to attempt argumentation or use of theoretical tools from the course.
Creativity	Students choice of topic, sources, assignment completion modality, arguments, and solutions show sophisticatio	Students choice of topic, sources, assignment completion modality, arguments, and solutions show critical thinking	Students choice of topic, sources, assignment completion modality, arguments, and solutions are average and "modal".	Student shows no more creativity than what is required to complete the task.	Student misunderstands creativity or fails to complete the assigned task.

	n and critical thinking at a high level.	skills.			
Persuasiveness	Student makes an argument using appropriate language and rhetorical style necessary to persuade the reader to accept or accommodate their viewpoint.	Student makes an argument using appropriate language and rhetorical style necessary to complete the assignment.	Student makes an argument using either inappropriate language and/or rhetorical style. Ranting or editorializing.	Student rants or editorializes considerably, but stays largely on message.	Student rants incoherently.
Use of fact and empirical evidence	Student brings factual evidence to bear upon the arguments and supports factual claims with adequate support from reputable sources.	Student brings factual evidence to bear upon some arguments and supports factual claims with support from limited or questionable sources.	Student brings some facts into their arguments but fails to provide support consistently for factual claims and uses trite or prohibited sources as support (e.g., Wikipedia).	Students factual claims are questionable or unsupported. Student rehearses facts from unacceptable sources (e.g., Yahoo answers).	Factual claims, if any are incorrect, ill supported, or incoherent within the argument.
Grammar and spelling	Students writing is grammatically correct and there are no spelling errors.	Students writing is grammatically correct in most instances and there are few spelling errors.	Students writing is grammatically correct in many instances but spelling errors are found throughout the document, consonant with ESL students.	Grammatical infelicities and spelling errors appear frequently in the document, but these are errors common to ESL students.	Grammar and spelling are unacceptable for university level writing for any student.

Mechanics and style	Students writing is fluid, fluent, and in an appropriate style for the task.	Students writing is fluent but stilted and/ or is an odd style for the task.	Students writing is halting and imbalanced and may be inappropriate for the task.	Students writing is only marginally acceptable for university level courses.	Students writing needs significant remediation by outside sources.
Citations	Student accurately and completely cites all sources, whether factual, argumentative, or theoretical claims according to the appropriate citation scheme.	Student accurately cites all sources, whether factual, argumentative, or theoretical claims but does not provide complete citations or uses an inappropriate citation scheme.	Student cites most expected sources, but does not provide accurate or complete citations.	Students citations are incomplete and inconsistent throughout the paper.	Student fails to cite at all.
Sources	Students choice of sources demonstrate sophisticated use of research resources. Sources are from reputable, academic sources.	Students choice of sources indicate a notable level of use of research resources. Sources are from reputable, academic sources.	Students choice of sources show minimal use of research resources. Sources are from a mix of academic and non-academic sources, some of questionable provenance.	Students include only minimal outside sources from sophomoric or prohibited sources (e.g., Encyclopedia Britannica online).	Student fails to demonstrate appropriate outside research.

<u>Appendix II</u>

<u>Programme Learning Outcomes</u>

<u>Bachelor of Social Sciences (Government and Laws) and LLB Curriculum</u>

PLO1. Understand the major literatures in political theory, public administration, government operations, international relations and legal systems;

PLO2. Demonstrate a solid understanding of the body of legal knowledge and the capacity to critically analyse and evaluate legal principles and arguments, at a level required to meet the standards and expectations of the legal profession and the community at large;

PLO3. Acquire the knowledge of social and political science methods and research design, and apply the knowledge to the study and analysis of social problems and legal issues;

PLO4. Appreciate the underlying values of the law and the legal system in the broad social, economic, political and cultural contexts: justice, the Rule of Law, and protection of rights and liberties which form the fabrics of a civilized society, and the importance of upholding these values by the legal community.

PLO5. Understand the conceptual and institutional foundations of governmental and legal frameworks in different cultures;

PLO6. Understand the institutional foundations of governmental and legal frameworks in different systems and cultures.

PLO7. Develop the skills and appreciation for teamwork through participating in group activities and internships.

PLO8. Demonstrate the ability to present effectively legal arguments in the professional context and convey and explain the law effectively to lay clients and members of the larger community.

PLO9. Develop a holistic understanding of the complexities and intricacies of human society, and the ability to identify leverage points for policy, social, and legal actions.

PLO10. Utilise analytical abilities and rhetorical advocacy for the betterment of the human community.

Programme Learning Outcomes

Bachelor of Social Sciences (Government and Laws) Curriculum (opt-out 4-year)

PLO1. Understand the major literatures in political theory, public administration, government operations, international relations and legal systems.

PLO2. Appreciate the intellectual rationales and underlying ethics of policy and law making.

POL3. Appreciate the validity and relevance of theories of politics and public administration to the understanding of government operations and law practices.

PLO4. Acquire the knowledge of social and political science methods and research design, and apply the knowledge to the study and analysis of social problems and legal issues.

PLO5.Understand and analyze the commonalities and diversities embedded in different political and legal systems.

PLO6. Understand the conceptual and institutional foundations of governmental and legal frameworks in different cultures.

PLO7. Appreciate and be sensitive to cultural predispositions underlying the design of political and legal institutions.

PLO8. Develop the skills to bridge theories and practice in understanding and practicing problem-solving in government and laws.

PLO9. Develop the skills and appreciation for teamwork through participating in group activities and internships.

PLO10. Develop a holistic understanding of the complexities and intricacies of human society, and the ability to identify leverage points for policy, social, and legal actions.

<u>Programme Learning Outcomes</u>

<u>Bachelor of Social Sciences – Major/minor in PPA (4-year curriculum)</u>

PLO1. Understand the major literatures in political theory, public administration, government operations, international relations and legal systems.

PLO2. Appreciate the intellectual foundations of crafting rule-ruler-ruled relationships in public governance.

PLO3. Evaluate the validity and relevance of theories of politics and public administration to the understanding of the operation of diverse political systems.

PLO4. Acquire the knowledge of political science methods and research design, and to apply the knowledge to the study and analysis of social and potential human problems.

PLO5. Understand and analyze the commonalities and diversities embedded in different political systems, and their implications for the ways of life of different peoples.

PLO6. Acquire specific knowledge of the cultural, political, and social aspects of particular polities.

PLO7. Appreciate and be sensitive to cultural predispositions underlying the design of political institutions and political behaviour.

PLO8. Develop the skills to bridge theories and practice in understanding and practicing problem-solving in public affairs.

PLO9. Develop the skills and appreciation for teamwork through participating in group activities and internships.

PLO10. Develop a comprehensive understanding of the complexities and intricacies of human society, and the ability to identify leverage points for policy and social actions.