

**City University of Hong Kong
Course Syllabus**

**offered by Department of Public Policy
with effect from Semester A 2017/18**

Part I Course Overview

Course Title: State and Market in China

Course Code: POL 5710

Course Duration: 1 semester

Credit Units: 3

Level: P5

Medium of Instruction: English

Medium of Assessment: English

Prerequisites:
(Course Code and Title) Nil

Precursors:
(Course Code and Title) Nil

Equivalent Courses:
(Course Code and Title) Nil

Exclusive Courses:
(Course Code and Title) Nil

Part II Course Details

1. Abstract

This course aims to provide student with an understanding of the changing relationships between the state and market during the course of economic development in China. China remains a communist country with a significant legacy of a command economy. But it is also a market economy. Understanding this mixture of capitalism with Chinese characters, the China model, is a major aim of this course. By exploring the different reform period in China, from the planned economy to recent financial crisis, this course will walk students through the evaluation of state and market relationship in contemporary China. Through this learning experience, student will be able to apply interdisciplinary theories to analyze the dynamics between roles of state and market in China.

2. Course Intended Learning Outcomes (CILOs)

(CILOs state what the student is expected to be able to do at the end of the course according to a given standard of performance.)

No.	CILOs	Weighting (if applicable)	Discovery-enriched curriculum related learning outcomes (please tick where appropriate)		
			A1	A2	A3
1.	Apply multidisciplinary theories to explain the role of state and market in different reform period	40	√	√	
2.	Understand the internal causes of China's economic and institutional reforms to the changing relations between state and market.	30	√	√	√
3.	Explain the impacts of external factors that are conducive to the roles of state in market reform, such as trade relationships and the financial crisis.	30	√	√	√
		100%			

A1: Attitude

Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

A2: Ability

Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to self-life problems.

A3: Accomplishments

Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

3. Teaching and Learning Activities (TLAs)

(TLAs designed to facilitate students' achievement of the CILOs.)

T L A	Brief Description	CILO No.			Hours/week (if applicable)
		1	2	3	
1	Regular meeting with advisor	x	x	x	0.75 hour per week of staff time per student for supervision (total 9.75 hours per semester)
2	Report Writing (5,000 words): Students should write a report relating to their group presentation topic. The analysis should identify in a key policy area in China, for a comprehensive analysis of the state and market relations. In the report students should define the possible causes of selected policy development, the roles of state and market, and the outcomes.	x	x	x	
3	Examination	x	x	x	

4. Assessment Tasks/Activities (ATs)

(ATs are designed to assess how well the students achieve the CILOs.)

Assessment Tasks/Activities	CILO No.			Weighting	Remarks
	1	2	3		
Continuous Assessment: 50%					
Report writing (5,000 words)	x	x	x	50%	
Examination: 50% (duration: 2 hours, if applicable)					
				100%	

5. Assessment Rubrics

(Grading of student achievements is based on student performance in assessment tasks/activities with the following rubrics.)

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B, B-)	Fair (C+, C, C-)	Marginal (D)	Failure (F)
1. Report Writing		<p>High standard of being able to recognise, explain and compare distinct theoretical approaches to China studies, policy transfer and learning.</p> <p>High standard of being able to recognise, explain and compare distinct methodological approaches to China studies, policy transfer and learning.</p> <p>Highly innovative ability to relate literature review of cutting-edge topics to China studies, policy transfer and learning.</p> <p>Strong demonstration of critical ability to interpret data and argument.</p> <p>Strong ability to apply theory and method in the study of China studies, policy transfer and learning to topical issues.</p> <p>Excellent accomplishment of writing and oral presentation.</p>	<p>Fairly high standard of being able to recognise, explain and compare distinct theoretical approaches to China studies, policy transfer and learning.</p> <p>Fairly high standard of being able to recognise, explain and compare distinct methodological approaches to China studies, policy transfer and learning.</p> <p>Fairly innovative ability to relate literature review of cutting-edge topics to China studies, policy transfer and learning.</p> <p>Fairly good demonstration of critical ability to interpret data and argument</p> <p>Fairly strong ability to apply theory and method in the study of China studies, policy transfer and learning to topical issues.</p> <p>Fairly strong accomplishment of writing and oral presentation</p>	<p>Rudimentary standard of being able to recognise, explain and compare distinct theoretical approaches to China studies, policy transfer and learning</p> <p>Basic standard of being able to recognise, explain and compare distinct methodological approaches to China studies, policy transfer and learning.</p> <p>Little innovative ability to relate literature review of cutting-edge topics to China studies, policy transfer and learning.</p> <p>Weak demonstration of critical ability to interpret data and argument. Basic ability to apply theory and method in the study of China studies, policy transfer and learning to topical issues</p> <p>Basic accomplishment of writing and oral presentation</p>	<p>Poor standard of being able to recognise, explain and compare distinct theoretical approaches to China studies, policy transfer and learning</p> <p>Poor standard of being able to recognise, explain and compare distinct methodological approaches to China studies, policy transfer and learning</p> <p>Very little innovative ability to relate literature review of cutting-edge topics to China studies, policy transfer and learning.</p> <p>Very little demonstration of critical ability to interpret data and argument. Very little ability to apply theory and method in the study of China studies, policy transfer and learning to topical issues</p> <p>Weak accomplishment of writing and oral presentation</p>	<p>Almost no standard of being able to recognise, explain and compare distinct theoretical approaches to China studies, policy transfer and learning</p> <p>Almost no standard of being able to recognise, explain and compare distinct methodological approaches to China studies, policy transfer and learning</p> <p>No innovative ability to relate literature review of cutting-edge topics to China studies, policy transfer and learning. Almost no demonstration of critical ability to interpret data and argument. Almost no ability to apply theory and method in the study of China studies, policy transfer and learning to topical issues</p> <p>Very inadequate accomplishment of writing and oral presentation</p>

2. Examination		<p>High standard of being able to recognise, explain and compare distinct theoretical approaches to China studies, policy transfer and learning. High standard of being able to recognise, explain and compare distinct methodological approaches to China studies, policy transfer and learning. Highly innovative ability to relate literature review of cutting-edge topics to China studies, policy transfer and learning. Strong demonstration of critical ability to interpret data and argument. Strong ability to apply theory and method in the study of China studies, policy transfer and learning to topical issues. Excellent accomplishment of writing and oral presentation.</p>	<p>Fairly high standard of being able to recognise, explain and compare distinct theoretical approaches to China studies, policy transfer and learning. Fairly high standard of being able to recognise, explain and compare distinct methodological approaches to China studies, policy transfer and learning. Fairly innovative ability to relate literature review of cutting-edge topics to China studies, policy transfer and learning. Fairly good demonstration of critical ability to interpret data and argument. Fairly strong ability to apply theory and method in the study of China studies, policy transfer and learning to topical issues. Fairly strong accomplishment of writing and oral presentation.</p>	<p>Rudimentary standard of being able to recognise, explain and compare distinct theoretical approaches to China studies, policy transfer and learning. Basic standard of being able to recognise, explain and compare distinct methodological approaches to China studies, policy transfer and learning. Little innovative ability to relate literature review of cutting-edge topics to China studies, policy transfer and learning. Weak demonstration of critical ability to interpret data and argument. Basic ability to apply theory and method in the study of China studies, policy transfer and learning to topical issues. Basic accomplishment of writing and oral presentation.</p>	<p>Poor standard of being able to recognise, explain and compare distinct theoretical approaches to China studies, policy transfer and learning. Poor standard of being able to recognise, explain and compare distinct methodological approaches to China studies, policy transfer and learning. Very little innovative ability to relate literature review of cutting-edge topics to China studies, policy transfer and learning. Very little demonstration of critical ability to interpret data and argument. Very little ability to apply theory and method in the study of China studies, policy transfer and learning to topical issues. Weak accomplishment of writing and oral presentation.</p>	<p>Almost no standard of being able to recognise, explain and compare distinct theoretical approaches to China studies, policy transfer and learning. Almost no standard of being able to recognise, explain and compare distinct methodological approaches to China studies, policy transfer and learning. No innovative ability to relate literature review of cutting-edge topics to China studies, policy transfer and learning. Almost no demonstration of critical ability to interpret data and argument. Almost no ability to apply theory and method in the study of China studies, policy transfer and learning to topical issues. Very inadequate accomplishment of writing and oral presentation.</p>
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Part III Other Information (more details can be provided separately in the teaching plan)

1. Keyword Syllabus

(An indication of the key topics of the course.)

China model, Initiation and process of economic reform, Rural reform and industrialization, The Urban Economy: State-owned enterprise reform, privatization, Chinese-style Federalism, Local governance, Financial markets and banking, Foreign Trade and Investment, The Regulatory State, Corruption.

2. Reading List

2.1 Compulsory Readings

(Compulsory readings can include books, book chapters, or journal/magazine articles. There are also collections of e-books, e-journals available from the CityU Library.)

1. Bernstein, Thomas P. and Xiaobo Lü *Taxation without Representation in Contemporary Rural China*. Cambridge University Press: Modern China Series, 2008.
2. Cai, Hongbin and Daniel Treisman. 2006. "Did Government Decentralization Cause China's Economic Miracle?" *World Politics*, 58:4, pp. 505.
3. Che, Jiahua and Yingyi Qian. 1998. "Insecure Property Rights and Government Ownership of Firms." *The Quarterly Journal of Economics*, 113:2, pp. 467-96.
4. Che, Jiahua and Yingyi Qian. 1998. "Institutional Environment, Community Government, and Corporate Governance: Understanding China's Township-Village Enterprises". *Journal of Law, Economics, and Organization*, April 1998, 14(1), pp. 1-23.
5. Dong, Xiao-yuan and Gregory K. Dow. 1993. "Monitoring costs in Chinese agricultural teams." *The Journal of Political Economy*, 101:3, pp. 539.
6. Erie, Matthew S. 2012. "Property Rights, Legal Consciousness, and New Media in China: The Hard Case of the 'Toughest Nail-House in History'." *China Information*, 26 (1): 34-58.
7. Gallagher, Mary. 2007. *Contagious Capitalism: Globalization and the Politics of Labor in China*. Princeton University Press.
8. Gallagher, Mary. 2004. "'Time is money, efficiency is life': The transformation of labor relations in China." *Studies in Comparative International Development (SCID)*, 39:2, pp. 11-44.
9. Holz, Carsten A. 2001. "Economic Reforms and State Sector Bankruptcy in China." *The China Quarterly*, 166:-1, pp. 342-67.
10. Huang, Yasheng. "One Country, Two Systems: Foreign-invested Enterprises and Domestic Firms in China," *China Economic Review* 14 (2003): 404-416.
11. Huang, Yasheng. 2005. *Selling China: Foreign Direct Investment During the Reform Era*. New York: Cambridge University Press.
12. Huang, Yasheng. 1996. *Inflation and Investment Controls in China: The Political Economy of Central-Local Relations During the Reform Era*. New York: Cambridge University Press.
13. James Mann. 2007. *The China Fantasy: How our leaders explain away Chinese repression*. Penguin Group: New York, NY.
14. Jefferson, Gary and Thomas Rawski, 1994. "Enterprise Reform in China," *Journal of Economic Perspectives*, 8.2 (Spring 1994), pp. 47-70.

15. Jin, Hehui and Yingyi Qian. 1998. "Public Versus Private Ownership of Firms: Evidence from Rural China." *The Quarterly Journal of Economics*, 113:3, pp. 773-808.
16. Kennedy, Scott. 2005. "China's Porous Protectionism: The Changing Political Economy of Trade Policy," *Political Science Quarterly* 120:3 (2005), pp. 407-432.
17. Kornai, J., E. Maskin and G. Roland, 2003. "Understanding the Soft Budget Constraint", *Journal of Economic Literature*, December 2003.
18. Kornai, Janos. 2000. "What the Change of System from Socialism to Capitalism Does and Does Not Mean." *Journal of Economic Perspectives* 14 (1): 27-42.
19. Kung, J. K. and Y. Lin. 2007. "The Decline of Township-and-Village Enterprises in China's Economic Transition." *World Development*, 35:4, pp. 569-84.
20. Lardy, Nicholas. 1999. *China's Unfinished Revolution*.
21. Lau, Lawrence J., Yingyi Qian, and Gerard Roland. 2000. "Reform Without Losers: An Interpretation of China's Dual-Track Approach to Transition." *The Journal of Political Economy*, 108:1, pp. 120-43.
22. Manion, Melanie. 2006. "Democracy, Community, Trust: The Impact of Chinese Village Elections in Context." *Comparative Political Studies*, vol. 39, no. 3 (2006): 301-324. O'Brien, Kevin J. and Lianjiang Li. 1999. "Selective Policy Implementation in Rural China." *Comparative Politics*, 31:2, pp. 167-86.
23. Li, David Daokui, Junxin Feng, and Hongping Jiang. 2006. "Institutional Entrepreneurs." *The American Economic Review*, 96:2, pp. 358-362.
24. Lieberthal, Kenneth *Governing China: From Revolution through Reform*, WW Norton, 2003.
25. Lin, Justin Yifu. 1992. "Rural Reforms and Agricultural Growth in China." *The American Economic Review*, 82:1, pp. 34.
26. Naughton, Barry *The Chinese Economy: Transitions and Growth*, The MIT Press, 2007.
27. Naughton, Barry *Growing Out of the Plan: Chinese Economic Reform, 1978-1993*. Cambridge and New York: Cambridge University Press, 1995
28. Nolan, P. and J. Zhang. 2002. "The Challenge of Globalization for Large Chinese Firms." *World Development*, 30:12, pp. 2089-107.
29. Oi, Jean C. "Patterns of corporate restructuring in China: Political Constraints on Privatization." *China Journal*, Jan 2005 Issue 53, p115-136.
30. Oi, Jean C. 1992. "Fiscal Reform and the Economic Foundations of Local State Corporatism in China." *World Politics*, 45:1, pp. 99-126.
31. Perkins, Dwight H., "Reforming China's Economic System," *Journal of Economic Literature*, Vol. 26, No. 2. (Jun., 1988), pp. 601-645.
32. Qian, Yingyi, and Jean-Jacques Laffont. "The Dynamics of Reform and Development in China: A Political Economy Perspective". *European Economic Review*, Papers and Proceedings, April 1999, 43, pp. 1105-1114.
33. Qian, Yingyi, and Barry Weingast. "Federalism As a Commitment to Preserving Market Incentives". *Journal of Economic Perspectives*, Fall 1997, 11(4), pp. 83-92.
34. Qian, Yingyi, Gérard Roland and Chenggang Xu. "Why Is China Different from Eastern Europe? Perspectives from Organization Theory". *European Economic Review*, Papers and Proceedings,

- April 1999, 43, pp. 1085-1094. Wu, Jinglian. 2005 *Understanding and Interpreting Chinese Economic Reform*.
35. Qian, Yingyi. 2003. "How Reform Worked in China" in Dani Rodrik, editor, *In Search of Prosperity: Analytic Narratives on Economic Growth*, Princeton University Press, pp. 297-333.
 36. Qian, Yingyi, Hehui Jin and Barry R. Weingast "Regional Decentralization and Fiscal Incentives: Federalism, Chinese Style". *Journal of Public Economics*, September 2005, 89(9-10), pp. 1719-1742.
 37. Rozelle, Scott and Li Guo. 1998. "Village leaders and land-rights formation in China." *The American Economic Review*, 88:2, pp. 433.
 38. Rozelle, Scott, and Johan Swinnen. 2004. "Success and Failure of Reform: Insights from the Transition of Agriculture." *Journal of Economic Literature*, Volume 42, 2, page(s) 404-456. (June 2004)
 39. Saich, Tony *Governance and Politics of China*, Palgrave Macmillan, 2004.
 40. Scott, James C. *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed*. Yale University Press, 1998.
 41. Shirk, Susan L. 1990. "'Playing to the Provinces: Deng Xiaoping's political strategy of economic reform." *Studies In Comparative Communism*, 23:3-4, pp. 227-58.
 42. Shirk, Susan L. 1993. *The Political Logic of Economic Reform in China*. Berkeley: University of California Press, 1993
 43. Shi, Tianjian. 1999. "Village committee elections in China: Institutional tactics for democracy." *World Politics*, 51:3, pp. 385.
 44. Shih, Victor. 2007. "Partial Reform Equilibrium, Chinese Style: Political Incentives and Reform Stagnation in Chinese Financial Policies." *Comparative Political Studies*, 40:10, pp. 1238-62.
 45. Shih, Victor. 2007. *Factions and Finance in China: Elite Conflict and Inflation*, Cambridge University Press.
 46. Shue, Vivienne. 1988. *The Reach of the State*. Stanford University Press.
 47. Solinger, Dorothy. 1999. *Contesting Citizenship in Urban China: Peasant Migrants, the State, and the Logic of the Market*. Berkeley: University of California Press, 1999.
 48. Solnick, Steven Lee. 1996. "The Breakdown of Hierarchies in the Soviet Union and China." *World Politics*, 48:2, pp. 209-38.
 49. Steinfeld, Edward. 2004. "China's Shallow Integration: Networked Production and the New Challenges for Late Industrialization," *World Development*, v. 32, n. 11, 2004, pp. 1971-1987.
 50. Tsai, Kellee. 2004. "Imperfect Substitutes: The Local Political Economy of Informal Finance and Microfinance in Rural China and India," *World Development* 32, 9 (September 2004): 1487-1507.
 51. Tsai, Kellee. 2004. "Off Balance: The Unintended Consequences of Fiscal Federalism in China," *Journal of Chinese Political Science* (Fall 2004): 1-26.
 52. Tsai, Kellee. 2006. "Adaptive Informal Institutions and Endogenous Institutional Change in China," *World Politics* 59 (October 2006): 116-141."
 53. Tsai, Lily L. 2007. "Solidary Groups, Informal Accountability, and Local Public Goods Provision in Rural China." *American Political Science Review*, 101:02, pp. 355-72.
 54. Weingast, Barry R. 1995. "The Economic Role of Political Institutions: Market-Preserving Federalism and Economic Development." *Journal of Law, Economics, & Organization*, 11:1, pp. 1-31.
 55. Xu, Chenggang. 2011. "The Fundamental Institutions of China's Reforms and Development," *The Journal of Economic Literature*, 2011, 49:4, 1076-1151.

56. Yang, Dali L. 1996. "Governing China's transition to the market: Institutional incentives, politicians' choices, and unintended outcomes." *World Politics*, 48:3, pp. 424-452.
57. Yang, Dali L. 2004. *Remaking the Chinese Leviathan: Market Transition and the Politics of Governance in China*. Palo Alto: Stanford University Press.
58. Yin, Robert K. *Case Study Research: Design and Methods (Applied Social Research Methods)* Fifth Edition, Sage Publications Ltd, 2014.
59. Zweig, David. 1995. "'Developmental Communities' on China's Coast: The Impact of Trade, Investment, and Transnational Alliances." *Comparative Politics*, 27:3, pp. 253-74.

2.2 Additional Readings

(Additional references for students to learn to expand their knowledge about the subject.)