

Georgetown School of Continuing Studies

China's Rise to Economic Power: What It Means for America Fall 2016 – BLHS 415-01

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Sep 7 – Dec 14, 2016
Wednesdays
5:20 – 7:50 PM
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“China can no longer be left to the sinologists. We all need to become China experts now, because China, and especially China’s future, matters for all of us.”
Peter Mandelson, European Trade Commissioner

Course Description

BLHS 415-01 provides an overview of major patterns and issues in China’s economy over the past sixty-five years. The course covers two broad periods, strikingly different in their policies and outcomes: 1) the Maoist period, 1949-1979, characterized by a command economy, collectivization, and, ultimately, economic stagnation, and 2) the thirty-five years beginning with Deng Xiaoping’s 1979 shift to market socialism, a period of double-digit growth rates, near eradication of absolute poverty, and achievement of global economic power. In 2010 China overtook Japan in the GDP rankings to become the world’s second largest economy after the U.S. Yet, behind the success of “rising China” were persistent signs of economic slowdown: widening income inequality, environmental degradation, excessive local debt, and overcapacity in property and industry. In 2012 China’s new leadership pulled back on go-fast growth, prioritizing instead use of structural reforms and market approaches to guide China’s transition from an export-led economy to the standard consumer/services-driven model signaling middle class prosperity. In his most recent state-of-the-nation speech (March 2016), China’s premier reiterated the quality over pace of growth theme, announcing an average annual GDP target of “at least 6.5%” for the period 2016-2020. How this ‘new normal’/transition scenario plays out has enormous implications globally, regionally, and especially for America, China’s chief rival for economic dominance. BLHS 415-01 is designed to enable students to understand China’s current transition and to think imaginatively about the prospects for constructive U.S.-China engagement over the next uncertain decades.

Course Details and Expectations

Presentation of Course Material:

Material will be presented through lectures, class discussions, online articles/videos (YouTube and other sites), and guest speakers. Class work will be conducted in the traditional face-to-face fashion, except if inclement weather proves a problem in which case classes will continue as scheduled via Zoom video conferencing. Students must be prepared to attend each and every meeting and to arrive on time to avoid disrupting the session which will begin promptly at 5:20 PM. Students are expected to contribute online postings on Blackboard as assigned and to participate fully in the discussion boards as the week progresses. Should a student accumulate three absences, the instructor must automatically refer his/her case to the associate dean who may recommend a failing grade for the course. If a student is absent for emergency reasons, he/she is responsible for all makeup work.

Assigned readings:

Required for purchase/available in Kindle version: Barry Naughton, *The Chinese Economy: Transitions and Growth* (MIT, 2006) and Arthur Kroeber, *China's Economy: What Everyone Needs to Know* (Oxford, 2016). All other readings will be available via online sites or Lauinger's e-reserve service (accessible through Blackboard).

Learning Objectives:

The student who has mastered the content of this course will be able to:

1. describe China's geographic setting, system of governance, and regional economic ties;
2. discuss in broad historical terms China's economic trajectory post-1949;
3. provide for the non-China watcher an overview of the most critical economic issues facing the current leadership;
4. discuss in depth Chinese perspectives on such issues as Internet sovereignty, the role of the market, the "going global" policy, and doing business through foreign joint ventures;
5. read with a discriminating eye U.S. economic forecasting on China;
6. demonstrate familiarity with academic sources and websites that provide reliable economic/business analysis; and
7. write three short essays that develop a logical argument backed by evidence from course material.

Written assignments:

Eighty percent of the course grade will be based on three short essays (20% each) and two quizzes (10% each). The essays are to be 5-6 pages long (exclusive of endnotes and references, 12 point, Times New Roman font, double spaced with standard 1" top and bottom/1.25" left and right) and will be of three types: a) a film review, b) an

explorations paper and, c) a policy paper. In writing their papers students are expected to follow standard citation systems, either Turabian's *Student's Guide to Writing Papers* or *The Chicago Manual of Style*. The basis for grading research papers is as follows: written expression (grammar/spelling/word use)=20%; organization (clarity of thesis statement/logical construction of argument)=30%; evidence (use of solid, carefully considered data in support of main points)=30%; and creativity (original observations and broad insights derived from deep understanding of course material)=20%. Essay due dates are: October 19, November 23, and December 14.

Class participation will account for 20% of the final grade. The key factor here is not simply the level of activity in the weekly face-to-face and online discussions, but, most especially, the *quality* of the input—namely, evidence of consistent, careful reading of assigned materials. Note that the short online essays to be posted on Blackboard will be graded with the same weight given to written expression, organization, evidence and creativity in the case of the essays, but with the emphasis here on succinct answers to posted discussion topics.

Grading

Course requirements and their relative weights in the final grade are as follows:

1. class participation/Blackboard posts: 20%
2. 3 essays: 60%
3. Two quizzes: 20%

Georgetown's grading system is as follows:

93-100%=A, 90-92%=A-
87-89%=B+, 83-86%=B, 80-82%=B-
77-79%=C+, 73-76%=C, 70-72%=C-
67-69%=D+, 60-66%=D, Below 60%=F

Late assignments may be accepted on a case by case basis with evidence provided for the delay (e.g., doctor's note). All other late assignment submissions will be subject to point deductions. Incompletes must be requested before the end of the course.

Georgetown Resources/Codes of Ethics

Disabilities: If you are a student with a documented disability requiring accommodation or if you think you may have a disability and want to inquire about accommodation, please contact the Academic Resource Center at 202-687-8354 or arc@georgetown.edu

Georgetown Honor System: All students are expected to follow Georgetown's honor code unconditionally. We assume you have read the honor code material located at www.georgetown.edu/honor, and in particular have read the following documents: Honor Council Pamphlet, What Is Plagiarism, Sanctioning Guidelines, and Expedited

Sanctioning Process. Please note that papers in this course may be submitted to turnitin.com for checking.

When submitting material in fulfillment of requirements for this course, keep in mind the Georgetown honor pledge as follows:

“In the pursuit of the high ideals and rigorous standards of academic life, I commit myself to respect and uphold the Georgetown Honor System: To be honest in any academic endeavor, and to conduct myself honorably, as a responsible member of the Georgetown community, as we live and work together.”

In accord with university policy, all incidents of suspected plagiarism or other Honor Code violations will be reported to the Honor Council without fail. If the Honor Council finds that a student has plagiarized or has violated the Honor Code in any other way, the student will receive a grade of F for the course.

Technical support

Blackboard: For support please email <https://uis.georgetown.edu/helpdesk> or check out the Blackboard support page at <https://wiki.uis.georgetown.edu/.../BBSU>

Use of Georgetown University-issued accounts for Google Mail, Calendar, Groups, Talk, Docs, Sites, Video, and Contracts is governed by the contract between Georgetown University and Google. If you need technical assistance at any time during the course you can visit Google Drive Help Center.

Student Support Services

Services & Resources for Online Students @ the School of Continuing Studies
<http://guides.library.georgetown.edu/scs/online>

Students enrolled in online SCS coursework have access to the University Library System's e-Resources, including 500+ research databases, 1.5+ million ebooks, and thousands of periodicals and other multimedia files (films, webinars, music, and images). Students can access these resources through the Library's Homepage by using their University username (NetID) and password (this is the same login information used to access email, Blackboard, etc.). The Library does not mail physical items to students. In addition, SCS students may make an appointment to meet with a librarian (in person or online) to discuss a research topic, develop a search strategy, or examine resources for projects and papers. Librarians offer an overview of and in-depth assistance with important resources for senior or master's theses, dissertations, papers and other types of research.

Course Content

Subject to change

Introduction

Session 1 Sep 7: 1) Review of syllabus, 2) China briefing PPTs: a) geography/resources, b) system of governance, c) economy: achievements/challenges

Arthur Kroeber, *China's Economy: What Everyone Needs to Know*, Chapter I:
Overview: China's political Economy

Session 2 Sep 14: China briefing PPTs: a) China's rise in historical perspective, b) language.

Thomas Rawski <http://www.fpri.org/articles/2011/06/rise-chinas-economy>

Barry Naughton, *The Chinese Economy*, "The Chinese Economy Before 1949,"
33-53

Quiz

Session 3 Sep 21: Where is China headed? Interpreting the data, observing reality on the ground

1) China Analysts

China Reality Check: Has the Hard Landing in China Already Started?

https://www.youtube.com/watch?v=C2SSfT-k_A

Hu Angang, "Embracing the New Normal: Why China's Economy is Still on Track," *Foreign Affairs* (May/June 2015)

<https://www.foreignaffairs.com/articles/china/2015-04-20/embracing-chinas-new-normal>

David Dollar, "Brexit Aftermath: The West's Decline and China's Rise,"

<http://www.brookings.edu/blogs/order-from-chaos/posts/2016/06/27-brexit-aftermath-chinas-rise-dollar>

2) Evidence from real lives

China's left behind children

<https://www.youtube.com/watch?v=PiKXpNOGWEg>

Chinese migrant workers

<https://www.youtube.com/watch?v=8c1TwqoljIU>

China's urban billion

<https://www.youtube.com/watch?v=SExDPEi8ogM>

China's Billionaire Boom

<https://www.youtube.com/watch?v=dHvKUYAN2Ao>

Mao's Command Economy, 1949-1979: Prioritizing Industry, Collectivizing Agriculture

Session 4 Sep 28: Big Push Industrialization and the Role of the People's Communes

Naughton, "The Socialist Era, 1949-1978: Big Push Industrialization and Policy Instability," 55-82, and "Rural Organization: 10.1 The Chinese Village, 10.2 Agricultural Collectives," 231-240

Dikotter, Frank, *Mao's Great Famine, 1958-1962*, "Preface," "The People's Communes," "Steel Fever," ix-xvi, 47-63

China in the 1950s/60s (Theodore H. White)

<https://www.youtube.com/watch?v=gUQBcZ2VUaQ>

Session 5 Oct 5: The Great Leap Forward and Its Consequences

Becker, Jaspal, *Hungry Ghosts: Mao's Secret Famine*, "An Overview of the Famine"

Dikotter, Frank, *Mao's Great Famine*, "Part 3: Destruction," 127-188

Session 6 Oct 14: Reversing the Tide of Agrarian Socialism

Becker, *Hungry Ghosts*, "Mao's Failure and His Legacy"

Naughton, 3.3.7 to 4.3 (from "Retrenchment: the Cultural Revolution" to "A Two-Phase Framework of Economic Reform," 74-90)

Chan, Marsden, Unger, *Chen Village under Mao and Deng*, "Prologue," "Chen Village and Its Leaders," and "The Troubled Seventies"

Film review due

Rising China: On the Long Road from Planned to Market Economics, 1979-2016

Session 7 Oct 19: Transforming the Countryside: Private Plots, Rural Enterprise, and Changes in Rural-Urban Labor Flows

Chan, Marsden, Unger, *Chen Village under Mao and Deng*, "The New Era" and "The Midas Touch," 267-309 (and re-read "Prologue" for explanation of research methodology)

Naughton readings **by topic:**

a) **“Growing Out of the Plan,”** 88-93, 97-110; b) Household Responsibility System (HRS), 240-248; c) Township and Village Enterprises (TVEs), 271-294; d) Special Economic Zones (SEZs) 401-410; e) **Urban-Rural Divide**, 113-129.

Kroeber, Chapter 2: Chapter 2: “Agriculture, Land, and the Rural Economy”

Session 8 Oct 26: Industrial Transformation and Urban Growth

“China Rises: City of Dreams” (New York Times TV documentary) 52.44 min

https://www.youtube.com/results?search_query=china+rises+city+of+dreams

Naughton, “**Industry: ownership and governance,**” 297-309, 323-326;

“**Structural change,**” 329-333; “**State sector downsizing,**” 184-189

Alexandra Harney, “The Girls of Room 817,” *The China Price*, 149-180

Kroeber, Chapter 3: “Industry and the Rise of the Export Economy”

Session 9 Nov 2: Technology Policy and the Rise of the Knowledge-based Economy

Yongming Zhou, “China and the Internet: Proactive Development and Control,” in *Historicizing Online Politics* (see e-reserves)

Lieberthal, “Where China Wants to Go,” *Managing the China Challenge*

CNNIC (China Internet Network Information Center) Statistical Report on Internet Development in China, July, 2015

<http://www1.cnnic.cn/IDR/ReportDownloads/201507/P020150720486421654597.pdf>

Browse through this latest report, noting scope, methodology main conclusions.

Questions for guest speakers (replacement for Quiz#2—due 11/16 and 12/7)

Session 10 Nov 9: Overcoming poverty: success and its limits

Guest speaker: Dr. Alan Piazza, Senior Economist - World Bank China Dept

Carl Riskin, “Inequality: Overcoming the Great Divide,” in *China Today, China Tomorrow*, 91-105

Harney, “The Stirring Masses,” “The Five Star Factory,” *The China Price*, 106-147, 32-55

<http://www.eastasiaforum.org/2015/01/13/chinas-hukou-reform-a-small-step-in-the-right-direction/>

What’s Next?

Session 11 Nov 16: Managing the new normal, promoting outward investment

China’s 13th Five Year Plan (2016-2020)

<http://www.chinabusinessreview.com/understanding-chinas-13th-five-year-plan/>

Peter Hessler “Learning to Speak Lingerie”

<http://www.newyorker.com/magazine/2015/08/10/learning-to-speak-lingerie>

Simon Denyer,

https://www.washingtonpost.com/world/chinese-companies-face-culture-shock-in-countries-that-arent-like-china/2015/08/14/a048eb64-3bbd-11e5-88d3-e62130acc975_story.html

Howard French, "Introduction," "Ghana: Habits of Democracy," "Epilogue,"
China's Second Continent: How a Million Migrants Are Building a New Empire in Africa

Explorations paper due

Session 12 Nov 23: "National New-type Urbanization Plan": managing the transition to a consumer-driven economy

World Bank Report – "Toward Efficient, Inclusive and Sustainable Urbanization"

<http://www.worldbank.org/en/country/china/publication/urban-china-toward-efficient-inclusive-sustainable-urbanization>

<http://www.bloomberg.com/bw/articles/2014-03-20/china-wants-its-people-in-the-cities>

<http://www.economist.com/blogs/freeexchange/2015/08/unemployment-china>

Charlotte Goodburn, "The End of the Hukou System?"

<http://www.nottingham.ac.uk/cpi/documents/policy-papers/cpi-policy-paper-2014-no-2-goodburn.pdf>

"Study Links Polluted Air in China to 1.6 million Deaths a Year,"

http://www.nytimes.com/2015/08/14/world/asia/study-links-polluted-air-in-china-to-1-6-million-deaths-a-year.html?_r=1

Session 13: Nov 30: Building a uniquely Chinese Internet: trends in online shopping, search, entertainment, social networking

Guest speaker: Dr. Wang Jiao, World Resources Institute, Beijing

"Ours, All Ours: A Wealth of Internet Businesses with Chinese Characteristics,"

<http://www.economist.com/news/special-report/21574638-wealth-internet-businesses-chinese-characteristics-ours-all-ours>

Martin Lau, President of Tencent

https://www.youtube.com/watch?v=ZJ_X3HdhLhA

[HdhLhA](https://www.youtube.com/watch?v=ZJ_X3HdhLhA)

Davos 2015 Jack Ma Interview www.youtube.com/watch?v=2kzGKVLsIE0

Lu Wei, "Four Rules for Being a Good 'Chinese Netizen,'

<http://blogs.cfr.org/cyber/2015/06/10/lu-wei-four-rules-for-being-a-good-chinese-netizen/>

Rogier Creemers, "Cyber-Leninism: History, Political Culture and the Internet in China," http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2589884

"How Censorship in China Allows Government Criticism but Silences Collective Expression"

<http://gking.harvard.edu/publications/how-censorship-china-allows-government-criticism-silences-collective-expression>

Session 14: Dec 7: Western tech companies battle for Chinese cyberspace as Chinese counterparts make inroads abroad

“Searching for Internet Freedom in China: A Case Study on Google’s China Experience” Lee/Liu/Li http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2243205

Scott Livingston,

<http://www.chinafile.com/reporting-opinion/viewpoint/beijing-touts-cyber-sovereignty-in-ternet-governance>

New Rules in China Upset Western Tech Companies
www.nytimes.com/.../in-china-new-cybersecurity-rule...

“Is China’s Internet Becoming an Intranet?”

<http://www.chinafile.com/conversation/chinas-internet-becoming-intranet>

“China’s Internet Stocks Merit a Look,”

<http://www.barrons.com/articles/chinas-internet-stocks-merit-a-look-1436595778>

“JD.com eats into Alibaba’s dominance,”

<http://www.ft.com/intl/cms/s/3/e82356b8-14c6-11e5-a51f-00144feabdc0.html#axzz3j6ZRIft1>

Policy paper due

There is no final exam for this course.