

Georgetown School of Continuing Studies

**China's Rise to Economic Power: What It Means for America
Fall 2017 – BLHS 415-01**

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Sept 6 – Dec 13, 2017
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, for all this success, there appeared signs the economy was headed for a 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 middleclass prosperity. In his most recent state-of-the-nation speech (March 2017), China’s premier reiterated the quality-over-pace-of-growth theme, announcing an average annual GDP target of “around 6.5%” for the coming year and promising measures to cut air pollution, boost innovation, and reduce overcapacity. How this ‘new normal’ scenario plays out has enormous implications globally, regionally, and especially for America, China’s chief rival for economic dominance. BLHS 415-40 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 or other unforeseen circumstances require holding class 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.

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).

Course 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.

BALS Program Goals:

The course-specific objectives described above are part and parcel of the BALS Program's overall aim of equipping students with new knowledge and perspectives across time and cultures, the ability to explain and compare different points of view, and the skill to present evidence-based arguments clearly and concisely. In the words of the BALS program guide:

"Georgetown's Bachelor of Arts in Liberal Studies program is not a one-size-fits-all curriculum; rather it is a combination of many different programs of study. This interdisciplinary approach provides students with a comprehensive learning experience while helping them achieve intellectual advancement, enhanced critical thinking abilities and a greater cultural understanding. Rooted in Georgetown's Jesuit values, the

program prepares students to excel academically and professionally, equipping them with the tools they need to become successful leaders who are committed to serve others and make an impact on the world. Through an emphasis on educating the whole person, Georgetown provides students with a world-class education that teaches them the art of inquiry and innovation. Students learn advanced critical thinking while developing a deeper understanding of past and present human behavior—in all its interconnected complexity.”

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 11, November 15, and December 13.

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:

94-100%=A, 90-93%=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 6: 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

Questions for class discussion: a) what are the implications of China's size? b) what did China's leaders learn from the failures of other Communist states? c) why has China's political system been described as "resilient authoritarianism"? d) how has China's development experience been alike/different from that of the "East Asian miracle" countries?

Session 2 Sep 13: 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

Questions for discussion: What is the crux of the argument among economists about the readiness of China's pre-1949 economy for successful transition to a modern economy? Which side do you think Naughton takes? What were the roots of China's economic/social/political crisis in the 19th century--how to sort out the impacts of internal decline and external pressure? What were the legacies of the pre-1949 economy for the socialist era (1949-1979) and beyond?

Session 3 Sep 20: Where is China headed? Interpreting the data, observing reality on the ground

1) China Analysts

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=PiKXpNQGWEg>

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>

Questions for discussion: What are the arguments presented by the China experts (CSIS speakers (video), plus Hu Angang, and David Dollar) and which do you find most convincing? Does some of the evidence from real lives surprise you?

Quiz#1

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

Session 4 Sep 27: 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 4: The Great Leap Forward and Its Consequences

Becker, Jasper, *Hungry Ghosts: Mao’s Secret Famine*, “An Overview of the Famine”

Dikotter, Frank, *Mao’s Great Famine*, “Agriculture” (127-144) and “Industry” (145-154 (see e-reserves)

Class discussion: a) how does Dikotter describe the workings of the command economy at the farm level? b) how would you explain to someone unfamiliar with China the causes of the GLF and the various attempts at "retrenchment" (Naughton) thereafter? c) what was the extent of the famine?

Session 6 Oct 11: Reversing the Tide of Agrarian Socialism

Film review due

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"

Class discussion: film reviews

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

Session 7 Oct 18: 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: "Agriculture, Land, and the Rural Economy"

Class discussion: What do the authors of *Chen Village under Mao and Deng* mean when they say (p.267) that "Chen Village would, within a remarkably period of time, become the embodiment of all that was antithetical to Maoist ideology"? After reading "The New Era" and "The Midas Touch, would you say that the quality of life was better for Chen villagers in the Deng era than before?"

Session 8 Oct 25: Industrial Transformation and Urban Growth

Bb#1 Commentary on Kroeber, Chapter 3

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"

Class discussion and Bb post: Arthur Kroeber says in Chapter 3 that, “historical advantages, lucky circumstances and good policies all played a role” in China’s emergence as a great industrial power after 1979. Explain what he means here and note some of the downsides of China’s economic model.

Session 9 Nov 1: Technology Policy and the Rise of the Knowledge-based Economy

Bb#2 Commentary on CNNIC survey

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

<https://cnnic.com.cn/IDR/ReportDownloads/201604/P020160419390562421055.pdf>

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

Class discussion: Americans want to believe that the Internet in China will prove to be a uniquely unstoppable democratizing agent. However, Zhou argues that in the case of the telegraph and other early communications technologies in China, this was not the case. Public political awareness increased, but so did government efforts to control the media and the message. Be prepared to discuss this proposition in the present context, especially in light of CNNIC survey trends.

Session 10 Nov 8: Overcoming poverty: success and its limits

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

Kroeber, Chapter 11, “The Social Compact: Inequality and Corruption”
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 15: China’s 13th FYP: Managing the new normal, promoting outward investment

China Business Review, “Understanding China’s 13th Five Year Plan”
<http://www.chinabusinessreview.com/understanding-chinas-13th-five-year-plan/>

“American Perspectives on the Belt and Road Initiative” ICAS report
<http://chinaus-icas.org/wp-content/uploads/2016/10/BRI-Report-1.pdf>

KPMG report: new investment opportunities for Chinese and foreign businesses

<https://home.kpmg.com/cn/en/home/news-media/press-releases/2016/10/china-13th-five-year-plan-signals-potential-new-era-sino-foreign-cooperation.html>

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

Session 12 Nov 22: “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 29: Building a uniquely Chinese Internet: recent trends in online shopping, search, entertainment, social networking. This session fills out the statistical overview provided in the CNNIC survey with a closer look at Internet users by social grouping and the reality of Internet use in an individual’s everyday life.

Explorations paper due

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

“How China is Changing Your Internet (NYTimes)”

<http://www.nytimes.com/video/technology/100000004574648/china-internet-wechat.html>

“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> (go directly or Google title)

Martin Lau, President of Tencent

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/>

“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 6: American tech companies compete for the China market as Chinese counterparts make inroads in the U.S. and the two sides face off over cybersecurity and global rules for Internet governance. Is there room for accommodation?

Quiz#2

China Now: “China Doubles Down on Internet Control after Tough New Law”

http://www.nytimes.com/aponline/2016/11/17/world/asia/ap-as-china-cybersecurity.html?_r=0 and “U.S. panel urges ban on China state firms buying U.S. companies” <http://www.reuters.com/article/us-usa-china-idUSKBN13B1WO>

Greg Austin, “China’s Diplomacy for the Information Age”
https://www.youtube.com/watch?v=JNhDig_nclw

“Getting to Yes with China in Cyberspace” (Rand Corporation) 2016
http://www.rand.org/content/dam/rand/pubs/research_reports/RR1300/RR1335/RAND_RR1335.pdf

“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-internet-governance>

Lindsay, Cheung, “Introduction—China and Cybersecurity: Controversy and Context” (in *China and Cybersecurity: Espionage, Strategy, and Politics in the Digital Domain*) (e-reserves)

Policy paper due Dec 13

There is no final exam for this course.