Course Content: The course seeks to provide a comprehensive analysis of the transition challenges that China faces as it moves from a centrally planned economy and centralized political structure to adopting a greater reliance on market-based levers while retaining the authoritarian polity. We shall focus on the changing role of the state and state-society relations under reform.

The first question to be addressed is a transition from what? The course begins with a critical evaluation of the development strategies pursued since 1949. This is followed by discussion of the politics of the current transition in China and how the role of the state has been evolving.

The second question to be addressed is the institutional framework for policy-making in China. How is policy made and implemented? What is the role of the Party and governmental apparatus at the central and non-central levels? How have state-society relations changed during the reforms, has accountability improved, is a civil society emerging or is China moving toward a form of Asian corporatism?

Parts three and four look at substantive areas of policy. Part three concentrates on economic policy during the transition: industrial policy and the restructuring of state enterprises; and the development of rural policy. Part four looks at the challenges of social transition including the restructuring of the provision of public goods and services (healthcare, pensions) and poverty alleviation.

The last session reviews China’s approach to development and its future challenges.

Course Requirements: There are two written assignments required for this course. Each should be a six to eight page policy brief that outlines, analyzes and makes a policy recommendation for a particular problem. This may be a national problem or one within a specific industry or technical area. The policy brief should be addressed to the appropriate official.

The First Policy Memo is due on APRIL 11
The Second Policy Memo is due on MAY 9
Class participation will be taken into account when assessing the final grade for the course. The Kennedy School has established a recommended distribution for grading and this course will follow this decision. The recommended range for A is 10-15%; A- 20-25%; B+ 30-40%; B 20-25%; B- or lower 5-10%.

**Office Hours:** Fridays-9:00 a.m. to 2:00 p.m.

**Course Materials:** Students should purchase Tony Saich, *Governance and Politics of China* (Palgrave, 2001) and read the relevant sections as background for the classes. Some basic books have been placed on reserve at the Kennedy School Library together with all course materials. Packets of course readings are available for purchase through the KSG Course Materials Office. Readings marked with an * are the most important for the session, although it is expected that students will endeavor to read all materials.
Readings
Session one (January 30): Orientation and The Sixteenth Party Congress and China’s Future Challenges
   Introduction to the Course. Students should be prepared to introduce themselves, and discuss what they hope to get from the course. We shall outline the key challenges facing China’s new leaders that will be addressed in the course.

Part One: Path Dependence and Pre-Reform Structures  (COURSE PACKET #1)
Session two (February 4): The Implications of China’s Changing Development Strategies
   *Saich, Chapter Two.

*PLEASE NOTE that page 8 is missing and will be provided by course assistants.

Questions to consider as you read:
What influenced the CCP’s initial policy choices after 1949?
Why did China abandon the Soviet Model of Development so soon after its introduction?
Which groups or institutions were the main beneficiaries of China’s development strategy?

Sessions three and four (February 6 and 11): The Choice for Reform, the Constraints and Direction of Change
   *Saich, Chapter Three.


Questions to consider as you read:
What have been the main characteristics of China’s reform program?
In what ways does China’s reform trajectory differ from that of other communist countries?
In what ways has reform in China been shaped and constrained by its existing political structures and historical legacies?
Part Two: Transition, Political Structures and Decision-Making. (COURSE PACKET #2)

Session five (February 13): The Changing Role of the State


Questions to consider as you read:
What factors have changed the role of the state in development?
How have different institutions been affected as a result of the reform program?
How, if at all, has the CCP adapted to the changing socio-economic environment?

Session six (February 18): Changing Center-Local Relations

We shall start this session with discussion of a simple exercise designed to get one thinking about provincial level politics.


*Saich, Chapter Six.


Questions to consider as you read:
What is the impact of reforms on bureaucratic politics?
What are the consequences of fiscal decentralization?
What mechanisms does the center retain to influence policy at the local levels?

Sessions seven and eight (February 20 and 25): Local Level Politics

We shall start the first of these two sessions with a couple of simple cases about township government. The pieces by Wang and Zhang provide background for this discussion. Oi, Sargeson,
Unger and Walder look at difference outcomes of the reforms in terms of impact on local government.


Questions to consider as you read:

In what ways do local officials influence policy choices?
How does reform empower local bureaucrats in the policy process?
What are the primary incentives governing the behavior of local officials?
What is the nature of the local state in China?

Session nine (February 27): Participation and Protest


*Saich, Chapter seven.

Questions to consider as you read:
How democratic are village elections in China?
How threatening to regime survival are the rural and urban protests?
Can institutions be developed to mitigate protest and enhance participation?

**Session ten (March 4): The Changing Nature of State-Society Relations**


**Questions to consider as you read:**

Does economic reform lead to democratization?
How would you characterize the current nature of the state in reform China?

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**Part Three: Transitions and Economic Change (COURSE PACKET #3)**

**Session eleven (March 6): The Nature of Economic Transition**


Saich, Chapter Nine.

Questions to consider as you read:

What are the main differences in China’s economic strategy from those of other post-communist regimes?

What factors explain growth in China?

How successful has China’s ‘gradualist’ approach to economic reform been?

Sessions twelve and thirteen (March 11 and 13): Industrial Policy and the Restructuring of State-owned Enterprises

We shall start these two sessions with discussion of two simple cases of enterprise reform. The Steinfeld readings provide useful background.


*Steinfeld, Edward S. “Conclusion.”* *ibid.* 249-260.


Quesions to consider as you read:

Why has industrial reform proven so difficult to implement?

Why has the issue of “privatization” become important?

Is privatization of state industry necessary?

Session fourteen (March 18): The Political Economy of Corruption


Questions to consider as you read:
*Why have high levels of corruption accompanied economic reform in China?*

*How destabilizing is the phenomenon of corruption in China?*

*What are potential policies to curtail corruption?*

Sessions fifteen and sixteen (March 20 and April 1): Rural Policy


Questions to consider as you read:
*Why did progress in rural reform slow down?*

*What are the major challenges for continued rural growth?*

*How important is land tenure for rural development?*

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Part Four: Transition and the Impact on Social Policy  (COURSE PACKET #4)

Session seventeen (April 3): the Impact on the Provision of Public Goods and Services


*Saich, Chapter Ten.*

**Questions to consider as you read:**

*Why have social costs been high in transitions from planned to more market oriented economies?*

*Is it desirable to consider social equity in development strategy?*

*Can high-level growth alone resolve social service provision?*

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**Session eighteen (April 8): Social Policy in Urban China**

**Social Policy in Urban China**

*KSG, Pension Reform in China: Weighing the Alternatives. Kennedy School of Government Case #1547.0.*


**Questions to consider as you read:**

*What will be the impact of the “one-child” policy on elderly care?*

*Who benefits from the proposed pension reform?*

*What has been the impact of economic reform on healthcare provision?*

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**Sessions nineteen, twenty and twenty-one (April 10, 15 and 17): Social Policy in Rural China**

After discussing rural social policy problems with a focus in healthcare in sessions 19 and 20 we shall discuss a case of an NGO trying to start a reproductive health program in Yunnan and then discuss the actual outcome.


Questions to consider as you read:
How can better equity be brought to healthcare provision?
What factors cause the inequality of service provision between urban and rural China?
What options are feasible for rural social welfare provision?

Session twenty-two (April 22): The Politics of Inequality


Questions to consider as you read:
Who has been left behind in the new development strategy?
Do increasing levels of inequality matter?
If so, in what ways?

Session twenty-three (April 24): Poverty Alleviation Policy and Microfinance

We shall begin this session with a discussion of a case on microfinance in China and then broaden the discussion to microfinance in China more broadly and to poverty alleviation strategy in general.


Questions to consider as you read:

How successful have microfinance experiments been in China?
What kind of role, if any, should the state play in poverty alleviation?


Question to consider as you read:

How will the HIV/AIDS epidemic impact on China’s social and economic development?
What effective measures can be taken to deal with the problem?

Part Five: Future Developments and Challenges

Sessions twenty-five (May 1): Conclusions: China’s Development Model and the Future


