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China in the World Economy – MVZb2039

Syllabus

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Opened to: full-time students of the study programs International Relations (IRE); Mezinárodní vztahy; Hospodářská politika a mezinárodní vztahy; Master's degree, academic year 2022/2023, autumn semester

China in the World Economy

Autumn 2024

Annotation

This course aims to acquaint students with the development of China's economy since the beginning of pro-market reforms in 1978. It will lay out the logic and aims of the main reforms, explain the resulting changes in China's economic performance and finally describe the contemporary Chinese economic system and analyze its advantages and shortcomings. Special attention shall be given to the increasing role of industrial policy and state interventionism under Xi Jinping, as well as to the contemporary trade war and technological rivalry between China and the United States. Moreover, the course will account for the China's role in international economic organizations and depict the growing impacts of its economic rise on third countries, both via both trade and political projects such as the Belt and Road Initiative.

At the end of the course, students should be able to explain what makes China's economy distinct from both Western liberal capitalism and Soviet-style central planning, to have gained a grasp of China's growing global commercial clout and to possess an understanding of the main causes and nature of the current US-Chinese economic and technological rivalry.

Outline

1) 9/25 : Introduction – basic facts about Chinese history and geography

- LANDES, David S. *The Wealth and Poverty of Nations: Why Some Are So Rich and Some So Poor*. New York: Norton & Company, 1998. ISBN 0-393-04017-8., pages **335-350**
- DARWIN, John. *After Tamerlane: The Rise and Fall of Global Empires, 1400-2000*. London: Penguin Group, 2007. ISBN 978-0-141-90468-9, pages **56-62, 143-152, 297-304, 382-387**
- Callahan, W. A. (2012). Sinospeak: Chinese Exceptionalism and the Politics of History. *The Journal of Asian Studies*, 71 (1), **33-55**.
doi:10.1017/S0021911811002919

2) 10/02: The intellectual roots of Maoism and Maoist period (1949-1978)

- XU, Chenggang. The Origin of China's Communist Institutions. In: MA, Debin. *The Cambridge Economic History of China*. Cambridge, UK: Cambridge University Press, 2022, s. 531-564. Dostupné z: doi:10.1017/9781108348485
- DARWIN, John. *After Tamerlane: The Rise and Fall of Global Empires, 1400-2000*. London: Penguin Group, 2007. ISBN 978-0-141-90468-9., pages **430-435**

3) 10/09: China's transition into a market economy (1978-1994)

Recommended reading:

- HUANG, Yasheng. *Capitalism with Chinese Characteristics*. Cambridge, UK: Cambridge University Press, 2008. ISBN 978-0521898102., pages **50-106, 275-285**

4) 10/16 Export-led growth and the China Shock (1994-2006)

- NAUGHTON, Barry. *The Chinese Economy: Adaptations and Growth*. 2nd ed. Boston: MIT Press, 2018. ISBN 9780262140959., pages **333-360; 398-422; 423-449**

5) 10/23: The re-emergence of industrial and technological policy (2006-2017)

- NAUGHTON, Barry. *The Rise of China's Industrial Policy: 1978 to 2020*. Ciudad de Mexico: Universidad Nacional Autónoma de México, 2021, 156 s. ISBN 978-607-8066-60-5, pages **50-100**

Other recommended reading:

- SMITH, Noah. Why is China smashing its tech industry? *Noahpinion* [online]. 2021 [cit. 2021-8-30]. Dostupné z: <https://noahpinion.substack.com/p/why-is-china-smashing-its-tech-industry>

6) 10/30: The United States - Chinese trade and technological rivalry (2017-)

- LIM, Darren J. a Andrew B. KENNEDY,. The innovation imperative: technology and US–China rivalry in the twenty-first century. *International Affairs*. 2018, **94**(3), **553–572**. ISSN 1468-2346. Accessible at: doi:doi.org/10.1093/ia/iiy044
- KHAN, Saif M. a Carrick FLYNN. Maintaining China's Dependence on Democracies for Advanced Computer Chips. In: *Center for Security and Emerging Technology* [online]. Washington, DC., 2020 [cit. 2020-12-21]., **16 pages**, Accessible at: <https://cset.georgetown.edu/research/maintaining-chinas-dependence-on-democracies-for-advanced-computer-chips/>

Other recommended reading:

- MATTOO, Aaditya a Robert W. STAIGER. Trade Wars: What do they mean? Why are they happening now? What are the costs? *Policy Research Working Paper*. Washington, DC.: World Bank, 2019, 8829, **21 pages**

7) 11/6: China and the World Trade Organization

- WEINHARDT, Clara a Tobias TEN BRINK. Varieties of contestation: China's rise and the liberal trade order. *Review of International Political Economy*. 2020, **27**(2), **258-280**. ISSN 0969-2290. Accessible at: doi:10.1080/09692290.2019.1699145
- HOEKMAN, Bernard. Trade Wars and the World Trade Organization: Causes, Consequences, and Change. *Asian Economic Policy Review*. 2020, **15**(1), **98-114**. ISSN 1832-8105. Accessible at: <https://onlinelibrary.wiley.com/doi/epdf/10.1111/aepr.12278>
- Gao, H. (2012). From the periphery to the centre: China's participation in WTO negotiations. *China Perspectives*, 2012(1), **59–65**. doi:10.4000/chinaperspectives.5823

8) 11/13: Seminar: US vs China

“Pro-Chinese” group:

- CIURIK, Dan. The US-China Trade War: Technological Roots and WTO Responses. *Global Solutions Journal*. 2019, **2**(4), **130-135**. ISSN 1556-5068. Accessible at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3330392

- IKENSON, Daniel J. Into the Abyss:: Is a U.S.-China Trade War Inevitable? In: *Cato Institute: Free Trade Bulletin* [online]. Washington, DC., 2017 [cit. 2020-12-21], **5 pages**, Accessible at: <https://www.cato.org/publications/free-trade-bulletin/abyss-us-china-trade-war-inevitable>

„Pro-US“ group:

- The Elements of the China Challenge. *Department of State* [online]. Washington, DC., 2020 [cit. 2021-8-30]. Dostupné z: <https://www.state.gov/wp-content/uploads/2020/11/20-02832-Elements-of-China-Challenge-508.pdf>

9) 11/20: The international monetary and financial systems

- OATLEY, Thomas H. *International political economy*. Seventh Edition. New York, NY: Routledge, 2023. ISBN 978-103-2232-669, **279-307**

10) 11/27: China in the IMF and the World Bank

- GILLI, Alessandro, ed. China and The IMF: A Troubled Relationship. In: SCISO, Elena. *Accountability, Transparency and Democracy in the Functioning of Bretton Woods Institutions*. 1. Torino: Springer, 2017, s. **40-57**. ISBN 978-3-319-57855-2.
- DOLLAR, David. Reluctant player: China's approach to international economic institutions. *Brookings Institution* [online]. Washington, DC., 2020 [cit. 2021-8-29]. Dostupné z: <https://www.brookings.edu/articles/reluctant-player-chinas-approach-to-international-economic-institutions/>

11) 12/4: The Belt and Road Initiative I. -what is the BRI?

- HE, Alex. The Belt and Road Initiative: Motivations, financing, expansion and challenges of Xi's ever-expanding strategy. Online. *Journal of Infrastructure, Policy and Development*. 2020, roč. 4, č. 1, s. 139-169. ISSN 2572-7931. Dostupné z: <https://doi.org/10.24294/jipd.v4i1.1180>. [cit. 2024-09-13].

12) 12/11: The Belt and Road Initiative II. – BRI around the world

13) 12/18: 12/11: China's contemporary problems and the Second China Shock

Seminar:

During the 8th week of the semester, a seminar will take place. This **seminar** will be concerned with the following question: “Which country is to blame for the US-Chinese trade war and technological competition?”

Students shall be divided into two **equally large groups**, one of which will advocate for the position that the cooling of relations is the fault of the United States, whereas the other group will attempt to prove that it is in fact China who caused the dispute. In order to stake out this position, **each student is going to write a position paper, at least 3 norm pages long, and submit it at least 2 days before the seminar.**

It is recommended to explain your position on issues such as: China's compliance with WTO agreements, its alleged theft of intellectual property and mistreatment of foreign investors, the costs of the trade war for consumers in the US and for American companies, the national security implications of China's growing GDP and America's dependence on China, or the relevance of human rights considerations (Honk Kong, Xinjiang etc.). However, it is not necessary to cover all of these topics and in fact it is allowed to focus on topics that favor your side of the argument.

In total, a student can obtain at most **5 points for the seminar**. The evaluation will take into account both the quality of the position paper and the student's active participation in discussion.

Even though a student is supposed to advance his or her side of the argument, **the text should not be outright biased, propagandistic or dishonest!** It is welcome for students to include counter-arguments against their position and persuasively refute them, it is on the other hand not recommend to use half-truths or otherwise distort reality.

Exam:

The course shall be concluded by a written exam comprising **four open-ended questions**. Each answer will be given up to **5 points**, therefore, the maximum possible amount of points a student can obtain from the exam is **20**.

Evaluation:

In order to successfully complete the course, **a student needs to acquire at least 10 points**. Points are going to be translated into grades as follows:

25-22,5 points - „A“

22-19,5 points - „B“

19-16,5 points - „C“

16-13,5 points - „D“

13-10 points - „E“

9,5-0 points - „F“