

**The University of Macau**  
**Department of Government and Public Administration**  
**GPAD7107: Political Economy**  
**Spring 2019**

Instructor: Yiran Li ([yiranli@um.edu.mo](mailto:yiranli@um.edu.mo))

Lecture: Wednesday 7:00 pm-10:00 pm

Lecture room: E21-G014(L)

Office: E21-4020

Office hours: Wednesday 2:00 pm-4:00 pm and Friday afternoon 2:00 pm-4:00 pm or by email appointment

Teaching language: Mandarin

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## **COURSE DISCRIPTION**

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This is a graduate seminar for reading and discussing selected works on political economy based on the experience of China. The topical issues are arranged to help students understand the role of government played in economic development and the interactions between the politics and the economy. It focuses more on recent development in China, that is, changes in the reform era since 1978. We will examine how the political institution and various government agencies run; the strategies and tactic the communist party uses in governance with the economic and social development; and what are the political and social consequences (intended and unintended) the various reforms brought about since 1978. Although acquiring factual knowledge is not the main objective of the seminar, our survey of the literature will be integrated with discussions of important events, facts, and processes.

## **LEARNING OUTCOME**

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At the end of the course, students will be able to:

- (1) build a foundation for thinking about the role of political economy in understanding economic development;
- (2) understand some core theoretic concepts in political economy, with illustration from the experiences of China;
- (3) recognize the institutional parameters that have defined and redefined authority relations in people's daily life;

(4) understand empirical evidence in economics. What makes a good empirical study? How do we learn about the China empirically? What are some of the techniques we can use to better understand China?

## **ACADEMIC MISCONDUCT WARNING**

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The university expects that all students work will conform to the highest standards of academic integrity. Student’s work will be scrutinized for academic misconduct, which includes plagiarism of other’s words and/or ideas, falsification, fabrication, and misuse of data. Student’s submitted work will be scrutinized for plagiarism through use of Turnitin ([www.turnitin.com](http://www.turnitin.com)). In the event a student submits work that appears to be plagiarized—whether essays, presentations, or other course material—they will be asked to explain themselves to the lecturer. The university does not tolerate plagiarism, whether direct, indirect, or self-plagiarism. Direct plagiarism is intentionally and completely lifting the words, equations, charts, graphs or artistic material of another author or authors. Indirect plagiarism is failing to cite completely or accurately, and/or copying themes, ideas, or sources the student has not read from another author or authors. Self-plagiarism is recycling papers, documents, equations, and so forth from a document previously submitted by the student without quotation, citation, or attribution of the previous work. Acts of plagiarism could result in heavy penalties, including disciplinary action. For more information about the policy on plagiarism at the University of Macau, please visit:

<https://reg.um.edu.mo/download/um-academic-calendar/6gr-rhsad.pdf>

## **PROVISION OF FEEDBACK**

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According to university policy on provision of feedback for taught programs, for assignments and essays, we will provide specific feedback on students’ performance within two to three weeks.

## **REQUIREMENTS AND GRADING**

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Class attendance and participation.....	20%
In-class news presentation.....	15%
Two memos.....	30%

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Synthetic Critical Essay Review or Research Proposal .....35%

### 1. Class attendance and participation

Regular class attendance is essential for this course. I will hand out a sign-in attendance sheet at the beginning of each class. Given that there may be times when you are unable to attend class (for whatever reason—excused or unexcused), you may miss *three* classes over the course of the semester without incurring any penalty. *After the third absence, however, I will deduct 5% off your final grade for each additional absence.* This means, for example, if a student misses five classes and had an A- average on all the other class requirements, then the final course grade would drop to a B. This is non-negotiable.

The class participation portion of the grade will be evaluated based on high-quality contributions to the seminar discussion. I do not expect everyone to have fully formed opinions about our reading or discussion questions. Sometimes, the most valuable contributions to seminar discussions take the form of posing additional questions that guide us to think about a topic in an alternative manner.

- *Note on classroom etiquette:* **Please mute your mobile phones prior to the beginning of class and do not check your SMS/QQ, WeChat, e-mail, or social media sites during class.** You are, however, welcome to take notes on your laptop and fact check issues that come up in our discussions.

### 2. In-class class news presentation

Please stay informed of current political, economic, and social events in China by reading news from different sources. We will start each class with a brief discussion of breaking news. All students will be expected to present news to the class once in the semester. Please complete sign-up sheet in Moodle by **Jan 15**. When it is your turn to present the news, please pick one news item relevant to China's political economy; compare coverage of the news item from at least three different sources; and identify their differences in framing. The presentations should be **a maximum of 10 minutes long** and include PowerPoint (or KeyNote) visuals. The presentations should be uploaded to Moodle by the Tuesday prior to your presentation (on Tuesday).

### 3. Required readings

Required readings should be completed by the date corresponding with the lecture as indicated on this syllabus. All books and articles are available through Moodle and on reserve at the library. Any changes that are made to the syllabus will be announced in class.

*As you do the readings for each week, please take notes and think about the following:*

- a) What is the author's explanatory objective (or dependent variable)? Pay special attention to how this is defined and operationalized.
- b) What is the author's argument (or independent variables)?
- c) What is the logic connecting a) and b)? How convincing do you find this logic?
- d) What are the intellectual roots and/or empirical inspiration for the argument?
- e) Does the author exhibit an implicit (or explicit) normative agenda? Or is the argument relatively objective in the explanatory social scientific sense?
- f) Is the research design and methodology appropriate for the questions being asked?
- g) What type of evidence, if any, is provided for the argument? Does the evidence actually support the intended argument? What type of evidence would strengthen or weaken the argument?

*You should also think about the readings collectively each week. Specifically,*

- Are all the authors trying to explain the same phenomenon?
- Are they having a direct dialogue with one another? If not, how do you imagine that they might react to one another's arguments (e.g., at a conference or research workshop)?
- What is the intellectual contribution of the week's literature to our understanding of Chinese politics and political economy?
- What is the value of this research agenda? What further work could be done on the topic?

### 4. Two Memos

Each student is required to write *two* critical memos (1.5倍行距, 小四字体, 3页左右, 不超过5页, worth 15% each) concerning the assigned reading. Please refrain from merely summarizing the readings; instead, use the questions in 3) above as a guide for analyzing the readings, and be sure to state your argument clearly in the introduction. Excellent memos reflect original analysis and present a distinct interpretation, critique, or hypothesis of the issues at hand. *Memos on a particular week's readings will only be accepted on the day for which the reading is*

*due because a key purpose is to enhance the quality of class discussions.* Memos may be written on assigned readings from Jan 23 to April 10 (Topic 3—Topic 13). In other words, the last possible day that you can start handing in the memos and receive credit for them is April 17. I highly encourage you to start the memos early on the semester. If you hand in your first memo on April 10, it will be challenging to hand in your final paper by May 6.

### 5. Synthetic Critical Essay Review or Research Proposal

Each student will be expected to write a critical essay or a research proposal on a topic selected from what we discussed in the class. You may gear the paper to your area of interest but must select the topic in political economy field. Please adhere to the following schedule to get my feedback:

- Topic 4 (Feb 13)—topic selection is forwarded to me, with a preliminary listing of literature examined.
- Topic 8 (Mar 13)—submit a summary of what you are finding in your literature review on each topic. This will be an outline. I do not review drafts of papers.
- Topic 14 (May 6)—final paper due.

Your critical essay will incorporate the following:

- What are the major issues involved in the study of the topic you have selected and what do we know about them?
- How do we know it? That is, what is the state of methodological choice, development, sophistication, and marshalling of evidence? Where do we have consensus on findings? Where do we not? Where are the major gaps that you see in the study of the topic (substantively, methodologically, epistemologically)?
- What do you see as a priority(ies) for future research in this area for theory development and testing, and why?

You could also write a research proposal which I strongly encourage you to do. Students who write a proposal will receive 3 bonus points. The research proposal should be framed in a comparative manner, either as a cross-national study (including China), or focused on China with intra-country forms of variation (e.g., regional, historical, sectoral, etc.). You may gear the paper to your area of interest but must select the topic in political economy field. The proposal should

include several parts: introduction, literature review, research question and hypothesis, methodology, work schedule, expected results and implications, references.

#### Length, Style, and format of item 5

- 1.5 倍行距, 小四字体, 8 页左右, 不超过 10 页 (incl. footnotes / endnotes / references)
- Make sure putting your FULL NAMES and Student IDs on the first page of the report.
- Must be properly referenced. APA is preferred. Failure of fulfilling the academic referencing requirement will result in grade deduction.
- Submission deadline: Report to be uploaded on Moodle on or before 23:00, May 6. Email submission is NOT accepted.
- You do NOT need to turn in a hard-copy of your report.
- Late Project Report will be marked down a third of a grade (for example, A to A-) for each day following the due date.

## **COURSE OUTLINE**

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*Format for the Class:* Students are required to read the assigned text BEFORE class. The essential material will be highlighted in class. The class meetings will consist of a combination of lecture, case discussion, and group exercises. This course encourages a high degree of student participation and group problem solving to enhance the learning process. This is facilitated by an open, constructive class environment.

## **Part I: INTRODUCTION AND BIG PICTURE**

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### **Topic 1: Introduction: Why Study Political Economy and Development? Motivation and Class Overview (Jan 9)**

- Hirschman, Albert O. 2013. Political Economics and Possibilism. In Jeremy Adelman (Ed.), *The Essential Hirschman*. New Jersey: Princeton University Press. Chapter 1. pp.1-34.
- North, Douglass. 1990. *Institutions, Institutional Change and Economic Performance*. Cambridge: Cambridge University Press. Chapter 1. pp. 3-10. (有中文版)
- Acemoglu, Daron, and James Robinson. 2012. *Why Nations Fail: the Origins of Power, Prosperity, and Poverty*. New York: Crown Business. Chapters 1-2. pp.7-69. (有中文版)

### Topic 2: Historical Legacies (Jan 16)

- North, Douglass, Robert Paul Thomas. 2009 (reprint). *The Rise of the Western World: A New Economic History*. New York: Cambridge University Press. (有中文版)
- Acemoglu, Daron, Simon Johnson, and James Robinson. 2001. “The Colonial Origins of Comparative Development: An Empirical Investigation.” *American Economic Review*, Vol. 91. (5) 1369-1401.
- Banerjee, Abhijit, and Lakshmi Iyer. 2005. “History, Institutions and Economic Performance: the Legacy of Colonial Land Tenure Systems in India.” *American Economic Review* 95, No. 4: 1190-1213.

### Topic 3: State and State Building (Jan 23)

- North, Douglass C., John Joseph Wallis, and Barry R. Weingast. 2009. *Violence and Social Orders: A Conceptual Framework for Interpreting Recorded Human History*. Cambridge University Press. Chapters 1, 2, 4, and 5. (有中文版)
- Tilly, Charles. 1992. *Coercion, Capital, and European states, AD 990-1990*. Blackwell: Oxford. Chapters 1 and 3. (有中文版, 建议直接看英文, 中文翻译较差)
- Olson, Mancur. 1993. “Dictatorship, Democracy, and Development.” *American Political Science Review* 87, No. 3: 567-576.

### Jan 30 and Feb 6: No Class

### Topic 4: State Capacity (Feb 13)

- Levi, Margaret. 1989. *Of Rule and Revenue*. University of California Press, 1989. Chapters 1, 2, and 3. (有中文版)
- Migdal, Joel S. 1988. *Strong Societies and Weak States: State-Society Relations and State Capabilities in the Third World*. Princeton University Press. (有中文版)
- Besley, Timothy, and Torsten Persson. *Pillars of Prosperity: The Political Economics of Development Clusters*. Princeton University Press, 2011. Chapter 1.

## Part II: GOING MICRO: NEW RESEARCH ON DEVELOPMENT POLITICAL ECONOMY

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### Topic 5: Accountability (Feb 20)

- Bovens, Mark, Robert. E. Goodin, and Thomas Schillemans. 2014. *The Oxford Handbook of Public Accountability*. OUP Oxford. Chapters 1, 6 and 13.
- Besley, Tim and Robin Burgess. 2002. “The Political Economy of Government Responsiveness: Theory and Evidence from India.” *Quarterly Journal of Economics*, 117(4):1415-1451.
- Chen, Shuo and Yiran Li. 2018. Accountability from Cyberspace? Online Scandals and Officials Governance in China. Manuscript.
- Manion, Melanie. 2014. “Authoritarian Parochialism: Local Congressional Representation in China.” *The China Quarterly* 218: 311-338.

### Topic 6: Redistribution and Financial Power (Feb 27)

- Dixit, Avinash and John Londregan, 1995. “Redistributive Politics and Economic Efficiency”. *American Political Science Review* 89: 856-866.
- Daron Acemoglu and James Robinson, “Inefficient Redistribution.” *American Political Science Review* 95 (September 2001): 649-661.
- 周飞舟, 2012, 以利为利: 财政关系与地方政府行为 (1-6 章), 上海三联书店
- 我们地方没钱, 微信公众号“老道消息” 2018-04-05
- 张闰龙, 2006, 《财政分权与省以下政府间关系的演变》, 《社会学研究》, 第三期, 39-63 页。
- 周黎安, 2017, 转型中的地方政府: 官员激励与治理 (第二版) (5, 6, 9 章), 格致出版社

### Topic 7: Power (Mar 6)

- Svobik, Milan W. 2012. *The Politics of Authoritarian Rule*. Cambridge University Press. Chapters 1, 2, 3, and 6.
- Li, Hongbin, and Li-An Zhou. 2005. “Political Turnover and Economic Performance: the Incentive Role of Personnel Control in China.” *Journal of Public Economics* 89.9: 1743-1762.



- 周黎安, 2017, 转型中的地方政府: 官员激励与治理 (第二版) (3, 4, 7 章), 格致出版社
- Shih, Victor, Christopher Adolph, and Mingxing Liu. 2012. "Getting ahead in the Communist Party: Explaining the Advancement of Central Committee Members in China." *American Political Science Review* 106.01: 166-187.

### Topic 8: Mass Media (Mar 13)

- Besley, Timothy, and Andrea Prat. 2006. "Handcuffs for the Grabbing Hand? Media Capture and Government Accountability." *American Economic Review*, 96(3): 720-736.
- Brunetti, Aymo and Beatrice Weder. 2003. "A Free Press is Bad News for Corruption." *Journal of Public Economics*. 87:1801-1824.
- Stockmann, Daniela. 2013. *Media Commercialization and Authoritarian Rule in China*. Cambridge University Press. Chapter 3, 8 and 9.
- King, Gary, Jennifer Pan, and Margaret E. Roberts. 2013. "How censorship in China allows government criticism but silences collective expression." *American Political Science Review* 107.2: 326-343.

### Topic 9: Resources, Resources Curse, and International Aid (Mar 20)

- Simeon Djankov, Jose G. Montalvo and Marta Reynal-Querol. 2008. "The Curse of Aid." *Journal of Economic Growth* 13(3):169-194.
- Ross, Michael L. 2001. "Does Oil Hinder Democracy?" *World Politics* 53, no. 3: 325-361.
- Hong, Ji Yeon. 2018. "How Natural Resources Affect Authoritarian Leaders' Provision of Public Services: Evidence from China." *The Journal of Politics* 80, no. 1 (2018): 178-194.
- Chen, Ting, and James Kung. 2016. "Do Land Revenue Windfalls Create a Political Resource Curse? Evidence from China." *Journal of Development Economics* 123 (2016): 86-106.

### Topic 10: Violence, Terrorism, and Ethnic Conflicts (Mar 27)

- Fearon, James D., and David D. Laitin. 2003. "Ethnicity, Insurgency, and Civil War." *American Political Science Review* 97, no. 1: 75-90.

- Fearon, James D., and David D. Laitin. “Explaining Interethnic Cooperation.” *American Political Science Review* 90, no. 4: 715-735.
- Kydd, Andrew H., and Barbara F. Walter. 2006. “The Strategies of Terrorism.” *International Security* 31.1: 49-80.
- Posner, Daniel N. 2007. “Regime Change and Ethnic Cleavages in Africa.” *Comparative Political Studies* 40, no. 11: 1302-1327.
- Hong, Ji Yeon, and Wenhui Yang. 2018. “Oilfields, Mosques and Violence: Is There a Resource Curse in Xinjiang?” *British Journal of Political Science*: 1-34.

## Part III: GOVERNANCE

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### Topic 11: Public Policy-making and Social Experiments (Apr 3)

- Vogel, Ezra F. 2011. *Deng Xiaoping and the Transformation of China*. Cambridge, MA: Belknap Press of Harvard University Press, Chapter 14-15.
- He, Baogang, and Mark E. Warren. 2011. “Authoritarian Deliberation: The Deliberative Turn in Chinese Political Development.” *Perspectives on Politics* 9 (2): 269–89.
- Mei, Ciqi, and Zhilin Liu. 2014. “Experiment-based Policy Making or Conscious Policy Design? The Case of Urban Housing Reform in China.” *Policy Sciences*. 47(3): 321-337.
- Lü, Xiaobo. 2014. “Social Policy and Regime Legitimacy: The effects of education reform in China.” *American Political Science Review* 108.02: 423-437.
- 韩博天著，石磊译，2018，红天鹅：中国非常规决策过程，香港中文大学出版社，第3-4章。

### Topic 12: Urbanization (Apr 10)

- Glaeser, Edward L. 2014. “A World of Cities: The Causes and Consequences of Urbanization in Poorer Countries.” *Journal of the European Economic Association* 12.5: 1154-1199.
- Chen, Shuo, and Yiran Li. 2018. “Secrets of Ghost Towns: Career Incentives and Politically Driven Urbanization in China”, Manuscript.
- Kung, James Kai-sing, Chenggang Xu, and Feizhou Zhou. 2012. “From Industrialization to Urbanization: The Social Consequences of Changing Fiscal Incentives on Local Governments’ Behavior.” In *Institutional Design for China’s Evolving Market Economy*, ed. J.E. Stiglitz: Oxford University Press.

- 陆铭, 2016, 大国大城: 当代中国的统一, 发展与平衡. 上海人民出版社

### Topic 13: Corruption and Anti-corruption (Apr 17)

- Shleifer, Andrei, and Robert W. Vishny. 1993. "Corruption." *The Quarterly Journal of Economics* 108.3: 599-617.
- Treisman, Daniel. 2000. "The Causes of Corruption: A Cross-national Study." *Journal of Public Economics* 76.3 (2000): 399-457.
- Li, Hongyi, Lixin Colin Xu, and Heng-fu Zou. 2000. "Corruption, Income Distribution, and Growth." *Economics & Politics* 12.2: 155-182.
- Zhu, Lin. 2015. "Punishing Corrupt Officials in China." *The China Quarterly*, 223, 595-617.
- Zhu, Jiangnan and Dong Zhang, 2016. "Weapons of the Powerful: Authoritarian Elite Competition and Politicized Anticorruption in China." *Comparative Political Studies*.50(9):1186-1220.

### Topic 14: Health and Environment (Apr 24)

- Graff Zivin, Joshua, and Matthew Neidell. "Environment, Health, and Human Capital", *Journal of Economic Literature*, 2013, 51(3): 689–730.
- Zheng, Siqu, and Matthew E. Kahn. 2013. "Understanding China's Urban Pollution Dynamics", *Journal of Economic Literature*, 51(3): 731-72.
- Chen, Yuyu, Avraham Ebenstein, Michael Greenstone, and Hongbin Li. "Evidence on the Impact of Sustained Exposure to Air Pollution on Life Expectancy from China's Huai River policy", *Proceedings of the National Academy of Sciences*, 2013, 110(32): 12936-12941.
- Chen, Shuo, Yiran Li and Chen, Qin Yao. 2018. "The Cost of Industrial Leap Forward in China: Evidence from SO2 and Public Health." *China Economic Review*, Vol.49 (C), 68-83.