

## **China and the Global Political Economy**

**(SS 2021, Dr. Johannes Petry)**

**Freie Universität Berlin**

### **Course description**

This seminar analyses China's changing role in the contemporary global political economy. China has become central for how global capitalism functions. The aim of this course is to critically analyse China's rise and impact on the global economic system.

In part 1, the course provides an overview of China's socio-economic system, its economic transformation (reform and opening) as well as the characteristics and development of Chinese capitalism. In part 2, the seminar explores in detail China's integration into and changing role within the global economy. Thereby, China is placed into the center of the analysis of the global economic system, investigating China's changing role in areas such as global finance, trade, production, consumption or digitisation.

From global value chains, China's role as factory of the world, the advent and decline of the Chimerica-constellation, China's rise in development finance, the US-China trade war to reshaping global infrastructure and trade flows through the Belt and Road Initiative, the course aims to develop an ability to analyse, compare and critically evaluate fundamental assumptions and arguments about the ways in which the global economy functions.

Thereby, the course moves away from a purely Eurocentric perspective on the global economy by building on both 'Western' and Chinese scholarship and perspectives, enabling students to gain a more nuanced understanding of China's changing global role and its implications. Basic knowledge in IPE is essential for this course.

### **Organisation of the Course**

This course will be run as a seminar course. It is aimed to be inquiry-based, discussion-driven and student-led. Hence, attendance, engagement and discussion are crucial for the course. The seminar method is intended to hone a number of skills—the ability to do close readings of texts, to identify core issues, to engage in critical analysis and discussion, to practice input presentations and academic writing. The course will be held in English (including assessment, i.e. presentation and papers).

The course runs over 14 sessions, starting on 12 April 2021. For each session, 'core readings' are provided via Blackboard. All students are expected to read the core texts as these are the basis for discussion in the seminar. If you want to gain a deeper understanding of a topic, I encourage you to have a look at 'advanced readings', especially for preparing presentations as well as writing your papers.

**Course overview:**  
**China and the Global Political Economy**

	date	topic	description
1	12/04/2021	Introduction	Why China matters for IPE
2	19/04/2021	History	From the Middle Kingdom to the Chinese Dream
3	26/04/2021	Chinese capitalism	Rethinking state-market configurations in China
4	03/05/2021	Chinese characteristics	Understanding China's political economy
5	10/05/2021	Trade	Gradual global integration
6	17/05/2021	Production	From the factory of the world...
	24/05/2021	[public holiday]	
7	31/05/2021	Consumption	... to the world's largest market
8	07/06/2021	Corporations	Chinese corporations going global
9	14/06/2021	Finance	Integrating into the global financial system
10	21/06/2021	Development	Foreign aid with Chinese characteristics
11	28/06/2021	Resources	China's quest for commodities
12	05/07/2021	Infrastructures	BRI reshaping the global economic order
13	12/07/2021	Reflections	What have we learned?

## Examination

For a '**Teilnahmeschein**', every student is asked to:

- Regularly attend the seminar
- Do the required readings for each session
- Give an **input presentation** (5min) with a 1-2 page **handout**

For a '**Leistungsschein**', every student is asked to:

- Regularly attend the seminar
- Do the required readings for each session
- Give an **Input presentation** (5min) with a 1-2 page **handout**
- Prepare a **paper outline** by 23 February 2021 (500 words)
- Write a **paper** by 31 March 2021 (3500 words)
- Assessment for a 'Leistungsschein': the paper accounts for 90% of your grade; presentation and course participation for 10%

### Input presentation

Rather than a longer, more comprehensive format, input presentations (**5min**) are meant to be brief, offer critical reflections on a topic and spark debate.

- (1) Short overview of a specific topic – what are key aspects/arguments/developments/data points?
- (2) Critical reflection – what is your assessment of the topic, any caveats/ blind spots?
- (3) Debate – which questions arise from your presentation with respect to the broader topic of the seminar session?

It is advisable to practice your presentation and delivery to make sure you bring across the most important points within your short presentation time (**5min**). You are not bound to any specific reading and can yourself chose the material/sources for your presentation. When using Powerpoint-slides please use them sparely and only to summarise key aspects or for visual support (illustrations, graphs etc.).

Accompanying your presentation, please provide a 1-2 page handout that summarises the main points and upload handout as well as the Powerpoint-slides (if used) on Blackboard the day before your presentation.

### Paper and paper proposal

Students doing a 'Leistungsschein' are expected to develop and write a paper which critically analyses a specific issue. This issue can be an extension of your presentation but does not have to be. You are free to choose your topic, but please consult with the lecturer about your paper idea during office hours. To ensure that papers are manageable and critically engage with the chosen topic (instead of mere description), students have to write a paper outline and discuss this with the lecturer.

The **paper outline** (500 words; excluding references) is due by 12 July 2021 and should address the following questions:

- (1) What is the topic? (e.g. China and development finance)
- (2) What is the argument? (e.g. Chinese policy bank lending fundamentally challenges the dominant Western mode of development finance, because X, Y and Z)
- (3) Which conceptual tools do you use? (e.g. utilising state capitalism to analyse how Chinese banks facilitate different state-market relationship)
- (4) How to analyse the topic/support your argument? (e.g. by looking at indicators A, B and C)
- (5) Which literature/data/sources do you thereby use? (e.g. financial news articles like Bloomberg/FT; research by key authors D, E and F on Chinese development finance; key authors G and H on state capitalism, reports by Chinese policy banks or consultancy firm Ernst & Young on the Chinese overseas lending)
- (6) What is your contribution to the existing literature? How is your argument/empirical analysis novel? How do you advance our thinking about this topic?

Of course, your argument is tentative at this point and might change/develop once you further conduct your analysis. But you need to have an idea of what you want to argue and how you aim to provide evidence for your argument before you start writing. This is what the paper outline aims to do. We will discuss in more detail how to write such a paper over the course of the seminar.

The final **paper** has to be submitted by 30 September 2021. Papers are supposed to be between **3,000-3,500 words** (excluding references). Please note that papers cannot be shorter than 3,000 words or longer than 3,500 words. The aim of this paper is to present the argument that you have developed in a clear and concise fashion. Usually this requires you to revise your paper after the initial writing process, (re)evaluating which aspects of your text are crucial for your argument and which can be omitted as they are only tangential or superfluous. You might decide to delete (or add) parts of/entire paragraphs to streamline or support your argument or to write more concisely by deleting filler words. It is therefore important to note that while shorter than your average 'Hausarbeit', this does not mean that this paper is less work. Please submit the paper via email as a word document.

If you want to learn more/refreshen your knowledge about academic writing, check out the writing guidelines (Broome 2019), especially the 'good academic writing' section, uploaded under 'supplementary material'.

## Resources

The main readings for each week will be available via Blackboard. You are not expected to have read the 'further readings', although you are of course free to do so. You may find it useful to draw on these in researching and writing your papers or preparing your presentations. I would also strongly encourage you to do your own research and browse electronic journals or search on Google Scholar to identify texts that speak to your theoretical and empirical interests.

## **Session 1 – Introduction:**

### **Why China Matters for International Political Economy (IPE)**

The Economist (2020) The Chinese economic model. 15 August.

## **Session 2 – History:**

### **How and why is China different? China's (re-)integration into the global economy**

Beeson, M. (2013) The rise of China and the future of the international political economy. In: R. Palan (ed) *Global political economy: Contemporary theories*. London: Routledge, 232-243.

Breslin, S. (2013) *China and the global political economy*. Basingstoke: Palgrave, Chapter 3.

Kaufman, A. (2011) The 'century of humiliation' and China's national narratives. *US-China Economic and Security Review Commission*, 10 March.

## **Session 3 –Chinese capitalism:**

### **Rethinking state-market configurations in China**

McNally, C.A. (2012) Sino-capitalism: China's reemergence and the international political economy. *World Politics*, 64 (4), 741-776.

The Economist (2020) The new state capitalism: Xi Jinping is trying to remake the Chinese economy. 15 August.

Weber, I. (2021) *How China escaped shock therapy: The market reform debate*. London: Routledge, Introduction + Conclusion.

## **Session 4 – Chinese characteristics:**

### **Key concepts for understanding China's political economy**

Dickson, B.J. (2007) Integrating wealth and power in China: The communist party's embrace of the private sector. *China Quarterly*, 192, 827-854.

Gruin, J. (2019) Financializing authoritarian capitalism: Chinese fintech and the institutional foundations of algorithmic governance. *Finance & Society*, 5 (2), 84-104.

Heilmann, S. (2018) *Red swan: How unorthodox policy making facilitated China's rise*. Hong Kong: The Chinese University Press (introduction).

## **Session 5 – Trade:**

### **Gradual global opening**

Breslin, S. (2013) *China and the global political economy*. Basingstoke: Palgrave, Chapter 4.

Colback, L. (2020) How to navigate the US-China trade war. *Financial Times*, 28 February.

Weinhardt, C. & T. Ten Brink (2020) Varieties of contestation: China's rise and the liberal trade order. *Review of International Political Economy*, 27 (2), 258-280.

## **The factory of the world**

- Cantin E. & M. Taylor (2008) Making the 'workshop of the world' China and the transformation of the international division of labour. In: M. Taylor (ed.) *Global economy contested: Power and conflict across the international division of labour*. London: Routledge, 51-76.
- Malkin, A. (2020) The Made in China challenge to us structural power: Industrial policy, intellectual property and multinational corporations. *Review of International Political Economy*, 1-33.
- Thun. E. (2020) The globalization of production. In: J. Ravenhill (ed.) *Global Political Economy* (6<sup>th</sup> edition). Oxford: Oxford University Press, Chapter 7 [only p.22-32].

## **Session 7 – Consumption: The world's largest market**

- Allen-Ebrahimian, B. (2019) Hollywood Is paying an 'abominable' price for China access. *Foreign Policy*, 23 October.
- Jackson, P. (2004) Local consumption cultures in a globalizing world. *Transactions of the Institute of British Geographers*, 29 (2), 165-178 [focus on the China case study].
- O'Connell, W.D. (2021) Silencing the crowd: China, the NBA, and leveraging market size to export censorship. *Review of International Political Economy*, 1-22.

## **Session 8 – Corporations: Chinese corporations going global**

- De Graaff, N. (2020) China inc. goes global. Transnational and national networks of China's globalizing business elite. *Review of International Political Economy*, 27 (2), 208-233.
- Pan, F. & D. Brooker (2014) Going global? Examining the geography of Chinese firms' overseas listings on international stock exchanges. *Geoforum*, 52, 1-11.
- Zhu, Z. (2018) Going global 2.0: China's growing investment in the West and its impact. *Asian Perspective*, 42 (2), 159-182.

## **Session 9 – Finance: Integrating into the global financial system**

- Kaplan, S.B. (2016) Banking unconditionally: The political economy of Chinese finance in Latin America. *Review of International Political Economy*, 23 (4), 643-676.
- McNally, C.A. & J. Gruin (2017). A novel pathway to power? Contestation and adaptation in China's internationalization of the RMB. *Review of International Political Economy*, 24 (4), 599-628.

Petry, J. (2020) Same same, but different: Varieties of capital markets, Chinese state capitalism and the global financial order. *Competition & Change*, 1-26.

### **Session 10 – Development:**

#### **Foreign aid with Chinese characteristics**

Bräutigam, D. & X. Tang (2014) “Going global in groups”: Structural transformation and China’s Special Economic Zones overseas. *World Development*, 63, 78-91.

Chin, G.T. & K.P. Gallagher (2019) Coordinated credit spaces: The globalization of Chinese development finance. *Development & Change*, 50 (1), 245-274.

El Kadi, T.H. & S. Zinser (2021) Beijing’s vaccine diplomacy goes beyond political rivalry. *Chatham House*, 22 February.

### **Session 11 – Resources:**

#### **China’s quest for commodities**

Jepson, N. (2020) *In China’s Wake: How the Commodity Boom Transformed Development Strategies in the Global South*. New York: Columbia University Press (Chapter 1).

Jiang, W. (2009) Fuelling the dragon: China’s rise and its energy and resources extraction in Africa. *The China Quarterly*, 199, 585-609.

Norris, (2016) *Chinese Economic Statecraft: Commercial Actors, Grand Strategy, and State Control*. Ithaca: Cornell University Press (Introduction / Chapter 4 / Chapter 5)

### **Session 12 – Infrastructures:**

#### **BRI reshaping the global economic order**

Beeson, M. (2018) Geoeconomics with Chinese characteristics: The BRI and China’s evolving grand strategy. *Economic and Political Studies*, 6 (3), 240-256.

Chin, G.T. (2015) China's bold economic statecraft. *Current History*, 114 (773), 217-223.

Haq, M. (2021) China builds Digital Silk Road in Pakistan to Africa and Europe. *Nikkei Asia Review*, 29 February.

### **Session 13 – Reflections:**

#### **What have we learned?**

No readings for this session