

Foreign Direct Investment in the PRC: Preferences, Policies and Performance

Shaun Breslin

Abstract

In establishing an investment policy in post-Mao China, policy was designed to gain the benefits of foreign direct investment (capital inflow, job creation, export growth, and the upgrading of technology and skills) without suffering any of the perceived negative consequences. As a result policy makers have attempted to segregate the investment regime, restricting or prohibiting investment where domestic Chinese producers might be vulnerable to international competition, whilst encouraging investment to produce exports and where there is little or no domestic capacity. In the process, considerable autonomy over investment policy has been devolved to local governments, which in turn have been heavily influenced by the interests of foreign investors in shaping local investment strategies. From the mid-1990s, the policy of shielding domestic producers from competition was challenged from both external actors seeking the creation of a level playing field, and internal actors who questioned the logic of the status quo. But whilst there has been considerable liberalisation, including the extension of forms of investment and ownership not least as a result of China's WTO entry criteria conceptions of social stability, the potential impact of investment on such social stability, still remain crucial determinants of investment policy.

Epistemic Community, Intellectuals, and Chinese Foreign Policy

Quansheng Zhao

Abstract

This paper examines the formation of Chinese foreign policy from the perspective of epistemic community and intellectuals. The impact of this community on Chinese foreign policy has drawn broad attention among China watchers in the West. The key developments under Jiang and Hu are the increasingly active and multi-layered channels between the centre and the periphery. In this paper, I have developed a notion of seven channels between these two bodies. The types of policy mechanisms include consultations with policy-makers, internal reports, conferences and public policy debates, policy NGOs, outside-system discussions, overseas scholars, and the epistemic community. I argue that the recent developments in intellectual and think-tank participation in the foreign policy-making process in Beijing have achieved great progress, but at the same time there are also severe limitations. I call this phenomenon "limited interactions between the centre and the periphery". One may anticipate that as civil society continues to develop in China, there will be further demand for policy input and increasing professionalism in both governmental agencies and think-tanks. It is likely that this will push intellectuals and scholars to play even greater roles in the years to come.

Path Creation? Processes and Networks: How the Chinese Rural Tax Reform Began

Linda Chelan Li

Abstract

How can we possibly deviate from trodden paths and accustomed practices, given the weight of institutional inertia and resistance against change? This paper looks into the early phases of the emergence of the Chinese rural tax-for-fee reform to seek an answer. It describes how the reform came into being through going “back the time line”. Having a better understanding of the early processes, this paper argues, has significance for its own sake – given that the early stages mark the departure (if any) from existing paths – as well as contributing towards a better understanding of sustainability.

Ethnic Relations in Contemporary China: Cultural Tradition and Ethnic Policies Since 1949

Rong Ma

Abstract

China has been a multi-ethnic political polity for over two thousand years. “Culturalisation” of ethnic minorities in peripheries has been a tradition in China deeply rooted in the Confucianism. This tradition resulted in a united-pluralistic polity with a huge population and the non-stop writing history throughout a series of dynasties. The People’s Republic began to adopt the policies of the former USSR since the 1950s and gave ethnic minorities more political status, or what is called “politicisation” of ethnic minorities in China. This policy has improved socioeconomic development of minority groups and promoted group corporations but also has strengthened the group consciousness among the minorities. The collapse of the Soviet Union provides a lesson that this policy orientation might provide an institutional basis for national disintegration when internal and external powers work together. Meanwhile, the “equality de facto” has been the goal of official ethnic policy since the 1950s and many policies have been designed and practiced in favour of minority groups, but there also some debate on its social consequences which also need our attention.

Wage Reforms, Fiscal Policies and their Impact on Doctors’ Clinical Behaviour in China’s Public Health Sector

Jingqing Yang

Abstract

A recent report evaluating the medical reform carried out over the past two decades describes the outcome of the reform as a failure. It contends that the medical reform failed to contain the costs of health care, making medical services less and less accessible to the people, especially the poor. This paper explores how the wage reforms in China’s public health sector since 1978 have contributed to the failure, with a focus on three new wage schemes: the bonus scheme, the “commission” scheme and the contract responsibility

system. The paper argues that the decline of government investment in health care, the government's continuous control of medical services pricing and the pressure for the public medical facilities and professionals to increase their income have not only driven the health costs irrationally high, but also forced the facilities and doctors to resort to illegal means for this income.

Social Changes and Neighbourhood Policy in Shanghai

Chunrong Liu

Abstract

This paper cites recent changes of neighbourhood governance in Shanghai to illustrate whether and how social changes and policymaking are related in a transitional context. I show that two decades of rapid social and economic reforms in urban China have weakened the organisational resources for sociopolitical mobilisation. The reforms also create vibrant neighbourhood spaces beyond the reach of the state. To accommodate the disorganised urban fabrics and ensure stability, the Shanghai government has become preoccupied with territorially based policy choices. These policy schemes geared from administrative mobilisation to deliberative incorporation, are ultimately structured by the post-reform social contexts. Implications of the emerging incorporative policy for the relationship between state and residents are also discussed.

Impact of Reforms on the Labour System in China

Rita Kwok Hoi Yee

Abstract

Reform in the labour system in China signalled a major departure from the past socialist allocation system which equated the right to work, with life-long tenure employment, egalitarian wages, and comprehensive welfare for selective sectors of the urban workforce. A historical review of the evolutions of three major components of the labour system, namely employment, wage, and welfare, clearly indicates a total departure from the socialist ethos. Reliance on the market force in shaping new labour policies entails the glorification of competition and individual achievement. Under the principles of deregulation and decentralisation, lifelong employment is replaced by a contract labour system, wage is linked to performance and productivity, while the base comprehensive welfare package was replaced by a social security system.

Research Note

Re-building the State: Public Administration in Timor-Leste

Simon Fenby

No abstract available