
Yun Wen
Comprehensive Exam Definition (Second Field)
Spring 2012

Chinese Model and the Political Economy of Informatization

My first field examines the theoretical issues of transnational capitalism and its implications in the regime of capital accumulation, the transformation of state, the current global order, and the emerging agents of resistance. Some theorists, such as David Harvey, Giovanni Arrighi, provide holistic analyses of evolving transnational capitalism and pay particular attention to the role of China in such a great transformation. This “outside in” approach is significant to understand the broader political economic context that shaped the contemporary Chinese model. However, an “in outside” perspective is also necessary to investigate the internal dynamics and contradictions of Chinese developmental path and its complicated initiatives of integrating into the transnational capitalism (Hung, 2008). Therefore, this field of examination will specifically locate the scope in the history of Chinese development, the country’s effort of searching for an “alternative modernity”, the implications of “socialist market reform”, the contemporary social-political-cultural dynamics and contradictions, and the possibilities of rebuilding a socialist vision of development. In addition, the information industry, as an indispensable agent of Chinese economic development, will be brought into my analysis. I will mainly address how the domestic information revolution fits into the evolving process of Chinese reform and how internal and external political economic conditions interact with the development of the ICT industry.

Debate about the Chinese Model

The first section of the reading list focuses on the general debate around the “Chinese model”. Some key questions will be addressed: Does China provide an alternative modernity to the universal capitalist modernization? What are the distinctive trajectory of Chinese development and its initiative of integrating into accelerating globalization as a major player of transnational capitalism? How have various social forces and internal contradictions, such as the debate around market reform, class struggle, the neoliberal trend, and the resistance against such a trend, constructed and reshaped the contemporary Chinese developmental path? As Chun Lin (2006) suggests, the Chinese model has to be conceptualized as the Chinese model of socialism as well as the Chinese model of reform (p.1). The transition of these two models involves continuity and discontinuity that fully reflect the complicated characteristics of Chinese development. Therefore, adopting a historical and critical approach to investigating Chinese socialist development during the Mao era and the current reform is significant to answer the questions of “where from” and “where to”.

The Chinese trajectory of modern development was originated from its resistance to imperialism and capitalism. The project of socialist modernization has challenged the universal principles of Eurocentric modernity and reshaped a unique path of “alternative modernity”. An inquiry into the natures of modernity and its contesting models could be considered as an entry point of the examination. Since the Enlightenment movement, the guiding principles of modernity, such as humanity, rationality, reasoning, scientific and technological progress, individual based human rights, constitutionalism, and liberal democracy, have been institutionalized and universalized in capitalist social relations (Wang,

2003; Cao, 2005; Lin, 2006; Dirlik, 1994, 2007). However, one of the major problems arising from these universal values relies in its conflation between modernity and capitalism (Lin, 2006). Whether “multiple modernities” exist in specific political economic contexts and whether the alternatives are capable to transcend the “monolithic modernity” which is based on the doctrines of Eurocentrism are very crucial to restructure the power relations in the global scale (Dirlik, 1994, 2005, 2007; Wang, 2003; Lin, 2006). In this sense, the Chinese socialist movement based on the Chinese people’s revolutionary and socialist experiences must be considered as an important force to challenge Western countries’ hegemonic power (Liu, 2004; Dirlik, 2005; Lin, 2006).

The post-revolutionary project of socialist modernization presents extremely complicated characteristics, and the process is full of twists and contradictory dynamics. Lin (2006) places this historical process within a social-national-developmental framework (p.60). In the initial stage of socialist development, the regime of primitive accumulation characterized with a state-centered planning economy, urban-biased policies of industrialization, collective and communal production, and autarkic economy with suppressed consumption and high rates of saving was established to escalate the project of modernization (Prime, 1989; Selden, 1993, Meisner, 1999; Wen, 2005; Lin, 2006). However, Mao’s project of alternative modernity was enmeshed into a modernist epistemology, subordinated to a teleological and deterministic logic of progress and development (Liu, 2004; Dirlik, 2005). To get rid of this limitation, Mao attempted to “reconstruct the language of development by politicizing it” through initiating the Cultural Revolution (Dirlik, 2005, p.154). But the movement still ended up with escalated power struggle and social disorder. Dirlik (2005) concludes that the utopian vision of the Cultural Revolution failed to integrate with the Chinese reality at that time, leading to the separation between political-cultural ideologies and economic premise of development. Liu (2004) also argues that turning the base-superstructure relations upside down made Mao fall into an ideological and cultural determinism (p.8). Moreover, the class struggle originally emphasized by Mao was degenerated to essentialization of class identity and brutal suppression (Wang, 2006; Zhao, 2009).

Since Deng Xiaoping took power, the post-Maoist reform deconstructed the ideology of revolutionary socialism and replaced it with a pragmatic approach to modernization. The initial reform in the agricultural sector through decollectivization of commune land and industrialization of township and village enterprises (TVEs) has brought economic prosperity in the rural districts (Wang, 2003; Arrighi, 2007; Huang, 2008; Andreas, 2010). But the following urban reform gradually shifted the focus of policies from the agricultural sector to export-oriented and FDI-dependent industries in the coastal areas. The reforms of state-owned enterprises (SOEs) since the mid-1990s rapidly escalated class polarization and social crisis (So, 2003; Wang, 2003; Lin, 2006; Goodman, 2008). Some scholars point out that such market reforms were constructed along capitalist lines, presenting “neoliberalism with Chinese characteristics” (Harvey, 2005; Wang, 2003; Hart-Landsberg & Burkett, 2005; Meisner, 1999; Andreas, 2008). Hung Ho-Fung (2008, 2009a, 2009b) also suggests that Chinese developmental model is extremely unstable and unsustainable, embedded with the crisis of overcapacity and underconsumption. On the other hand, by rejecting the idea that the Chinese developmental path has taken a radical neoliberal turn, other scholars argue that the current Chinese model still presents unique characteristics which mainly derive from its historical and socialist legacies (Arrighi 2007; 2009; Lin, 2003; 2006; Cao, 2005; Amin, 2005; So, 2009).

The ideological struggles within the CCP and intellectual debate about the Chinese developmental path are intertwined, constructing the ambivalence and contradictions of the contemporary Chinese model. With the depoliticized discourse of economic development, the self-claimed label of socialism has become a hollow signifier that disguises the embedded logic of unlimited capitalist accumulation (Liu, 2004; Dirlik, 2005). Along the market reform in the 1980s, the ethos of the new Enlightenment emerged in the intellectual discussion. This movement deeply embraced a cosmopolitan orientation, linking domestic reform with the desire of opening to the outside world (Fewsmith, 2001; Wang, 2003). According to this ideology, Chinese traditional culture and revolutionary experience were dismissed as being at odds with Western modernization. Since the 1990s, in response to the trend of neoliberal transformation, the new-Left emerged and concentrated their critique on market-oriented reforms, calling for more equal policies of redistribution and bottom-up movement for social justice. In addition, with the trend of depoliticization, traditional revolutionary nationalism which was the essential element of Chinese alternative modernity in the Mao era has been replaced by a new apolitical discourse of nationalism (Liu, 2004; Zhao, 2008; 2009). How this new rising ideology interacts with Chinese integration into global capitalism deserves further discussion.

Based on the review of the historical trajectory and competing debate around the Chinese model, it is also essential to answer the question of “where to” (Anderson, 2005; Cao, 2005; Lin, 2006). In the contemporary conjunction, is a sustainable and equitable model of development feasible? How do competing interests and social struggles reconstruct Chinese transformation? And how to rebuild an imaginary vision of alternative modernity? These questions are significant not only in building a healthy and “harmonized” socialist society at home, but also in challenging hegemonic power and constructing a more equal order in the global scale.

Political Economy of Informatization and Telecommunications Reforms

The second section of this field will be located in the Chinese developmental path of informatization and specifically domestic telecommunications reforms. As Dan Schiller (2006) indicates, China has become one of the most important poles of growth intersecting with the rapid development of global communications and information industry. Therefore, it is significant to investigate the Chinese mode of informatization and its tension with the expansion of global “informationized capitalism”. In this section, I will mainly focus on the following questions: What is the historical process of Chinese development of informatization and telecommunications industry? How does this process fit into the broader context of Chinese political economic transformation? To what extent and in what way does the Chinese information industry engage with global informationized capitalism? And what are the political economic, social and cultural conditions that facilitate and constrain such integration?

During the Maoist era of socialist construction, the central tasks of scientific and technological innovation mainly served the end of socialist industrialization, the emancipation of productive forces, the modernization of national defense, and political mobilization. The expansion of telecommunications infrastructure and the achievements of science and technology during this period can be attributed to the CCP’s “military legacies, its nationalistic underpinnings and its historical mission to rejuvenate the Chinese nation”, which also provide the basis for the informational revolution in the post-Mao period (Zhao, 2007b, p.96; see also in Zhao, 2000; 2010).

The development of informatization in the post-Maoist era was dramatically bound up in, and coincided with, the process of “socialist market reform”. The inherent contradictions of such a reform, such as the contradictions between market liberalization and the state’s centralized control, between neo-liberal demand for privatization and preservation of socialist nature of public property, between FDI-dependence and techno-nationalism, and between motive of capital accumulation and public needs for universal service, are fully unfolding in the project of informationized development. As pointed out by Zhao (2007b), the so-called “digital revolution” is “inspired by a deep-rooted technocratic and techno-nationalist rationality and driven primarily by an overlapping military and industrial imperative and the convergent interests of domestic bureaucratic and international corporate capital, along with the consuming priorities of China’s urban middle class” (p.101). The understanding of such a contradictory development should be contextualized and articulated with the broader background of Chinese market reforms and global political economy.

The project of informatization is initially linked to the state’s motive of promoting national development and is considered as an essential means to “catch up with the West” (Zhao & Dan, 2001; Zhao, 2007b; 2010; Hong, 2008; 2011). One of the central issues arising from this project are the contradictions between market-driven liberalization and the state’s centralized control. Under the discourse of anti-monopoly and “institutional reforms”, the telecommunications industry has experienced several rounds of structural separation and reconstruction through marketization and corporization of state-owned operators (Mueller & Tan, 1997; Zhao, 2000; 2007a; 2007b; Harwit, 2008; Wu, 2009). The embrace of profit-making principles and market mechanisms has made the reforms more inclined to elite and high-end consumer’s interests. The telecommunications industry also confronts profound debate over whether to adopt convergence or divergence (Zhao, 2000; 2007a). Although there has been a trend toward convergence of administrative power, the responsibilities of regulatory authorities are still dispersed. Moreover, the increasing demands for convergence of “three networks in one” that mainly represent the bureaucratic and market interests also confronted severe resistance. The State Administration of Radio, Film, and Television (SARFT) strictly keeps telecommunications and internet companies out of the broadcasting market as it has to retain its authority in serving the party-state’s propaganda functions (Zhao, 2000; 2007a; Wu, 2009). Apart from the liberalized and market-oriented reforms, the state still resorts to the approach of intervention to building telecommunication infrastructure and guaranteeing the provision of basic information service by taking into account public interests (Zhao, 2000; 2007a; 2007b). On the other hand, with the increasing uses of the Internet and mobile communication for social protests, the state’s government is more concerned with the control over new communication technologies as a means of suppressing class struggle and social dissents.

There has been an intensified process of large-scale privatization in telecommunications sectors in the global scale as an integral part of neoliberal transformation since the 1980s. But China still sustains its dominant control of ownership in the core strategic industries which could be viewed as a fundamental principle of “socialism with Chinese characteristics”. However, a variety of reforms in the structure of ownership have been made under the pressure of privatization and financial liberalization, especially since China made its accession to the WTO (Mueller & Tan, 1999; Harwit, 2008; Zhao, 2008; Wu, 2009; Hong, 2011; Walter & Howie, 2011). This trend of privatization will undoubtedly cast a shadow on the future reforms, probably shaping the information industry as the “beachhead” of neoliberal

transformation. As Hung Ho-fung (2011) states, the triangular relation of oligarchic state capital, global capital and domestic private capital will continue to influence the debate over the PRC's development path.

Chinese ICTs industry is characterized with FDI-dependence and low-end manufacturing at the expense of cheap labor, which significantly undermines the country's long-term independent development (Hong, 2008, 2011; Ning, 2009; Zhao, 2007b; 2010; Zhao & Schiller, 2001). Under this condition, the discourse of techno-nationalism, mainly referring to "the pursuit for the technological prowess of a nation", was further articulated in the strategy of informatization (Qiu, 2010, p.287). However, as Zhao (2010) argues, the inter-state and transnational capitalist competition combining the fragmented domestic interests would frustrate the nationalist agenda of technological innovation and development. On the other hand, benefiting from preferential policies of "walking-out" strategy, a few Chinese indigenous corporations, such as Haier, Lenovo, Huawei, and Zhongxing (ZET), play increasingly important roles in the global market (Schiller, 2006; Ning, 2009; Zhao, 2010; Hong, 2011). The implications and limitations of the expansion of these Chinese transnational corporations (TNCs) should be paid more attention to investigate the new global order of informationized capitalism.

Another contradiction embedded in the strategy of informatization is the uneven growth and disparity between the rural and urban districts, between coastal and interior areas, and between middle-class consumer and worker-peasant (Zhao, 2000; 2007a; 2007b; Qiu, 2009; Hong, 2011). In addition to the top-down policies of universal services, the lower classes' bottom-up resistance and their daily uses of ICTs substantially reflect their subjectivity and agency (Zhao, 2007b; Qiu, 2009; Hong, 2011). As Zhao (2007b) suggests, how to re-embed the social needs from the deprived classes in a fractured society should be incorporated as a normative principle in pursuit of a more inclusive, equitable and democratic path of informatization.

Chinese Model and the Political Economy of Informatization

Reading List

(A) Debate around the Chinese Model

1. Amin, S. (2005). Theory and Practice of the Chinese "Market Socialism" Project: Is "market socialism" an alternative to liberal globalization? In T. Y. Cao (Ed.), *The Chinese model of modern development* (pp. 61-87). London and New York: Routledge.
2. Anderson, P. (2005). Imaging Alternative Modernities. In T. Y. Cao (Ed.), *The Chinese model of modern development* (pp. 16-20). London and New York: Routledge.
3. Andreas, J. (2008). Changing Colours in China. *New Left Review*, 54, 123-142.
4. Andreas, J. (2010). A shanghai model? on capitalism with Chinese Characteristics. *New Left Review*, (65), 63.

5. Arrighi, G. (2009). China's Market Economy in the Long Run. *China and the Transformation of Global Capitalism*, , 22.
6. Arrighi, G. (2007). *Adam Smith in Beijing : Lineages of the twenty-first century*. London ; New York: Verso.
7. Cao, T. Y. (2005). *The Chinese Model of Modern Development*. Psychology Press.
8. Dirlik, A. (1994). *After the Revolution: Waking to global capitalism*. Wesleyan University Press Hanover.
9. Dirlik, A. (2005). *Marxism in the Chinese Revolution*. Rowman & Littlefield Pub Inc.
10. Dirlik, A. (2007). *Global Modernity: Modernity in the age of global capitalism*. Paradigm Pub.
11. Fewsmith, J. (2001). *China since Tiananmen: The politics of transition*. Cambridge Univ Pr.
12. Goodman, D. S. G. (2008). *The New Rich in China: Future rulers, present lives*. Taylor & Francis.
13. Hart-Landsberg, M. & Burkett, P. (2005). *China and Socialism : Market Reforms and Class Struggle*. New York: Monthly Review Pres.
14. Harvey, D. (2005). Neoliberalism 'with Chinese Characteristics'. *A Brief History of Neoliberalism*, , 120-151.
15. Hung, H. (2008a). Rise of China and the Global Overaccumulation crisis. *Review of International Political Economy*, 15(2), 149-179.
16. Hung, H. (2009a). *China and the transformation of Global Capitalism*. Johns Hopkins Univ Pr.
17. Hung, H.. (2009b). America's Head Servant? the PRC's dilemma in the global crisis. *New Left Review*, 60(6), 5-25.
18. Huang, Y. (2008). *Capitalism with Chinese characteristics: Entrepreneurship and the state*. Cambridge Univ Press.
19. Lin, C. (2006). *The Transformation of Chinese socialism*. Durham N.C.: Duke University Press.
20. Liu, K. (2004). *Globalization and Cultural Trends in China*. University of Hawaii Press.
21. Meisner, M. J. (1999). *Mao's China and after: A history of the People's Republic*. Free Pr.
22. Prime, P. B. (1989). Socialism and Economic Development: The politics of accumulation in china. In Arif Dirlik & Maurice Meisner (Ed.), *Marxism and the Chinese experience* (pp. 136-152). New York and London: M.E. Sharpe.
23. Selden, M. (1993). *The Political Economy of Chinese Development*. ME Sharpe Inc.
24. So, A. Y. (2009). Rethinking the Chinese developmental miracle. *China and the Transformation of Global Capitalism*, , 50-64.

25. So, A. Y. (2003). The changing pattern of Classes and Class Conflict in China. *Journal of Contemporary Asia*, 33(3), 363-376.
26. Wang, H., & Hutters, T. (2003). *China's New Order: Society, politics, and economy in transition*. Harvard Univ Pr.
27. Wang, H. (2006). Depoliticized Politics, from East to East. *New Left Review*, 41(Sep Oct), 29-45.
28. Wen, T. J. (2005). The Relationship between China's Strategic Changes and its Industrialization and Capitalism. In T. Y. Cao (Ed.), *The Chinese model of modern development* (pp. 54-60). London and New York: Routledge.
29. Zhao, Y. (2009). Communication, the Nexus of Class and Nation, and Global Divides: reflections on China's post-revolutionary experiences. *Nordicom Review*, 300(30), 91-104.

(B) Political Economy of Informatization and Telecommunications Reforms

30. Harwit, E. (2008). *China's Telecommunications Revolution*. Oxford University Press, USA.
31. Hong, Y. (2008). Distinctive Characteristics of China's Path of ICT Development: A critical analysis of Chinese Developmental Strategies in Light of the Eastern Asian Model'. *International Journal of Communication*, 2, 456-471.
32. Hong, Y. (2011). *Labor, Class Formation, and China's Informationized Policy of Economic Development*. Lexington Books.
33. Hung H. (2011). Paper-Tiger Finance? *New Left Review*, (72), 138.
34. Mueller, M. (1997). *China in the Information Age: Telecommunications and the dilemmas of reform*. Praeger Publishers.
35. Ning, L. (2009). China's Leadership in the World ICT Industry: A Successful Story of its "Attracting-in" and "Walking-out" Strategy for the Development of High-tech Industries? *Pacific Affairs*, 82(1), 67-91.
36. Qiu, L. (2009). *Working-class Network Society: Communication technology and the information have-less in urban china*. The MIT Press.
37. Qiu, L. (2010). Chinese Techno-nationalism and Global wifi Policy. *M. & Shah, H, 1*, 284-303.
38. Schiller, D. (2006). Open Questions about China, Information, and the World Economy. In D. Schiller (Ed.), *How to think about information* (pp. 177-197). Champaign, U.S.: University of Illinois Press.
39. Walter, C. E., & Howie, F. J. T. (2011). *Red Capitalism: The Fragile Financial Foundation of China's extraordinary rise*. Wiley.
40. Wu, I. S. (2009). *From Iron Fist to Invisible Hand: The uneven path of telecommunications reform in China*. Stanford Univ Pr.

-
41. Zhao, Y. (2000). Caught in the Web: The Public Interest and the Battle for Control of China's Information Superhighway. *Info*, 2(1), 41-66.
 42. Zhao, Y. (2007 a). "Universal Service" and China's Telecommunications Miracle: Discourses, practices, and post-WTO accession challenges. *Info*, 9(2/3), 108-121.
 43. Zhao, Y. (2007 b). After Mobile Phones, What? Re-embedding the social in China's "digital revolution". *International Journal of Communication*, 1(1), 92-120.
 44. Zhao, Y. (2008). *Communication in China: Political economy, power, and conflict*. Rowman & Littlefield Publishers.
 45. Zhao, Y. (2010). China's Pursuits of Indigenous Innovations in Information Technology Developments: Hopes, Follies and Uncertainties. *Chinese Journal of Communication*, 3(3), 266-289.
 46. Zhao, Y., & Schiller, D. (2001). Dances with Wolves? China's integration into digital capitalism. *Info*, 3(2), 137-151.