Law and Economics of Chinese Capitalism

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China’s transformation from a planned economy to the most capitalist country in the world, despite the absence of a well-functioning legal system, at least from the western perspective, raises numerous questions. This seminar endeavors to understand Chinese capitalism from the law and economics perspective. What is the constitutional and private legal foundation of Chinese capitalism? What is the role of law in Chinese society and business? What roles has law played in the different stages of China’s market transition and different sectors of Chinese economy?

This course takes an integrative, evolutionary, and comparative approach. Firstly, it integrates studies of black-letter law with observations of Chinese society. In particular, it explores whether and how black-letter law is implemented in reality through a series of case studies in property, corporate governance, constitutional review, etc. Secondly, it investigates the evolution of Chinese law to deepen our understanding on Chinese law and also shed light on its future direction in a rapidly shifting environment. Thirdly, it takes China as a comparative case study to enhance our understanding of law and market institutions.

Time: Wednesday 4:10pm—6:00pm
Venue: Furman Hall 310
Office Hour: Fridays, 4:00 pm – 6:00 pm
Grading: Two Response Papers (minimum one page per paper; 30%); Class Participation (20%); Final Essay (minimum 18 pages; 50%)

Weekly Readings (All reading materials will be available online):


2. The China Problem (13th Sept.)
   (2) Fukuyama, Francis. Political order and political decay: From the industrial revolution to the globalization of democracy (2014). Chapter 23, 24 &25.

3. **Formal and Informal Institutions** *(27th Sept. 2017)*


7. **Legislation** (18th Oct. 2017)


   (3) Truex, Rory. *Making Autocracy Work: Representation and Responsiveness in Modern China*. Cambridge University Press, 2016. (Chapters 1 and 2)

   (4) Case Study: The Making of the 2007 Property Law


(6) Shitong Qiao, Rights-Weakening Federalism (working paper)


(5) Shitong Qiao, Challenging Eminent Domain in Chinese Courts (working paper)


10. Corporate Governance (8th Nov. 2017)


China’s Highest-Profile Hostile Takeover Ends With the State Stepping In, http://realmoney.thestreet.com/articles/06/12/2017/chinas-highest-profile-hostile-takeover-ends-state-stepping


11. Finance (15th Nov. 2017)


12. Media (22nd Nov. 2017)


(8) “Good Samaritan” admits he pushed woman, http://www.china.org.cn/china/2012-01/17/content_24426931.htm

13. Internet (29th Nov. 2017)

(1) Lizhi Liu and Barry Weingast, Law, Chinese Style: Taobao, Market Infrastructure, and Federalism (Draft)


