

## THE BEIJING CONSENSUS?

Is there a distinctive Chinese Model for law and economic development? In *The Beijing Consensus*?, scholars turn their collective attention to answering this basic but seemingly underexplored question as China rises higher in its global standing. Advancing debates on alternative development programs, with a particular focus on social and political contexts, this book demonstrates that, essentially, no model exists. Engaging in comparative studies, the contributors create a new set of benchmarks to evaluate the conventional wisdom that the Beijing Consensus challenges and that of the Beijing Consensus itself. Has China demonstrated that the best model is in fact no model at all? Overall, this title equips the reader with an understanding of the conclusions derived from China's experience in its legal and economic development in recent decades.

WEITSENG CHEN is an Assistant Professor at the National University of Singapore Faculty of Law, where he is also Deputy Director of the Center for Asian Legal Studies. He received his JSD from Yale Law School and was a Fulbright scholar and Hewlett Fellow of the Center on Democracy, Development, and the Rule of Law (CDDRL) at Stanford University.



### Donald Clarke, The George Washington University Law School

"The relationship between law and development is a question that just will not go away. This volume assembles a top-notch group of scholars to examine what China's experience can tell us. While much of the previous work on this field has been done by economists, the contributors here are intimately familiar with the details of China's legal system and offer new and stimulating insights in this terrific collection of essays."

#### Tom Ginsburg, The University of Chicago Law School

"In this volume, a set of first-rate scholars turns their collective attention to dissecting a slogan and helps us to understand what we can – and cannot – conclude from China's experience of tremendous economic growth in recent decades. By presenting the real lessons of the Chinese developmental model, the book marks an important step forward for the law and development field."

### John Haley, Washington University School of Law

"This collection of essays on law and development in China is an especially timely contribution. China has recently emerged as the world's largest national economy in terms of its gross national product, although as the world's most populous nation, China ranks behind all of Europe, most of Latin America, and much of East Asia in terms of per capita income. The contributors include ten leading specialists of Chinese and comparative law from universities in Canada, China, Singapore, and the United States as well as two scholars from Brazil who add an especially cogent comparative perspective. They collectively question the applicability of the 'Washington Consensus' on the critical legal reforms necessary for sustained economic growth but differ in their varied perspectives on a 'Chinese Model' or a 'Beijing Consensus.' Provocative and insightful, *The Beijing Consensus? How China Has Changed Western Ideas of Law and Economic Development* is a must-read for those concerned with law reform and economic development."

### John Ohnesorge, The University of Wisconsin Law School

"The 'Beijing Consensus' has been a co-production of Left critics of the market-oriented Washington Consensus, Beijing's insecure authoritarian leadership, and pundits eager for a sound bite to capture China's complex political economy. The contributions to this volume do an excellent job of breaking down the 'Beijing Consensus' into concrete policy realms and helping us decide if there really is any 'there' there."

#### Susan Rose-Ackerman, Yale Law School

"This excellent collection of essays shows that no clear 'Beijing Consensus' exists. Instead, the Chinese experience provides something even more interesting; its challenge to the 'Washington Consensus' invites reformers everywhere to engage in dialogue about the strengths and weaknesses of Chinese policies both for the future economic and political development of China itself and for reformers in other emerging economies."

### Michael Trebilcock, Faculty of Law, The University of Toronto

"In public policy discussions of alternative development strategies, it has become common to contrast the Beijing Consensus with the Washington Consensus, often without stipulating with much precision what exactly the key elements in the purported Beijing Consensus are. In this book, a distinguished international group of law and development scholars decomposes the idea of a Beijing Consensus by examining in detail the evolution of a number of areas of law in China, including tax law, property law, corporate law, securities law, and anticorruption law, with a view to addressing three key questions: how distinctive is the development trajectory of China's legal system in these areas as compared to other legal systems? What accounts for China's deviation from conventional models in these areas? If there is a distinctive general Chinese Model of development, or law and development, is this model replicable in other developing countries? In many important respects, the contributions to this book importantly advance debates about alternative development paradigms beyond unhelpful clichés or overgeneralizations through much more pragmatic evaluations of the relationship between law and development in particular social and political contexts."



# THE BEIJING CONSENSUS?

How China Has Changed Western Ideas of Law and Economic Development

Edited by
WEITSENG CHEN





# **CAMBRIDGE**UNIVERSITY PRESS

University Printing House, Cambridge CB2 8BS, United Kingdom
One Liberty Plaza, 20th Floor, New York, NY 10006, USA
477 Williamstown Road, Port Melbourne, VIC 3207, Australia
4843/24, 2nd Floor, Ansari Road, Daryaganj, Delhi - 110002, India
79 Anson Road, #06-04/06, Singapore 079906

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning, and research at the highest international levels of excellence.

www.cambridge.org Information on this title: www.cambridge.org/9781107138438 10.1017/9781316481370

© Cambridge University Press 2017

This publication is in copyright. Subject to statutory exception and to the provisions of relevant collective licensing agreements, no reproduction of any part may take place without the written permission of Cambridge University Press.

First published 2017

A catalogue record for this publication is available from the British Library.

ISBN 978-1-107-13843-8 Hardback

Cambridge University Press has no responsibility for the persistence or accuracy of URLs for external or third-party Internet Web sites referred to in this publication and does not guarantee that any content on such Web sites is, or will remain, accurate or appropriate.



## **CONTENTS**

	Figures page vii Contributors ix Acknowledgments xi
	Introduction: Debating the Consensuses 1 WEITSENG CHEN
	PART I Deconstructing the Beijing Consensus 13
1	Dialogus de Beijing Consensus 15 MICHAEL W. DOWDLE AND MARIANA MOTA PRADO
2	Imagining China: Brazil, Labor, and the Limits of an Anti-model 43
	JEDIDIAH KRONCKE
3	The Beijing Consensus and Possible Lessons from the "Singapore Model"? 69
	TAN CHENG-HAN
	PART II Examining the Beijing Consensus in Context 95
4	The Legal Maladies of "Federalism, Chinese Style" 97 WEI CUI
5	Lessons from Chinese Growth: Rethinking the Role of Property Rights in Development 119
	FRANK K. UPHAM
6	Size Matters? <i>Renminbi</i> Internationalization and the Beijing Consensus 144

WEITSENG CHEN



vi	CONTENTS
7	A Chinese Model for Tax Reforms in Developing Countries? 176
8	The Chinese Model for Securities Law 203 YINGMAO TANG
	PART III Revisiting the Beijing Consensus 223
9	Authoritarian Justice in China: Is There a "Chinese Model"? 225
	BENJAMIN L. LIEBMAN
10	China's Striking Anticorruption Adventure: A Political Journey Toward the Rule of Law? 249 HUALING FU
11	Chinese Corporate Capitalism in Comparative Context CURTIS J. MILHAUPT
	Bibliography 301

Index

340



## **FIGURES**

7.1	Revenue growth and GDP growth of sixty years (1953–2013)	page 180
7.2	Government revenue-to-GDP ratio of sixty years (1953–2013)	184
7.3	Changes in allocation of government revenues	188
7.4	Total tax revenue as percentage of GDP (1965–2012)	202
11.1	Taxonomy	278
11.2	Party centrality and institutional bridging	288



### CONTRIBUTORS

WEITSENG CHEN is Assistant Professor and Deputy Director of the Center for Asian Legal Studies at the National University of Singapore Faculty of Law.

WEI CUI is Associate Professor of Law at the University of British Columbia.

MICHAEL W. DOWDLE is Associate Professor of Law at the National University of Singapore Faculty of Law.

HUALING FU is Professor of Law and Associate Dean of the Faculty of Law, the University of Hong Kong.

JEDIDIAH KRONCKE is Professor of Law at Fundação Getulio Vargas São Paulo School of Law, Brazil.

JI LI is Associate Professor of Law at Rutgers University.

BENJAMIN L. LIEBMAN is the Robert L. Lieff Professor of Law and Director of the Center for Chinese Legal Studies at Columbia University.

CURTIS J. MILHAUPT is the Parker Professor of Comparative Corporate Law and Fuyo Professor of Japanese Law at Columbia University.

MARIANA MOTA PRADO is Associate Professor and Associate Dean (Graduate Program) at the Faculty of Law, the University of Toronto.

TAN CHENG-HAN is Professor of Law and Chairman of the Centre for Law and Business at the National University of Singapore Faculty of Law.



CONTRIBUTORS

YINGMAO TANG is Associate Professor of Law at Peking University.

FRANK K. UPHAM is the Wilf Family Professor of Property Law at the New York University School of Law.



### **ACKNOWLEDGMENTS**

This book represents the product of a concerted effort to examine China's law and economic development in a comparative law context. Most contributors are not the typical "China law scholars" but experts from different areas of law. Each was asked to scrutinize the extremely broad topic (the Beijing Consensus) from narrowly defined fields of law in which he or she specializes. I appreciate their willingness to take the challenge to complete this pioneering project. This project also demonstrates the value of comparative law research in China's legal development. We need to continue to create new sets of benchmarks by comparing China with other developing and developed countries sharing similar developmental trajectories. The contributors to this book have drawn rich implications from such comparisons (with Hong Kong, Japan, South Korea, Taiwan, Singapore, and Brazil).

I thank Tomoo Marukawa (Tokyo University) and Jinhua Cheng (East China University of Political Science and Law), guest commenters at our conference in 2015. The project would not have been possible without the financial support of National University of Singapore (R-241-000-122-112) and the NUS Center for Asian Legal Studies or without excellent assistance from the NUS community: Leong Lijie, Ng Jia Min, Jisheng Liu, Damian Wong, Kenneth Chan, Nadene Law, Ramandeep Kaur, Shafkat Fahmid, and Clarence Tan. Last, but not least, I would like to dedicate this book to my grandmother Hsieh Bao-Jun (1923–2016), who was a true witness to contemporary Chinese history.

Weitseng Chen, Singapore