By mapping this coevolution, Ang reveals a startling conclusion: poor and weak countries can escape the poverty trap by first harnessing weak institutions—features that defy norms of good governance—to build markets. Further, she stresses that adaptive processes, though essential for development, do not automatically occur. Highlighting these universal roadblocks to adaptation, Ang identifies how Chinese reformers crafted enabling conditions for effective improvisation.

How China Escaped the Poverty Trap offers the most complete synthesis so far of the numerous interacting forces that have shaped China's dramatic makeover and the problems it faces today. Looking beyond China, Ang also traces the coevolutionary sequence of development in late medieval Europe, antebellum United States, and contemporary Nigeria, and finds surprising parallels among these otherwise disparate cases. Indispensable to all who care about development, this groundbreaking book challenges the convention of linear thinking and points to an alternative path out of poverty traps.

YUEN YUEN ANG is Assistant Professor of Political Science at the University of Michigan. She is a winner of the 2014 GDN Next Horizons Essay Contest on “The Future of Development Assistance,” sponsored by the Bill and Melinda Gates Foundation.

“Development economists have struggled to explain the extraordinary growth of the state-led Chinese economy—despite apparent violations of the usual ‘micro rules.’ Yuen Yuen Ang unpacks the process with convincing detail, explaining the underlying logic of a story so apparently different from textbook models. Are there lessons here for today’s low-income economies? How China Escaped the Poverty Trap is worth reading with that in mind.”

—NANCY BIRDSALL, President, Center for Global Development

“Sometimes the best way to answer a difficult question is to ask a different question. In this book, instead of asking the usual question—How has China developed despite having low-quality institutions?—Yuen Yuen Ang asks how China has used those institutions to kick-start economic development, which then set off a mutually reinforcing cycle between institutional development and economic development. This innovative and sophisticated book is an outstanding contribution not only to the study of Chinese development and economic development. This innovative and sophisticated book is an outstanding contribution not only to the study of Chinese development and economic development, but also to the long-running debate on the role of institutions in economic development.”

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“In this major new contribution, Yuen Yuen Ang offers a fresh synthetic explanation for the stunning economic transformation of China in recent decades. She shows how China experienced sustained rapid economic development by transforming weak institutions in ways that strengthened states and markets simultaneously. This book points toward a potential model of growth for other countries and is a must-read for all scholars interested in explaining development trajectories in the Global South.”

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“This core question is explored through a secondary question about the sequential relationship between effective governance and economic growth: Did growth follow or result from state capacity? Yuen Yuen Ang states that the government and economy coevolved, meaning they adapted to each other. She identifies a three-step sequence in this coevolutionary process and shows, surprisingly, that the first step of development is actually to build markets with ‘weak’ institutions, that is, features inconsistent with norms of good governance. Ang crafts this original and compelling argument using a rich base of fieldwork, including more than three hundred interviews that introduce readers to real voices on the ground.”

—KELLI S. TSI, Hong Kong University of Science & Technology and Johns Hopkins University, author of Capitalism without Democracy

Before markets opened in 1978, China was an impoverished planned economy governed by a Marxist bureaucracy. In just three decades it evolved into the world’s second-largest economy and is today guided by highly entrepreneurial bureaucrats. In How China Escaped the Poverty Trap, Yuen Yuen Ang explains this astonishing metamorphosis. Rather than reject either that strong institutions of good governance foster markets or that growth enables good governance, Ang lays out a new, dynamic framework for understanding development broadly. Successful development, she contends, is a coevolutionary process in which markets and governments mutually adapt.