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How China Escaped the Poverty Trap; Centrifugal Empire: Central-Local Relations in China; Unlikely Partners: Chinese Reformers, Western Economists, and the Making of Global China

Are there lessons in the Chinese miracle for other countries that want to surge from deep poverty to advanced development in a matter of decades? Surveying the experience of three Chinese counties, Ang cuts through the usual debate about whether good governance or economic growth should come first, seeing a more cyclical process at work. First, authorities allowed markets to emerge even though they were hampered by corruption, weak property rights, and underregulation. Market activity then generated problems that required officials to build stronger institutions, which in turn fostered the further development of markets.

Given China’s vastness, this process could unfold only because local officials were incentivized to innovate constantly, no matter the risk—a process Ang labels “franchised decentralization.” Chung’s book is the most complete account available of China’s unique combination of centralized policymaking and delegated implementation, a setup that emerged after years of experimentation by reform-era leaders seeking to overcome the flaws of Mao’s hypercentralized system. Today, China has four levels of administration below the central government, allowing wide discretion in implementing economic policy but imposing tight control over other issues, such as population planning.

Together, these three books show that China’s transformation cannot be attributed to a single cause, rather, it arose from a contingent, interactive process—Ang calls it “directed improvisation.” She formalizes this insight by using a novel analytic method that she terms “coevolutionary narrative,” which has the potential to influence future studies of institutional and economic change beyond China. The Chinese system has proved to be remarkably agile, but creative adaptation is not an easy lesson for others—or even present-day China—to apply. The process can become bogged down, which might be happening in China today, as President Xi Jinping presses the country’s bureaucrats to carry out even riskier reforms.

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