Book Review: How China Escaped the Poverty Trap by Yuen Yuen Ang

In How China Escaped the Poverty Trap, Yuen Yuen Ang drills down into the details of China’s economic rise, challenging conventional explanations by showing how its development was a 'coevolutionary process' between markets and institutions. Duncan Green urges readers to immerse themselves in this diligently researched book packed with fascinating insights and findings.

This book review has been translated into Mandarin by Zhibin Ye (MA Student of Public Policy, University of Michigan). Please scroll down to read this translation or click here. If you would like to read other LSE RB reviews in Mandarin as well as German, please visit the LSE Reviews in Translation page, a collaboration between LSE Language Centre and LSE Review of Books.


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The macro-story on China is well-known, but always bears repetition. Emerging from the carnage of the Mao era, China in 1980 had a GDP of $193 per capita, lower than Bangladesh, Chad or Malawi. It's now the world’s second largest economy, with a 30-fold increase in GDP per capita, based on a textbook-defying combination of one-party Communist state and capitalism – in the words of one tongue-in-cheek official, ‘no capitalist state can match our devotion to the capitalist sector.’

Success on this scale inevitably finds many intellectual forebears claiming parenthood – China is variously portrayed as a victory for a strong state; free markets; experimentation; and for central planning. How China Escaped the Poverty Trap blows the conventional explanations away, drilling down into what actually happened and reconstructing the history of different cities and provinces through years of diligent research.

This book is a triumph, opening a window onto the political economy of China’s astonishing rise that takes as its starting point systems and complexity. Its lessons apply far beyond China’s borders. The author, Yuen Yuen Ang, starts with a classic developmental chicken and egg problem – which comes first, good institutions or economic prosperity? Different camps within academia and the aid business urge developing countries either to ‘first, get the institutions right’ or ‘first, get growth going’, and then the rest will follow.
Using China as an elephant-sized case study, Ang takes a systems sledgehammer to this kind of linear thinking and argues that development is a ‘coevolutionary process’. Institutions and markets interact with and change each other in context-specific ways that alter over time. The institutions that help to achieve take-off are not the same as the ones that preserve and consolidate markets later on.

Perhaps her most explosive finding is that for countries just at the start of their development trajectory, so-called ‘weak’ institutions are often better than ‘strong’ ones. The weak/strong description is imposed by experts from already developed countries who conclude that their institutions are obviously the ‘strongest’ since their countries are the richest. There are echoes of Ha-Joon Chang’s work on the history of trade policy here (and he provides a fulsome plug for the dust jacket).

It’s impossible to do justice to the book in a brief review, but here’s a taster: firstly, there are three distinct patterns to China’s take-off: the changes made by the state are broad, bold and uneven. Broad in that the state makes changes across the whole economy: Ang has little time for Dani Rodrik’s attempts to identify specific bottlenecks and tackle them one at a time – that is, thinking about the economy as a complicated, rather than a complex, system. Bold in that when the state changes direction, it does so big time, and the whole country, or at least its 50 million civil servants, jump and do whatever it takes to achieve the new goals. Uneven because the changes play out differently according to time and place within China, and the leadership is happy with that.

Secondly, to explore China through the lens of complexity, Ang unpacks three signature processes of co-evolution, summarised in a graphic asking:

- Variation: how does the system throw up alternatives and options to deal with particular problems?
• Selection: how does it select among the variants to form new combinations?
• Niche Creation: how does it craft new, distinct and valuable roles within the system?

China’s answer to the variation question is a fascinating one. The phrase ‘one-party state’ conjures up an impression of a regime intent on command and control. An autocracy like China has plenty of red and black lines (don'ts and dos), of course, but what Ang reveals is a third tier – deliberate ‘directed improvisation’, a ‘paradoxical mixture of top-down direction and bottom-up improvisation’. The state sets broad, and often very vague, parameters, and it is then up to officials to improvise within them, often coming up with solutions and innovations that astonish the big cheeses in Beijing. I love this phrase, and it could easily become as prevalent and useful as Peter Evans’s ‘embedded autonomy’ to describe the technocracy of developmental states.

Ang paints a picture of millions of study groups of civil servants poring over the latest Delphic utterances from the Central Committee (e.g. ‘socialism with Chinese characteristics’), trying to work out what they can get away with, then entrepreneurially beavering away in response. She has a partial explanation as to why the vague rhetoric of leaders has such a galvanising effect on officials. While she doesn’t touch on the stick – namely, the potentially lethal consequences of getting things wrong/overstepping the new line – she graphically demonstrates the carrot – officials on misery wages (the state did not have the capacity to pay properly) were allowed/encouraged to take a cut of any economic activity they could generate. Corruption in the form of ‘profit-sharing’ by officials was an integral part of the model (Ang even worries that the current crackdown could hamper further progress). More broadly, the state operates a decentralised ‘franchising mode’, with local government at various levels keeping much of the proceeds of growth.

Ang also shows that China did not follow the East Asian tiger route of highly technocratic ‘developmental states’ ‘picking winners’, not least because of a chronic shortage of technocrats: under Mao, anyone showing signs of technical expertise was branded a capitalist running dog (a term we really need to start using again). Instead primitive accumulation – the first steps on the road to take-off – built on what China had in abundance: social networks. Every department and senior official was required to hustle for investment from friends, relatives and contacts, and incentivised with juicy bonuses.

That initial open season led to a flood of chaotic, unplanned primitive capitalism and plenty of graft. Over time, both the chaos and the graft changed: once economic activity was under way, the state started to regulate and shape, becoming more interventionist about encouraging things like the complementarity of industries and specialist clusters as the economy progressed; corruption moved from petty (apparently involving lots of free meals for officials) to the big money variety, hogged by senior figures.

The detail in the book is often fascinating – the history of a single city in Fujian; the way Ang gets hold of and compares performance criteria for township leaders in Shanghai in 1989 versus 2009, showing how an initially overwhelming emphasis on economic growth has
transformed into a laundry list of political, social, environmental as well as economic targets that no human can possibly meet. Is the model starting to creak?

And then, in her final chapter, Ang leaves China and briefly applies her co-evolutionary analysis to trade in late Medieval Europe, taxation in nineteenth-century United States and – wait for it – the rise of Nollywood as Africa’s global cinema hub. Which brilliantly shows that aspects of her analysis of China can apply more broadly, with clear links to the Doing Development Differently movement, which she namechecks in the book (DDD guru Lant Pritchett gave her a glowing review).

I’m running out of space. I give up. Just read the book (or, if you like podcasts, you can listen to the author being interviewed by Alice Evans). And what does all this mean for development organisations? Ang won a Gates Foundation-sponsored ‘New Horizons’ prize for her essay on the future of aid, so I will just have to read that and get back to you.

Duncan Green is a strategic adviser for Oxfam GB and author of the From Poverty to Power blog. He is also a Professor-in-Practice in LSE’s Department of International Development. Follow him on Twitter @fp2p. The original version of this review was published on From Poverty to Power.

Note: This review gives the views of the author, and not the position of the LSE Review of Books blog, or of the London School of Economics.


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关于“中国故事”的宏大叙事广为人知，但多人云亦云之见。自毛时代的浩劫中生还后，1980年中国的人均GDP是193美元，低于孟加拉、乍得和马拉维。如今中国是世界第二大经济体，人均GDP增长了30倍，这一切都建立在一党制共产国家和资本主义之间的结合。洪源远在她的书里引用了某个官员的话来表达：“我觉得任何资本主义国家都达不到我们国家对企业的重视。”

如此规模的成就，免不了会有诸多理论来抢功。中国被不同人分别描绘成强国家、自由市场、实验主义治理抑或中央计划的伟业。《中国如何摆脱贫困陷阱》却一反俗见，深入挖掘出实际的发展过程，以多年潜心研究重构了不同城市与省份的历史。
此书是一项了不起的成就，它以系统 (systems) 和变易性 (complexity) 为出发点，为我们打开了一扇窗，使我们透过新的视角来了解中国惊人崛起的政治经济学。该书的教益不只适用于中国。本书的作者洪源远以发展研究中经典的“鸡生蛋，蛋生鸡”问题开篇：“追求发展是应该先健全制度还是先促进经济繁荣？” 学界不同流派与援助组织督促发展中国家要么“先建立正确的制度”，要么“先启动经济”，然后剩下的那个自然而然就会跟上。

洪教授以中国作为一个巨型的个案研究，用变易系统的理论的重锤敲碎了这种单向线性思维，她主张发展实际上是一个“共同演化的过程”。制度与市场互相影响和改变，随种种具体条件产生出多元化的形式。同时，作者强调，在发展初期帮助开启增长的制度，并非发展后期能保护并巩固市场的制度。

可能她最具创见的发现是，对那些处在发展路径起点的国家，所谓“弱”制度往往优于“强”制度。这种强/弱之分，是由来自发达国家的专家们钦定的。这些专家认为他们国家的制度显然是“最强”的，因为他们的国家最富裕。这几乎与张夏准对贸易政策历史的研究发现异曲同工（本书封皮上也有张夏准写的推荐语，不吝溢美之词。）

要在一篇简短书评里完整评价本书可谓难上加难，但我会在此尽力尝试。首先，中国的经济起飞有三项明显特征：国家引发的变化是广泛，果决，参差不齐的。广泛是指中国在整个经济与制度领域开启了变革。洪教授没有时间来尝试丹尼·罗德里克的建议：找出特定瓶颈并逐个攻坚。那样的建议将经济领域视作一个复杂，而非变易的系统。果决是指当国改变发展方向时，变化发生得如此剧烈，以至于整个国家（至少是国家的五千万公务员）果断行动，无所不用其极地努力达成新的目标。参差不齐是指国内发生的变化依据不同的时间和地点而有不同的表现，而中央领导对这一点是接受的。

其次，洪教授用变易系统的视角来研究中国，探究了共同演化的三个标志性过程，并形象地加以概括为：

- 生异：如何产生处理问题的不同方案和选择？
- 选择：如何在不同题材中选择，来塑造新的综合选项？
创造契合：如何在不均等的体制内让每个成员创造新的、与众不同的、有用的角色？

根据洪教授的分析，中国对“生异”问题的解决引人入胜。“一党制国家”这个词让人联想到一个意图指挥和控制一切的政体。一个像中国这样的威权政体当然会有许多明确的红线与黑线，但洪教授所发现的是第三个层次——有意识的“引导应变”——一种自上而下引导与自下而上应变的悖论式混合。上级领导发文设立广泛或模糊的界限，然后由官员们在界限中应变。官员们常常想出的创新办法，往往让中央的领导们眼前一亮。我喜欢洪教授的这个说法，它很可能会成为如Peter Evans的“嵌入式自主性”那样流行且有用的概念，人们可以用“引导应变”来描述发展型国家的官僚制度。

洪教授描绘了公务员组成的千百万个学习小组，努力揣摩上级领导所发布的文件中的寓意，尽力摸索令行禁止的界限，然后绞尽脑汁辗转腾挪，努力工作来回应。关于为什么领导的模糊修辞能对官员们产生如此巨大的激励效果，她提供了一种不完全的解释，更多是关于激励而非惩罚——那就是犯错或逾矩后的恶果。但她生动地表现了“胡萝卜”——只能拿到低廉工资的官员（国家没有能力支付高薪）被允许或鼓励从他们能推动的经济活动中分得一杯羹。腐败以官员分享发展红利的形式出现，这成为了中国模式不可或缺的一部分（洪甚至担心目前的反腐运动会阻碍未来的发展进步）。更广泛地看，国家采取了一种分权化“连锁店模式”，不同层级的地方政府可以保留大量增长带来的收益。

洪教授还展示了中国并没有照抄亚洲四小龙专家理政的“发展型国家”“挑选赢家”的做法，而这并非仅仅因为长期缺乏技术官僚——在毛时代，任何人要是表现出技术专长，都会被打上资本主义走狗的记号（我们真应该重新开始使用这个词）。相反地，初级积累——发展起飞道路上的第一步——建立在了中国大量存在的资源上：社会关系网络。每个部门和每个高级官员都被要求从亲朋好友那里招商引资，他们的努力被丰厚的红利所激励。

开放的早期阶段迎来了如洪水般混乱、无计划的原始资本主义和大量以权谋私。经过一段时间后，混乱与以权谋私都消退了：当经济活动步入正轨后，国家开始管理整顿，对鼓励随着经济进步而来的产业互补和专业集群这样的现象抱持更多干预的态度；腐败从小打小闹（包括了官员大量摊派、接受请吃请喝）发展为高官独占的鲸吞席卷。

书中的细节精彩纷呈——福建某座城市的历史；洪教授如何获得并比较上海镇级领导在1989年和2009年不同的绩效标准，说明起初对经济增长的压倒性强调已经转变为政治、社会、环境及经济目标的全面考核清单，这些目标几乎不可能同时完成。这个模式开始显露疲态了吗？

在全书最后一章，她把共同演化的分析视角从中国应用到中世纪晚期欧洲的贸易，19世纪美国的征税，以及——听好了——作为非洲全球电影中心的诺莱坞的崛起。这些例子充分说明她对中国的分析方式有着更广阔的应用前景，而且显然与“实践不同发展”（Doing Development Differently）运动有紧密关联。她在书里也对此有所讨论（“实践不同发展”运动的大师Lant Pritchett为她撰写了一篇赞不绝口的评论）。

我的篇幅已经太长了，只能停笔于此。快去读这本书吧。这一切对发展机构又意味着什么呢？洪教授凭借她讨论援助的前景的文章，赢得了盖茨基金会赞助的“新视野”奖。所以我要去读一下这篇文章，再来与你们分享。
Duncan Green 是乐施会（英国）的策略顾问，《致富》博客的作者，伦敦政治经济学院国际发展部门的实践教授。