

## Books

## Six of the best – and worst

by Paul French

One could spend a lifetime keeping one's head above the rising tide of China books that threatens to drown every airport bookshop in Asia. For those who prefer a more varied existence, we offer here a quick guide to three recent books that are worth a read, and three others that you can afford to skip. One cannot help noticing the difference in quality between those written by people based in China and with the requisite linguistic and communication skills; and on the other hand the tomes that emanate from people gazing in from the outside whose main concern seems to be justifying their pre-conceived notions. Regardless of what preconceived notions one has, it is always possible to dig up some scraps of evidence to support them in a country as large as China. But let's start with some of the better offerings.

*China Into the Future: Making Sense of The World's Most Dynamic Economy*, edited by W. John Hoffman and Michael J. Enright (John Wiley)

Last year saw a number of "idiot's guides" to China that reiterated each other *ad nauseam*. Fortunately, *China Into the Future* doesn't retread the China 101 approach – too much. Those already versed in the China argument can skip the first few chapters and delve straight into the meat. One of the best essays, by UBS China economist Jon Anderson, is on China's banking system. It warns that while we may have seen the back of the most egregious resource misallocation and non-performing loans, financial liberalization still presents some medium-term problems for China's commercial banks. Anderson predicts lower balance-sheet growth and interest rate spreads, and rising competition from alternative financing sources.

There are also useful contributions from Tony Saich of Harvard on the Achilles' heel of social welfare provision and Cheng Li of Brookings on the rise of China's fifth generation of political leaders (i.e. the folk who will succeed Hu Jintao and Wen Jiabao at the nation's helm). Li concludes that Gen-5 will place more emphasis on domestic consumption, stress quality and efficiency in the countryside, and replace gigantic development campaigns such as the "Go West" campaign with more targeted projects such as Tianjin's New Binhai District.

*Struggling Giant: China in the 21st Century*, Kerry Brown (Anthem Press)

Perhaps the greatest virtue of *Struggling Giant*, in these days of volume-over-value, is its brevity: in 149 pages Brown packs in more useful information than in many books three times the size. Brown usefully demolishes an array of shibboleths. China's supposed "5,000 years of con-

Learn the language before writing a book

A useful collection of essays

At least this one's short

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Is the West over-optimistic  
about China?

tinuous culture”? A number subject to inflationary pressure: the standard figure was 3,500 years until Jiang Zemin visited Egypt in the late 1990s and realized that to maintain seniority China had to backdate its claim.

Brown, now head of the China program at London think-tank Chatham House, ponders the intriguing question of whether or not in a decade's time we will look back on the present day as a period of over-optimism towards China, similar to that towards Japan a decade or more earlier. He also avoids the common error of thinking modern China starts when Deng Xiaoping talked about cats catching mice. Unanswered historical questions loom large: he asks how much longer the Party can exploit a theatrical victimhood in relations with Japan, while simultaneously refusing serious discussion about the legacy of the Cultural Revolution. Surely by now, Brown suggests, the ghosts of the latter should loom larger over China's national self-awareness.

For Brown, the central question is not really a point of GDP here or a billion more of foreign reserves there, but whether China's future is one of stability or instability. The fact that the Party has hitched its wagon to the Harmonious Society slogan indicates that the higher echelons of the Party believe that instability is the 800-pound gorilla in the corner.

*Getting Rich First: Life in a Changing China*, Duncan Hewitt (Chatto & Windus)

A valuable view from the  
bottom up

This book from a former BBC Shanghai correspondent distills more than 20 years of people-watching in China. In contrast to the top down approach favored by outsiders, Hewitt delivers a valuable view from the bottom up. This book is especially useful for those who are forced to fly in and out and yearn for more “ground time.” Just how happy are people about relocating as the developers move in? Are Chinese urbanites really all obsessed by money, career and aspiration?

Hewitt shows that for every Starbucks-fuelled young MBA obsessed with property there's another absorbed in personal freedom and pondering spirituality. Hewitt is invariably measured and nuanced; repeatedly he uses his journalistic training to let the story tell itself. What emerges is a nation not entirely at ease with itself, but doing its best to cope with an unsettling rate of change. Hewitt shows how school kids, migrant laborers, white collar workers and laid-off state enterprise employees each adjust in their own way to specific points in their country's economic trajectory. Hewitt concludes that when it comes to the Deng Xiaoping slogan from which he took his title – “some regions and some people may get rich first, in order to bring along and help other places and people, to gradually achieve common prosperity” – there has been rather more emphasis on the first part of the phrase than on the end. Some have got really rich, but common prosperity remains a dream.

*What Does China Think?*, Mark Leonard (Fourth Estate)

We move now from the top of the table to a few books threatened with relegation to the purgatory of bad ideas. Leonard – now based at the

European Council on Foreign Relations following a brief spell in Beijing – seeks to work out what, if any, debate is taking place in China. He describes himself as an “accidental Sinologist” but would have done well to remember the advice given to 19th century British spies in Asia: “learn the languages, drink muddy water and sleep on stones.”

Leonard divides China’s decision makers into a “New Left” advocating a gentler capitalism with social safety nets, less inequality and environmental awareness; a “New Right” advocating full privatization and faith in a propertied class; and the rather forced construct of “Neo-Comms.” The latter, apparently cousins of the American neo-cons, advocate military modernization and enhanced soft power to assert China’s global position.

Typically perhaps for a think-tank denizen, Leonard’s analysis is all top down, based entirely on intellectuals and papers, and with no evidence from the street, where his lack of Chinese made communication difficult. Naturally this also means that he has largely been unable to filter what he has been told and strip out the officialese. Basically Leonard concludes that the Party will engage in democracy-lite: lots of local referenda, focus groups and citizens’ juries without any direct enfranchisement or pluralism. His failure to drink the muddy water leads him to conclude that these sops constitute genuine change.

*The Writing on the Wall: China and the West in the 21st Century*, Will Hutton (Abacus)

This is the book that divided China watchers like no other since the dim and distant days of Gordon Chang’s 2002 screed *The Coming Collapse of China*. There is nothing necessarily wrong – or new, either – in Hutton’s analysis of China’s economy and the drawbacks of a one-party state. The problem is his theory that China’s problems will soon bring its economy to a grinding halt, despite three decades of evidence that the country knows how to power ahead despite all the sand in its gears. Saying that corruption is bad and that censorship hampers development is easy; making an accurate forecast of how these forces will produce political change is virtually impossible.

Even readers who find Hutton’s analysis of China compelling will be confused by a lengthy ramble about America that fills more than half the book. Ultimately he leaves us in a funk. He delivers an emphatic “no” to China’s growth continuing without an embrace of “Enlightenment values.” America, meanwhile, seems in terminal moral decline with growing inequality, an over-powerful financial sector, the retreat of a combative media and trivial political debates. The world’s two big continental economies are both messed up, both militarily powerful and, Hutton argues, squaring up for a fight. China optimists will find little to cheer them; China realists will find Hutton, like Leonard, frustratingly devoid of any sense of how China works and survives day-to-day.

Drink the muddy water, sleep on the stones

Will corruption and China’s other problems bring the economy to a halt?

*China's Trapped Transition: The Limits of Developmental Autocracy*, Minxin Pei (Harvard University Press)

Leonard postulates a Party of plebiscites; Hutton urges provincial cadres to embrace the Enlightenment. Pei argues that China's transition from communism to democracy is stalled and we are stuck in a period of "partial reform." Pei, a senior associate and the director of the China Program at the Carnegie Endowment for International Peace, goes over ground that seems an awful lot like Chang's Coming Collapse.

Does anyone in the Politburo really believe in markets?

One of Pei's fundamental errors is his belief that some key senior leaders do actually believe in markets and democracy but are thwarted by a cabal of neo-leftists. There is actually little evidence that anyone in the Politburo either now or 10 years ago fully believed in markets, let alone democracy. Their mantra has always been: efficiency improvements and job creation, yes; full marketization of finance, commodities and other strategic sectors, no. And contrary to Pei's thesis of fragility, the Party has consolidated its power and there are no serious factional disputes among the leadership, meaning that the current state of affairs could have quite some time to run. Beyond general musings about "unsustainability," Pei (like many of his colleagues in the China collapse school) offers no serious thoughts about what might come after the collapse. The unknown perils of that abyss are a big reason why neither officials nor citizens are much tempted to push the system to the edge.