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Review: How China escaped the poverty trap by Yuen Yuen Ang

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How China Escaped the Poverty Trap

Yuen Yuen ANG

Ithaca and London: Cornell University Press, 2016

xvi + 326 pp. £18.95

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Two contrasting mistakes plague contemporary China studies as we try to fit China into social science theory. On the one hand, we tend to apply theories derived from the West, fitting China's square peg into theory's round hole. In the process, we miss something important about China, or conclude that China simply doesn't fit. Dissatisfied with this, we sometimes conclude that China is unique, studying it in a theoretical vacuum, or inventing China-specific theories and concepts that are difficult to apply elsewhere. In her comprehensive rethinking of how post-reform China developed, political scientist Yuen Yuen Ang masterfully avoids both these traps. Using her impressive evidence collected via hundreds of interviews throughout China, Ang's monograph, *How China Escaped the Poverty Trap*, brings insights to bear on theoretical debates in China studies, development studies and even social science methodology. The result is a sweeping account that does not shy away from going back into centuries of Chinese and Western history, into remote corners of the centre kingdom, and even a stopover in colonial America and Nollywood.

Quickly and convincingly dismissing Western theories of institutional development, Ang applies co-evolutionary analysis to make several arguments – only some of which I have space to discuss here. Contrary to the expectations of Weberian institutionalists, Ang effectively argues that institutions that build markets are typically distinct from those that preserve them. Thus, even weak institutions can be adapted not as second-best institutions, but as ideal mechanisms through which markets can be developed and subsequently strengthened. That these institutions often “look wrong” is part of her core point – we should not look at China's non-Weberian institutions as pathological, or suggest that development took place despite these underdeveloped institutions. Rather, these are the very institutions that allowed and promoted China's development. Also, in contrast to the chicken and egg debate regarding whether economic development requires strong institutions or whether such institutions are predicated on such development, Ang carefully traces the gradual co-evolution of development and institutionalization in China.

In the process, Ang questions some of the hallowed assumptions in development and institutionalization theory, and also undermines many of the assumptions of China scholars. For example, many scholars researching central–local relations lazily assume that all officials desire promotion up the administrative hierarchy. Ang's research provides a solid foundation for rejecting this assumption. Even more fundamentally, Ang refreshingly and persuasively dismisses the notion of a “Beijing consensus.” Resisting the temptation to replace that silly grand theory with another, Ang instead offers a set of lessons from China's development; less of a recipe for development but rather a set of ingredients with some sense of how they might fit together in other contexts. As alluded to earlier, Ang tests her theories using plausibility probes in contrasting contexts: the development of medieval Europe, colonial America and Nigeria's Nollywood.

In this sweeping work, Ang weighs in on such a vast array of debates that it would not be surprising if scholars who participate actively in these discussions might find some of her contributions to be cursory. For instance, Ang (p. 79) adopts Coase and Wang's almost certainly incorrect conclusion that in China's impoverished countryside, “resistance to reform was non-existent,” an assertion contradicted by careful accounts of the politics of the period from David Zweig (not cited in the volume) and Jae Ho Chung (cited, but in a different section). Moreover, students of China's local development would not agree with Ang's suggestion that regional inequality as a “driving force of China's overall economic success” is “less noticed and examined.” Rather, the fact that cheap labour and natural resources of China's central

and western areas helped to develop its coastal areas has been well documented. Similarly, Ang's depiction of local governments setting economic policy within constraints established by the centre is not new to students of central-local relations. Finally, as a student of poverty, I'd quibble with the book's title (and cover picture), which suggest it is about poverty and poverty traps. The book does not demonstrate that

1978 China was in a poverty trap, which implies structures outside of the poor's control. Not every instance of poverty is caused by poverty traps, as the book seems to assume. I saw no definition of the term, which also does not appear in the index. To be sure, these debates are not the book's primary focus. Yet, Ang's necessarily limited treatment of the daunting number of complex debates might be jarring to participants in those debates.

However, none of these issues detract from the persuasiveness of Ang's overall argument on China's economic and institutional development. Ang's theory of "directed improvisation" joins the completely separate tradition of the "developmental state" as a set of generalizable hypotheses that emerges not from the West, but from the East – ones that can be tested elsewhere. The book is extremely well written and clear (even conversational) – no easy feat and absolutely vital if the reader is to follow its widely cast discussion – and thus accessible to graduate students and even advanced undergraduates. The volume is a must-read not just for scholars interested in China's development, but for all scholars of contemporary China, as well as students of economic development.

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