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Author(s): Shaun Breslin

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**THE “CHINA MODEL” AND THE GLOBAL CRISIS: FROM
FRIEDRICH LIST TO A CHINESE MODE OF GOVERNANCE?**

SHAUN BRESLIN*

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Bio Details

Shaun Breslin is Professor of Politics and International Studies at the University of Warwick, where he is also director of the Centre for the Study of Globalisation and Regionalisation. He is also Associate Fellow of the Chatham House Asia Programme. His research and publications focus on the politics and international relations of contemporary China (including authored books on centre-local relations in China, Mao Zedong, China and the global political economy) and on and comparative regional governance.

Abstract

The global financial crisis reinvigorated ongoing debates over whether China has its own distinct and separate “model” of political economy and/or development. There is much that connects this Chinese model with previous systems of national political economies; partly in terms of specific policy preferences, but also in terms of shared basic conceptions of the distribution of power in the global order. Like these previous systems, China has come to stand as an example of an alternative to following dominant (neo)liberal models of development. In this respect, what the China model is not and what China does not stand for might be more important than what it actually is and what it stands for. However, the idea of a coherent and unique Chinese model has considerable purchase, and is both informed and feeds into considerations of China’s uniqueness and difference from the norms, ideas and philosophies that dominate in the rest of the world.

Flexibility, pragmatism and experimentation

representing a clear and coherent model in itself, the Chinese experience is

Introduction

Over three hundred years since Adam Smith developed the “scientific” study of political economy with the publication of what became known as “The Wealth of Nations”¹, debates over the relationship between states and markets that inspired Smith remain at the heart of the study of International Political Economy (IPE). Moreover, in the wake of the economic crises that began to shake the world in 2008, the relationship has once more become central in policy debates; over the most effective forms of economic governance within individual economies/states, over forms of transnational governance and regulation, and over the very nature of the global order itself. In the process, interest has grown in the possibility of an emerging Chinese alternative to what had become dominant (neo)liberal modes of development and governance – a “Beijing Consensus” or a “China model” – and whether this might “undo much of the progress that has been made on democracy and governance” in the developing world.²

This paper first traces the emergence of China Model discourses, and then outlines the dominant reoccurring trends in these discussions. It argues that that the idea of a

¹ More formally, Adam Smith, *An Enquiry into the Nature and Causes of the Wealth of Nations*, (London: Strahan and Cadell, 1776).

² In the words of the July 2005 US House of Representatives Sub-Committee on Africa, Global Human Rights and International Operations hearing on *China’s Influence in Africa*. Available at http://commdocs.house.gov/committees/intlrel/hfa22658.000/hfa22658_of.htm accessed 13 August 2009.

distinct and unique China Model is in some ways misleading. If the China Model is thought of as being abnormal and deviating from the dominant norm of (neo)liberal development (as it is in some areas), then this simply ignores the normality of strong state developmentalism over history. By essentially extended Chang's analysis in "Kicking away the Ladder",³ the aim here is to locate the contemporary Chinese developmental/governance experience in a longer term historical perspective. By doing so, the Chinese "Model", whilst clearly having unique and country specific features, can be seen as a variant of a relatively well trodden statist development path, and not as peculiar or atypical as appears at first sight. Indeed, it seems to be influenced, albeit indirectly, by one of the main critiques of Smith's ideas in the shape of Friedrich List's "The National System of Political Economy".⁴ Moreover, if we focus on what really is distinctly Chinese about this model, then it is doubtful whether other developing states have the same conditions, factor endowments and social and historical backgrounds to be able to emulate what China has done.⁵

But despite all this, China nevertheless provides an important example of an alternative to the neoliberal project that had come to dominate developmental discourses in the first part of the millennium – particularly as state-led alternatives seemed to have been somewhat undermined by the Asian crisis of 1997. So perhaps what China offers is not so much a "model", but an example to others of what can be done, and an example of other ways for doing things (as well as an alternative economic partner). Or perhaps China acts as a metaphor for "difference" – a different

³ Ha-Joon Chang, *Kicking Away the Ladder – Development Strategy in Historical Perspective* (London: Anthem, 2005).

⁴ A four volume work first published in 1841. In preparing this paper I have used the open access online version available via the McMaster University Archive for the History of Economic Thought available at <http://socserv.mcmaster.ca/~econ/ugcm/3ll3/list/index.html>

⁵ Barry Naughton, 'China's Distinctive System: Can it Be a Model for Others?', *Journal of Contemporary China*, 19: 65, 2010, pp.437-460.

way of developing from what had become the mainstream agenda, and a different understanding of the way that the global order should be constructed and international relations should be conducted. In this respect, what the China model *is* – what it actually entails – is less important than what it *is not*.

This “negative” definition is also important in creating a form of Occidentalism, whereby an image of what the West is and stands for is constructed to emphasise how China is “different”. This is used to help explain why China will behave differently from previous great powers, particularly in its dealings with (other) developing states. It feeds into, and is itself fed by, an emerging sense of “Chinese exceptionalism” – an idea that China is fundamentally different from other countries with some sort of global duty and responsibility to promote an alternative to the dominant global order.

For some Chinese scholars, this emerging discourse and the idea of a China Model are not only mutually reinforcing, but also together help reinforce the status quo in China. Crucially, this “project” is seen as being helped by those foreign scholars who have championed the China Model. Thus, in terms of both Chinese power in the global system and also the existing distribution of power within China, then the “China Model” can be thought of as a speech act – talking of it, and defining it in a specific way, makes it real and gives it real power.

The Emergence of the China Model Discourse

As we shall see, there has been considerable interest within China on the nature of any China Model (or if it exists at all). But in many respects, the idea of a Chinese alternative to the West has been driven by foreign observers of China’s global

influence. Often intertwined with early sightings of Chinese “soft power” this included those who saw the emergence of Chinese ideas and practices that might reconfigure power relationships to undermine the position of the US in East Asia⁶ and Africa⁷, and ultimately to challenge both the political (liberal democracy) and economic (neoliberalism) bases of the global order.⁸ In short, the (neo)liberal model of development was under threat and Fukuyama’s claim that ‘liberal democracy remains the only coherent political aspiration’⁹ seemed challenged by the emergence of China’s politically illiberal strong state capitalism, and the desire of some to emulate it.

But it was a very different foreign identification of a Chinese alternative in that really set the agenda. First aired in an op ed in the *Financial Times* in May 2004,¹⁰ and in a widely circulated pamphlet produced by the Foreign Policy Centre in London,¹¹ Joshua Ramo’s identification of a “Beijing Consensus” seemed to catch a popular mood. This was not an entirely laudatory assessment with Ramo noting the “existing contradictions of reform” and the urgent need to move to a new development mode.¹² Indeed, much of what Ramo identified as being attractive to others were policies that were being promoted by the then leadership as means of overcoming these contradictions. So when Ramo spoke of the Beijing Consensus as characterised by

⁶ Susan Windybank, ‘The China Syndrome’, *Policy*, 21, 2005, p.28.

⁷ Drew Thompson, ‘Economic Growth and Soft Power: China’s Africa Strategy’, *Jamestown Foundation China Brief*, 4: 24, 2004.

⁸ Naazneen Barma and Ely Ratner, ‘China’s Illiberal Challenge: The Real Threat Posed by China isn’t Economic or Military—it’s Ideological’, *Democracy: A Journal of Ideas*, Fall, 2006, pp.56-68.

⁹ Francis Fukayama, *The End of History and the Last Man* (London: Penguin, 1992), p.xiii.

¹⁰ Joshua Cooper Ramo, ‘China Has Discovered Its Own Economic Consensus’, *Financial Times*, 8 May 2004.

¹¹ Joshua Ramo, *The Beijing Consensus Notes on the New Physics of Chinese Power* (London: Foreign Policy Centre, 2004). Not to be confused with a book with the same name published six years later that sees the Chinese “model” in a much less positive light – see Stefan Halper (2010) *The Beijing Consensus: How China’s Authoritarian Model Will Dominate the Twenty-first Century* (New York: Basic Books).

¹² Ramo, “China Has Discovered Its Own Economic Consensus”.

innovation and a commitment to equitable growth, this should be taken more as a sign of what the leadership wanted the development strategy to become in the future rather than an outline of what it had already was. Indeed, in a number of respects, it remains more of an aspiration than a reality even today.

Nevertheless, whilst acknowledging that the Beijing Consensus was not problem free, Ramo's assessment contained strong elements of admiration, and did much to spark debates over the nature of this Chinese alternative. This included generating discussion within China itself about the nature of the "Beijing Gongshi 北京共识" and its difference from the dominant Washington Consensus.¹³ In more recent years, the focus on *gongshi* has tended to be overshadowed by the rise of new terms to describe what Qian Gang calls a "discourse of greatness" (*shengshi huayu* 盛世话语).¹⁴ Of these, the idea of a "China Model" (*zhongguo moshi* 中国模式) has emerged as the most often used term.¹⁵ Qian Gang's analysis also shows how interest in the China Model really took off in China in 2009; which brings us to the importance of the global crisis in accelerating interest in identifying what the model actually is, and its implications for the global order.¹⁶

The Model and the Crisis

¹³ See Scott Kennedy, 'The Myth of the Beijing Consensus', *Journal of Contemporary China*, 19: 65, 2010, pp.461-477

¹⁴ Qian Gang, 'How Should We Read China's "Discourse of Greatness"', *China Media Project*, 2010. Available at <http://cmp.hku.hk/2010/02/23/4565/> accessed 5 January 2011.

¹⁵ A collection of 106 papers discussing and defining this model held by the China Elections and Governance project have been particularly useful in developing this paper. I have grouped these together for ease of access via <http://tinyurl.com/chinamodel>.

¹⁶ Though we should note that this was the 60th anniversary of the PRC and Pan Wei's book on the six decades of CCP rule was called "The China Model" which may also have had an impact on the spread of the term as people commented on this book. See Pan Wei, ed, (2009) 中国模式：解读人民共和国的60年 *zhongguo moshi: jiedu renmin gongheguo 60nian - The China Model: Understanding 60 Years of the People's Republic of China* (Beijing: Central Translation Press, 2009).

Somewhat ironically, just as more people seemed to be identifying a Chinese alternative for others to follow – sometimes with glee, sometimes in fear – from mid 2004, the nature of this model came under increasingly critical scrutiny within China itself. The party’s verdict on its own ruling capacity (*zhizheng nengli* 执政能力) at the fourth Plenum of the 16th Central Committee painted a picture of strained relationship between the party and the people and of an unsustainable growth model that urgently needed to be replaced by a “scientific” economic paradigm focussing on development rather than just growth.¹⁷ This apparent contradiction between perceptions of a system that seemed to have (at best) reached the limits of its usefulness on one side and of the identification of a new developmental model on the other was brought into sharper focus by the global economic crisis.

Ding Xueliang argues that the crisis illuminate the model’s “chronic illness”, including its dependence on exports and the extent to which the government (and in particular, local governments) were prepared to sacrifice long term rational development and the environment for short term social stability.¹⁸ For Yao Yang, the crisis marked the “end of the Beijing consensus”,¹⁹ and seems to have reinforced a growing belief that China needed to undertake a paradigm shift to a new mode of

¹⁷ Central Committee, 中共中央关于加强党的执政能力建设的决定 *zhonggong zhongyang guanyu jiaqiang dangde zhizheng nengli jianshe de jueding* (The Party Central Committee Decision on Strengthening Governing Capacity Construction). Available at <http://www.china.com.cn/chinese/2004/Sep/668376.htm> accessed 13 November 2004.

¹⁸ Ding Xueliang, “警惕中国模式的“慢性病”” *jingtǐ zhongguó moshì de ‘mǎnxìngbìng’*, *Nanfang Zhoumou*, 9 December, 2010, p.31.

¹⁹ Yao Yang, ‘The End of the Beijing Consensus? Can China's Model of Authoritarian Growth Survive?’, *Foreign Affairs Online*, 2 February 2010. Available at <http://www.foreignaffairs.com/articles/65947/the-end-of-the-beijing-consensus> accessed 5 March 2010.

growth based more in domestic household consumption and less on investment and exports.²⁰

These remain very real concerns. Nevertheless, the resounding consequence of not just China's performance during and after the crisis, but also the comparative fate of those states that had been championing the Western liberal mode, was to accelerate interest in thinking about the China model. And for very good reasons. China had not only survived the 2008 crisis relatively intact – albeit through massive government spending and an even more massive extension of bank loans – but had also similarly fared well in the Asian crisis of 1997. As *The Economist* put it in its preamble to an online debate asking whether the China represented a better development model than the West (a motion that was defeated 42-58):

The global financial crisis exposed critical weaknesses in western economies. China, by contrast, suffered only a brief slowdown in its fast-paced growth before surging back into double-digit expansion²¹

So not surprisingly, policy elites in other countries sought to find the causes of this success, and how they might emulate it. In specific terms, attention focussed on the relative lack of financial liberalisation in China and the importance of developing large foreign currency reserves to act as a bulwark against global shocks. More generally, China's economic performance re-legitimised state developmentalism,²² and re-empowered those proponents of strong state models (who had been subdued

²⁰ Shaun Breslin, 'China and the Crisis: Global Power, Domestic Caution and Local Initiative', *Contemporary Politics*, 17: 2, 2011, pp.185–200.

²¹ *The Economist*, 'China Model'. Available at <http://www.economist.com/debate/overview/179>. Accessed 13 August 2011.

²² Eva Paus, Penelope Prime and Jon Western, 'China Rising: A Global Transformation?' in Eva Paus, Penelope Prime and Jon Western, eds, *Global Giant: Is China Changing the Rules of the Game* (Basingstoke: Palgrave, 2009), p.17. See also Robert Wade, 'After the Crisis: Industrial Policy and the Developmental State in Low-Income Countries', *Global Policy*, 1: 2, 2010, pp.150-161.

after the Asian crisis) in their battles against proponents of (neo)liberal approaches across Asia.²³

The crisis also helped accelerate shifting patterns of economic interactions and the changing balance of economic power. There was an increase in Chinese relations with Asia, Africa and Latin America, with Chinese demand playing a key role in helping countries like Brazil recover from the decline in demand in North America and Europe.²⁴ China also emerged as a key player in any attempt to create new mechanisms of global governance – be that in partnership with the existing global powers through the G20 and reform of the IMF, or in new “blocs” like the BRICS.

The hope that domestic demand in China might lead the world out of recession was matched in some quarters by a concern with what this shift might mean for the balance of global power. This was not eased when the Governor of the People’s Bank of China called for an end of the dollar as the world’s reserve currency,²⁵ an online article suggesting that China should use its foreign currency reserves to cause economic problems in the US was widely reported and circulated outside China as a reason for fearing China’s growing financial clout.²⁶ There seemed to be a general

²³ Richard Stubbs, ‘The East Asian developmental state and the Great Recession: Evolving Contesting Coalitions’, *Contemporary Politics*, 17: 2, 2011, pp.151-166.

²⁴ John Whalley and Dana Medianu, ‘The Deepening China Brazil Economic Relationship’, *CESIFO Working Paper*, No. 3289, 2010. Available at http://www.ifo.de/portal/page/portal/DocBase_Content/WP/WP-CESifo_Working_Papers/wp-cesifo-2010/wp-cesifo-2010-12/cesifo1_wp3289.pdf accessed 12 May 2011.

²⁵ Zhou Xiaochuan, ‘Reform the International Monetary System’, 23 March 2009. Available at <http://www.bis.org/review/r090402c.pdf> Accessed 21 February 2010.

²⁶ This piece was posted on the Qiushi discussion page and was erroneously credited with being published in the Qiushi Journal which is the official theoretical journal of the CCP, and was thus mistakenly taken to represent official policy. Xu Yunhong, 中国应对美国对华遏制倾向政策的战略 zhongguo yingdui meiguoduihua ezhi qingxiang zhengce de zhanlue China's strategy in Response to the US Containment Policy towards China’, Qiushi Lilun Wang (Qiushi Theory Network), 10 December 2010. Available at http://www.qstheory.cn/lq/zl/201012/t20101210_59023.htm accessed 4 January 2011.

feeling in the end of 2009 that China was returning to its rightful place of centrality in the global order, and that its developmental model had been vindicated. In this respect, Pan Wei argues that what happened in 2009 was “more like a movement of cultural renaissance than a debate on the China model itself” – the content of the model was secondary to the importance of China’s success.²⁷

What is the China Model?

As will be discussed later, this paper shares Pan Wei’s understanding that the idea of a China Model is more important as a symbol or a metaphor than as a distinct and coherent model that might provide a clear guide to development elsewhere. And as the above mentioned *Economist* debate put it in a rather understated manner, “there is disagreement over what the key ingredients of this model might be”; too true.²⁸ But we can at least try to pull out what some of the main recurring themes are in the various writings and thinking on the China Model – perhaps to find different varieties of thinking rather than a single consensus.

Part of the problem in identifying the components of any model is the huge diversity of developmental trajectories within China itself. To talk of a single Chinese model misses the huge variety – the different models – of economic structures within China itself.²⁹ The political economy of Zhejiang where small scale private industry dominates is somewhat different from the more mercantile political economies of

²⁷ Pan Wei, ‘Western System Versus Chinese System’, University of Nottingham Contemporary China Centre Briefing Series No. 61, July 2010, p.9.

Western System Versus Chinese System

²⁸ The Economist, ‘China Model’.

²⁹ Wang Shaoguang argues that this is one of the key strengths of policy reform in China; not just in the current era, but under Mao as well. But the key difference now when compared to previous eras is the much more open and plural political system that allows a variety of different voices and is unrestrained by being “politically correct” – there is no longer any need to prove revolutionary credentials. Wang Shaoguang, ‘Adapting by Learning: The Evolution of China’s Rural Health Care Financing’, *Modern China*, 35: 4, 2009, pp.370-404.

Chongqing and Shanxi, which are different again from social norms in Henan that have some links with China's Marxist/Maoist past.³⁰ Notably, even areas that on the face of it are very similar have adopted remarkably different development/growth strategies.³¹

But rather than see this as a problem in identifying a model, it actually reinforces what is perhaps the single most important common strand. This is what Yao Yang called pragmatism (务实主义 wushi zhuyi) pursued by a “neutral” or “disinterested” government (中性政府 zhongxing zhengfu) that is simply concerned with doing what works in the long term and is not driven by any plan, blueprint, ideological commitment or societal bias.³² For most observers, it is this experimentation and non ideological (perhaps even de-ideologised) commitment to doing whatever it takes to promote growth whilst maintaining political stability that is the defining hallmark of the Chinese mode of governance. Perhaps best defined by Heilmann:

The key to understanding the adaptability of China's political economy over the last few decades lies in the unusual combination of extensive policy experimentation with long-term policy prioritization³³

The regime has “localised” experiences of others, and selectively chosen what seems to work best for them.³⁴

³⁰ I am grateful to Wang Zhengyi for these comments and ideas through discussions in Beijing in 2009 and 2010.

³¹ John Donaldson, ‘Why do Similar Areas Adopt Different Developmental Strategies? A study of two puzzling Chinese provinces’, *Journal of Contemporary China*, 18: 60, 2009, pp.421-444.

³² Yao Yang, ‘是否存在一个中国模式? shifou cunzai yige zhongguo mosih - Is there A China Model’, Tianyi Network, 8 March 2008. First accessed 3 June 2008. Now from a source that is no longer available. Now available at <http://www.bjzmqw.cn/viewnews-3038.html>, last accessed 13 June 2011. The translation of 中性政府 as “disinterested” is Yao Yang's own preferred translation in email communication with the author.

³³ Sebastian Heilmann, ‘Maximum Tinkering under Uncertainty: Unorthodox Lessons from China’, *Modern China*, 35: 4, 2009, p.450. See also Sebastian Heilmann, ‘Policy Experimentation in China's Economic Rise’, *Studies of Comparative and International Development*, 43: 1, 2008, pp.1-26.

This state led experimentation (or devolved state led experimentation) has led to the Chinese experience being characterised by “gradualism” (渐进性 *jianjinxing*) alongside “autonomy” 自主性 (*zizhuxing*) and strong government (强政府 *qiangzhengfu*).³⁵ Crucially here, thinking about what China has done and what China might stand for is defined in opposition to what others have done (that China has not). So gradualism as Sun Liping argues, is something that in itself isn’t particularly remarkable; you can do many things in many areas gradually (good and bad). But this gradualism stands in stark contrast to the “shock therapy” that was the main modus operandi in the transition from socialism elsewhere, and the reform strategy of choice of the global neoliberal institutions (and so was not autonomous either for those that it was imposed upon). Gradualism in China had also occurred under conditions of “regime stability which stands in stark contrast to the collapse of some regimes and even the disappearance of some states in other parts of the once communist world.”³⁶

And although China has become integrated into the global economy, it is often seen as having done so on its own terms. This might seem a little strange given the fairly widely repeated criticisms in China that national interests have been overridden by powerful interests in the capitalist global economy (particularly but not only around

³⁴ Xin Li, Kjeld Erik Brødsgaard and Michael Jacobsen, ‘Redefining Beijing Consensus: Ten General Principles’, Copenhagen Discussion Paper No. 29, 2009.

³⁵ Along with the “correct” visionary policies of Deng Xiaoping. See Ma Depu, ‘渐进性、自主性与强政府 - 分析中国改革模式的政治视角 Incrementalism, Autonomy and Strong Government - A Political Analysis of China's Reform Model’, *Dangshi Bocai*, No. 5, 2005, pp.19-23. This is one of the earliest attempts I have found in Chinese to try and define what the Chinese Model might be.

³⁶ Sun Liping, ‘Societal Transition: New Issues in the Field of the Sociology of Development’, *Modern China*, 34: 1, 2008, pp.106-7.

China's entry into the WTO in 2001).³⁷ Nevertheless, there is a relatively strong line of thought in the China Model literature that points to the way that China has utilised foreign trade and investment where beneficial and given significant support to its exporters, but resisted competition in the domestic market where it might damage domestic economic actors. It is a process that Cao terms a 'managed' process of re-engagement with the global economy or a state-led engagement of globalisation with a "nationalist tinge" where radical economic change has often been justified as being in "the national interest".³⁸

Strong government and stability often go together to form the political basis of a number of characterisations of the China Model. Once more bearing in mind the comparison between what China is, and the experiences of others (and what China is not), identifications of the China model seem often to go no further than simply describing high levels of growth and partial economic liberalisation achieved without fundamental democratisation and political liberalisation. As Zhao puts it, "the China model ... is often in a shorthand way described as a combination of economic freedom and political oppression."³⁹ Within the Chinese literature, the focus on stability is striking. Indeed, stability "takes precedence" because the Chinese people's fear of chaos has become something akin to a "collective psychology".⁴⁰ Indeed, it is

³⁷ Including calls to pay less attention to Adam Smith and consider the national political economy of List more seriously. See Han Deqiang (2000) *碰撞：全球化陷阱与中国现实选择 Pengzhuang: Quanqiuhua Xianjing yu Zhongguo Xianshi Xuanze (Collision: The Globalisation Trap and China's Real Choice)* (Beijing: Economic Management Press).

³⁸ Tian Yu Cao (2005) 'Conclusion: The Theory and Practice of the Chinese Model', in Tan Yu Cao, ed, *The Chinese Model of Modern Development* (London: Routledge, 2005), p.303.

³⁹ Suisheng Zhao, 'The China Model: can it replace the Western model of modernization?', *Journal of Contemporary China*, 19: 65, 2010, p.422.

⁴⁰ Zhang Weiwei (2011) '一个奇迹的剖析：中国模式及其意义 yige giji de pouxi: zhongguo moshi ji qi yiyi Analysis of a Miracle: The China Model and Its Significance', *Qiushi*, No.6, 2011. Available at http://www.qstheory.cn/hqwg/2011/201106/201103/t20110325_74156.htm. For an English translation see David Bandurski, 'Zhang vs Yang on the China Model', China Media Project, 2011. Available at

the basic starting point of everything - there will be no development at all, let alone a “model” without stability – which creates a “gradualist” virtuous circle of policy making. Stability is the first priority of government. This then allows for development which requires the reform of the existing system. Such reform becomes institutionalised by requiring laws, institutions, rules and so on, which in turn enhances political stability which then allows for further development and so on. And this is all predicated on strong government and a strong state making the right decisions and choices.⁴¹

This process of gradualism, experimentation, managed globalisation and a strong state has allowed for a sequencing of reforms that has served China well;⁴² a first wave built on the liberalisation of production that spurred an explosion of small-scale enterprises which then played a key role in the second wave of growth built on exports. It has also resulted in a mix of market and state that is the final main recurring theme in the various writings on the model – particularly (but not only) in external observations and assessments in the financial press. For example, in searching to find some form of basis for debating what the Chinese model might actually be, *The Economist* debate suggested the following main features:

a managed exchange rate, state control over key industries including the banking system, preference for diktat rather than democratic debate, heavy state investment in infrastructure and strong support for the export sector⁴³

Similarly, in an overview of what the process of liberalisation in China had resulted in for *The Financial Times*, Kroeber and Yao concluded that “economic power remains

<http://cmp.hku.hk/2011/03/29/11205/> accessed 12 June 2011. Bandurski’s translation uses “collective fear” rather than “collective psychology” for 集体心理.

⁴¹ Discussions with Jia Qingguo, Beijing University, February 2009.

⁴² Zhang Weiwei, ‘Analysis of a Miracle’.

⁴³ The Economist, ‘China Model’.

firmly concentrated in the hands of the state”.⁴⁴ The idea of strong statist control of the economy has also been reinforced by the way in which China’s elites responded to the global crisis, mobilising economic resources to surpass the target of 8 per cent growth in ways that eluded governments in other parts of the world.

Of course, China has not simply remained an unreformed state planned economy; far from it. Indeed, in its version of the Chinese model, the World Food Programme points to policy makers creating a space for the market as the key reason behind China’s success in combating hunger – albeit a gradual introduction “to smooth the transition”.⁴⁵ Huang Yasheng argues that there have been two China models – the statist one has only emerged quite recently and it was the first one built on liberalisation and the emergence of private sector activity (particularly in Township and Village Enterprises) that laid the foundations for China’s successes.⁴⁶ And for a group of scholars in China who focus on the negative, rather than positive, consequences of reform, privatisation, the transition to the market, insertion into the global capitalist economy and the *lack* of state control are seen as the main source of China’s problems, rather than the root of any sort of miracle.⁴⁷

Huang’s consideration of the changing nature of this model over time partly helps us reconcile the apparent contradiction between strong statist and liberalisation approaches. But so too does thinking again about what China’s reform has *not* done and what China is *not* (rather than thinking about what it is). Compared to what went

⁴⁴ Arthur Kroeber and Rosealea Yao, ‘Large and in Charge’, *Financial Times*, 14 July 2008.

⁴⁵ World Food Programme, *Hunger and Markets* (London: Earthscan, 2009), p.31.

⁴⁶ Yasheng Huang, ‘Rethinking the Beijing Consensus’, *Asia Policy*, No. 11, 2011, pp.1-26.

⁴⁷ See, for example, Gong Yang, ed, 思潮 - 中国新左派与其影响 *Sichao - Zhongguo Xinzuo pai ju qi Yingxiang (Ideological Trends - China's New Left and Their Influence)* (Beijing: China Social Science Press, 2003).

before, the Chinese economy is much more liberal and market oriented today. But compared to some other developing states, former communist party states, and the perceived diktats of the Washington Consensus, then the key is the incomplete liberalisation (particularly financial and currency reforms), the use of banks to support priority industries, and the way that state sector continues to dominate the commanding heights of the national economy while still allowing a role for “hybrid local and foreign firms” and small-scale capitalist activity.⁴⁸

How Chinese is the Chinese Model?

While the Chinese experience is clearly unique, drawing from a specific and particular set of circumstances, is it uniquely unique? The concept of a strong state controlling economic activity through the strategic use of finances pursuing asymmetric integration with the global economy to generate export led growth sounds somewhat familiar – not least to students of development in other parts of Asia. To be sure, there are many differences. The level of direct state control is probably stronger in China today than it was in South Korea for example, where the chaebols created an extra level or layer of authority between state and market. Conversely the power of the central state may be somewhat less in China than in previous cases, with the local governments playing a stronger role as agents of state developmentalism. History matters, and China’s history is obviously its own and by definition unique. The global context is also important and much has changed from the Cold War era that was such an important factor in building relations with the US for Taiwan and South Korea. And of course the sheer size and scale of China marks it out as being different from anything we have seen before.

⁴⁸ Dieter Ernst and Barry Naughton, ‘China’s Emerging Industrial Economy: Insights from the IT Industry’, in Christopher A. McNally, ed, *China’s Emergent Political Economy: Capitalism in the Dragon’s Lair* (New York: Routledge, 2008): 39–50.

Nevertheless, echoes of what had happened in other parts of Asia in previous decades led Peerenboom to call his chapter on the Chinese developmental model, 'Déjà vu all over again'.⁴⁹ Scott Kennedy makes the point more forcefully than most, largely because of his dismissal of Ramo's assertion that innovation has been a key pillar of China's developmental successes:

the intellectual source for most of China's economic reforms has been the experiences of other countries, and China's experts and officials have closely examined and borrowed from elsewhere. Ramo would have been closer to the mark if he said China was following in the footsteps of other developmental states⁵⁰

The idea that the Chinese experience has at least something in common with previous developmental states in Asia is widely accepted within China as well.⁵¹ However, while there had been considerable debate in China over the extent to which China's own experience formed part of a wider East Asian model, there is a growing consensus that there really is something that is both independent and different. In this respect, 'Ramo's Beijing Consensus played a key role in establishing the uniqueness of the Chinese development model',⁵² and we might suggest that the crisis and its consequences have reinforced this trend.

⁴⁹ Randall Peerenboom, *China Modernizes: Threat to the West or Model for the Rest?* (Oxford: Oxford University Press, 2008).

⁵⁰ Kennedy, 'The Myth of the Beijing Consensus', p.471.

⁵¹ Wang Yong, 'Chinese developmental Road and Sino-African Relationship in the Context of the Global Financial Crisis', in *The Global Financial Crisis: International Impacts and Responses* (Beijing University: Beijing Forum Organizing Committee).

⁵² Young Nam Cho and Jong Ho Jeong, 'China's Soft Power', *Asia Survey*, 48: 3, p.464.

In some respects, debating whether there is or isn't a China model is irrelevant – as will be discussed later, if people think there is a China Model and then act accordingly, then this makes the model really exist. But debating the genealogy of models is more important than just an exercise in semantics. If the China model is thought of as being something new and different, then it might suggest that it represents a distinctive deviation from the “norm”; it is abnormal. But if China is simply another example of strong state developmentalism, then what is normal and what is the deviation?

The Political Economy of Friedrich List

It is here that we return to the debate over states and markets identified in the introduction, and the importance of List's critique of free trade and Adam Smith. List is often referred to as a mercantilist, but in many respects, this is a miscasting of his position. List did not want to return to the mercantilism that Adam Smith had attacked in “The Wealth of Nations”. In the preface to “The National System of Political Economy” (1841), he responded to accusations that he was trying to revive mercantilism by arguing that he was trying to establish a new approach that kept the good parts of mercantilism but jettisoned its failings. Indeed, though much of his work specifically focuses on what he sees to be the problems with Smith, he was in many ways an admirer. Smith, after all, had been the first person to undertake a comprehensive study of this kind and was the originator of the science of political economy. Rather than simply reject Smith, he wanted to build on his ideas and take them further and in particular “politicise” what he thought was a purely economic approach that was not informed by the concrete political realities of the actual world. Mathematic theories require simplicity to work and in the case of Smith require a

cosmopolitical perspective where individuals act within a single global economic entity.

For List this was all well and good in theory, but the reality of the actual world was rather different. In the real world, economies are “national” and government’s must decide what is best for the nation in competition with other rival national political economies – and what is best for the nation might not be what is best for individuals. Thus, for example, if the nation as a whole benefitted from the development of a canal system to build a national infrastructure, then this should be promoted (and funded) by the state even though the interests of some would be harmed by this development. Quite simply the interests of the individual were less important than those of the nation, and the government had to intervene to guide and lead based on long term national interests - not to intervene daily economic life, but through strategic intervention.

For List, Smith had paid too much attention to exchange in his cosmopolitical world, and not enough to production. But in thinking about production, he went further than the mercantilist emphasis on “natural capital” (land, sea, rivers, mineral resources and so on) and included “material capital” (machines, tools and so on used in the production process) and “mental capital” which included skills, training, and enterprise as well as the more traditional tools of state power (armies, naval power, and so on).⁵³ A key role for governments was to consider what would create wealth in the future – how to support and promote scientific discoveries, advances in technology, improvements in transport, the provision of educational facilities and so

⁵³ David Levi-Faur, ‘Friedrich List and the Political Economy of the Nation-State’, *Review of International Political Economy*, 4: 1, 1997, pp.154–78.

on. It also entailed governments provided the environment within which these advancements could occur – most clearly through the maintenance of law and order. All other things being equal, the more time and money that any government devotes to mental capital, then the more successful the nation will be in the long run.

But it is not just in developing national strength that economics was political. For List, the promotion of free trade was political in itself. For List, “the English were the greatest bullies and good-for-nothing characters in Europe”.⁵⁴ Their supremacy as an industrial power put Britain in a position to exploit its comparative advantage through the promotion of free trade with those areas that simply could not compete. But where Britain did not have a comparative advantage it through away its laissez-faire ideology and instead resorted to high tariffs to defend domestic producers. As a result, German states had been unable to move forward and compete with the dominant powers.

As a result, there was little to no evidence of the benefits of free trade as a means of promoting development – rather it during times when there was a lack of free trade that German producers had prospered– most notably during the Napoleonic Continental System where a European blockade imports from Britain (including the colonies) created a space for domestic industries to grow. Though the end of the continental system in 1812-13 brought back a flood of cheap British goods into Europe, List was convinced about the benefits of a large internal unified market protected from more powerful competitors (and also convinced about the importance of a strong army and in particular a strong navy to support economic interests through

⁵⁴ Note that List always referred to England and the English rather than Britain or the British. Friedrich List (1841) *The National System of Political Economy: Fourth Book, The Politics*, Chapter 33, available at <http://www.efm.bris.ac.uk/het/list/list4>

military force). Thus, the evidence pointed to the importance of protecting infant industries and the state led promotion of industrial innovation, transport and infrastructure, education and so on. The state also should provide stability and legality, and also invest in those harder military sources of power such (essentially armies). But this was not a rejection of trade per se. Rather, it was the promotion of delinking until the nation was able to compete on an equal footing with existing powers – or even better, to compete from a position of strength.

In addition to being a theorist, List was also politically active as a proponent of a unified German state. List was imprisoned and then exiled for his political views (under the guise of corruption) in 1825, and it was in the USA that he found new evidence to support his emerging ideas. List was particularly impressed by the “American System” first established by Alexander Hamilton, and at the time supported and promoted by John Quincy Adams and Henry Clay. This “system” entailed the creation of a national bank and sovereign credit to enable the government to guide development; the active promotion of agriculture, industry and science to integrate or “harmonize” them into a single economic structure; continental integration through government funded infrastructure developments; and high public land prices and external tariffs (notably the “Abominable Tariff” of 1828) to raise income for government projects and also to protect domestic producers from competition from more developed states. Moreover, the proponents of the American System shared List’s view that the promotion of free trade was simply a tool of national power – real free trade “never has existed, it never will”.⁵⁵ For Clay, the whole basis of taxation in the USA from 4 July 1789 apart from paying the debts

⁵⁵ Henry Clay, ‘The American System’ in Robert Byrd and Wendy Wolff, eds, *The Senate 1789-1989: Classic Speeches 1830 - 1993 Vol III* (Washington: US Government Printing Office, 1994), p.91

incurred in wars was, in the words of the second ever statute of the USA for “the encouragement and *protection* of manufactures” (emphasis added to original by Clay).⁵⁶

So we might suggest, then, that the USA was the first “Capitalist Developmental State”. And just as the nascent American System played a key role in aiding development in the USA, so the Bismarkian project that subsequently built on List’s ideas propelled Germany to centrality in Europe. This success influenced the ideas of Toshimichi Okubo, who placed “learning from Germany” at the heart of the renaissance of the post-Meiji Japanese economy (beyond his own truncated political career).⁵⁷ While somewhat modified by the experiences of the second world war and indeed the aftermath of the war, these ideas were again to play some part in influencing Japanese development from the 1960s, and subsequently the capitalist developmental states in East Asia in the 1970s and 80s.⁵⁸ Here, of course, state led development and protectionism was much aided by the geostrategic context of the Cold War which meant that the USA not only tolerated protectionism and state led development in Taiwan and South Korea, but largely funded it; partly through aid and military protection, and partly through allowing unprecedented access to the US market without seeking reciprocal market access and liberalisation.⁵⁹

Strange Bedfellows? The Left and List

⁵⁶ Clay, ‘The American System’, p.86

⁵⁷ Iwata Masukazu, *Okubo Toshimichi: The Bismarck of Japan* (Berkeley: University of California Press, 1964).

⁵⁸ It might also be worth mentioning here that at various stages of the post WWII era, both the North Korean and Romanian economies were the fastest growing in the world and that the reconstruction of Europe owed more to planning than free markets.

⁵⁹ Bruce Cumings, ‘The Origins and Development of the Northeast Asia Political Economy: Industrial Sectors, Product Cycles and Political Consequences’, *International Organization*, 38 Winter 1984, p.1-22.

The point of this discussion of earlier developmental states is not to praise them as perfect alternatives to the liberal model. The search for alternatives to neoliberalism can also result in some strange alliances – a form of ideational realpolitik where anything that is oppositional to neoliberalism is “my enemy’s enemy” and therefore my friend. But List was above everything else a nationalist and not an internationalist. A nationalist who was committed to doing what he thought was best for what was to become modern Germany. He was committed to the creation of a strong army and a strong state to defend the national interests in a hostile international environment. Moreover the national project was the end, and the mobilisation of the people a means to that end. For Marx, List was “a true German philistine”⁶⁰ who (at best) misunderstood Ricardo and the nature of labour, thinking of workers as units of production to be deployed and mobilised to provide surplus for the (German) bourgeoisie.⁶¹

And it is not just in List himself that seekers for alternatives find their beliefs challenged. Where the ideas have been put into practice, this has typically been by authoritarian and even anti-democratic governments that organise workers behind a national project – often if not typically trampling over workers’ rights in the process. The alternative to neoliberal capitalism, then, appears to entail the use and abuse of the workers as a means of national generation both in (Listian) theory and in practice. In at least two cases (Germany and Japan), these developmental states have destabilised regional security and ultimately contributed to war. Or as Ben Selwyn puts it, there is often:

⁶⁰ Karl Marx (1845) Unpublished Article on Friedrich List’s book: *Das Nationale System der Politischen Oekonomie*, 1845. Available at

<http://www.marxists.org/archive/marx/works/1845/03/list.htm> accessed 1 June 2009.

⁶¹ Karl Marx, *Critique of Political Economy: Part I: The Commodity*, 1859, footnote 8.

a disjuncture between the political regimes that neo-Listians aspire to (democratic and liberal) and those they assert are required for high-speed catch-up development (authoritarian)⁶²

As we shall see, this search for alternatives to neoliberalism has resonance in some of the discussions of the Chinese alternative as well.

So the point, here, is not to laud the Listian developmental state as a solution to all the ills of the liberal project. Rather, it is to point to the continuities between the Chinese model, previous Asian models of state developmentalism, and European and American “systems” of state guided development before that. In this context, it is ahistorical to use the idea of the China model as representing a deviation from the norm; rather it is an example of what has been a rather “successful” mode of industrialisation in a number of places for a number of years (in terms of GDP growth achieved at least). In this respect, rather than think in terms of a China model, it is perhaps more correct to talk of 有中国特色的新李斯特式发展型国家 – a neolistian developmental state with Chinese characteristics.

The Model is in the Eye of the Beholder

But if people think that the Chinese model exists, and then develop policies based on their understanding of the Chinese model, then it really does exist. And there is evidence to suggest that there are many who really do think that China offers something to learn from. But two caveats and one question are very important here. The first caveat is to consider in whose eyes the Chinese model exists. At the risk of oversimplification, it would seem to be more appealing to developmental elites who

⁶² Ben Selwyn, ‘An Historical Materialist Appraisal of Friedrich List and his Modern-Day Followers’, *New Political Economy*, 14 (2), 2009, p.165.

want to emulate China's experience of rapid economic growth (while not losing power) than it would be to democracy promoters, civil societies, opposition parties or even workers in Chinese run mines and factories or those who cannot compete with cheaper Chinese imports.

The second caveat is to acknowledge that people tend to take what they want out of an experience in building either a positive or negative view of it. For those who see, for example, the Chinese economic model as a good thing to be copied, the emphasis is on the successes – for example, economic growth, poverty reduction, job creation, a strong state, managed globalisation on China's terms. And understandably so. But for each of these successes it is possible to see negatives as well – the impact on the environment, the quality of jobs and conditions for workers, growing inequality, poor access to health education and welfare, corruption, dependence on the global economy and so on. Of course, this is not just confined to China; one could say similar things about the “American dream”. But both the most laudatory and the most negative assessments of the China model do tend to be rather partial in their nature.

For Yang Jisheng, the main blame for this partial reading of the Chinese experience lies with Western observers⁶³ who, in their search for alternatives to the neoliberal orthodoxy, individually and collectively reinforce a “conservative” consensus on China. They do this by first, only focusing on the positive sides of the China story,

⁶³ He specifically cites the following. Robert Kuhn, *How China's Leaders Think: The Inside Story of China's Reform and What This Means for the Future* (Singapore: Wiley, 2010); John Naisbitt and Doris Naisbitt, *China's Megatrends: The 8 Pillars of a New Society* (New York: Harper Collins, 2010); Martin Jacques, *When China Rules the World: The End of the Western World and the Birth of a New Global Order* (London: Penguin, 2009); and Bruce Dickson, ‘Who Consents to the “Beijing Consensus”? Crony Communism in China’, 2009. Available at http://www.cecc.gov/pages/roundtables/2009/20090522/DicksonCrony_CommunismInChina.pdf. Criticisms of the latter this seems to be based on a misreading, confusing what Dickson discusses with what he actually argues himself.

second, by ignoring the role that the market and liberalization (including political reform short of democratization) had played in generating successes and third by seeing authoritarianism as being an essential component in generating these successes. Talking about the China model in this way, then, both within China and without is a means by which the status quo is reinforced and arguments proposing the need for political reforms designed to deal with fundamental problems are undermined.⁶⁴

Is the Model Transferable?

After these two caveats, the question arises as to whether the model is actually transferable or not. If the model is in the eye of the beholder, then people will simply construct a version of it that fits with their objectives – so in this sense the model (or versions and varieties of the model) can indeed be transferred to different settings. But viewed another way, there are two key reasons why the model doesn't look particularly transferable. First, China's circumstances have been so special – not least the simple scale and size of China – that it is difficult to see how others could do what China has done.⁶⁵ For this reason, Zhang Xiaomin prefers to translate 模式 as a “mode” of governance as it is not a “model” that can be replicated.⁶⁶

⁶⁴ Yang Jisheng, ‘我看“中国模式” wo kan “zhongguo moshi” How I see the “China model”’, *Yanhuang Chunqiu*, 11 January 2011. Available at <http://www.sinovision.net/blog/56cun/details/55784.html> accessed 25 January 2011. I am grateful to David Kelly for sending me his translation of this. An English language version is now available via the China Media Project at <http://cmp.hku.hk/2011/03/29/11205/>

⁶⁵ Naughton, ‘China’s Distinctive System’.

⁶⁶ A point he made to me in email discussions over the nature of a China model. See also Luo Jianbo and Zhang Xiaomin, ‘China’s African Policy and its Soft Power’, AntePodium, 2009. Available at <http://www.victoria.ac.nz/atp/articles/ArticlesWord/JianboXiaomin-2009.doc> accessed 13 January 2010. 模式 can be variously translated as mode, model, pattern, standard or method, though is now almost always translated into English as model – particularly when following the word “China”.

Second, in many respects the defining characteristic of the China Model is that it should not be considered to provide a specific guide to action or a blueprint for others. One of the major criticisms of neoliberalism and the Washington Consensus is the attempt to impose a “one size fits all” solution on countries with different structures, systems and needs. Shen and Bai argue that although developed nations are all “market economies” there is no single model of what a market economy is or should be. They emerged in different ways because of the different conditions and resources of each nation; for example, the evolution of German and Japanese capitalism and market economies being very different from the American experience. Diversity is right and natural and it is the attempt to impose uniformity and “indiscriminately copy another country’s model” that is the problem. Thus, the Latin American economic crisis had its roots in the emulation of the “Washington Consensus” model of free-market capitalism, rather than seeking development trajectories that suited the concrete circumstances of each Latin American state.⁶⁷

So what China has done is not to follow any other model but to do what is best for itself based on its own conditions. As Pan Wei puts it:

[The] China model consists of four sub-systems, they are: a *unique* way of social organization, a *unique* way of developing its economy, a *unique* way of government, and a *unique* outlook on the world. (emphasis added)⁶⁸

So the China model isn’t important for others because of the specifics of what has happened in China. Rather, it is important for establishing what can be done if other countries do what is best for themselves based on their own concrete circumstances

⁶⁷ Shen Li and Bai Qunying, ‘解读中国经济模式 jiedu zhongguo jingji moshi Analysis of China’s Economic Model’, *Guangming Ribao*, 15 May 2006.

⁶⁸ Pan Wei, ‘The Chinese Model of Development’, Foreign Policy Centre, 11 October 2007. Available at <http://fpc.org.uk/fsblob/888.pdf> accessed 3 January 2008.

and don't simply do what they are told to do by others. The key message from the China model is “start from national conditions, and take your own road”

从国情出发，走自己的路。⁶⁹

Thus, the Chinese experience is best thought of as an example of what can be done if you follow your own path (even though not all share China's power to act with such relative autonomy) rather than a model. China is also an alternative – not just an alternative development model, but an alternative economic partner that is happy to deal with other countries with no strings attached. Or more correctly, with few strings attached (not recognising Taiwan is a pretty important string) and certainly with no democratising agenda linked to economic relations. This creates an important space for the countries it deals with to develop their own indigenous strategies with more autonomy than would be the case if they had no option but to deal with the major western powers. Proactive Chinese policy helps in the promotion of the idea of China as alternative here – through “hard” initiatives like the cancelling of debt, and through “softer” initiatives such as the idea that China treats other developing states as partners (and by implication, that others don't).

So what makes dealing with China attractive is not so much a Chinese ‘model’ but the lack of projection of any model. And although it might sound counterintuitive, not being identified as the promoter of any specific normative position is in itself a normative position. Rather than thinking about what China is, and what China stands for, instead we need to think about what China is not and what China does not stand for: it is NOT big bang reform and shock therapy, it is NOT a process where

⁶⁹ Shen and Bai, ‘Analysis of China's Economic Model’.

economic liberalisation necessarily leads to democratization, it is NOT jettisoning state control over key sectors, it is NOT full (neo)liberalization (particularly in financial sectors), it is NOT the western way of doing things, it is NOT following a model or a prescription, it is NOT being told what to do by others and it is NOT telling others what to do. And it has done what it has done despite external pressure to do otherwise, and it has managed to survive two crises and it has NOT collapsed as foreigners kept predicting that it would.

Towards Occidentalism and Exceptionalism

Establishing what something is not requires something for it to be “othered” against. We noted above the role of the crisis in changing thinking on the China model – in the words of the creator of the idea of the Washington Consensus himself:

A major impact of the crisis has been to discredit Western views of development—what I once tried to summarize under the somewhat unhappy term of the “Washington consensus”—and to fortify what has sometimes been referred to as the “Beijing consensus” instead⁷⁰

So at the moment at least, China doesn't have to do much to make itself and/or its model look attractive – it can just sit back and let the Western model (or models) become increasingly unattractive and repellent. War in Iraq and the selective imposition of western norms through intervention combined with the crisis of neoliberal capitalism (after a rather arrogant and triumphalist western response to the Asian crisis) is enough to send many looking for an alternative, and finding it in China.

⁷⁰ John Williamson, ‘The Impact of the Financial Crisis on Development Thinking’, Max Fry Annual Lecture, University of Birmingham, 13 October 2010. Available at <http://www.iie.com/publications/papers/williamson20101013.pdf> accessed 4 January 2011.

But the Chinese authorities are not simply sitting back, and are actively promoting a preferred idea of what China is and what it stands for in international relations. This entails a form of Occidentalism where images and understandings of “The West” are constructed against which non-western cultures/societies/states identify themselves.⁷¹ This does not have to be an explicit statement of what the other actually is, but is implied by stating what China represents. For example, saying that China stands for peace and harmony is unremarkable unless others don’t stand for this – and that the West doesn’t stand for peace and harmony is implicit in the promotion of a preferred national identity in China.

Thus, we see the promotion of a China that is not seeking to impose its world view on others, and a power that thinks that each country is free to do what it wants within its own sovereign territory. Its preferred world order is one that allows for plurality built on China’s historical cultural predilection for harmony, virtue and society and by solving problems peacefully. China is dissatisfied with the existing distribution of power in global institutions and seeks greater representation for the developing world, but it is also a responsible great power and will not destabilise the world order as it seeks to “democratise” it. The implicit other here is an interventionist, hegemonic, materialistic West. The Western world order is built on a narrow European history that it seeks to be not only the core of global governance, but also to impose on other states. It is even prepared to use coercion and ultimately military force to do so and to

⁷¹ On the idea of Occidentalism, see James Carrier (1995) *Occidentalism: Images of the West* (Oxford: Clarendon, 1995), Alastair Bonnett, *The Idea of the West: Culture, Politics and History* (Basingstoke: Palgrave, 2004) and Ian Buruma and Avishai Margalit, *Occidentalism: A Short History of Anti-Westernism* (London: Atlantic, 2004). Chen Xiaomei uses the term Occidentalism in a different way, to describe how western cultural discourses were internalised in China in the 1980s. Chen Xiaomei, *Occidentalism: A Theory of Counter-Discourse in post-Mao China* (Oxford: Oxford University Press, 1995).

solve problems in its favour, and to ensure that its unfair and asymmetric power in the global system is maintained and strengthened. And in order to do so, China is depicted as a threat – a destabilising force in the global system whose rise should be feared.

Building on this understanding, the idea of China as an inevitable threat to the global order and the USA in particular is seen as emerging from a way of theorising international relations that is based only on the experiences of the West. From this point of view, international relations theory is not actually international at all, but merely Western. There is thus a need to develop theories that instead reflect China's own experiences rather than simply "taking" existing theories and approaches – to create a "Chinese School"⁷² that will help explain why China's rise will be peaceful and not a repeat of the turbulent rise of Western powers like Germany.⁷³ This is reflected in the ongoing attempts to create Chinese theories of IR, IPE, regional integration and so on. Underpinning this project is the basic idea that China is different – a different sort of state with different values based on different cultural and philosophical traditions that will shape its different behaviour as a great power. And to establish this difference, a project is underway to use an eclectic mix of Confucianism and Daoism and the writings of Sunzi and Mencius to create and construct a version of Chinese history that creates a basis for this difference.⁷⁴

⁷² Qin Yaqing (2005) '国际关系理论的核心问题与中国学派的生成 guoji guanxi lilun de hexin wenti yu Zhongguo xuepai de shengcheng Core problems of international relationship theory and the construction of a Chinese school', *Zhongguo Shehui Kexue* [Social Sciences in China] No. 3, 2005, pp.165-176.

⁷³ Hu Zongshan, *中国的和平崛起: 理论, 历史与战略 zhongguo de heping jueqi: lilun, lishi yu zhanlue China's Peaceful Rise: Theory, History And Strategy* (Beijing: World Knowledge, 2006).

⁷⁴ Sheng Ding, *The Dragon's Hidden Wings: How China Rises with its Soft Power* (Lanham: Lexington, 2008).

In his discussion of Zhang Weiwei's work on the China Model, Bandurski sees something that looks akin to the creation of the idea of American exceptionalism.⁷⁵ Starting from de Tocqueville's analysis of the exceptional nature of American democracy,⁷⁶ the idea of the US as being fundamentally different from other countries rested on its newness – its ability to build a country based on democracy and freedom because it wasn't constrained by historical class and societal tensions that held back democracy in other (older) countries. It was also a shining beacon to other countries – and for some, this meant that the US had a moral duty to spread its correct democratic values across the world resulting in a foreign policy that Krauthammer called “Democratic Realism”.⁷⁷

Chinese exceptionalism also sees China as fundamentally different from the rest of the world. Zhang Weiwei's promotion of the idea of China as the world's only “civilization-type nation” 文明型国家 takes us down a road that ends in a situation where:

no rules apply to China that are not China's own only what is quintessentially Chinese can accommodate China's unique “national circumstances”⁷⁸

Under this understanding, the China Model simply *must* be a unique phenomenon. It is by its very nature abnormal and deviant – not just different from the neoliberal Washington consensus but also fundamentally different from (and separate to) any

⁷⁵ David Bandurski (2011) ‘Zhang vs Yang on the China Model’, China Media Project. Available at <http://cmp.hku.hk/2011/03/29/11205/> accessed 18 May 2011.

⁷⁶ Alexis de Tocqueville, *Democracy in America* (New York: Langley, 1840). Free access online version available at http://xroads.virginia.edu/~HYPER/DETOC/toc_indx.html

⁷⁷ Charles Krauthammer, *Democratic Realism: An American Foreign Policy for a Unipolar World* (Washington DC: AEI Press, 2004).

⁷⁸ Bandurski, ‘Zhang vs Yang’.

other type of developmental state that preceded it. It is an entirely separate genus of state and economy from anything else that has ever existed.

Of course we can question the veracity of a version of history that sees China as a force for peace, harmony and stability. Cohen focuses on China's international relations and concludes that 'historically, a strong China has brutalized the weak'.⁷⁹ Dirlik similarly questions the pacific nature of domestic society, including delving into the still very sensitive area of periods where harmony and peace was distinctly lacking in the post-1949 era.⁸⁰ For Scobell, Chinese policy makers have convinced themselves that they are guided by a historically inspired "cult of defense" that does not stand up to historical scrutiny and runs counter to the actual basis of military activity both overseas and in domestic politics in the PRC era.⁸¹ But China is far from the only place in the world where preferred versions of history come to be accepted as the truth, or where this truth becomes the basis of a common understanding of the present and the national identity. And how other states identify their values and the importance of spreading them to the rest of the world has had a considerable impact on the lives (and deaths) of many millions around the world.

Nevertheless, this discourse of Chinese exceptionalism and difference has far more than semantic importance. It not only feeds into understandings of China's place in the world, but also has important domestic uses and consequences. It explains why China does not have to follow anything – including any path that sees democratisation

⁷⁹ Warren Cohen, 'China's Rise in Historical Perspective', *The Journal of Strategic Studies*, 30: 4-5, 2007, p. 703. A similar analysis is at the heart of Yuan-Kang Wang, *Harmony and War: Confucian Culture and Chinese Power Politics* (New York: Columbia University Press, 2011).

⁸⁰ Arif Dirlik, 'Confucius in the Borderlands: Global Capitalism and the Reinvention of Confucianism', *Boundary 2*, 22: 3, 1995, pp.229-273.

⁸¹ Andrew Scobell, *China's Use of Military Force: Beyond the Great Wall and the Long March* (Cambridge: Cambridge University Press, 2003).

as an inevitable consequence of economic liberalisation. And in this respect, Yang Jisheng sees the promotion of a unique China Model as part of a wider project of Occidentalism – though he uses the term anti-westernism – designed to defend inequality and the political status quo in China.⁸² Identifying whether there is a model or not, then, is not just a matter of academic interest, but something that might have real significance for the way that millions of Chinese live their lives in the future.

Conclusions

The starting point for this paper was the argument that state led approaches to development have been much more influential than the dominant orthodoxy – before the global crisis at least – would seem to suggest. Indeed, when viewed through a historical lens, what has happened recently in China has parallels with previous experiences of strong state development in Europe, the USA and East Asia. At best, then, the prescriptions of the Washington Consensus (as they came to be understood during the moment of unipolarity) seem to be ahistorical. For Chang, they represent an attempt to stop others emulating the experience of the first (and later) generations of developmental states, that did not themselves accede to the principles of free trade that they now espouse (and indeed, in many cases still do not accede to).⁸³

From this perspective, what has happened in China does not seem particularly remarkable at all. Although we can argue over the specifics, the Chinese experience broadly conforms with a state led growth project that places the national project at the centre of policy, and which points to the importance of promoting and protecting key economic sectors and actors, and using a central financial institution and a form of (at

⁸² Yang, 'How I see the China Model'.

⁸³ Chang, *Kicking Away the Ladder*.

least) soft planning as the means of national construction and economic development. From such a historical viewpoint, focussing in on the Chinese example is important, but not enough in itself as it gives only a partial view of developmental processes that have been at the heart of (initial) industrialisation strategies since at least the 1820s (and arguably even earlier).

But the focus on China is entirely understandable – it is the most recent and in terms of GDP growth the most successfully sustained example of such state led development. As a result, perhaps the most significant role that China plays as the world rethinks modes of governance is reminding us once again of the “success” of alternatives to the neoliberal project. And what has happened during and after the crisis has reinforced the image of China representing strong state developmentalism that provides perhaps the best bet for other developing states in a post(?) global crisis world. That China is prepared to engage other states in a way that is rather different from Western states only serves to enhance the idea of China as “alternative” – a project that is ably supported by the concerted efforts of the Chinese state to promote itself as “different”. That it also has the money to invest in other states, and a market that is hungry for resources from a wide range of different countries only adds to China’s significance and attraction as a partner.

Attempts to construct an image of China as a different type of state and different type of actor in international economic relations stem in part from feelings of vulnerability. China’s leaders are aware that their grip on power cannot be taken for granted and realise that China’s position in the global (political) economy is a key determinant of domestic economic growth. In keeping with the idea that diplomacy should serve

domestic economic construction,⁸⁴ this initially saw an attempt to allay fears about the consequences of China's rise to Great Power status, and an emphasis on China as peaceful, harmonious and responsible. But a desire for peace and responsibility does not simply equate with a commitment to and/or acceptance of the status quo. As a 'dissatisfied responsible great power',⁸⁵ China's elites have presented in image of the country as being a force for responsible but fair change to the global distribution of power which should result in a greater voice and role for developing states. Moreover China has tried to establish its own normative position as a non-interventionist state that is simply unconcerned about how other sovereign nation states manage their own domestic political and economic affairs. This idea of China's difference is part of a feedback loop that has seen the idea of the Chinese model both result from, and then reinforce, conceptions of Chinese difference and exceptionalism; the model is both a result of China's unique history and at the same time a manifestation of China's uniqueness and 'difference'.

So in many respects, we can think of the China Model as a speech act – talking about it makes it exist and something that has to be dealt with. But it does not yet have intersubjective meaning – there is not a common and agreed understanding of what the China Model means and whether it infers uniqueness or not. And whether they like it or not, those who talk and write about the China Model or the Beijing Consensus need to be aware that they are part of the process of making it real. This includes not just those who laud and admire the Chinese alternative, but also those

⁸⁴ Zhao Suisheng, *Chinese Foreign Policy: Pragmatism and Strategic Behavior* (Armonk: M.E. Sharpe, 2004), p.259.

⁸⁵ Shaun Breslin, 'China's Emerging Global Role: Dissatisfied Responsible Great Power', *Politics*, 30: s1, 2010, pp. 52-62.

who are more critical and/or are concerned about a China challenge to the existing global order.