

with the WTO because it takes so long to render and enforce verdicts that it is too late to benefit by the time it acts.

Pekkanen makes no attempt to identify whether Japan is pursuing a disproportionate share of cases in trade-dominant areas since she does not look at the pool of potential cases. She too finds that many of Japan's WTO cases involve steel, but it is hard to know whether to prefer her explanation over Davis and Shirato's since she looks at so few cases. Of course, packing so much into a single journal article, Davis and Shirato cannot equal Pekkanen in the depth of detail or color and texture that this book gives us on the major Japanese WTO cases. Read in combination, these qualitative and quantitative studies provide an excellent analysis of Japan's new aggressive trade diplomacy.

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China and the Global Political Economy

Shawn Breslin

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This book by a British scholar is a welcome addition to the study of contemporary China. There is no question that Professor Breslin knows the field pretty well. He describes concisely what the issues are in China now and those who are working on those issues both in China and elsewhere. Those readers, who are interested in China but 'who do not have a detailed knowledge of the Chinese case' (p. 7), will learn a lot by reading this book. The author escorts the readers, like an experienced tour guide, to the wild and uncharted terrain of China studies. China is huge and is full of rough tracks. To travel such a place, you need an

experienced navigator or a good guide map, hopefully both. This book provides both and shows us more. The author describes not only the political landscape of today's China but also the locations of hidden pitfalls and landmines.

This book may not satisfy all readers, however. You should not expect much analysis about the Chinese economy or the global economy. The author is not an economist. He is a professor of politics and international studies. What he has written in this book is the 'political economy', which entails the Marxist analytical framework rather than either the macro- or the micro-economic analyses. The author focuses on the political side of the economy, namely, how the Chinese communist cadres react to the so-called globalization of the economy. Unlike many writers, the author is not interested in presenting his arguments in graphic displays. He might have thought that graphic displays would simply distort the fact or oversimplify the complicated phenomena. This book contains no charts, no graphs, no tables, and no equations. This is quite unusual for a book dealing with some aspects of the economy.

Some scholars who study international relations, on the other hand, may find that this book is not rigorous enough to prove or disprove any hypotheses. There is no indication that the author engages in scientific research. The author offers no testable hypothesis or results of regression analysis, either. The author does not seem to be interested in constructing a new theoretical model or conducting a large-scale survey research. Instead, he explains in detail what is going on in China today and what has been happening since China started economic reform and opening in the late 1970s. His explanations rely on his careful reading of the conventional sources, that is, the writings of the researchers and the government officials, both in English and in Chinese. In short, this book is not too useful for those researchers who seek to contribute their papers to a social science journal, like the *American Journal of Political Science*.

The strength of the book lies somewhere else. There are three ways to read this book and make sense of the research. Before discussing these three ways, let me layout the structure of the book:

Contents

Introduction: China—Yes, But . . .

Chapter 1 Studying China in an Era of Globalisation

- Chapter 2 The Transition from Socialism: An Embedded Socialist Compromise?
- Chapter 3 Re-engagement with the Global Economy
- Chapter 4 Beyond Bilateralism: What the Statistics Don't Tell Us
- Chapter 5 Interpreting Chinese 'Power' in the Global Political Economy
- Chapter 6 The Domestic Context: Stretching the Social Fabric?
- Conclusions

The outline of the book shows that the author's methodology belongs to that of area studies. The first way to appreciate this book is, therefore, to read these chapters as an exercise of the Chinese area studies. Great Britain retains a formidable tradition in area studies and Professor Breslin embodies the British tradition in his approach toward China. Just like his predecessors and colleagues, the late Gordon White and Marc Blecher, for example, the author does not feel comfortable considering China as the unit of analysis. He is careful about guarding against 'concept stretching' (p. 33), that is, an application of some sort of sophisticated theoretical model, among all, 'rational choice, game theory, mathematical and statistical methods' (p. 16) to China. China is too huge and too complex to treat it as a unit of analysis. An aggregate answer for China as a whole will 'almost always miss the fact that what is good for some can be bad for others' (p. 7). As the subtitle of Introduction indicates, a simple 'yes or no' does not make much sense dealing with China. 'Yes, China is changing fast, but there are a number of "buts" that qualify the "yes"' (p. 5).

In area studies, it is essential to keep track of the particularities of the subject area. Both history and politics matter. Chapters 2 and 3 outline the process of economic reform and opening in detail. In Chapter 2, the author found that 'China engaged with the global economy because key decision makers decided that it served specific political interests' (p. 37). What he meant by specific political interests were two things: the maintenance of political legitimacy and the party's grip on power. In Chapter 3, the author examined the specific policies of reform and concluded that non-state actors had played an important role in the investment decisions. It did not mean, however, that China made a decision just like the way any other industrialized democracies did. Professor Breslin points out that in the case of the decision to join the WTO, the decision

certainly generated domestic political opposition, state elite came first and ‘created the space for non-state actors to flourish’ (p. 37).

Chapters 4 and 5 are the core chapters of the book. These chapters survey ‘bilateralism’ and ‘power’, two common subjects of international relations. These chapters, however, do not fall in the conventional category of the international relations analysis by the reasons I will mention later. The readers should pay attention to the subtitle of Chapter 4, ‘What the Statistics Don’t Tell Us’ and the quotation marks added to the title of Chapter 5, ‘Chinese “Power”’.

To the author, the domestic political implications of economic reform were too important to miss. He would like to consider the ‘differential political consequences of economic reform within China itself’ (p. 7). The author found, in Chapter 6, that a ‘double transition’ (p. 158) was happening in China. One was the transition from a largely rural-agricultural economy and the other was the transition from a socialist state-planned economy. We know that such a period of transition often accompany social disturbances. How could Chinese leaders manage to maintain, at least so far, social stability? The author explains that insertion of China into the global economy resulted in fast economic growth. Since the national economy grew constantly, the Chinese government could ‘ride the waves of domestic recession and restructuring relatively unscathed’ (p. 185).

There is no guarantee, however, of the Chinese government continuing to grow and maintaining social stability at the same time. The author points out two downsides of China’s insertion into the global economy. First is the heavy dependence of China’s economic growth upon foreign investment. As most foreign investment produces exports to foreign markets, ‘China’s development has become doubly dependent on factors outside China’s control’ (p. 185). Second is the ‘decentralized authoritarianism’ (p. 61) in the Chinese political structure. The Chinese central government cannot dictate the nature of economic activity because ‘much of the power (the central government) devolved to the market has become lodged in the hands of the self-same local authorities’ (p. 186).

The second way to appreciate this book is to honor the author’s skepticism. It was the late Gerald Segal who warned, in his 1999 *Foreign Affairs* article, the damage of the persistent exaggeration of the significance of China. Very early in the book, the author discloses that he has considerable sympathy with the aim of tempering such ‘persistent

exaggeration' (p. 4). Chapters 4 and 5 provide a 'revisionist' (p. 8) understanding of China's global economic role. The author reveals three sources of such exaggeration. First, the nature of Chinese capitalism, according to the author, '(Quasi) Capitalism with Chinese Characteristics' (p. 79), prevents meaningful comparison with the other economies. In China, the separation between the government and private enterprises remains artificial and vague. Second, 'lies, damn lies' (p. 107) often distort statistics. The Chinese local leaders, whose promotion depends upon their attainment in the economic targets, are likely to exaggerate their trade, investment, and GDP figures.

The third source of exaggeration is not confined to China. It is the gap between 'national level analyses and globalized realities' (p. 147). The author argues how problematic it is to draw political conclusions from bilateral investment and trade figures. The author found that US companies have been much more engaged with the Chinese economy than the investment and trade figures suggest through third-party actors. So have Japanese companies. In today's globalized economy, the author contends, external non-state economic actors, like transnational corporations, can pressure the local government to adapt to meet their requirements. 'Chinese' power is, according to the author, 'shared with—perhaps better to say contingent on—the power of TNCs (Transnational Corporations) in the capitalist global political economy' (p. 150).

The third way to make sense of this book is also related to the British tradition. It is Hong Kong, the former British colony. It is no coincidence that the author completed this book while he was in Hong Kong. Hong Kong plays a very important role in his argument as a living evidence of the global political economy. Hong Kong embodies 'localized relationships and overseas Chinese networks' (p. 38). Specifying the real source of investment into China is always problematic because there is Hong Kong (p. 122). Hong Kong serves as a tax heaven for those Chinese enterprises which have operations outside China (p. 144).

Yes, this book is informative and worth careful reading for those who intend to do research about China. But, there are some qualifications. The author is so careful in avoiding exaggeration that his view and assessment turn out to be balanced but not too exciting. As the author remarks in Conclusions, 'writing about shades of grey' (p. 190) is not enticing. Still I believe he could have done better. His analysis of the case of China's WTO reentry looks like an extensive book reviews. There

are not many new findings as a case study. Regarding the WTO question, it is a pity that the author's analysis ends sometime around 2006. You have to stop writing somewhere. I wonder, however, if the year 2006 is the right time to stop. The full impact of China's WTO entry is still in the process of unfolding. I wonder also if the sharp down turn of the world economy in 2008 affects the author's argument.

The author covers remarkably wide ground for citations. You can use this book as a resource book, a guidebook, for your research. One minor defect is that the author quoted some of the Japanese researchers' first names for references. A friend of mine, Japanese sociologist Professor Hishida, may feel a little embarrassed to find he is quoted as Masaharu, his first name.

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