

Book Review

Ivan Tselichtchev, *China versus the West: The Global Power Shift of the 21st Century*, Singapore: John Wiley & Sons, 2011, 356 pp.

In an era where global economic growth is no longer driven by the Western economies (which increasingly are being displaced or supplemented by the emerging economies), the emergence of China as an economic power opens a debate on the changing power balance between the emerging superpowers and the “old” developed economies. Indeed, rapid economic growth arising from dramatic changes in government policy since economic reforms that began in 1978 has propelled China to the forefront of global discourse on growth and structural change. China has undoubtedly become a major economic power in the world. Tselichtchev’s book offers a timely, comprehensive and incisive account of China’s emergence as a major player in the global economy.

By illustrating the areas in which China has been leading the world, or catching up with the early industrialisers, especially in acquiring competitive advantage, this book successfully fills a vital gap by providing a uniquely sharp and thought-provoking analysis of the factors shaping China-Western power relations and its implications for global power balance in the wake of the 2008-2009 global financial crisis.

Written succinctly and in a reader-friendly way, the 19 chapters of the book are organised into three major parts. Part One provides the theoretical and methodological anchor by examining changes in the China-West power balance that have taken place in the manufacturing sector, merchandise trade, and the commercial and finance services sectors. Tselichtchev makes a robust assessment of the macro-economic environment to explain China’s progress in the world economy. In doing so, he identifies comprehensively the sectors in which China does and does not enjoy trade competitiveness. Part Two unfolds with the theme of China-West power balance in the wake of the global economic and financial crisis of 2008-2009, from which China has become relatively stronger while the West has become relatively weaker. This part ends with a profound comparison between Western capitalism and Chinese capitalism where the structural strength of the latter has provided a strong springboard for sustainable growth. Part Three provides an outlook of China-West power relations by looking at five major areas where the West’s and China’s interests clash. An assessment is also made of possible solutions

to address the clash, arguing that the West needs a cohesive China policy to address the challenges posed by the post-crisis era.

However, while the book is rich in empirical evidence, it lacks a systematic theoretical anchor to organise the argument in a coherent way. As a consequence it comes out as a book put together from scattered scientific research without a well knitted structure. For instance, the changing China-West economic balance can be understood from the perspective of evolutionary and institutional economics, or social transition theory, so that the readers could have a coherent picture of the forces that drive China's socio-economic development after reforms. As Veblen has said, it is institutions, either formal or informal, that determine economic outcomes, as they shape the way the rules are enforced within the broad legal regime and social cultural practices. Changes in social relations are then attributable to the relative influence of various institutions – e.g. markets, states, regulations and social norms. Only then can one distinguish and compare the structural differences between China and the West coherently. An attempt in this direction will help the author explain systematically the structural transformation of China.

Overall, this is a well-structured and finely organised book, which offers readers not only a comprehensive understanding of the topic, but also offers fresh empirical evidence on what is really happening on the ground in China and in the world. Thus, the author should be congratulated for bringing together such a rare collection of works, which demonstrate a fair understanding of China's economic development and its implications for the West and the rest of the World. The book is eloquently presented, which should attract a wide audience amongst businesspeople and policy makers on China in particular, as well as, scholars and university students.

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