

# Book Review



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Stefan Halper, *The Beijing Consensus: How China's Authoritarian Model Will Dominate the Twenty-First Century*, New York: Basic Books, 2010, 296 pp. + xv.

After thirty years of reform, China has emerged as one of the major powers in the world. Amidst the global economic crisis, China overtook Japan to become the world's second largest economy, successfully organized three major international events (Olympic Games, World Expo, Asian Games), and continued to expand its influence in Africa, South America, and Asia. In contrast, the western powers have been plagued by various threats, crises and problems. Most of these powers seem to have lost the dynamism and optimism that once characterized the "First World". During the good times, the major western powers arrogantly called themselves the Group of 7 (later expanded to G8 to accommodate Russia, which actually was quite insignificant within the organization), as if they were the masters who decided how to run the world. Today, G7 has to relinquish its role to G20, a more diverse group that includes the emerging powers, and among these emerging powers China is undisputedly the most influential.

This change of balance of powers has made some westerners uncomfortable. What makes them even more frustrated is the fact that China is not a democratic state. China's rise has nothing to do with democracy. This statement inevitably challenges the views and beliefs of many westerners who believe liberal democratic values are also universal values. In recent years, within the western policy, academic, and media circles, the China Model (or sometimes called the "Beijing Consensus") has become a hot topic. Some analysts have a very positive view of the China Model (such as John Naisbitt, the main author of *China's Megatrends*), while others hold a more skeptical or negative view. The author of this book, *The Beijing Consensus*, could be said to be one of them.

*The Beijing Consensus* has seven chapters. The first chapter lays out the fundamental ideas of the book, which I think is also the most important and well-written chapter. The second chapter describes the rise and fall of the Washington Consensus. The third and fourth chapters together discuss the (mostly negative) impact of the rise of China and the China Model. The fourth chapter concentrates on the domestic aspects of China's foreign behaviour. The fifth and sixth chapters discuss what actions and policies should the

western powers, especially the United States, take to face the challenges coming from China and the China Model.

What is the China Model? According to Halper, it is composed of two elements, each of which is opposite to the principles of a liberal democratic system. Whereas a liberal democratic system upholds free market capitalism and democratic pluralism, the China Model implements a state-guided market economy and one-party authoritarianism. In short, it can be called “market authoritarianism”. Halper is worried that western policymakers have misunderstood the challenges posted by China. The major threat from China, Halper argues, is not in the economic or military spheres. Here, Halper performs an admirable job in the book to dispel the myth that China is capable of launching serious economic or military offensives against the West. The major threat, instead, is that China represents an alternative to the West, a paradigm fundamentally different from the western beliefs that human progress can only be achieved through liberal economics and liberal politics: “Beijing’s example illuminates a path around the West. It is making the West less relevant in world affairs. In effect, *China is shrinking the West.*” (p. xi) The 21st century, Halper seems to believe, will witness a conflict in which on one side is the West and its liberal democratic allies, and on the other side is China and the countries that follow the China example. This conflict is fundamentally a competition between two contrasting sets of values, systems of governance, and modes of modernity. This is the greatest threat posted by China.

The observations made by Halper regarding market authoritarianism are generally representative among the views of western policy elite. One characteristic of market authoritarianism is the close relationship between the ruling elite and large energy corporations and state-owned enterprises, which also dominate the strategic sectors of the economy. These enterprises are not purely commercial entities; they have political functions and purposes: “Commercial decisions ... are heavily guided by political actors, and the motivations behind investment decisions are often as political as, or more political than, they are economics.” (p. 123) In addition, market authoritarianism also accepts certain liberal economic policies, such as “opening the economy to foreign investment, allowing labor flexibility, keeping tax and regulatory burdens low, and creating a first-class infrastructure through combined private-sector and state spending” (p. 126). This blending of market economics and state control is the essence of the economic aspect of the China Model. Halper also points out that state-controlled capitalism has a distinct advantage over the Western brand of capitalism. For example, “state subsidies of Chinese firms provide the incentive needed to pursue overseas projects that may not be profitable, but which accomplish long-term strategic PRC investment and commodity access goals” (p. 104).

A strong and capable party (or ruling elite) that controls the government, the security apparatus, legislative and judicial organs, and the media usually defines the essence of the politics of market authoritarianism. Authoritarianism provides commercial advantages over its liberal democratic rivals, which have to deal with domestic political actors and competing interest groups in forging a business agreement. In addition, economic development and the welfare it brings are perhaps the only effective means an authoritarian regime is able to keep its people from demanding more democratic rights and participation. Hence the single-mindedness in the pursuance of economic development also becomes the generic goal of such regime. Such goal predisposes a market authoritarian regime to adopt mercantilist economic policies. China's resource grabs in the African and South American continents are manifestations of such policies. Although China's participation in international cooperation and multilateral forums are extensive, she is nevertheless accused of bending (or even breaking) international rules and cooperation when doing so fits China's mercantilist interests. To back up this accusation, Halper frequently cites examples of Beijing's protection of the so-called "rogue states". Just when the major western powers were trying to squeeze these rogue states (Iran, Sudan, Zimbabwe, etc.) in order to change their deplorable behaviour, Beijing provided the much needed protection these rogue states needed as long as they exported the resources Beijing wanted.

Halper's analysis of the China Model should not be read as only a study of China's development experiences and policies. It should also be read as a general analysis of the characteristics and nature of market authoritarianism. In this sense, this book should be added to the list of readings on comparative government.

I also have several disagreements with Halper. First, market authoritarianism is more easily said than done. Despite Halper's arguments, how many states have actually succeeded in following the China Model? Perhaps one could point to Vietnam, and to a lesser extent, Russia. Cuba has been trying to follow China's experience, but after more than fifteen years and countless trips by Cuban officials to China (which Halper also mentions in the book), Cuba has yet to become a good student of China. As for other successful examples of market authoritarianism, such as Malaysia, Singapore, Taiwan and South Korea (before their democratization in the late 1980s), their development takeoffs happened way before China's development can be called the China Model. Interestingly, all of these market authoritarian regimes were (and still are) American allies, not China's.

Second, exactly which group of countries is China leading in this century? In the grand narrative of the West versus the China Model, Halper is actually very vague in terms of the membership of the China Model camp. First, Halper accuses China of leading and protecting the "rogue states" (Myanmar,

North Korea, Iran, etc.). Then, he argues that China leads the emerging powers (Brazil, India, Indonesia, etc.). Moreover, the China Model could be prevalent in those middle-range, regional powers (what Halper calls “pivot powers”). Finally, Halper also argues that China is leading the developing countries to confront the West, especially in the forums of the United Nations and other meetings of international organizations. So, which countries are members of this group of countries that upholds market authoritarianism and competes with the West?

Third, Halper also seems to confuse the China Effect with the China Model. In Chapter 3, Halper provides numerous examples of how China’s foreign aid and investment projects help maintain various corrupt and authoritarian regimes. The argument is that because of these Chinese aids, these corrupt regimes would not have to undergo political and governance reforms to meet the standards of the aid programs provided by international organizations and western powers. Halper discusses China’s “unholy alliance” with deplorable rogue states, accuses China of undermining Africa’s reformers and exploiting African resources. While these accusations against the China Effect are undeniable, such alliances between Beijing and other autocracies are based on interest calculation, not upon compatible values or systems of governance. Western powers also forge major partnerships with oil-producing autocratic states. China is merely a good student of the West’s realist politics. There is no evidence that China is trying to promote its brand of development to other countries, especially to the rogue states (with the major exception of North Korea). Halper neglects to mention in this book that none of the rogue states are followers of the China Model. In fact, if they were, it would actually be a blessing to the world and the people in these regimes. As Jeffrey Garten (Yale professor) argued in an article in *Newsweek* (“Chinese Lessons”, 24th November 2003), “The China model, or something close to it, may have its problems, but it may be the Arabs’ best chance.”

Suppose North Korea is successfully following the China Model. Its economy is prospering and more integrated with other economies. People’s standard of living is rising, which also improves social and political stability. For the sake of continuous economic growth, this regime generally will also act more rationally toward other countries. The West will find a market authoritarian North Korea less belligerent, more cooperative, more predictable and easier to deal with.

The autocratic leaders of rogue states will not be easily persuaded to accept the liberal democratic system and relinquish their monopolization of political power. But they are more likely to accept the market authoritarian model. Barring successful “people revolutions”, the China Model could be the next best thing for the people of these regimes and for the West as well. Moreover, the obstacles facing democratization, as well as the likelihood of

authoritarian restoration following democratization, will be much lower if democratic transition occurs in a well-governed market authoritarian regime. In short, in spite of all its flaws and repressions, a relatively well-governed dictatorship like China is better than an ill-governed, close dictatorship. For all these reasons, the West should not be discouraged if dictators of the rogue states decide to walk Beijing's route.

Fourth, I also think that China is unfairly singled out by Halper when it comes to "challenging international order". Yes, China is leading other developing countries to rewrite certain international rules that will reduce the influence of western powers, but what's wrong with that? As acknowledged by many western policymakers, the relative decline of the West is inevitable, and international organizations should reflect these changes in order to stay relevant. India, the largest democracy in the world, is also a friend to many rogue states, but why only China is accused of the China Effect?

Despite these criticisms, *The Beijing Consensus* remains an important book. Its discussion of the nature of market authoritarianism is clear, precise, and thought-provoking. Its policy recommendations will surely be carefully studied by the policymakers in Washington and Brussels. Its vision of a major competition between two camps of countries (remember the Cold War?) may still come true. Political scientists, journalists and policymakers will benefit from reading this thoughtful book.

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