

***The China Boom: Why China Will Not Rule the World, Hung-Ho-Fung, New York: Columbia University Press, 2016, 232.***

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The book, *The China Boom: Why China will not Rule the World*, is based on some of the often asked questions; why and how is China rising? What does China's rise mean for the rest of the world and for the international order? The author, Hung-Ho-Fung, presents his scholarly work addressing mainly these questions and, through this work, he challenges much of the conventional academic and popular wisdom on China's development. He asserts that while comparing the 'China model' with the western liberal and democratic model, it is important that the writers and sociologists take an unbiased approach and do not distort facts so that the full picture of China's complexity is brought to the readers.

The book is divided into two parts. Apart from the introduction, part I titled "Origins" describes the historical evolution of capitalism in China, dividing it into three periods i.e., 1650-1850, 1850-1980 and 1980-2008. The part II with the title "Global Effects, Coming Demise" discusses the contemporary economic rise of China, the domestic and international consequences of its rise and the reasons why China's economic boom will fade.

In part I, the author narrates the historical evolution of capitalism in China from the seventeenth century till present. In his theoretical approach to capitalism, Hung takes his theory of capitalism and growth directly from Karl Marx's famous 'M-C-M' equation, in which Marx pointed out that capitalists invest money now (M) to get more money later (M-prime). He also gives references to Max Weber, Immanuel Wallerstein, Fernand Braudel and Giovanni Arrighi. While using the Marxian perspective, Hung asserts that China had the primitive accumulation (initial accumulation of capital), the foundation for fostering market economy. He states that primitive accumulation was made possible by an agricultural revolution in the early Qing (1644-1911) dynasty. He presents data showing that around

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the year 1800, China had higher land productivity and similar labour productivity to England. China had the capital necessary for growth and the problem, according to Hung, was that China lacked the capitalists to take advantage of it:

The reproduction of the urban entrepreneurial elite was constrained by the lack of the state's unconditional support of the elite against contentious popular classes... China still lacked any vibrant entrepreneurial elite capable of concentrating the agrarian surplus to bring forth a capitalist-industrial takeoff (p.35).

The author challenges the contemporary writers stating that China had the economic base to support the industrial revolution which, as he narrates, was destroyed in 1949 and the Communist Party had to rebuild China's capital stock from scratch. Hung traces China's post-reform economic growth directly to the urban capital built up by the Communist Party through its ruthless exploitation of the countryside and its inhabitants. When China finally allowed the return of capitalism in the 1980s, there were already enough "M" for China's new capitalists to use in creating lots of "M-prime." This assertion, by the author, comes quite in contradiction to the western standards in which they claim that China had virtually no fixed capital in 1978 and the subsequent massive capital inflows seem to confirm that China was, in fact, a capital-poor country in 1978.

After discussing the historical account of why it took almost two centuries for the Chinese capitalist to take place, the book enters into part II in which the author discusses the contemporary economic rise of China, the domestic and international consequences of its rise and the reasons why China's economic boom will fade. Hung credits China's state-centred approach in developing state-owned enterprises, a willingness to embrace many free-market principles and the neoliberal export orientation that aided its success. The author notes that the economic rise of China has not only brought hundreds of millions of Chinese out of abject poverty but also has led to international commerce that brought others out of a similar plight.

Hung challenges the common belief, held by many today, that China's advance in power undermines the US power by elaborating on numerous factors that refute such assertions. Among those factors are the US dollar's universal acceptance as the world's most important reserve currency held among states, the dollar's use as a vehicle currency in conducting

international trade and China's dependency on exports to the US and elsewhere for its economic well-being.

Towards the conclusion of the book, the author concentrates on the issues China is facing today, which will lead to China's boom coming to an end now. Among the issues that Hung highlights are: growing disparity in income among the Chinese workers; uncoordinated, decentralised domestic-spending programmes led by the provincial leaders that have created industrial and infrastructure overcapacity; under-resourced social welfare programmes and an unbalanced economy dependent too much on exports and not enough on domestic consumption. Finally, Hung addresses China's environmental pollution problem, shrinking the Foreign Direct Investment (FDI) into China and increased foreign competition.

In the end, Hung asserts that in the short run, China may bring development, prosperity or challenges to the individual countries but, in the long run, it is not going to challenge the existing global order led by the US. In the words of the author:

China is far from becoming a subversive power that will transform the existing global neoliberal order because China itself is one of the biggest beneficiaries of this order. It will not be exonerated any time soon for its role in facilitating continued dominance by the US in the world.... If the US global dominance is going to end, it will not likely be fostered by China but some other forces (p.180).

Although the book is an informative read, it is short of contemporary events and dynamics shaping China's economic and geopolitical future. While it has focused on the economic and political events of the 400 hundred years of China, it has failed to address the emerging dynamics, particularly in the context of Belt and Road Initiative (BRI), which has long bearings on China's economic and geopolitical future. Moreover, the author fails to mention that as China is transforming from manufacturing into the higher-value-added economy, it comes more in direct competition with advanced economies such as the US. In spite of these shortcomings, it does have much to offer to the readers, who are interested in an excellent overview of the Chinese geopolitical and economic history since the 1600s.