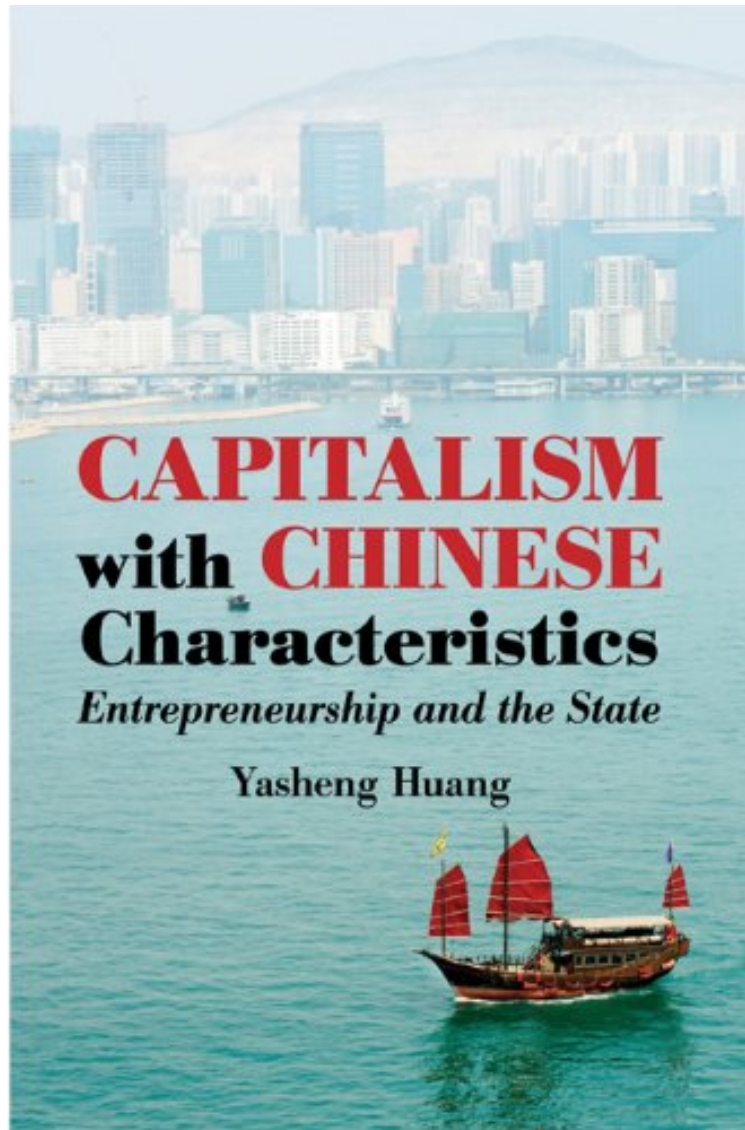


(Read free) Capitalism with Chinese Characteristics: Entrepreneurship and the State

Capitalism with Chinese Characteristics: Entrepreneurship and the State

Yasheng Huang

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Yasheng Huang : Capitalism with Chinese Characteristics: Entrepreneurship and the State before purchasing it in order to gage whether or not it would be worth my time, and all praised Capitalism with Chinese Characteristics: Entrepreneurship and the State:

0 of 0 people found the following review helpful. The intense reform of the 1980's vs. the intense urbanization of the 1990'sBy Cultural ghostThe 1980's are a vital time when China's reform spread throughout society and changed almost all "the rules". Huang gives a useful economic perspective on this era by looking at small enterprises which are usually

mislabeled as "township and village" enterprises. The other valuable part of the book deals with urbanization and particularly Shanghai. The city's success is part historical and part policy. Huang gives us a nice window into China's early efforts to boost urbanization, something which has recently become a more established topic for discussion with the 5th generation of leadership. Most importantly Huang dismisses the typical blind-praise for economic success, asking instead how this was achieved and what were the trade-offs? His book, coming out ~2008, is basically the first milestone in empirical skeptical literature (ignoring the bull-bear nonsense) about the China model and required reading for anyone who writes or discusses about Chinese reforms. Many commentators today are building on his arguments.

0 of 0 people found the following review helpful. Exceptional scholarship, writing could be better

By algo41 This book is an exceptional piece of scholarship, with very interesting conclusions. The writing is not always very good with lots of repetition, a poor (and long) introductory summary, and insufficient highlighting of some of the really important data sets (p.116, p.122, p.254): the casual reader might want to focus on those data sets and the accompanying gloss. At the risk of some oversimplification, Huang finds that the 80's in China were characterized by vigorous growth through private enterprise. In the 90's China became a state run, top down economy, relying on foreign direct investment for the continued growth which was accomplished. Economists have come to emphasize the importance of the security of private property in promoting growth, and while nominally this did not exist in the 80's in law, it mostly did exist in fact. The 90's were a different story, with land grabs and other kinds of expropriations, as well as limits on competition with state controlled enterprises, and a stranglehold on the availability of credit. One might think that the source of growth was not too important so long as growth was obtained, but this is not true. The "Gini" coefficient which was developed by international economists shows that Chinese society suffered from more inequality in the 90's. Education and health deteriorated, with the number of functionally illiterate actually increasing. Corruption became rampant even as civil service salaries greatly increased and there was less freedom at the village level. Moreover, because urban areas grew at the expense of rural areas, more Chinese workers had to migrate, and living in a squalid worker dormitory, separated from family, leads to a reduction in quality of life not picked up in GDP measurements (Huang does not explicitly make that point, but it is obvious). Huang sees signs that in the 21st century, China's new leaders have been trying to move the country back in the direction of the eighties. As a stock market investor, I can point out the following: a number of Chinese companies have listed on the NASDAQ while not being allowed to list on the Shanghai stock exchange where share valuations are higher, so they are not able to raise as much capital. At the same time, however, some of these companies have received state assistance of various kinds without state control. I believe Huang was objective in his research, although he does gloss over the evils that can result from unrestrained private enterprise - think of the industrial revolution in Europe.

4 of 5 people found the following review helpful. A revolutionary overturning of conventional wisdom

By Christopher Myrick With a wealth of data and careful case studies, Huang overturns much of the conventional wisdom regarding China's economic miracle. The true miracle, he argues, was the local and rural entrepreneurship of the 1980s, not the urban state-guided and FDI driven urban coastal growth of the 1990s. As Huang himself notes, much of what he says is posing opinion rather than stating clearly defined fact. Nevertheless, this is an impressively researched work and Huang is confident enough in his findings that he does not shy from overt criticism of high-profile and respected development economists (among them, Joe Stiglitz, Jeffery Sachs and the World Bank). 'Capitalism with Chinese Characteristics' should ignite debate on China's growth model and it would be wonderful to see a response from some of those whom he criticises. It should also be essential reading for every economic decision maker in China.

Presents a story of two Chinas ndash; an entrepreneurial rural China and a state-controlled urban China. In the 1980s, rural China gained the upper hand. In the 1990s, urban China triumphed. In the 1990s, the Chinese state reversed many of its rural experiments, with long-lasting damage to the economy and society. A weak financial sector, income disparity, rising illiteracy, productivity slowdowns, and reduced personal income growth are the product of the capitalism with Chinese characteristics of the 1990s and beyond. While GDP grew quickly in both decades, the welfare implications of growth differed substantially. The book uses the emerging Indian miracle to debunk the widespread notion that democracy is automatically anti-growth. As the country marked its 30th anniversary of reforms in 2008, China faces some of its toughest economic challenges and substantial vulnerabilities that require fundamental institutional reforms.

"The development of the Chinese private sector is a key to the future shape and performance of the Chinese economy. At present, the subject is widely misunderstood. This book does more than any other to clarify the issues and point the way forward." - Christopher Howe, FBA, School of East Asian Studies, University of Sheffield

Yasheng Huang is an insightful scholar of China's political economy. In this important book, he shows how China's rural economy took off in the 1980s, led by 'township and village enterprises' that were essentially private, only to be ignored in the 1990s by state-led development that focused on urban regions such as Shanghai. The 'Shanghai miracle,' he argues - and as any businessman who has worked there knows - was not the simple triumph of capitalism, but of a stronger and more intrusive (and effective) state. If one wants to understand the policy origins of China's growing divide between rich

and poor, urban and rural, one need look no further than this book." - William Kirby, Harvard University "Sure to generate a lively debate, Professor Huang's study provides a provocative and well-researched challenge to much current thinking on China's economic development. The widely shared gains of the 1980s have not been matched in more recent years. Danger signs include the stagnation in household incomes, growing inequality and illiteracy, and heightened governance problems. Huang argues that China will not be able to continue to grow unless the benefits of growth are widely shared through fundamental political and legal reforms." - Susan Rose-Ackerman, Yale Law School "Most books about China's economy and their authors fall into one of two camps: those that are hypercritical and those that are hyperlaudatory. Professor Huang's book is closer to the former than the latter, for example, he characterizes China's economy as '...crony capitalism built on systemic corruption and raw political power.' Yet, his book is different from, as well as better than, others in that genre because it gives ample recognition to contrary views and empirical data supporting them. Consequently, *Capitalism with Chinese Characteristics* is both immensely informative and enormously provocative." - Charles Wolf, Jr., Pardee RAND Graduate School "For years, Western economists are amazed that China's growth is obviously fueled by factor accumulation and yet her capital markets appear to be under developed. Yasheng Huang's book provides some refreshing information and analysis. He shows that in China's vast rural areas, which Western academics often cannot obtain good and detailed information, economic and financial liberalization went much further than credited by outside analysts and that the rigorous development of private entrepreneurship explained much of China's takeoff. His thesis is worthy of attention; this book will enhance our understanding of China's economy and lead us to take a more thorough look at the development process." - Bernard Yeung, University of Singapore Business School "Original research on China is rare, largely because statistics, though plentiful, are notoriously unreliable. Mr Huang... has unearthed thousands of long-forgotten pages of memoranda and policy documents issued by bank chairmen, businessmen and state officials. In the process he has discovered two Chinas: one, from not so long ago, vibrant, entrepreneurial and rural; the other, today's China, urban and controlled by the state." - *The Economist* "Written before the full force of the crisis became apparent, Yasheng Huang's *Capitalism with Chinese Characteristics: Entrepreneurship and the State* presciently anticipates the need for a guide to the least understood weaknesses in China's economy.... As a look at China's entrepreneurial economy in the 1980s and 1990s - and as a counterpoint to the misconception that China is steadily evolving into a more market-oriented economy - this book is unparalleled." - Mark L. Clifford, *Time* "From the liberal right, Yasheng Huang's *Capitalism with Chinese Characteristics* is a tour de force of empirical inquiry, conceptual clarity and independence of mind. Anyone wanting to know what kind of economy, and what sort of growth, can be found in the PRC should now start here." - Perry Anderson, *London of Books* "This is the work of a careful and deeply skeptical mind; one that excels in mining difficult to obtain and dodgy economic data and eschews received storylines.... If it is possible to come away from this impressively informed account of China's recent evolution still believing in the country's continued rise, it is well-nigh impossible to come away from exposure to Huang with one's faith in the standard narratives intact." - Howard French, *chinabeat.org* "This is a book that clearly stands out from the recent China books, and it might be destined to become one of the big references in the field." - Julen Madariaga, *chinayouren.com* "This is among the most important books to appear on contemporary China this decade. Motivated by a socially conscious economic liberalism and guided by a firmly positivist epistemology, Yasheng Huang challenges--and defeats--some of the most sacred myths surrounding Chinese political economy as reinforced by scholars and widely accepted by the general public. The book is essential reading for any political scientist specializing in China, international relations, comparative economic development, or comparative change." Daniel C. Lynch, University of Southern California, *Perspectives on Politics* "Huang's book should be required reading for all those who are interested in the contours of the Chinese political economy and the comparative dimensions of East Asian developmental states." Jeremy Paltiel, Carleton University, *Canadian Journal of Political Science* "The main contribution of the book lies in its meticulous examinations of voluminous government policy directives, statements and banking documents which yield significant insights into the relaxation of control over... China's financial sector in the 1980s and the macro-economic controls brought about by the Jiang Zeming-Zhu Rongji administration during the 1990s. It sheds important light over the internal mechanism of the two waves of China's economic reforms..." George C.S. Lin, The University of Hong Kong, *Pacific Affairs* "[Marshals] an impressive array of survey and documentary evidence ... a must-read for China specialists." *The Journal of Asian Studies* About the Author Yasheng Huang teaches international management at Sloan School of Management, Massachusetts Institute of Technology. His previous appointments include serving as assistant professor at the University of Michigan, associate professor at Harvard Business School, and consultant to the World Bank. In addition to journal articles, Professor Huang has published *Inflation and Investment Controls in China* (Cambridge University Press, 1996), *FDI in China* (1998), and *Selling China* (Cambridge University Press, 2003). *Selling China* examined the institutional drivers of foreign direct investment (FDI) in China and was profiled in numerous publications, including the *Wall Street Journal*, *Economist*, *Businessworld*, *Le Monde*, *Economic Times*, and *Liangwang* (Outlook in China). His research on FDI was cited in a number of major government reports on FDI policies and regulations. In collaborative projects with other scholars, Professor Huang is conducting research on engineering education and human capital formation in China and India and on entrepreneurship. Professor Huang is

the recipient of the Social Science-MacArthur Foundation Fellowship and the National Fellowship.