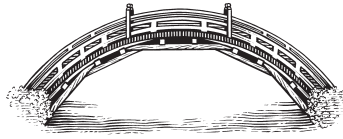


## POLICYMAKER'S LIBRARY

Select Books Published in 2008



*The Policymaker's Library presents one-page Executive Summaries of books that draw findings relevant to the intersection between policy and Asia.*

ASIA'S NEW REGIONALISM . . . . .	162
<i>Ellen L. Frost</i>	
AXIS OF CONVENIENCE: MOSCOW, BEIJING, AND THE NEW GEOPOLITICS . . . . .	163
<i>Bobo Lo</i>	
CHINA'S NEW CONFUCIANISM: POLITICS AND EVERYDAY LIFE IN A CHANGING SOCIETY . . . . .	164
<i>Daniel A. Bell</i>	
CHINA'S RISE: CHALLENGES AND OPPORTUNITIES . . . . .	165
<i>C. Fred Bergsten, Charles Freeman, Nicholas R. Lardy, and Derek J. Mitchell</i>	
CHINA'S STRUGGLE FOR STATUS: THE REALIGNMENT OF INTERNATIONAL RELATIONS . . . . .	166
<i>Yong Deng</i>	
CHINA'S TIBET? AUTONOMY OR ASSIMILATION . . . . .	167
<i>Warren W. Smith Jr.</i>	
CHOOSE AND FOCUS: JAPANESE BUSINESS STRATEGIES FOR THE 21ST CENTURY . . . . .	168
<i>Ulrike Schaede</i>	
CLIMATIC CATAclySM: THE FOREIGN POLICY AND NATIONAL SECURITY IMPLICATIONS OF CLIMATE CHANGE . . . . .	169
<i>Kurt M. Campbell, ed.</i>	
CRISIS AS CATALYST: ASIA'S DYNAMIC POLITICAL ECONOMY . . . . .	170
<i>Andrew MacIntyre, T.J. Pempel, and John Ravenhill, eds.</i>	
CROSS REGIONAL TRADE AGREEMENTS: UNDERSTANDING PERMEATED REGIONALISM IN EAST ASIA . . . . .	171
<i>Saori N. Katada and Mireya Solís, eds.</i>	
EAST ASIAN MULTILATERALISM: PROSPECTS FOR REGIONAL STABILITY. . . . .	172
<i>Kent E. Calder and Francis Fukuyama, eds.</i>	
FIGHTING FOR FOREIGNERS: IMMIGRATION AND ITS IMPACT ON JAPANESE DEMOCRACY . . . . .	173
<i>Apichai W. Shipper</i>	
FORTIFYING CHINA: THE STRUGGLE TO BUILD A MODERN DEFENSE ECONOMY . . . . .	174
<i>Tai Ming Cheung</i>	
HEGEMONY CONSTRAINED: EVASION, MODIFICATION, AND RESISTANCE TO AMERICAN FOREIGN POLICY . . . . .	175
<i>Davis B. Bobrow, ed.</i>	

HOW EAST ASIANS VIEW DEMOCRACY . . . . .	176
<i>Yun-han Chu, Larry Diamond, Andrew J. Nathan, and Doh Chull Shin, eds.</i>	
INDIA: THE EMERGING GIANT . . . . .	177
<i>Arvind Panagariya</i>	
INDIA'S OPEN-ECONOMY POLICY: GLOBALISM, RIVALRY, CONTINUITY . . . . .	178
<i>Jalal Alamgir</i>	
INTERNATIONAL RELATIONS OF ASIA . . . . .	179
<i>David Shambaugh and Michael Yahuda, eds.</i>	
THE JAPANESE CHALLENGE TO THE AMERICAN NEOLIBERAL WORLD ORDER: IDENTITY, MEANING, AND FOREIGN POLICY . . . . .	180
<i>Yong Wook Lee</i>	
JAPAN'S AGGRESSIVE LEGALISM: LAW AND FOREIGN TRADE POLITICS BEYOND THE WTO . . . . .	181
<i>Saadia M. Pekkanen</i>	
THE MADRASSAH CHALLENGE: MILITANCY AND RELIGIOUS EDUCATION IN PAKISTAN . . . . .	182
<i>C. Christine Fair</i>	
THE NEW ASIAN HEMISPHERE: THE IRRESISTIBLE SHIFT OF GLOBAL POWER TO THE EAST . . . . .	183
<i>Kishore Mahbubani</i>	
NORMALIZING JAPAN: POLITICS, IDENTITY, AND THE EVOLUTION OF SECURITY PRACTICE . . . . .	184
<i>Andrew L. Oros</i>	
NORTHEAST ASIA: RIPE FOR INTEGRATION? . . . . .	185
<i>Vinod K. Aggarwal, Min Gyo Koo, Seungjoo Lee, and Chung-in Moon, eds.</i>	
RIVALS: HOW THE POWER STRUGGLE BETWEEN CHINA, INDIA AND JAPAN WILL SHAPE OUR NEXT DECADE . . . . .	186
<i>Bill Emmott</i>	
RUSSIAN ENERGY POLICY AND MILITARY POWER: PUTIN'S QUEST FOR GREATNESS . . . . .	187
<i>Pavel K. Baev</i>	
THE SECOND WORLD: EMPIRES AND INFLUENCE IN THE NEW GLOBAL ORDER . . . . .	188
<i>Parag Khanna</i>	
WEALTH INTO POWER: THE COMMUNIST PARTY'S EMBRACE OF CHINA'S PRIVATE SECTOR . . . . .	189
<i>Bruce J. Dickson</i>	

## *Asia's New Regionalism*

Ellen L. Frost

Boulder: Lynne Rienner Publishers, 2008 ≈ 293 pp.

---

This analysis of Asian regionalism describes both the government-driven integration movement and the spontaneous integration reconnecting Asia's maritime regions.

### **MAIN FINDINGS**

Asia's new regionalism is slow-moving but real. It reflects (1) the reintegration of a "maritime Asia"—the sweep of ports, coastal zones, and trading hubs clustered along ocean-accessible rivers, (2) the government-driven quest for closer integration and community-building among the governments of Asia Major, and (3) peaceful competition for influence between China and Japan and between China and the U.S. Driven by a handful of ASEAN governments, the integration movement now extends to 16 countries, including China, Japan, India, and Australia. Despite its slow pace and serious internal divisions, the effort amounts to more than a "talk shop." Its vague, open-ended nature corresponds to Asia's fluid regional environment and varying economic needs. The U.S. does not need a "seat at the table" but still remains indispensable.

### **POLICY IMPLICATIONS**

- For the U.S., taking Asian regionalism seriously, listening instead of preaching, and sending high-level representatives to trans-Pacific meetings would signal renewed engagement and constructive competition with China.
- Reiterating Defense Secretary Robert Gates' assertions that the U.S. is an "Asian power" and a "resident power" in Asia would send a much-needed message of continuity and reassurance.
- Signing ASEAN's Treaty of Amity and Cooperation would be a tangible expression of re-engagement and support while not requiring any changes in the U.S. military posture.
- Rescheduling the U.S.-ASEAN summit, cancelled in 2007, would have the same positive effect. Convening the summit in Asia is important for diplomatic reasons, and it could be scheduled alongside the APEC summit to minimize the U.S. president's travel time.
- Revitalizing APEC is important for strategic as well as trade reasons.

*Axis of Convenience:  
Moscow, Beijing, and the New Geopolitics*

Bobo Lo

Washington, D.C.: Brookings Institution Press and Chatham House, 2008 ≈ 300 pp.

---

This book examines the current state and future prospects of the Sino-Russian relationship in a rapidly evolving global context.

**MAIN ARGUMENT**

Few international relationships have provoked such polarized views as the Sino-Russian “strategic partnership.” Moscow and Beijing portray bilateral ties as a model of cooperation, whereas Western critics warn of an authoritarian alliance that would create a new, non-democratic world order. This book challenges these simplistic interpretations, arguing instead that the dynamic between the two great powers is one of strategic convenience—an axis of convenience—driven by expediency and self-interest.

**POLICY IMPLICATIONS**

- The West should not see the Sino-Russian partnership as a threat. Moscow and Beijing have different views of the world, contrasting approaches to foreign policy, and sometimes conflicting priorities. Their apparent consensus is superficial and fragile.
- Moscow and Beijing look principally to the West, not to each other. Russia attaches much greater importance to Europe, whereas China sees the U.S. as its indispensable partner.
- In Central Asia, Russia and China are more competitors than partners, as revealed both in their contrasting attitudes toward the Shanghai Cooperation Organisation and in their growing competition for regional energy resources.
- As a huge energy consumer and importer, China has more in common with the U.S. than with Russia. Despite threatening talk, Moscow has no interest in diverting gas exports from Europe to China.
- Sino-Russian relations will remain sound over the next decade, but the longer-term outlook is problematic. Although confrontation is unlikely, relations will become increasingly uncomfortable. Both countries will engage more with the West—China because the West is key to its future; Russia out of fear of China.
- The West has a strong interest in a stable Sino-Russian relationship. A major deterioration would seriously undermine Eurasian and global security.

*China's New Confucianism:  
Politics and Everyday Life in a Changing Society*

Daniel A. Bell

Princeton: Princeton University Press, 2008 ≈ 258 pp.

---

This book explores the influence of Confucianism on politics, economics, and everyday life in contemporary China, and draws implications for China's role in the international arena.

**MAIN ARGUMENT**

Given that communism has lost its capacity to inspire the Chinese, there is a need both for a new moral foundation for political rule in China as well as for a new philosophy that can provide moral guidance in everyday life. To the surprise of many Sinologists, the new philosophy under consideration in China does not owe much to Western liberal-democracy. Rather, the old and venerable tradition of Confucianism is being revived and debated by government officials and critical intellectuals, as well as by ordinary citizens. The distinctive features of contemporary Chinese society reflect Confucian assumptions, values, and practices that offer a compelling alternative to Western liberalism.

**POLICY IMPLICATIONS**

- Western countries should not assume that liberal democracy is the only morally defensible alternative to the status quo in China; they should allow for the possibility of alternatives built on China's own political traditions.
- Creative adaptation of the Confucian legacy can be helpful for dealing with the challenges of contemporary China.
- An appreciation of the Confucian realities and tendencies of what is often referred to as Communist China will help defuse misunderstandings and the dangers of unnecessary conflict between China and the West.

## *China's Rise: Challenges and Opportunities*

C. Fred Bergsten, Charles Freeman,  
Nicholas R. Lardy, and Derek J. Mitchell

Washington, D.C.: Peterson Institute for International Economics, 2008 ≈ 256 pp.

---

This book examines the dynamics underpinning China's rise and suggests U.S. policy responses to further encourage China's constructive integration into the international community.

### **MAIN ARGUMENT**

China poses enormous challenges and opportunities to the U.S. and the world. As China continues to evolve and debate its future course, U.S. interests can be best protected by engaging China actively during this formative period, and by helping the country develop the tools, infrastructure, and policies that will enable Beijing to become a cooperative counterpart to Washington in global affairs. The U.S. should support reconfiguration of the global architecture to incorporate China into the discussion both of the development of international rules and of what it means to be a "responsible stakeholder."

### **POLICY IMPLICATIONS**

- Given that China faces significant domestic challenges—which include developing democracy with Chinese characteristics and handling relations between the central and local governments—U.S. policy goals would benefit by enhancing exchanges among officials, politicians, academics, and business groups that help China manage these challenges.
- China's unbalanced economic development, especially its energy-intensive heavy industry and investment-led growth, has aggravated income inequality, heightened trade tensions, and contributed to serious environmental problems. More vigorous Chinese government policy action is needed in the fiscal, financial, exchange rate, and pricing domains. The U.S. can work with China on climate change through a multilateral climate framework.
- The U.S. must ensure that China enhances PLA transparency and understands continued U.S. regional commitments and capabilities, all the while seeking to work with China where there are mutual interests.
- As China has the potential to contribute to the resolution of a broad range of global issues, its expanding engagement with the world, channeled constructively, should be welcomed.

*China's Struggle for Status:  
The Realignment of International Relations*

Yong Deng

New York: Cambridge University Press, 2008 ≈ 312 pp.

---

This book provides an original and comprehensive account of China's remarkable rise from the periphery to the center stage of post-Cold War world politics.

**MAIN ARGUMENT**

Chinese foreign relations since the Cold War have been a process whereby the once beleaguered country has adapted to, and proactively realigned, its international environment. In so doing, the ruling Communist Party has striven to simultaneously manage China's domestic and international transitions while balancing nationalism with globalization, power with recognition, and change with compliance within the globalized world. This duality is evident in Beijing's policies regarding such key issues as international hierarchy and Taiwan. Moreover, developments in world politics, though not always of China's making, have overall aligned well with Beijing's policy adjustments.

**POLICY IMPLICATIONS**

- Chinese foreign policy does not neatly fit any of the mainstream international relations theories. Thus, when devising a China policy, the U.S. needs to creatively address Chinese desire for recognition, change, and power.
- Given that status recognition is such a potent force driving Chinese action abroad, while being tough, the U.S. should eschew characterizing disagreements with China in terms of "us versus them" strategic hostility.
- The Sino-U.S. relationship does not exist in isolation but should be considered by Washington in a broad rethinking of how to renew U.S. global leadership. As an up-and-coming power, China is more likely to become the "responsible stakeholder" that the U.S. wants it to become if the constraints on wayward behavior and zero-sum power competition are firmly embedded in a world continually defined by openness, globalization, and shared governance.



## *China's Tibet? Autonomy or Assimilation*

Warren W. Smith Jr.

Lanham: Rowman & Littlefield, 2008 ≈ 336 pp.

---

This book analyzes whether Beijing's policy toward Tibet is one of autonomy for or assimilation of the Tibetan people.

### **MAIN ARGUMENT**

China's promises to Tibet of cultural, religious, and even political autonomy have never been more than a temporary tactic considered necessary to reduce resistance to Tibet's incorporation into the Chinese state. Since 1979 the Chinese government has engaged in a sporadic dialogue with the Dalai Lama. Beijing, however, denies that there are any unresolved political issues involving Tibet and has instead tried to confine the dialogue to the personal future of the Dalai Lama. China has thus used Sino-Tibetan dialogue to try to defuse criticism from both the Tibetan exile and international communities while making no concessions in regard to Tibetan autonomy.

### **POLICY IMPLICATIONS**

- China has demonstrated that it will not yield to Western pressure to negotiate a solution to the Tibet issue but instead will continue to attempt to resolve the issue through repression of Tibetan separatism, economic development, and colonization. China will await the death of the current Dalai Lama and appoint its own "patriotic" Dalai Lama to replace him.
- In the absence of any foreseeable solution to the Tibet issue, the international community should promote Tibet's right to national self-determination in order to help Tibetans maintain the most essential elements of their national identity.

*Choose and Focus:  
Japanese Business Strategies for the 21st Century*

Ulrike Schaede

Ithaca: Cornell University Press, 2008 ≈ 304 pp.

---

The book explains how 1998–2006 marked a strategic inflection point during which the old ways of Japanese business were undermined, leading to the emergence of new, focused, and lean competitors in Japan.

**MAIN ARGUMENT**

Political change and legal reform, combined with crisis and the arrival of global competition in Japan, have caused Japanese businesses to realize that their old competitive advantages from quality mass-production no longer guarantee success. Japan's largest firms have refocused by shedding non-core businesses and by repositioning for leadership in targeted technologies. This development is spearheaded in high-margin upstream and midstream components and materials.

**POLICY IMPLICATIONS**

These changes have undermined what we knew about Japan from the 1980s, regarding banks, business groups, employment, and subcontracting:

- Japanese companies will be able to recover more quickly from the current global economic shock because Japan's new economy features M&As, hostile takeovers, ownership by institutional investors and foreigners, and global parts sourcing, and is driven toward innovation, price competition, and efficiency. The buyout of Lehman Brothers and Morgan Stanley by Japanese banks is a visible sign of an otherwise less obvious reversal.
- U.S. firms now have much greater access to Japanese markets because Japan's new, nimble firms rely more heavily on the outsourcing of products and services.
- New leadership in materials and components has made Japanese inputs critical for U.S. firms. Many of the suppliers of these inputs are not household names.
- To understand the new competitive threat to U.S. firms from Japan, one must look beyond end products and reorient one's thinking regarding global competition toward new industries. For example, Japan's new leadership in materials extends to green technologies, ranging from efficient power generation to recycling filter membranes and chemicals. U.S. firms in these industries are facing new competition.

## *Climatic Cataclysm: The Foreign Policy and National Security Implications of Climate Change*

Kurt M. Campbell, ed.

Washington, D.C.: Brookings Institution Press, 2008  237 pp.

---

The result of a collaborative effort of experts on climate science, foreign policy, political science, oceanography, history, and national security, this book examines the risk that climate change could pose to global peace and security.

### **MAIN ARGUMENT**

Based on climate models and scientific analysis, this book's group of experts developed a range of future scenarios for a world affected by climate change. These scenarios use the timeframe of a national security planner: 30 years, which is the time it takes to deliver major military platforms from the drawing board to the battlefield. Derived from these possible future worlds are a series of security and foreign policy implications of global climate change: increasing migration, resource scarcity, pressing health and public service demands on governments, nuclear proliferation challenges, and worldwide political disequilibrium.

### **POLICY IMPLICATIONS**

- If not dealt with proactively, climate change may come to represent a foreign policy and national security problem as great as or greater than any of the other challenges the nation faces, from violent extremism to winning the wars in Afghanistan and Iraq. Global climate change will almost certainly exacerbate most of these other security challenges.
- Despite the pressing and profound nature of the crisis, there is still time for the U.S. and the international community to plan a response that prevents, mitigates, and—where possible—adapts to climate change.

## *Crisis as Catalyst: Asia's Dynamic Political Economy*

Andrew MacIntyre, T.J. Pempel, and John Ravenhill, eds.

Ithaca: Cornell University Press, 2008 ≈ 336 pp.

---

This book analyzes the political and economic changes in East Asia ten years after the crisis of 1997–98.

### **MAIN FINDINGS**

- The crisis had a profound effect on preexisting patterns of political economy within the region, generating major changes in banking, corporate regulation, and social protection.
- There was no common movement by all countries toward marketization, nor was there wholesale abandonment of the soft pegging of currencies to the U.S. dollar.
- Major moves toward denationalization of ownership and liberalization occurred, but long-standing national commitments to “growth with equity” were not abandoned.
- Though not immediately affected economically by the crisis, China responded both with a tighter embrace of capitalism and with a commitment to regionalism.
- A variety of region-wide solutions grew out of the crisis, including enhanced foreign reserves, numerous bilateral free trade agreements (FTAs), and new regional institutions whose memberships were largely “Asians only” rather than being pan-Pacific.
- The U.S. market has become less central to East Asian export economies.

### **POLICY IMPLICATIONS**

- If the U.S. reasserts its prior commitments to pan-Asian bodies such as the APEC forum and the ASEAN Regional Forum (ARF), Asian governments would welcome Washington’s reengagement on region-wide economic and security matters.
- Trade and investment, long the main tools for Asian growth, remain open to participation both by private U.S. corporations and through governmental pursuit of bilateral free trade agreements.
- Ongoing tensions among states in the region lead many to hedge by reinforcing extraregional linkages. The unchallenged porosity of the region leaves it open to continued deepening of cross-Pacific ties.
- As Asian financial and economic growth continues, Asian governments will demand stronger representation in global institutions such as the International Monetary Fund (IMF), the World Bank, and the World Trade Organization (WTO).

*Cross Regional Trade Agreements:  
Understanding Permeated Regionalism in East Asia*

Saori N. Katada and Mireya Solís, eds.

New York: Springer, 2008  168 pp.

---

In sharp contrast to the Americas and Europe, where cross-regional initiatives gained strength after the consolidation of regional trade integration, East Asian governments early on negotiated trade deals with partners outside of their region. Why have East Asian countries been prone to negotiate cross-regional trade agreements (CRTA) undermining in the process the chances of a self-contained regional economic bloc?

**MAIN ARGUMENT**

Although regional factors in East Asia (such as lingering historical and territorial disputes as well as dependence on global markets) create incentives to negotiate CRTAs, East Asian countries are also interested in negotiating extraregionally to increase their intraregional trade leverage by using CRTA negotiations as a training ground and opportunity for domestic precedent setting in a low-risk environment. CRTAs are important because they disseminate negotiation modalities from one region to another and yield permeated regionalism.

**POLICY IMPLICATIONS**

- A “fortress Asia” scenario is not realistic. The world is full of cross-regional interactions and is not converging in the direction of enclosed regional blocs. East Asia is particularly porous because early negotiations with extraregional partners have influenced subsequent free trade agreement (FTA) talks with regional ones.
- Seemingly trivial CRTAs (due to modest shares of trade covered) have an impact on how East Asian regionalism unfolds because they build bureaucratic capacity, boost international FTA credibility, and set domestic political compromises on market opening.
- CRTA diplomacy attests to the new willingness of East Asian governments to go beyond their status as aggressive exporters in order to become assertive players in defining international trading rules. A case in point is Beijing’s use of CRTAs to advance recognition of China’s status as a market economy.

*East Asian Multilateralism:  
Prospects for Regional Stability*

Kent E. Calder and Francis Fukuyama, eds.

Baltimore: Johns Hopkins University Press, 2008 ≈ 296 pp.

---

This book examines the historical determinants of multilateral institutions in East Asia in order to uncover the constraints preventing the emergence of stronger multilateral structures.

**MAIN ARGUMENT**

When compared to Europe, East Asia faces an “organization gap” with regard to multilateral institutions. Although the region hosts relatively weak organizations like ASEAN (Association of Southeast Asian Nations) and APEC (Asia-Pacific Economic Cooperation), it lacks integrating groupings that can promote either trade and investment or security. Whereas the six-party talks have been established to deal with North Korean nuclear weapons, there is no multilateral security framework for either integrating China into a regional system or else containing it.

There are many historical reasons for this, including the historical and ideological enmities that prohibited cooperation among regional powers such as China, Japan, and Korea as well as the differing levels of regional development. Economic ties amount to a “spaghetti bowl” of bilateral trade agreements, whereas security is a legacy of the hub-and-spoke system centered on Washington. At the same time, the U.S. has opposed Asian multilateral organizations, such as the East Asian Economic Caucus or an Asian IMF, that would dilute U.S. influence.

**POLICY IMPLICATIONS**

- Given the more than \$3 trillion in reserves held by countries in East Asia, with greater cooperation the region could become a powerhouse in global finance.
- A multilateral security organization for Northeast Asia could reassure China, Japan, and Korea about long-term defense plans and help coordination for certain contingencies, such as the collapse of North Korea.
- The U.S. should see groups that exclude Washington, for example ASEAN +3, not as a threat but as a means of integrating Japan and Korea more firmly into the region.

*Fighting for Foreigners:  
Immigration and Its Impact on Japanese Democracy*

Apichai W. Shipper

Ithaca: Cornell University Press, 2008 ≈ 232 pp.

---

This book explores the mechanism of how ordinary citizens and citizen groups aid immigrants in Japan, and draws implications for democratic innovation in contemporary Japan.

**MAIN ARGUMENT**

Unskilled foreign workers in present-day Japan face a range of hardships: existing government programs provide little support, legal foreigners generally avoid providing aid to their illegal counterparts, and the media often negatively portray illegal workers, thereby reinforcing popular suspicion and fear of foreigners (as occurs in several other industrialized democracies).

Ordinary Japanese citizens, however, have formed numerous local associations aimed at assisting illegal foreign workers. Owing to such initiatives, Japan has achieved a surprisingly high degree of humanitarianism and civility in its accommodation of foreign workers, including illegal ones.

**POLICY IMPLICATIONS**

- In comparison to the culture and politics of the U.S., Japanese culture and politics have historically been less than accommodating to foreigners. However, the fact that Japanese citizens have established most of the foreigner advocacy NGOs in Japan challenges the understanding of Japan as being “homogeneous,” “isolated,” and “suspicious of outsiders,” and offers a unique perspective on Japanese attitudes toward foreign workers.
- Whereas conventional wisdom assumes that foreign workers and racial differences weaken both labor organizations and democratic ideals, this book finds that the influx of foreigners into Japan has stimulated democratic innovation—e.g., public discussion, political participation of marginalized groups, and institutional experimentation—in a search for a more just and humane treatment of foreigners in the host country. Most surprising is that it has been illegal foreigners who appear to have made the most institutional contributions to democratic multiculturalism in Japan.

*Fortifying China:  
The Struggle to Build a Modern Defense Economy*

Tai Ming Cheung

Ithaca: Cornell University Press, 2008 ≈ 296 pp.

---

This book examines China's efforts to become a world-class military technological power through the organizational and technological transformation of its defense economy, and draws implications for the U.S.

**MAIN ARGUMENT**

In China's struggles since the late 1990s to turn its military into a world-class technological power, the defense economy has leveraged the country's vibrant civilian economy and gained access to foreign sources of technology. This transformation has two key dimensions. First, the defense economy is being reengineered to break down bureaucratic barriers and reduce the role of the state, thereby fostering a more competitive and entrepreneurial culture that facilitates the rapid diffusion and absorption of technology and knowledge. Second, the civilian and defense economies are being integrated to form a dual-use technological and industrial base.

**POLICY IMPLICATIONS**

- Since the late 1980s, U.S. efforts to deny China access to state-of-the-art defense technology have impeded the country's military modernization efforts. Despite the embargo, however, China's defense establishment is now making rapid and sustainable progress. Washington should reconsider whether the security benefits of the U.S. embargo will eventually be outweighed by the political and strategic drawbacks of continuing to antagonize China while only marginally slowing down the technological transformation of the Chinese military.
- Washington should thus encourage greater cooperation between U.S. and Chinese defense firms on civilian technological and industrial projects.
- In particular, the U.S. should offer equipment and technologies to China that are less capable than what the U.S. uses or exports to its regional allies but are of a better quality than what China could obtain from Russia. Washington should allow the sale of advanced weapons systems to Asian allies in order to offset any advantages China would gain from U.S. arms procurements.



## *Hegemony Constrained: Evasion, Modification, and Resistance to American Foreign Policy*

Davis B. Bobrow, ed.

Pittsburgh: University of Pittsburgh Press, 2008  368 pp.

---

When and how do others in the world try to evade, modify, and even resist U.S. government policy preferences? This book presents a framework of non-compliance options and case studies.

### **MAIN ARGUMENT**

Foreign governments and organizations—whether allies, neutrals, or enemies—have more subtle options with regard to U.S. policies than just followership, passivity, suicidal opposition, or formal counter-balancing alliances. Their choices are shaped not only by their international assets and ties with the U.S. but at least as much by their domestic political dynamics, issue priorities rooted in remembered history and local context, and expectations about the influence of U.S. political alignments that support or oppose current U.S. policies. Foreign countries can gain advantage by having comparatively more sustained and focused policy priorities as well as by grooming policymakers that are better informed about U.S. politics than U.S. policymakers are about domestic politics elsewhere.

### **POLICY IMPLICATIONS**

- Given that Asian elites, whether allies, foes, or neutrals, can negatively affect the timing, costs, and benefits of almost any regional and global U.S. foreign and security policy, the U.S. needs to provide them incentives to refrain from doing so.
- Expressed Asian support for a U.S. policy is not always proof of agreement. Instead, such support may be a bargaining chip for achieving disproportionately large U.S. concessions on other issues, a way more generally to weaken or divert the U.S., or a pledge unlikely to be fulfilled.
- Asian responses to U.S. policies take into account both their prevailing interpretation of previous U.S. policies and the pay-offs and risks in their domestic and regional politics from compliance with Washington.
- Asian elites and publics view U.S. policies as volatile, subject to short-term selfish thinking, and domestically opportunistic. They often hedge bets on particular U.S. policies in ways that do not burn bridges with Washington.
- Superficial consultation and token multilateralism will not substantially reduce Asian willingness to selectively evade, modify, or even resist U.S. policies.

## *How East Asians View Democracy*

Yun-han Chu, Larry Diamond,  
Andrew J. Nathan, and Doh Chull Shin, eds.

New York: Columbia University Press, 2008 ≈ 328 pp.

---

The Asian Barometer Survey conducted national random-sample surveys in 2002 in five new democracies (Mongolia, the Philippines, South Korea, Taiwan, and Thailand), one old one (Japan), one quasi-democracy (Hong Kong), and one authoritarian system (China) to understand how East Asians view democracy.

### **MAIN ARGUMENT**

Among these eight political systems, public satisfaction with the regime was found to be highest in authoritarian China, lowest in democratic Japan and Taiwan, and fragile in the other new democracies (South Korea, Thailand, Philippines, and Mongolia). Commitment to democracy as an ideal is widespread but often leads citizens to be more critical and less, not more, supportive of their own democratic regime. Support of democracy is affected by changing perceptions of regime performance, levels of regime corruption, and the trustworthiness of political institutions.

### **POLICY IMPLICATIONS**

- It is not useful to promote democracy as a label because authoritarian regimes are adept at seizing this word for themselves. More important is to promote basic values that contribute to democracy, such as political equality, rule of law, accountability, and free and fair political competition.
- The framework institutions of “minimal democracy,” such as political parties and elections, are not sufficient to secure the democracy-promotion goals. These institutions are too easily manipulated by authoritarian rulers and too thin to provide satisfactory quality of governance.
- Democracy promotion as grand strategy has focused too much on promoting transitions and not enough on rooting new regimes in the hearts of the people—a process that political scientists label “consolidation.”
- Consolidating democracy in East Asia will require steps to make democratic systems more effective, transparent, and responsible—for example by strengthening legislative oversight, judicial independence, economic regulation, and deterrence of corruption.
- Economic development appears to give rise to support for more liberal values, including tolerance and rule of law. Thus, supporting sustained and broadly distributed economic development is one way to encourage long-term democratic development.

## *India: The Emerging Giant*

Arvind Panagariya

New York: Oxford University Press, 2008  544 pp.

---

The book offers a comprehensive treatment of economic policies and outcomes in India from 1951 to 2006. Broad topics covered include growth; poverty and inequality; macroeconomic policies relating to deficits, debt, exchange rates, money, and banking; sectoral policies in trade, industry, services, and agriculture; and the government sector, including taxes, subsidies, civil service, infrastructure, health, and education.

### **MAIN ARGUMENT**

In each of post-independence India's four main phases of growth, economic policies were central to the outcomes achieved with respect to growth and poverty alleviation. In Phase I (1951–64), the building of political, judicial, and economic institutions—combined with the relatively free rein given to entrepreneurs, trade, and foreign capital—led to an acceleration in growth (from below 1% during the first half of the 20th century to 4.1%). In Phase II (1965–88), the government dramatically tightened its grip on entrepreneurial activity and foreign trade and investment. Rather than accelerate, as happened in South Korea, growth decelerated during this period (to 3.2%). The first two phases taken together saw no change in the proportion of the population living below the poverty line. In Phase III (1981–87), piecemeal liberalization and fiscal expansion helped raise the growth rate to 4.8%. It was, however, the systematic and systemic liberalization occurring in Phase IV (1988–2006) that set India on the path to sustained rapid growth (6.5% during the fourth phase overall and 9% during 2003–07). In addition, poverty declined significantly in the third and fourth phases.

### **POLICY IMPLICATIONS**

Although inevitably needing to remain involved in the provision of infrastructure, education, health care, and water, the government must continue to give increased space to private entrepreneurs in other areas. Steps toward achieving this goal would include liberalizing labor and land laws, introducing a proper bankruptcy law, privatizing manufacturing enterprises still in the public sector, and introducing genuine entry to private universities as a part of broader reform of the higher education system.

# *India's Open-Economy Policy: Globalism, Rivalry, Continuity*

Jalal Alamgir

New York: Routledge, 2008 ≈ 192 pp.

---

This book explains why India's open-economy policy, initiated in 1991, has continued unabated despite widespread domestic political risks, and draws implications for countries seeking to politically market grand or controversial ideas.

## **MAIN ARGUMENT**

India's ability to make economic openness a core commitment is a result of two key ideas that have enabled consensus. The first, which evolved out of India's anti-colonial movement, is a desire to play a strong role in world affairs. The second concerns India's perception of international rivalry, in which the image of China in particular has evolved from solidarity to enmity to envy. By the 1990s the influence of globalism and rivalry cumulated into a sense of urgency for economic empowerment, allowing policymakers to privilege international needs over domestic political demands and to unify political divisions under strongly nationalist rhetoric, ensuring that India's economic openness could not be curtailed even though specific policies faced opposition.

## **POLICY IMPLICATIONS**

To reduce domestic political risks associated with controversial economic policies, policymakers can:

- Analyze emerging discourses in the polity to devise political marketing strategies that address the causes and consequences of these discourses.
- Show policy consistency with the least disputed or most widely understood historic continuities (e.g., in India's case, an ongoing project of national empowerment).
- Refocus domestic political opposition to issues of international position, status, or competition.
- Shift the political discourse of the opposition from international constraints (such as IMF conditionalities) to international opportunities (such as playing a greater role in world affairs).
- Avoid unbridled materialism (e.g., the BJP's 2000–04 "Feel Good" and "India Shining" campaigns) that may be out of sync with the political-economic perceptions of the majority.

## *International Relations of Asia*

David Shambaugh and Michael Yahuda, eds.

Lanham: Rowman & Littlefield, 2008 ≈ 402 pp.

---

This book draws together sixteen leading scholars to examine Asia's regional relationships involving both interstate and intersocietal relations.

### **MAIN ARGUMENT**

As the world's most vital region, Asia embodies explosive economic growth, diverse political systems, vibrant societies, modernizing militaries, cutting-edge technologies, rich cultural traditions amid globalization, and strategic competition among major powers. As a result, international relations in Asia are evolving rapidly.

### **POLICY IMPLICATIONS**

- Washington must address the widespread perception that the U.S. is not paying sufficient attention to Asian views and interests and is marginalizing itself by paying little regard to regional multilateral institutions and to community-building in Asia.
- Although Washington has developed a good working relationship with a rising China, there is a need to place that relationship within a wider regional context. In particular, Japan's concerns about being marginalized should be addressed by convening an annual or biannual triangular summit of leaders from the U.S., China, and Japan. For Tokyo to work together with Beijing and Washington on regional issues is vital to regional stability.
- Although no longer the dominant actor in the region, the U.S. still serves the vital role of an external balancer and provides the public good of regional maritime security.
- The U.S. should join a variety of regional partnerships designed to address significant sources of nontraditional security concerns. These concerns include meeting the threats of natural disasters, health pandemics, international crime, illegal migration, environmental degradation, and other "soft security" challenges.
- The U.S. could also adopt a leadership role in building partnerships that address the need for greater energy efficiency, more alternative energies, and resources for tackling climate change.

*The Japanese Challenge to the American Neoliberal World Order: Identity, Meaning, and Foreign Policy*

Yong Wook Lee

Stanford: Stanford University Press, 2008 ≈ 304 pp.

---

This book presents an analysis of the nature and evolution of the Japanese challenge to the U.S.-led neoliberal world economic order since the mid-1980s.

**MAIN ARGUMENT**

Japan's historically and socially constructed conception of an appropriate model of economic development—one that emphasizes the role of the state—has led Japan to challenge the U.S.-led neoliberal world order. Japan has challenged the U.S. in various international financial and development forums, such as the World Bank, the Asian Development Bank, and APEC (Asia-Pacific Economic Cooperation), reaching a high point in Japan's proposal for an Asian Monetary Fund (AMF) that intentionally excluded the U.S. from membership during the Asian financial crisis of 1997–98. In the wake of the Asian financial crisis, Japan established the Tokyo-based Asian Development Bank Institute as a center for alternative development and monetary paradigms, thereby challenging the IMF's global prescriptions.

**POLICY IMPLICATIONS**

- Japan's AMF proposal has constituted the beginning of the so-called post-crisis "new Asian regionalism." The main characterization of new Asian regionalism is increased formalization/institutionalization of economic integration among East Asian states that tends to exclude the U.S. from membership. ASEAN +3 (China, Japan, and Korea) and the East Asia Summit are examples of such regionalism.
- As long as East Asia (members of ASEAN +3) is defined in relation to the proponents and opponents of the U.S.-led neoliberalism, this book predicts that the very discursive condition that generates the conception of East Asia has an effect of excluding the U.S. from Asian regional institution-building efforts on financial and monetary issues.

*Japan's Aggressive Legalism:  
Law and Foreign Trade Politics Beyond the WTO*

Saadia M. Pekkanen

Stanford: Stanford University Press, 2008  432 pp.

---

This study examines the ways in which Japanese actors have begun to strategically use law and legal processes to shape their foreign trade relations.

**MAIN ARGUMENT**

There is a new, proactive shift toward the use of law occurring in Japan today. Backed by the government, the country's trade-dominant industries, with operational stakes at the domestic, regional, and global levels, are undertaking efforts that have led to a dramatic expansion of legalism. This legalism cuts across borders, institutional forums, and such key issues as antidumping disputes with the U.S., intellectual property concerns with both the U.S. and China, and the structuring of investment relations in the new preferential trade agreements (especially in Asia). Japan's new aggressive use of law is making its foreign trade politics very different in character than in the past.

**POLICY IMPLICATIONS**

- As the U.S. no longer has as much influence as it once did in Japan's trade relations, the emphasis on aggressive legalism affords a key opportunity for the U.S. to reshape its economic relationship with Japan. Rather than broad bilateral paradigms that lead more to diplomatic talks than to actual policy results, the U.S. can structure specific issues of concern with Japan, such as services or investment through binding legal instruments.
- The thrust of Japan's economic realities and diplomacy are Asia-bound. The U.S. is not an Asian power, and there is considerable resentment against U.S. attempts to dabble in regional Asian institutions. The U.S. therefore seriously needs to balance its regional economic interests as expressed through Asian agreements, on the one hand, with its worldwide interests as expressed through the WTO, on the other.
- The way Washington deals with Japan on the transparent and legitimate basis of law will have important ramifications for how it may deal economically with China and other Asian countries in the near future.

*The Madrassah Challenge:  
Militancy and Religious Education in Pakistan*

C. Christine Fair

Washington, D.C.: U.S. Institute of Peace Press, 2008 ≈ 180 pp.

---

This volume seeks to explore the connections between education and militancy in Pakistan by focusing on the varied institutions where Islamic education is obtained.

**MAIN ARGUMENT**

This book argues that *madaris* (plural for *madrassah*, or Islamic schools) in Pakistan, with relatively few students, pose particular and well-known policy problems. Madaris are not schools of last resort but likely reflect parental preferences valuing religious education. This book also shows, however, that fewer students use madaris for full-time education than is often believed, and points out that religious education is not the exclusive purview of madaris. Public schools present numerous, less well-known challenges.

**POLICY IMPLICATIONS**

- Given that madaris are not the only sources of militant manpower in Pakistan and given their overall low market share of students, the importance of madaris to global security may be exaggerated. Madaris do, however, have local import, appearing to produce students who are more obscurantist. Madaris, Pakistani analysts believe, foster sectarian tensions and possibly violence at least in part because madaris champion the superiority of their own interpretive tradition while propounding the inferiority of adherents of different traditions.
- U.S. efforts to encourage Islamabad to reform madaris have produced substantial backlash, which has also tainted U.S.-assisted efforts to reform Pakistan's public schools. Pakistanis see U.S. efforts as attempts to de-Islamize the school system.
- The U.S. is seen as hostile to Islam in Pakistan and is understood to be involved in diminishing Islam's role in Pakistan's educational system. The U.S. thus may want to consider ways of working silently through other partners (such as multilateral agencies) and other countries (such as Canada and the United Kingdom). All efforts to help Pakistan reform its educational system should consider parental preferences, which consistently demonstrate a desire that children become good Muslims through education.



*The New Asian Hemisphere:  
The Irresistible Shift of Global Power to the East*

Kishore Mahbubani

New York: PublicAffairs, 2008  336 pp.

---

This book describes and spells out implications of the new historical era now dawning: the end of Western domination of the world and the return of Asia.

**MAIN ARGUMENT**

Asian societies are finally succeeding again because they are implementing Western best practices in many areas, from free market economics to science and technology. This rise of Asia is unstoppable, and the West has to decide whether to work with rising Asia or attempt to thwart this rise. So far, Western powers have sent mixed signals, reflecting the new geopolitical incompetence emerging in the West.

**POLICY IMPLICATIONS**

- In assessing whether the rise of Asia will serve long-term Western interests, the West should understand that the new Asian powers are seeking to replicate, not dominate, the West, and that they wish to become responsible stakeholders in the global order. The West should share power—for example, Asian countries should be allowed to lead the IMF and the World Bank.
- The Asian march to modernity is now poised to enter West Asia. If the Islamic world also successfully modernizes, the West and Israel will be dealing with modern states. As the modernization of the Islamic world benefits Western, especially European, interests, the West should welcome the rise of Asia, instead of feeling threatened by it.
- The West also needs to comprehensively re-examine its policies toward China. Instead of pushing democracy and human rights principles on to China, the West should recognize that China's 30 year record of progressively opening up has fundamentally transformed Chinese society. Even if the West fails to readjust its policies toward China, the extraordinary geopolitical competence of Beijing is making up for the growing geopolitical incompetence of U.S. and European policymakers in their handling of Asia.

*Normalizing Japan:  
Politics, Identity, and the Evolution of Security Practice*

Andrew L. Oros

Stanford: Stanford University Press, 2008 ≈ 304 pp.

---

This study examines how Japan's security policies are affected by historical legacies regarding national identity.

**MAIN ARGUMENT**

This book argues that Japanese security policy has not changed as much in recent years as many believe, and that future change will be highly constrained by Japan's long-standing "security identity," the central principle guiding Japanese policy over the past half century. The analysis is based on detailed exploration of three cases of policy evolution—restrictions on arms exports, the military use of outer space, and cooperation with the U.S. on missile defense—which shed light on other cases of policy change, such as Japan's deployment of its military to Iraq and elsewhere and its recent creation of a Ministry of Defense. More broadly, the book refines how ideas interact with domestic politics and international changes to create policy change.

**POLICY IMPLICATIONS**

- U.S. pressure on Japan to further normalize its security policies to play a more active military role abroad is unlikely to yield significant policy change, and may create frustrations for policymakers in both countries.
- If U.S. policymakers do seek further security contributions from Japan, they should focus on contributions in line with Japan's existing security identity, including (1) no traditional role of the armed forces in domestic politics, (2) no use of force to resolve international disputes, except in self defense, and (3) no Japanese participation in foreign wars.
- Nevertheless, Japan is adapting its military policies in response to a more fluid and threatening international security environment and in light of reduced constraints from an antimilitarist left in domestic politics. Further evolution is likely, allowing new possibilities for U.S.-Japan military cooperation in areas that can be reconciled with Japan's evolving security identity.
- Recent legislative changes in Japan to allow for explicitly military activities in outer space and for a more robust and capable coast guard are two examples of major change within a flexible but important set of existing constraints.

## *Northeast Asia: Ripe for Integration?*

Vinod K. Aggarwal, Min Gyo Koo,  
Seungjoo Lee, and Chung-in Moon, eds.

Berlin: Springer-Verlag, 2008  268 pp.

---

This book explores Northeast Asia's emerging institutional architecture in trade, finance, and security in the advent of triple "post shocks"—namely the post-Cold War, the post-Asian financial crisis of 1997–98, and the post-September 11 attacks.

### **MAIN ARGUMENT**

The isomorphic pressures of triple post shocks have converged the interests of Northeast Asian countries in seeking free trade, financial stability, and collective security by securing inclusive "club goods," as manifested by the proliferation of free trade agreements, preferential financial arrangements, and both formal and informal security dialogues. Such changes constitute a significant departure from Northeast Asian countries' traditional commitment to broad-based multilateral trade and financial organizations and bilaterally-based security mechanisms.

### **POLICY IMPLICATIONS**

- Although Northeast Asian countries' growing preference for club goods—as opposed to public or private goods—are at the heart of the region's drive for a new institutional architecture, best is for Northeast Asia to remain an open region, owing to its economic and security links to global politics and economies, particularly the one made by the U.S. However, the U.S. will be reduced to a secondary power in the region if it fails to engage in the region's new institutional architecture.
- Particularly in economic issue areas, regaining the trust of Northeast Asian countries in global multilateral institutions such as the WTO and the IMF is a key to preventing the region from sliding into an extremely exclusive regional bloc at the expense of U.S. interests. As a result, the U.S. should redouble its effort to revamp those stumbling global institutions.

## *Rivals: How the Power Struggle between China, India and Japan Will Shape Our Next Decade*

Bill Emmott

San Diego: Harcourt, 2008 ≈ 352 pp.

---

This book examines the implications of the emergence of three great political and economic powers in Asia—China, India, and Japan—and of their commercial, diplomatic, and potentially military rivalry.

### **MAIN ARGUMENT**

Economic development in Asia has followed a familiar pattern of high savings, high investment, and growing exports, with China now emulating Japan's example and India attempting to follow China. Although always threatened by political instability or global economic conditions, this development is likely to be sustained during the coming decade and beyond. This means that the economic and political interests of the major Asian powers will increasingly overlap, with China reaching across the Indian Ocean for resources, India looking eastward for markets and investment partners, and Japan seeking a closer relationship with India in order to discourage China from seeking to dominate Asia. This evolution toward genuinely "Asian" commercial, diplomatic, and strategic thinking could be benign if all three great powers and their many weaker neighbors accept that cooperation is more in their interests than conflict. Conflict remains a danger, however, thanks to the many unresolved territorial disputes in the region, to ambitious political and military leaderships, to the legacy of history, and to the rise of nationalism in all three countries but especially in China and Japan.

### **POLICY IMPLICATIONS**

- The Bush administration's strategy of engaging more deeply with China while simultaneously strengthening the U.S.-Japan military alliance and forging a civil nuclear energy pact and joint defense framework with India should be continued by future administrations. Balance-of-power politics is the emerging reality of Asia, and that reality is more likely to remain peaceful if the three main powers all feel strong and secure.
- Such balance-of-power politics would best be played out through deeper, more inclusive regional institutions that encourage governments to seek cooperation or compromise, beginning (like the European Union) in the realm of economic affairs. The East Asia Summit, launched in 2005, is a better framework than the obsolete APEC. The U.S. needs to be present in all security forums but absent from regional economic discussions.

*Russian Energy Policy and Military Power:  
Putin's Quest for Greatness*

Pavel K. Baev

Abingdon: Routledge, 2008  240 pp.

---

The book examines the interplay between Russia's desire to restore its military power, instrumentalize its energy potential, and re-establish the country's "greatness."

**MAIN ARGUMENT**

The rigid centralization of political decisionmaking by the end of Putin's second presidential term notwithstanding, the three main goals of Russian policymaking remain controversial and conflictive. In the interplay between energy and military policies, the most obvious contradiction has been between the need for military modernization and for more investment in the energy complex. Between restoring military power and asserting greatness, the key contradiction has been between prioritizing the strategic nuclear forces and building rapid-deployment capabilities. In the newly emerged interplay between maximizing energy power and achieving greatness, there is a contradiction between the desire to maximize financial returns from energy export and the desire to harvest political dividends from the role of privileged supplier.

**POLICY IMPLICATIONS**

- The Russian top brass have lost much political influence and are not able to secure a sufficient transfer of resources from the energy sector. This implies that the long-postponed reform of the armed forces may result in the political leadership facing direct opposition from the military by the end of this decade
- Modernizing the strategic arsenal makes limited sense for Russia as long as the risk of local wars remains high. The desire to project military power in the Caspian area might determine a build-up of rapid-deployment capabilities, but the Kremlin remains wary of the political reliability of military leaders.
- Plans for modernizing Russia's economy and society are hampered by the rigid nature of the regime, which bases its monopoly of power on distributing the growing revenues from exporting energy. This irreducible deadlock can only be broken by a crisis, a fact that might prompt Moscow to provoke a confrontation with the West.

*The Second World:  
Empires and Influence in the New Global Order*

Parag Khanna

New York: Random House, 2008 ≈ 496pp.

---

This book explores how competition among the U.S., EU, and China is unfolding in over 40 strategic “second world” countries.

**MAIN ARGUMENT**

The U.S. shares the geopolitical stage with China and the EU—the world’s other two superpowers when measured according to economic weight, military capacity, diplomatic leverage, and strategic ambition. Globalization may lead to deeper integration among these “Big Three” but also accelerates competition among them, particularly in key second world countries in Eastern Europe, Central Asia, Latin America, the Middle East, and Southeast Asia. The U.S. “coalition,” European “consensus,” and Chinese “consultative” styles of diplomacy demonstrate marked contrasts in these regions. Second world states, however, are not merely sites of imperial competition; rather, they are increasingly shrewd players in the geopolitical marketplace, preferring “multi-alignment” to gain benefits from each of the superpowers rather than entering into exclusive alliances.

**POLICY IMPLICATIONS**

- Intensifying regional dynamics will require diplomatic coordination between the U.S. and regional actors beyond just bilateralism; with the proliferation of regional institutions—such as the African Union, South American Community of Nations, and East Asian Community—Washington will need to adjust its foreign policy priorities and preferences.
- As second world powers set their own economic course and increase cooperation with each other in matters related to security and development, multilateral institutions such as the UN, International Monetary Fund, and World Bank will lose relevance.
- A “group of three” comprised of the U.S., EU, and China is the most appropriate forum for global policy coordination around issues such as counterterrorism, climate change, nation-building, poverty reduction, and energy security.
- The isolation of so-called rogue states will be increasingly difficult as other superpowers and second world countries provide lifelines; far more ambitious and credible packages of benefits are needed to effect a change in regime behavior in countries such as Venezuela, Uzbekistan, Sudan, Myanmar, and Iran.

## *Wealth into Power: The Communist Party's Embrace of China's Private Sector*

Bruce J. Dickson

New York: Cambridge University Press, 2008  292 pp.

---

This book examines whether economic development is leading to political change in China.

### **MAIN ARGUMENT**

Based on years of research and original survey data, this book highlights the Communist Party's strategy for incorporating China's capitalists into the political system. The shared interests, personal ties, and common views of the party and private sector are creating a form of "crony communism." Thus, contrary to a common argument that a rising business class in China would promote democratization, this book finds that China's private entrepreneurs have instead become partners with the ruling Chinese Communist Party (CCP) to promote economic growth while maintaining the political status quo.

### **POLICY IMPLICATIONS**

- Economic development by itself does not necessarily lead to democracy. The CCP has shown how an effective strategy of co-optation and integration of economic and political elites can perpetuate authoritarian rule even in the midst of rapid economic and social change.
- The beneficiaries of economic reform need not support democratization. If China's capitalists are able to pursue their business interests through patrimonial ties with the state, they are more likely to support the status quo than to seek to change it. Therefore, promoting economic privatization in order to promote democratization in China is not likely by itself to succeed.
- Just as economic development does not automatically guarantee democratization, there is also no reason to expect that either trade with China or China's integration into the international economy will necessarily facilitate political change leading to democracy.
- Democratization can occur at all levels of economic development; similarly, authoritarian regimes can survive indefinitely providing they avoid an economic crisis. If the CCP's combination of economic liberalization and authoritarian rule proves successful, China may become a model for other developing countries.