

## BOOK REVIEW

*The Belt Road and Beyond: State-Mobilized Globalization in China: 1998–2018*  
by Min Ye, New York, Cambridge University Press, 2020, xvi + 252 pp.

The study of state-market relations in China and their implications on world politics has become a veritable growth industry. This book is a welcome addition to the rapidly growing academic literature. While ostensibly it is about the Belt and Road Initiative (BRI), it is more broadly about the influence of domestic politics on Chinese foreign policy. It shows that politics actually does *not* stop at the water's edge, countering the realist claim that the state is an autonomous actor whose interests cannot be reduced to a summation of societal interests.

The author conceptualizes the “state-mobilized globalization” (SMG) framework, where foreign policy making and implementation is a product of complex collective strategic interactions by *domestic* actors such as economic bureaucracies, state capital (i.e., state-owned enterprises [SOEs] and state-affiliated institutions), and local governments. She dismisses the perception that the BRI is a cohesive strategy by President Xi Jinping and that Chinese bureaucracies and commercial actors are mere instruments for implementing the central strategy. Instead, she argues that the actual policy implementation is fragmented because each actor of Chinese bureaucracies and key interest groups self-interprets and reinterprets the central strategy to seek their own interests.

The book is divided into three parts. The two chapters in Part I introduce the theoretical framework of this book. Using the SMG framework, the author argues that “given fragmented interests and ideas [of domestic actors], a policy response ... is often framed in politically ambitious terms so that it could mobilize broader *coalitions* against specific oppositions” (p. 11, italics added). Given bureaucratic fragmentation, making the announced policy ambitious and ambiguous would be an optimal strategy to create broader coalitions for policy making and implementation, but it would not necessarily mean that political leaders had cohesive strategies.

The three chapters in Part II respectively provide three empirical cases: the Western Development Program (WDP), the China Goes Global (CGG), and the BRI. Chapter 3 discusses the WDP, which is a domestic policy. However, the author describes its foreign policy implications. Although the WDP's announced strategic aim was developing China's less developed western inland provinces, it was rooted in the pro-globalization growth strategy of the more developed eastern coastal provinces, which “shaped the *preferred* measures for state intervention in western China” (p. 60). Subnational actors embraced globalization and industrialization, and unfortunately “surging credit ... led to extensive industrial overcapacities, massive debt in the localities and companies, as well as risky overseas projects that caused diplomatic friction” (p. 69), which have now promised to plague the Chinese leadership well into the 21st century.

Chapter 4 discusses the political economy of the CGG, the policy promoting China's outbound investment. Typically shown in the title of Edward Steinfield's *Playing Our Game: Why China's Rise Doesn't Threaten the West* published ten years ago, many previous accounts have argued that China will play the same rules of the game once it increases its outbound investment. Countering this argument, the author shows China's outbound investment does not make China play *our* game. Confronting the opposition from anti-globalization groups, internationalist political leaders had to make the CGG's announced strategy ambitious and ambiguous. The ambiguous goal was used by local governments to increase *inbound* investment. In the meantime, China's outbound investment was dominated by risk-averse state capital, which took advantage of better access to credit and monopolistic power in the domestic market, and Chinese companies found it difficult to compete globally.

Finally, Chapter 5 discusses the BRI. For the last few years, while the BRI has emerged as the most important Chinese foreign policy, foreign observers have become extremely concerned with the newly understood nationalist nature of its cohesive announced strategy. Ironically, when Xi first announced the BRI in late 2013, his announced strategy was so ambitious and ambiguous that foreign observers were largely dismissive. The author argues that such responses to the BRI have been misplaced because they have disregarded the influence of domestic politics on the BRI's policy making and implementation. Xi's cohesive nationalist messages of the BRI masked the bureaucratic fragmentation that would characterize the policy's actual implementation. Moreover, because local governments pursue their own interests, the BRI has been used to help finance local projects *inside* China although it is a policy to promote outbound investment.

The first two chapters of Part III discuss two subnational actors. Chapter 6 compares three cities (i.e., Chongqing, Ningbo, and Wenzhou) to analyze the different responses of the three cities to the WDP, the CGG, and the BRI. When implementing these top-down policies, local governments' efforts have been concentrated in stimulating the local economy and attracting more *inbound* foreign investment, despite the CGG and the BRI being policies promoting outbound investment. Chapter 7 focuses on Chinese companies (both state-owned and private) to examine state–market and state–business relations in China. The author shows that companies have a symbiotic relationship with the state where “the state relies on SOEs to carry out its developmental program while the companies leverage the state to expand their business interests” (p. 179).

Chapter 8, the final chapter of the book, looks at broader implications of China's globalization, which the author conceptualizes as globalization *by* China instead of globalization *of* China. Will China democratize with economic globalization? Answering this question negatively, the author depicts China's *adaptation* strategy to the challenges brought by globalization. However, this strategy has come with inevitable side effects. Although helping China's authoritarian regime survive, it has delayed SOE reform while empowering the central political leader at the cost of Chinese bureaucracies' authorities and commercial actors' interests. The author concludes that “the mobilization state in China has worked during its own globalization because it combines nationalist ideology, powerful party politics, *and* robust market tendencies in the national economy” (p. 226),

all of which had already existed before the BRI. While the BRI's geostrategic implications are overemphasized by foreign observers, this book is helpful for those seeking to learn about strategic interactions by various actors in Chinese domestic politics and the BRI's true chronological and institutional origins.

The argument developed in this book has particularly important implications for policy debates over the current tension of the United States–China relations. As the international relations (IR) literature agrees, misperception of a country's capability and intention is dangerous. An authoritarian country's policy making and implementation is opaque and China's authoritarian system is no exception. As a result, foreign observers may reach the mistaken conclusion that the BRI is a product of Xi's well-planned policy based on his long-term vision of using state capital to expand China's sphere of influence abroad.

This misperception is dangerous because it may have a similar effect to what IR scholars define as the security dilemma, which arises when efforts that countries make to defend themselves lead other countries to feel less secure and to fear that they will be attacked. If foreign countries take China's seemingly cohesive nationalist strategy as a sign of its aggressive expansionist intention, the result will be a spiral of fear and insecurity that may escalate tension. Thus, it is important to have a thorough understanding of the domestic politics of Chinese foreign policy by analyzing China *inside* out.

Before concluding, it is important to briefly discuss the unintended implications of this book's findings on the current coronavirus pandemic—which is not discussed in the book because it was published before the pandemic. First, a discussion of the implications of the author's finding that “the BRI seems to delay structural reform in the Chinese economy ... [and] mobilization of the BRI has greatly boosted the power of the autocratic leader in the Communist regime” (p. 225). Now that the Chinese economy has recorded negative growth due to the pandemic, the Chinese government can afford no further delay in its SOE reform. The Chinese economy had already slowed down *before* the pandemic, as SOE reform has stalled under the Xi administration. Overall, the productivity of SOEs is lower than that of private companies, but Xi has prioritized political control over economic efficiency. However, SOE reform is now needed to increase productivity and achieve sustainable economic growth.

Second, China's response to the epidemic shows the importance of local governance. The author's argument that “fragmentation in an authoritarian system may not be a bad thing” (p. 211) *if* local governments are functioning certainly rings true in the current environment. At the beginning of the outbreak, local leaders of Hubei Province and the city of Wuhan tried to minimize the size of the problem and hide it. The central government's initial response to the crisis was delayed because local governments did not report accurately to the central government. Xi blamed the delayed initial response on local leaders, but actually it occurred because Xi's fierce anti-corruption campaign had paralyzed local governments from performing routine tasks. If Xi had expanded true institutions of democratic accountability based on representative institutions, instead of strengthening his own power at the cost of local governments' administrative capacity,

the central government would have had access to accurate information more quickly and responded to the epidemic more effectively from the beginning.

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