

## THE MYTH OF CHINESE CAPITALISM: THE WORKER, THE FACTORY, AND THE FUTURE OF THE WORLD

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**Dexter Tiff Roberts.** *The Myth of Chinese Capitalism: the Worker, the Factory, and the Future of the World.* St. Martin's Press, 2020. pp. 288.

After receiving his bachelor of science from Stanford University and master degree of international relations from Columbia University, Dexter Tiff Roberts is now serving as a fellow at the University of Montana's Maureen and Mike Mansfield Center. He worked several years as a journalist and a public speaker with several journalist awards including Overseas Press Club awards, the Sidney Hillman Foundation prize, Human Rights Press awards, and Society of Publishers in Asia. Earlier in his career, he worked as an author and editor-in-chief for the Bloomberg Businessweek.

"The Myth of Chinese Capitalism: The Worker, the Factory, and the Future of the World" was Roberts' first book published by St. Martin's Press in March 2020. The author explains the motivations behind the China's industrial and financial revolution by giving evidences from the people, not numbers.

The book starts with the rise of China by the paramount leader of the People's Republic of China, Deng Xiaoping, the man who ended the Mao-era communes and opened economy into foreign investors. These two main policies demonstrate the modern world for China moved away from its autocratic past. An analysis of China's economic fluctuations since Deng Xiaoping's Reform and Opening Politics (gaige kaifang) has been made with the following topics in the book: the Factory, the Family, the Land, the Party, The Robots, Going Home, the Future.

As a second wave towards China's role in becoming "the factory to the World", the special economic zones such as Shenzhen was designed with farmers and immigrants from hinterland due to the "Rise of Central China" and "Go West" strategies. Astonishingly, the author tried to tell the story of China economy from the perspective of unequal and exploitative system rather than the myth role as "factory to the world".

The journalist, Dexter Roberts, recognized the victories of China in the Capitalist World Order. China has the largest high-speed rail network, impressive skyscrapers and luxury cars and web-like the Metro rail network. It is also a global superpower in the artificial intelligence and the second largest economy in terms of global patenting activity. So, all these improvements, technologies

and successful companies were followed by many new Chinese billionaires.

Despite all these attractive appearances, the author claims that Chinese Communist Party was better at delivering economic growth but its functioning was worse for the extension of the political and other freedoms.

All pressures in the government system have hurt the period of super-growth and the structure of the Chinese economy has shifted toward the risk of the middle income during the following years. The author also pointed out that even the investment-led growth strategy which was close connection to the heart of China's economic reform has forced many firms to take on excessive amounts of debt.

In the *Myth of Chinese Capitalism*, Roberts asserted that factories in manufacturing centers of China has faced too many problems because they could not find cheap labor. So, he believed that soaring wages negatively affect the growth trend in China.

China launched its "Go West" strategy in 2000 to boost economic development of 12 western provincial-level regions — Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shaanxi, Gansu, Ningxia, Xinjiang, Inner Mongolia, Guangxi and Qinghai — that are home to more than 400 million people.

Regarding the China's economic miracle, he attracted our attention to the rural village of the Guizhou as an example contributing to economic growth. The mass migration not only contributed to China's urbanization, but also it triggered China's "economic transformation". But the author claimed this migration as the Achilles' heel of the China growth story.

The author has also criticized "the hukou system" which is an officially household registration system used in China. He defined the hukou, as the physically a small red passbook that records where each family is officially registered and determines what kinds of benefits as citizens they receive.

The hukou system endorses inequality between people in rural and urban China by dividing people into two categories at birth: agricultural and non-agricultural. This "divergence" thesis states that rural migrant workers cannot benefit distribution of economic profit sufficiently. This system treated China's migrant workers like the second-class citizens by controlling the movements. But it also led to big differences in economic opportunities.

The author makes a connection between the household registration and inequality by giving example of the Mo family. As with many Chinese farm families, China's hukou (household registration) system imposed strict limits on economic, social, and political rights of these families. For example, there is overcrowded classrooms and dormitories and low-quality teaching compared to in the hinterlands in its biggest cities.

China also started to confront new economic challenge as it lost the cheaper, younger workers advantage and moved to low productivity period. Therefore, in China, workers will have to be replaced with robots, the government should use preferential policies to encourage information sector by tax breaks, subsidies, loans and bonds, and government procurement. The author underlined "Develop

the West” agenda which was announced by former President Jiang Zemin in January of 2000. The aim of this plan was to provide infrastructure investment to help China’s interior cities such as Guizhou catch up with its coasts. After returning back to the Guizhou, migrants improved city’s economic and social life by bring their skills and knowledge in countryside.

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To sum up, the author presented very critical assessment of the Chinese capitalism and provide readers with a new perspective for the future development in China.