

✦ EASTERN ECONOMICS

SOARING DRAGON,
STUMBLING BEAR*Why has China succeeded where Russia has failed?*

FIFTY YEARS AGO, most informed observers expected the 21st century to be dominated by a large, rapidly growing, emerging economy with nuclear weapons – the Soviet Union. It was unimaginable that China would take Russia's place.

Research by Mark Harrison and Debin Ma, supported by Warwick's ESRC Centre on Competitive Advantage in the Global Economy, asks why China's economic reforms succeeded where Soviet reforms failed. They show that unique circumstances helped China: deep initial poverty and exceptional economic size. Leaders' commitment to reforms was matched by longstanding bureaucratic traditions. The Soviet Union lacked the initial conditions that made reforms work in China.

These are not the lessons commonly drawn. It is often said that China's advantage came from undertaking economic reforms while postponing political reforms, whereas the Soviet Union put political reform first. Harrison and Ma show this is not the whole story: the Soviet Union first tried the same

road as China, but without the same success. Sustained economic development requires continuous policy reform, including the will to persist in the face of vested interests. In China continuous policy reform has been driven by 'regionally decentralised authoritarianism'.

Under regionally decentralised authoritarianism, responsibility for meeting targets is decentralised to provincial leaders, who compete with each other to succeed.

Since the 1970s, the target has been economic growth. Only the economy is decentralised; the centre keeps tight political control. Competition among provinces, enforced by relative performance evaluation from the centre, is an essential factor.

In the Soviet Union, Stalin's successors tried 'regionally decentralised authoritarianism' in the 1950s but failed – the reform was badly designed and abandoned when problems emerged. Soviet history shows many other failed reforms similar to China's. In other words, Soviet leaders did try economic reforms without political reform, and turned to political reform only after the economic reforms had failed.

“
THE SOVIET
REFORM WAS
ABANDONED
WHEN
PROBLEMS
EMERGED

Obstacles to further progress in China are now growing as the Chinese economy becomes increasingly marketised and has outgrown the state structures of communist rule. Current risks to China's continued economic modernisation include a complacency trap and a conflict trap. In the complacency trap, early gains from reform may blunt the determination to persist as resistance grows. In the conflict trap, external confrontation may offer a tempting alternative to reform when domestic tensions accumulate. These risks may be increasingly difficult to manage unless the Chinese government becomes more accountable under the rule of law. ■

www.chathamhouse.org



Will China's economic modernisation proceed at the same pace?

✦ SLAVE TRADE

THE EVIDENCE OF SLAVERY

Who in Britain benefited from slavery?

WHAT WAS BRITAIN'S relationship with slavery and who was involved? Researchers are looking at the contentious subject and gathering evidence of the scale and significance of Britain's investment in slavery and the benefits accrued from it.

When slavery was abolished in 1833 in the British West Indies, Mauritius and the Cape, £20 million was paid in compensation by the British government to the slave owners as a way of buying their agreement to the loss of the men and women they defined as 'their' property. Professor Catherine Hall, Dr Nick Draper, Keith McClelland, Rachel Lang and Kate Donington from the History Department at University College London (UCL) have established the identities of the 47,000 claimants for compensation.

MAPPING OUT A LEGACY

The researchers investigated the so-called 'absentees' – about 3,000 slave owners who lived in Britain – tracking their legacies economically,

politically and culturally. The evidence has been made available through the team's digital encyclopaedia and this has already proved a valuable research tool for local and family historians, teachers, curators and academics.



Compensation was paid to British traders when slavery was abolished in 1833

While this research shows who the slave owners were at the time of emancipation, a second project is examining who were the slave owners in the British Caribbean between 1763-1833, what properties they held, and the significance of their ownership. To what extent, for example, was capital derived from slavery being invested in new enterprises in Britain? How was property in the enslaved transmitted across generations? How central were family and kin to this process? What were the effects of the patterns of ownership on the enslaved? Or what ideas about race did the slave owners have?

The team has three new members – Dr Kristy Warren, James Dawkins and Hannah Young – and the programme is to map the estates and changes that took place in ownership across these decades. Using a wide variety of sources, from maps, slave registers and almanacs to plantation papers, wills and private and official correspondence, the team aims to expand the existing encyclopaedia with this information. This will make possible new understandings of the relation between Britain and slavery and provide a much needed basis in evidence for future scholarship. ■

www.ucl.ac.uk/lbs