

Chinese authorities over all other memory agents. In fact, Yang's materials demonstrate that the CCP was able to manipulate critical aspects of Chinese public remembrance anytime the party deemed it necessary. And if this reading of the evidence is correct, then the ultimate message of this book comes very close to what the existing literature has been saying all along.

Manipulating Globalization: The Influence of Bureaucrats on Businesses in China. By LING CHEN. Stanford: Stanford University Press, 2018. 232 pp. \$50.00 (Cloth).

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The roles of the state and of foreign capital in economic development and technological upgrading are among the most intensively researched topics in political economy. In recent decades, the rise of global production has created new challenges and opportunities for state actors trying to promote development. Ling Chen's important contribution, *Manipulating Globalization: The Influence of Bureaucrats on Businesses in China*, provides a timely and in-depth assessment of the extent to which China has been able to harness foreign capital for its technological ambition.

The key question that guides Chen's book is why there has been substantial subnational variation in implementing the central government's policy of fostering indigenous innovation. Focusing on the electronics industry, the book points to the different strategies of attracting foreign investment in the 1990s as the origin of the divergent paths taken by localities afterwards. During this crucial period, some cities focused on bringing in large multinationals like Philips and Samsung, while others attracted "guerrilla investors" (mainly from Hong Kong and Taiwan) who made small-scale investments. These strategies would unintentionally impact the implementation of policies geared towards promoting domestic upgrading, which the Hu-Wen administration launched in the mid-2000s in a bid to shift China away from low-cost manufacturing to more advantageous positions on the value chain.

Drawing from an impressive amount of data—including more than 270 interviews, an original survey of 200 firms, a multi-level dataset and local archives—and using both case studies (mainly Suzhou and Shenzhen but also Wuxi and Ningbo in Chapter 4) and quantitative analyses of 159 cities, Chen demonstrates meticulously that these early strategies of foreign investment attraction shaped the upgrading of the indigenous tech industry in two ways. First, they led to different constellations of coalition among local bureaucrats and eventually different upgrading policies. In cities that attracted large and leading multinationals that went on to become major exporters, local bureaucrats in international commerce formed a strong and cohesive coalition that resisted allocating resources to indigenous firms. In cities that attracted small foreign investors, the international commerce coalition was weak and posed limited resistance. Second, FDI-attracting strategies gave rise to different relations between foreign capital and indigenous firms. Large multinationals practiced "group offshoring"—bringing in with them long term foreign suppliers—and provided few opportunities for domestic firms to learn, rendering upgrading policies ineffective. On the other hand, "guerrilla investors," who were often at the bottom of the value chain, subcontracted to indigenous firms. Unexpectedly, these less advanced foreign firms provided more opportunities for indigenous firms to learn and accumulate skills and resources, which together with government-provided incentives for innovation fostered local upgrading.

Taking insights from the varieties of capitalism framework, Chen further traces the origins of alliance between the local state and different types of foreign capital to sticky bureaucratic

preferences dating back to the late nineteenth century that both helped construct and were reinforced by variants of local capitalism. More specifically, Jiangsu represents top-down capitalism, in which local officials driven by political rewards selectively allied with large businesses, whereas Guangdong exemplifies bottom-up capitalism, in which local welfare oriented officials nurtured ties with small businesses. Thus the different outcomes of foreign investment and local upgrading can be seen as a reiteration of the different modes of local capitalism in a globalized era. This novel and riveting narrative is sure to stimulate more discussion about the origins of various regional political economies in China.

A central message of this book is that scholars need to disaggregate the state, national political economy, and foreign capital when studying the political economy of development. As Chen convincingly shows, there is substantial variation in how local political economies are structured, and local bureaucrats play an important role in reproducing them through their preferences and policies. At the same time, foreign capital should not be taken as a structural variable that has a sweeping effect on the host country, as dependency theorists or neoliberal scholars suggest; rather, we need to be sensitive to the varied ways in which different types of foreign firms and their strategies impact local development.

A few quibbles about the book could be raised, nevertheless. First, there is limited discussion of how the origin and persistence of local policies may be shaped by interactions between different levels of government and informed by foreign models. For instance, it is perhaps no coincidence that Suzhou was endorsed by top leaders in the early 1990s to develop a major industrial park jointly with Singapore, the paragon of attracting multinationals. Central local interactions may also help explain why the local capitalism in Suzhou, which is “highly responsive to signals from above” (p. 136), ended up resisting the center’s upgrading policies. Second, the agency of foreign capital seems to be assumed away. In particular, large multinationals appear to have their strategies fully determined by the local states, when in practice their relations with local firms seem to be more varied. For those that are treating China not simply as a manufacturing base but as an important market in itself, there seems to be more reliance on local suppliers and input, providing more opportunities for learning. Numerous tech giants also have established R&D facilities in China, which have become important incubators for local talents. Assuming prominent multinationals only engage in group offshoring may compromise the ability to understand under what conditions these technologically advanced giants may be leveraged to contribute to local upgrading. Finally, readers may quibble about case selection. Shenzhen, it may be argued, is simply too unique. The city was created as a special economic zone, which was given the privilege of taking the lead over the rest of the country in trying out novel policies. It’s also a city under direct central planning (*jihua danlieshi*), meaning it shares much less of its revenue with the province and its top leaders are directly appointed by the center. Selecting Shenzhen also complicates the historical argument about the origins of local capitalism, because it’s unclear to what extent this young city largely populated by migrants embodies the local capitalism of Guangdong.

That being said, Chen’s excellent contribution offers a detailed and nuanced account of how local states in China utilized foreign capital to boost economic growth and technological upgrading in the age of global production. With its novel arguments and masterful marshaling of evidence, this book should be on the reading list for anyone interested in the role of foreign capital in economic development and China’s potential to become an innovation powerhouse.