

relationship with China is slowly becoming counterproductive and costly in a growing number of issue areas, and such perceptions may play some transformative roles in Korea's strategy formation sooner than anticipated. Second, the recent Sino-Japan clash over the Diaoyu/Shenkaku Islands demonstrates China's ability and willingness to weaponize its natural resources and economic power to achieve political ends. It suggests that as far as the Korean peninsula is concerned, Snyder's argument that China is unlikely to exercise its economic muscles due to the "danger of South Korea's trade diversification" (p. 77) and North Korea's perception of itself as an "asset" (p. 132) is potentially precarious. The dynamic and unpredictable nature of the interaction between China's domestic politics and regional relations means that many policy analyses of the region are often subject to a considerable degree of fragility, thus making policy prescriptions speculative at best.

However, such volatility in the region is precisely why books such as this should not be taken lightly. Snyder provides a reliable basis and detailed narratives from which sound policies can be built. Although some readers may not agree with parts of his analysis and policy recommendations, one cannot dismiss the depth of Snyder's knowledge, his balanced approach, and his ability to forge broader regional perspectives in a coherent and accessible manner. The changing dynamics of the region may well require further elaboration on, or even replacement of, Snyder's conclusions. However, this book will serve to stimulate more fascinating works on the evolving complexity of this region's economic and political dynamics.

■ *Inwook Kim, doctoral student
Department of Political Science
George Washington University*

Playing Our Game: Why China's Rise Doesn't Threaten the West. By Edward S. Steinfeld. Oxford: Oxford University Press, 2010. 320 pp. \$30.95 (cloth).

Playing Our Game is a powerful book written by a highly credible MIT scholar with a long field experience in China. It deals with the great debate about the nature and global impact of China's economic rise. The book stands against usual arguments presenting China as a dire threat and an unfair mercantilist power bent on taking over the world system. Steinfeld offers a fundamentally positive take on the rise of China. He argues that China's rise is deeply integrated into the globalized production networks developed by Western firms. China is primarily a "capitalist

enabler” (or “facilitator”) in a game dominated by Western multinationals. And this game is forcing China to radically transform its economy, its society, and its type of governance. The book is rooted in production network analysis and may understate the role of state actors, but it is a terrific and novel voice that promises to change the debate.

The key questions of the book may be summarized as follows: What rules are driving China’s economic game, and what key steps lie at its origin? Is China’s dramatic rise a threat to the US-dominated world economic order? And what impact may this process have on China’s governance and on the United States?

Steinfeld gives a dramatic and partly surprising answer to these questions. He argues against the view that China is undergoing only economic changes while keeping its authoritarian regime intact, with a remarkable steadiness since the start of reforms in 1978. Instead, he argues that a fundamental disjuncture took place after the Tiananmen events of 1989. Facing this unprecedented crisis, as well as the end of the Cold War, the collapse of the Soviet Union, and the dominance of the United States, China chose reforms that would embrace rapid globalization and integrate the country into global production networks on Western (mostly US) terms. In turn, this integration has meant a radical and externally driven transformation of China’s economy, society, and governance.

In particular, Steinfeld makes the following key arguments.

1. The reform period is not continuous. The key inflection took place in the early 1990s. Thus, the share of urban residents living in work units (*danwei*) controlled by rigid state-owned enterprises (SOEs) had virtually not changed between 1978 and 1990 (80 percent vs. 60 percent, plus 20 percent in collective units). By 2007, the situation had changed radically with no more than 25 percent left in such structures (p. 7).

2. Comparing China in 1989 with China today reveals a radical breakdown of the traditional system. Chinese citizens went from being controlled and organized to becoming free economic and social actors thrown into an intense market society. Citizens can do as they want in every domain, except the political domain (p. 8).

3. The key driver in China’s transformation is the integration of China into a globalized production chain (division of labor) ruled by Western firms according to Western rules. A figure tells it all: in 2008, foreign firms controlled 55 percent of Chinese exports and 54 percent of Chinese imports (p. 85).

4. In accepting this integration, China engaged in “institutional outsourcing”: it outsourced not just the process of domestic restructuring to

foreign-invested firms but also the setting of its interface with the global economy (investment rules, currency policy), the corporate governance of its national champions (through partial listing on foreign stock exchanges), and its regulatory regime (increasingly to US-trained returnees).

5. Even China's apparent technological rise and its proactive energy policy (such as the attempted takeover of Unocal by China National Offshore Oil Corporation [CNOOC]) are fundamentally commercial (and not political) strategies that reinforce an interdependent global system dominated by Western firms. On the technological side (Chapter 6), Chinese state-funded efforts are benefiting global multinationals as much as they are benefiting China.

6. At the political level, China's integration into global production networks is having a huge impact as well. "Enforced domination" (p. 5) through every aspect of urban life is giving way to a free labor market, a housing market, and a health care market. Gone is "economic dependence vis-à-vis the state" (p. 10). The government must now seek voluntary compliance by citizens and a new kind of legitimacy through public participation, public goods delivery, and large efforts to justify policies. In sum, Steinfeld argues that China is turning into "an authoritarian liberalizer in the East Asian developmental tradition" (p. 15). Like the Kuo-mintang in Taiwan before, the Chinese Communist Party may experience "self-obliterating authoritarianism" (Chapter 8).

7. Finally, for the United States and the West, this means that China is fundamentally "playing our game" and rising through total integration into a Western value chain. There are great mutual benefits for all sides and mutual dependence. The current economic weakness is solely the making of the United States. Blaming China does not help (Conclusion).

The book is a great contribution to the debate on China's political economy and its connections to the world. It is written in exceedingly powerful and clear language with creative imagery and great internal coherence. Steinfeld relies on twenty years of privileged access to economic and political actors. The bulk of his primary data consists of primary interviews with Chinese firms and survey data on innovation and SOEs. The research on corporate networks and value chains is excellent and convincing. The book offers a challenging view on the evolution of Chinese governance, one that may hold key insights to understanding possible changes in the coming decade.

On the other hand, it may be argued that the book pushes the global argument a bit too far. There is no theoretical review of the way in which signals and lobbying from global firms are mediated by a complex political

system with competing factions and ebbs and flows. The Chinese state is blackboxed without insights into the balance of powers between key actors. The book simplifies decisionmaking to three main actors: Chinese reformers, foreign investors, and SOEs. The causality of the actual key reforms described in the book is not rich.

The Taiwanese or Korean precedents show that the state may not be as passive as is argued in the book. The state is sometimes able to influence the global production processes so as to extract a higher proportion of the added value. A study of contrasts between cases and outcomes, relative to the role of the state, might be interesting to pursue. On the issue of technological catch-up and the relatively subdued assessment of Chinese upgrade, a review of key industries and cases, such as the stunning development of high-speed trains, would be interesting as counterpoints. Likewise, little is said about the abundant financial resources available to national champions, even if they also hear the signals coming from minority shareholders and stock markets.

At the same time, this is an excellent and challenging book, a must-read for all who are interested in international political economy and Chinese political economy.

■ *Yves Tiberghien*
Department of Political Science
University of British Columbia