

The Huawei Model: The Rise of China's Tech Giant

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Urbana, Chicago and Springfield: University of Illinois Press, 2020

256 pp. \$110.00

ISBN 978-0-252-04343-7 doi:10.1017/S0305741021000448

On the positive side, Yun Wen's book *The Huawei Model* provides a detailed and useful account of the evolution and global expansion of Huawei Technologies, an internet and telecommunications equipment provider which, for complex geopolitical reasons, has become a lightning rod for Western fears about China's rise. Unfortunately, the book suffers from two major defects that seriously limit the usefulness of its broader theoretical arguments.

Focusing first on the discussion of Huawei, the author utilizes a wide range of Chinese- and English-language published sources supplemented by interviews with current and former Huawei employees.

Chapter one places Huawei's growth in China, from a small private telecom switch reseller to a highly successful indigenous innovator, within the context of Chinese government economic reforms and promotion of foreign investment, privatization and technological innovation, especially in the forward-looking pilot zone of Shenzhen. More explanation of how Huawei distinguished itself from other private Chinese firms in the same sector would be helpful, as opposed to focusing only on its competition with Chinese SOEs and foreign-invested enterprises. The author does briefly mention Huawei's joint venture arrangements with regional post and telecom bureaus and state telecom firms (p. 38), but several Chinese accounts of Huawei have shown that these innovative profit-sharing arrangements with clients were instrumental in Huawei's early success as a private firm in the difficult Chinese market.

Chapters two and three explain how Huawei, facing over-saturation in the Chinese market from the late 1990s, expanded overseas. Initially, the firm sold its telecom and network equipment in developing countries that were not well served by transnational providers, especially in Africa, Latin America and the Middle East. Then, as its own R&D and technical capabilities steadily improved, it moved into more developed European markets. However, with the United States increasingly viewing Huawei, and Chinese technology firms more broadly, as a security threat, its expansion path was steadily blocked, both in the US and, as a result of American pressure and sanctions, increasingly in other Western nations. Wen demonstrates that Huawei's rapid international expansion partly resulted from its own untiring willingness to provide telecom and internet backbones in very difficult environments, and partly from the Chinese government's desire to improve diplomatic relations and provide development finance to potential trading partners.

Chapters four and five then focus on two crucial elements that supported Huawei's success: its long-term single-minded efforts to improve its technological competence and innovation through extensive investment in R&D; and its unique employee ownership structure that generously shared profits among the majority of employees based on their performance. Chapter five, in particular, provides a fair evaluation of both the benefits and the drawbacks of Huawei's employment culture – the former being Huawei's consistently well-paid workforce, and the latter including incredibly long working hours, frequent postings to difficult foreign assignments, and zero work–life balance.

There are some important omissions in the book. For example, while the author notes that Huawei has rejected claims of its ties to the Chinese military (p. 152), she does not discuss any evidence proving or disproving this point. Likewise, there is no mention of the role of Huawei's Communist Party branch and whether it controls

Huawei's management. These alleged military and Party links are two key reasons given by the US government for sanctions against the firm. At the very least, the author should provide evidence to show why they are, in her view, groundless.

However, the two main defects of the book are its entirely uncritical attitude towards the Chinese government, and a simplistic and jarring Marxist theoretical framework that cannot account for the complexities of large firms within today's global economic environment. The former defect is most obvious in chapter one, where the author praises the Maoist period as an egalitarian time of "self-reliant" technological innovation where workers were encouraged to "emancipate" their "subjectivity" (p. 23). No mention is made of the hundreds of thousands of engineers, professionals and other so-called "rightists" who were killed or violently purged during frenzied political campaigns of the 1950s and 1960s, or the millions of ordinary Chinese workers and farmers who either starved to death or were mercilessly exploited in the name of collectivization, socialist ideals of equality, and self-reliance. Without this historical context, and the economic collapse and technological backwardness that it engendered, China's sudden about-turn in the late 1970s to embrace foreign investment, trade and capitalist-style private enterprise becomes totally inexplicable. The author's discussions of the reform period display a similar lack of critical awareness of Chinese government policy errors, in particular its complicity in suppressing workers' rights. It is almost as though the book has been scrubbed clean to gain the approval of Chinese censors. Even 1989 is reinterpreted as the sudden imposition by Western powers of sanctions against China for no apparent reason (pp. 35, 39). The killing of hundreds of innocent protestors in Beijing by Chinese troops goes unmentioned.

In related fashion, the author clearly views "Western" "transnational capitalism" as a global negative force that is constantly spreading its tentacles and preventing ordinary workers from upholding their rights to dignified employment or becoming masters of their own labour. I am certainly no flag-bearer for rampant capitalism, yet the author's approach begs the obvious question as to why Chinese firms regulated by a government that is supposedly still socialist, and influenced by "Maoist-style" values – as the author notes about Huawei – seem to exploit their workers even more than "transnational capitalist" firms that provide better benefits, working hours and pensions? While occasionally noting some of these paradoxical contradictions, the author is too wedded to her Marxist theories to admit that China's economic success and the lifting of hundreds of millions of its people from poverty has come about precisely through its rejection of failed socialist experiments and embrace of capitalist integration with the West. No-one who has read modern Chinese history would want to return to "Maoist" "self-reliance" (p. 194).

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The Politics of the Core Leader in China: Culture, Institution, Legitimacy, and Power

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Cambridge: Cambridge University Press, 2019

434 pp. £90.00

ISBN 978-1-108-48049-9 doi:10.1017/S0305741021000357

In *The Politics of the Core Leader*, Xuezi Guo explains how the politics of the "core" leader has regulated elite interactions within the Chinese Communist Party (CCP)