

## Review Essay

*Accidental Conflict: America, China, and the Clash of False Narratives.* By *Stephen Roach*. New Haven: Yale University Press, 2022. 448 pp. Illustrations. Hardcover, \$32.50. ISBN: 978-0-300-25964-3.

*Mao and Markets: The Communist Roots of Chinese Enterprise.* By *Christopher Marquis and Kunyuan Qiao*. New Haven: Yale University Press, 2022. 384 pp. Illustrations. Hardcover, \$30.00. ISBN: 978-0-300-26338-1.

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Few phrases in the discourse of the Chinese Communist Party (CCP) have proven as durable and pliable as “seeking truth from facts.” The phrase was first used by Mao Zedong in the 1930s as a way to legitimate the CCP’s departure from Stalinist direction, and it was later mobilized by Deng Xiaoping to signal a shift from Maoism toward new avenues of policy experimentation. In recent years, as rising tensions in the US-China relationship have produced a burgeoning literature that seeks to understand and interpret Beijing’s intentions for a Western audience, the phrase has become as applicable to the study of China as it has long been to the governance of China. This is not merely because the People’s Republic of China (PRC) provides an endless source of raw material for speculation and analysis, obscured behind a veil of obfuscation, censorship, and propaganda constructed by the world’s largest and most powerful political party. It is also because the stakes of the debate—coming at a time when the role of the West in general, and the United States in particular, has been thrown into doubt by social division, political dysfunction, and economic decline—seem to provide grounds for doubting the motives of anyone who aspires to take a stand on such a crucial yet ambiguous question as the true nature of CCP rule. With so many facts to choose from, how are we to know which will produce the right truths, and more importantly, who is doing the choosing and why?

Two recent additions to this debate, *Mao and Markets: The Communist Roots of Chinese Enterprise* and *Accidental Conflict: America, China, and the Clash of False Narratives*, begin from the premise that

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much of the existing discourse on China is misguided and that this failure to properly understand China is no accident. Furthermore, both argue that this misunderstanding is deeply harmful to Western business interests, political interests, and ultimately global safety and stability. Despite this common point of departure, their takes on what interpreters of China are getting wrong are almost diametrically opposed. What the two books have in common, however, is that they see what they perceive to be dominant discourses on China as designed to produce conflict, and they share the goal of correcting misunderstandings in order to achieve harmonious coexistence.

In *Mao and Markets*, authors Christopher Marquis of Cambridge Judge Business School and Kunyuan Qiao of Georgetown University's McDonough School of Business argue that the main thing Western interpreters of China are missing is the continuing legacy of Mao: specifically, the ways in which Maoism was and continues to be a galvanizing force for the success of the Chinese economy, including the private sector. In elaborating this somewhat counterintuitive thesis, they portray Maoism less as a political ideology and more as a set of philosophical principles, more akin to Confucianism than to Marxism or Leninism. In fact, regarding the impact of Mao's sayings on Chinese culture, the authors draw analogies to William Shakespeare and the King James Bible in the English-speaking world rather than to any political figures. They point to nationalism, frugality, and social contribution (derived from Mao's "mass line") as the three primary virtues instilled by Maoism, particularly in the generations that came of age during his rule but also, to some degree, passed down to later generations by Mao's place in the Chinese education system. The authors compare firms led by CCP members with those led by nonmembers, making the provocative claim that CCP-member-led firms make larger social contributions and have better relations with their employees, leading to higher profitability.

Based on a combination of keyword-frequency searches in the Chinese media and a series of largely anonymous interviews with Chinese business leaders, the authors attempt to establish Mao's continuing influence as both a reality of Chinese business today and an element of its success in recent decades, though they (like Stephen Roach, the author of *Accidental Conflict*) are more skeptical of its current and future trajectory under Xi Jinping. They then seek to turn this evidence of the persistence of Maoism into a sort of guidebook for Western businesses in China, combining bits of advice, encouragement to continue to engage rather than exit, and the kind of cultural analysis of business success reminiscent of some writing on the Japanese miracle in the 1970s and 1980s. Businesspeople might find some of the advice useful—particularly about how to navigate nationalist passions and the

importance of foreign companies making contributions to social causes to parallel those made by domestic firms—and they might find some of it cautionary, including the claim that the Cultural Revolution inculcated a suspicion of institutions in a generation, leaving its members with “no ethical bottom line” (p. 169).

The most interesting part of the book, however, comes when the interviews shift from the past to the future, where the interview subjects seem more willing to express skepticism toward the current Party line. Despite the book’s emphasis on the roles of the state and the CCP as continuing, and somewhat positive, legacies of Maoism, it rather frankly attacks Xi’s recent efforts to increase party-state control. As one subject puts it, “state-owned and privately owned . . . do not share the same goal and the same vision,” while another remarks that “there are often ideological fights and collisions” (p. 219). Adopting this more skeptical attitude toward China’s future trajectory, the authors predict that “looking ahead, it seems that loyalty to communism will eclipse GDP heroism as a measure predicting political success,” and as a consequence, “we should be prepared to deal with a more Maoist, communist China” (pp. 206, 255).

Marquis and Qiao frame the book as debunking three myths, which they lay out in the introduction: (1) that globalization and economic development would lead to China’s democratization; (2) that China could be understood through a Soviet lens; and (3) that the Chinese government is (perhaps exceptionally?) flexible. The first of these myths is now a frequent target of critique, part and parcel of the fashionable rejection of Fukuyama-esque teleological liberal triumphalism, including self-critiques by prominent Biden administration members such as Kurt Campbell, National Security Council coordinator for the Indo-Pacific. However, the authors’ methodology raises questions about the persuasiveness of their thesis. The interviews, most of which the authors were unable to conduct in person because of COVID-19, included questions like “Do you have any particular memory of Chairman Mao, e.g. some impressive sentences and quotes from Chairman Mao you still remember?” and “How does it relate to your business, e.g. what can you learn from Chairman Mao?”; it was not up to the interview subjects to bring up Mao on their own (p. 269). The authors then largely take the interviewees at their word, allowing little room for the performance of political fealty or the force of law and coercion in what is perhaps an overcorrection from the CCP-control model that seems to be the unstated fourth “myth.”

Stephen Roach, former chair of Morgan Stanley Asia and now at Yale, is even more explicit in pitching his book *Accidental Conflict* as a rebuttal of what he believes to be the politically convenient narratives

driving the United States and the PRC toward a disastrous, and unnecessary, confrontation. He argues that the United States and China have developed a codependent relationship since the late 1970s to deal with the macroeconomic imbalances produced by their respective domestic economic growth models; furthermore, instead of undertaking the difficult reforms necessary to rebalance those growth models, they have taken the politically easier path of blaming each other for the imbalances and their consequences. As Roach puts it, “America blames China for the trade implications of its saving problem and China interprets that reaction as a threat of containment” (p. 263). Exacerbated by the vicissitudes of domestic political battles (Republican versus Democrat in the United States, and Xi Jinping’s struggle to centralize power in the PRC) and then amplified by discursive echo chambers (social media in the United States, and state censorship in China), these political false narratives are leading to the consolidation of a geopolitical antagonism that threatens to end in catastrophe.

Though Roach’s book is framed as exposing the false narratives on both sides, in practice it focuses primarily on establishing and debunking the American false narrative, which takes up the lion’s share of the real estate. His section on the Chinese false narratives reads more like a litany of Chinese policy failures than an unmasking of mistaken Chinese beliefs about the United States. In Roach’s telling, China’s false narratives include its underestimation of the difficulty of shifting to a consumption-driven model, its failure to understand that a mixed economy is not as nimble in providing sustainable growth as a purer market economy, and its premature attempt to attain great power status. Though there are parallels with the American false narratives, especially their basis in a failure to comprehend what the author believes to be sound macroeconomic policy, it is notable that the Chinese narratives do not include falsely imputing aggressive or harmful motives to the United States.

Roach’s commitment to a particular vision of successful macroeconomic policy—balanced budgets, free markets, and the primacy of the private sector—both explains his concern for the direction of China under Xi and provides a contrast with *Mao and Markets*. In a certain sense, he seems to fall into the category of those who believed in the myth they sought to debunk, namely those who thought China had discarded its Maoist path and was truly on its way to liberalization. Their differing perspectives on the party-state’s role in the economy are revealing in this regard. While Roach sees state-owned enterprises as inefficient and their diminishing role in the economy as progress, Marquis and Qiao in *Mao and Markets* present them as crucial elements of a mixed economic system whose success is based on nationalism, loyalty, and social commitment as well as competition.

Perhaps most glaring, however, is the Chinese narrative that plays a central role in so many of the recent books on China, including influential ones by Michael Pillsbury (*The Hundred-Year Marathon: China's Secret Strategy to Replace America as the Global Superpower* [2016]) and Rush Doshi (*The Long Game: China's Grand Strategy to Displace American Order* [2021]): the narrative that in order to overthrow an imperialist global system, China must find itself at odds with the chief imperialist power, the United States. For the two books being reviewed, which center the tensions of the world's most important bilateral relationship, foreign policy gets surprisingly little coverage. Roach discusses the failure of China's attempt to promote a "new model of great power relations" and points out that Xi's decision about whether to continue to back Vladimir Putin or to facilitate peace is crucial to whether conflict between the US and PRC can be avoided. However, he does not discuss the narrative, also possibly false, that is playing a role in Xi's relationship with Russia and view of current geopolitics: that is, Xi's belief in the need of the United States, as an imperialist power, to impose its will on the rest of the world, and the consequent imperative for China to resist that impulse. This narrative is inextricably linked to Xi's, and China's, commitment to a revolutionary ideology that predicates expectations for political behavior on the underlying structure of economic systems, which is why it is so conspicuous by its absence from the understanding of Maoism in *Mao and Markets*. It might be that the authors of both books believe that this particular narrative has somehow been excised from the policy-defining beliefs of the CCP, although that would be strange given its centrality to the thought of Mao himself and the public declarations of Chinese propaganda today. Debunking this narrative would seem to be worth the effort of the authors. If policymakers in Beijing no longer believe it, then it would indeed be a key counterexample for Marquis and Qiao of Maoism's decreasing relevance, and it would require Roach to explain Chinese paranoia about US containment as strictly rational and evidence based. If not, then it raises the question of why these two books ignore perhaps the most important false narrative of all.

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