

VU Research Portal

On Isabella Weber's How China Escaped Shock Therapy

Liu, Imogen T.; Durand, Cedric ; Scheiring, Gábor

published in

Socio-Economic Review
2023

DOI (link to publisher)

[10.1093/ser/mwad016](https://doi.org/10.1093/ser/mwad016)

document version

Publisher's PDF, also known as Version of record

document license

Article 25fa Dutch Copyright Act

[Link to publication in VU Research Portal](#)

citation for published version (APA)

Liu, I. T., Durand, C., & Scheiring, G. (2023). On Isabella Weber's How China Escaped Shock Therapy: The Market Reform Debate, London, New York: Routledge, 2021. *Socio-Economic Review*, 21(4), 2273-2283. Advance online publication. <https://doi.org/10.1093/ser/mwad016>

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal ?

Take down policy

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

E-mail address:

vuresearchportal.ub@vu.nl

Review Symposium

On Isabella Weber's *How China Escaped Shock Therapy: The Market Reform Debate*, London, New York: Routledge, 2021

Key words: China, economic reform, economic history, growth theory.

JEL classification: P22 Socialist and Transition Economies—Prices, O23 Development Planning and Policy—Fiscal and Monetary Policy in Development, B00 History of Economic Thought, Methodology, and Heterodox Approaches.

On pluralism in China's path to reform

Imogen T. Liu*

Maastricht University, Faculty of Arts and Social Sciences, Netherlands

*Correspondence: imogen.liu@maastrichtuniversity.nl

I begin my reflections on Isabella Weber's excellent *How China Escaped Shock Therapy* with a personal anecdote. In the late 1970s through to the mid-1980s, my father worked in the import department of the China National Technical Import and Export Corporation. Established in 1952, it grew to become one of the largest importers of heavy equipment in the later years of Mao's life when China started opening up to the rest of the world. The country was importing large amounts of heavy machinery to meet the growing demands of industrial expansion after years of economic isolationism. In the year 1979 alone, heavy machinery and electrical imports nearly tripled in volume and contributed to the running trade deficit, and as is noted in *How China Escaped Shock Therapy*, to a balance of payments crisis.

My father worked in a role in a sector that in many ways lies at the epicentre of China's economic transition. What has resonated about this book both on a personal level and within this current historical juncture of monetary hegemony, rising inflation, and political and environmental instability, is that any form of market transition, far from being a

principally macroeconomic issue, requires institutional adjustment that reflects the material and historical base of economic organization.

Chapter 7 meticulously unpacks how the gradualist reformers, notably Li Yining and the System Reform Institute economists, recognized in the face of rising inflation in the mid-1980s that the effectiveness of macro austerity to curb rising price levels could not be achieved without reforming the microeconomic base. A wholesale big bang price liberalization would not work in the context of China's enterprise and banking system. For one, as state-owned enterprises, industrial firms had got comfortable with the soft budget constraint under the socialist planning system. Attempts to institute a hard budget constraint would shift the burden of rising prices further downstream and on to consumers, leading to market destabilization (pp. 199–200). For another, industrial firms in China had access to unlimited bank lending, which softened any attempt at creating a hard budget constraint (p. 212). In short, without reforming enterprises, the industrial base would not respond to price signals (p. 208).

The book advocates with compelling clarity through the arguments of the gradualist reformers an essentially institutionalist solution to the problem of market transition that could (a) overcome the issue of excess aggregate demand under price control and, crucially, (a) at the same time maintain social stability and economic growth (p. 209). As the book documents, the economist Li Yining's policy prescription was to corporatize and modernize state enterprises through the institution of market-based modes of corporate governance and state shareholding.

The company my father worked for saw this prescription borne out. The China National Technical Import and Export Corporation was consolidated under an umbrella group in 1998, under what became the primary state shareholder, the State Asset Supervision and Administration Commission (SASAC), and which now holds combined assets in excess of 3.6 trillion USD including more than a handful of fortune 500 companies (SASAC, 2021). As the fate of my father's company proved, the early reform period laid the foundations for a trajectory of enterprise modernization well into the 90s when a more progressive reform agenda took root.

The value of *Weber's book* should, in this sense, also be recognized as an origin story that illustrates not the divide between competing ideologies, whether monetarist vs. fiscal, liberal vs. statist, or shock therapy vs. gradualism, but of reformists as a whole who recognized the historical juncture which the socialist economy had reached. The urban industrialization strategy under Mao had fostered an urban–rural divide, reinforced by the price scissors—subsidized producer prices and suppressed agricultural prices (pp. 95–98)—resulting in high levels of poverty in rural China, as well as stagnant growth in the decades preceding official Reform and Opening Up in 1978 (p. 104).

Chapter 4 shows how the impetus to reform the socialist planning system under Mao was not grounded in an ideological shift, but economic imperative. Although, this statement is misleading insofar as the economic imperative has always been overlaid by a superstructure of socialist ideology, materialized in the basic goals of social stability, escape from poverty that marked the majority rural population at the time, catch up development and transition to a prosperous socialist society. To quote then incumbent Chairman Deng Xiaoping in his selected works of 1985:

Predominance of public ownership and common prosperity are the two fundamental socialist principles that we must adhere to. The aim of socialism is to make all our people prosperous, not to create polarisation. If our policies led to polarisation, it would mean that we had failed; if a new bourgeoisie emerged, it would mean that we had strayed from the right path (in Dunford, 2022).

This has been the bedrock of the reformist agenda and China's subsequent developmental path across the post-Mao leadership who saw development as the end goal. Market transition, and market metrics like equilibrium pricing were the means by which the final stage of socialism would be reached, but never intended as the end goal (pp. 208–209). *The book* shows through the reform debates of the 1980s that the transition path forward was paved in a mosaic of policy prescriptions un beholden to any specific policy precept. Contained within its pages is an essentially pluralist messaging, that the nature of state intervention in economic life does not consist of pure binaries.

However, at the same time that *this book* is very much an origin story of China's gradual market transition, it should also be read as a *memento mori* marking the end of revolutionary political reform. The significance of this fact is only given cursory treatment in the book. Chapter 8 describes how inflationary pressures in 1988 coupled with corruption arising from arbitrage across planned and market prices under the dual-track price system sparked student uprisings calling for wholesale economic and political reform (p. 236). The leadership was united in their wholesale embrace of development through marketization, but they were divided on the way to deal with the protestors. Deng Xiaoping ultimately made the decision to bring in the military on the fourth of June at Tiananmen. He was opposed to liberal democratic reform, but it is also a misnomer to think of his hardline approach as being in any way a juxtaposition of the leadership's progressive position on market reform.

The crackdown on Tiananmen, colloquially known as 六四 meaning 'six four' to mark the date, represents the other side of the coin of a wholesale commitment to marketization. The continued reproduction of capitalist social relations has always required political intervention to mobilize the social forces required for production. Market creation has often justified political violence, whether it is the stifling of labour movements, suppression of cultural values antithetical to exchange value or plain military incursion à la the rich literature on empire and imperialism going back to Lenin (1917/1939; see also Hobson, 1902/2011). Market expansion and political violence are intimately bound up in the capitalist machine. The subsequent three decades of China's development attest to this Janus-faced dynamic, rendered most visible in the contemporary era by the consolidation of both industrial and political capacity under Xi Jinping.

My father left China in the wake of the Tiananmen crackdown, returning occasionally for the odd visit. He witnessed from the outside the cataclysmic growth the country experienced in the following three decades and the unprecedented levels of wealth accumulated by those daring enough to grasp the opportunities thrown up by the creation of the market. His is a bittersweet story that parallels that of the gradualist reformers who were either relegated or exiled to the dustbin of history, while 'liberal' reformers like former Premier Zhu Rongji and Minister of Finance Lou Jiwei took centre stage in the 1990s. Weber's book in depth, volume and rigour, offers a parable and an antidote for reform: let us not forget that pluralism laid the foundations of China's escape from shock therapy.

References

- Deng, X. (1985) 'Unity Depends on Ideals and Discipline'. In *Selected Works of Deng Xiaoping*, Vol. III, Beijing, People's Publishing House, pp. 78–79.
- Dunford, M. (2022) 'The Chinese Path to Common Prosperity', *International Critical Thought*, 12, 35–54.
- Hobson, J. A. (1902/2011) *Imperialism: A Study*, Cambridge University Press. accessed at <https://doi.org/10.1017/CBO9780511792076> on June 21, 2023.
- Lenin, V. (1917/1939) *Imperialism: The Highest Stage of Capitalism*, New York, N.Y., International.
- SASAC (2021) *State Capital Optimization Gets Impetus*, accessed at http://en.sasac.gov.cn/2021/02/24/c_6685.htm on June 21, 2023.
- Weber, I. (2021) *How China Escaped Shock Therapy: The Market Reform Debate*, London & New York, Routledge.

Armchair economics defeated

Gábor Scheiring*

Dondena Centre & Department of Social and Political Sciences, Bocconi University, Milan, Italy

**Correspondence: gabor@gaborscheiring.com*

How did post-socialist China become the world's industrial powerhouse while post-socialist Russia deindustrialized? *How China Escaped Shock Therapy* explores the economic policy debates behind China's successful post-socialist transformation.

To understand the historical scope of China's transformation, let us start with a counterfactual. In contrast to Chinese gradualism, most countries in Eastern Europe subscribed to shock therapy. They deregulated, liberalized and privatized as quickly as possible. The former socialist industry disintegrated and vanished overnight. The result was economic chaos and 'suffering of epic proportions' (Ghodsee and Orenstein, 2021).

Even the most successful countries in East-Central Europe pale in comparison to China. Their dependent economies managed to reindustrialize through foreign investment (Nölke and Vliegenthart, 2009), but they lost control over their economies' commanding heights and faced severe socio-economic disintegration. These developmental bottlenecks are now challenging the stability of liberal democracy, fuelling authoritarian nationalism in the region (Scheiring, 2022).

When compared with the worst cases, the contrast is truly stunning. Russia's share of world Gross Domestic Product (GDP) almost halved, from 3.7% in 1990 to about 2% in 2017, while China's share increased close to six-fold. In 2016, the real GDP per capita (in 2011 USD) of Ukraine, Moldova, Serbia, Montenegro, Tajikistan and Georgia was still below the 1989 level (Ghodsee and Orenstein, 2021).

The lived experience of shock therapy and deindustrialization fuelled the unprecedented mortality crisis that hit Eastern Europe, culminating in seven million excess deaths in the

region in 1991–1999 (Scheiring and King, 2022). Today, 15 out of the 20 fastest shrinking countries are located in Eastern Europe (United Nations, 2022). In contrast, life expectancy has been improving without interruption in China.

Isabella Weber's meticulously researched monograph tells the story of China's fortunate break with the economic policy mainstream, which allowed the country to escape Eastern Europe's dismal fate. In Weber's narrative, ideas are central. As she asserts, 'China's deviation from the neoliberal ideal primarily lies not in the size of the Chinese state but in the nature of its economic governance' (Weber, 2021, p. 3).

When Hua Guofeng, Mao's designated heir, started a gradual opening after the Cultural Revolution, the country's intellectual and political elites realized how much China had fallen behind. They began to look for ways to reform the economy. When Deng took over from Hua in 1978, he accelerated reforms.

A group of young social scientists and economists previously sent to the countryside during the Cultural Revolution for 'reeducation' played a vital role in these reforms (such as Chen Yizi, Xiaoqiang Wang and Nanfeng Bai). They conducted surveys about the economic and social impact of household contracting, which played a crucial role in legitimizing gradual market reforms in agricultural production in the early 1980s.

The first steps of the reform focused on extending household production and liberalizing agriculture. The state maintained its role as buyer of last resort, owner of the land and heavy agricultural machinery. Yet, households gradually became responsible for organizing agrarian production. These reforms brought enormous gains in rural living standards.

Fuelled by this success, reform economists started to turn to the industrial core. The critical tool of these reforms was the dual-track price system that regulated production through state participation in the market. They argued that the state should continue playing a crucial role in stabilizing prices and protecting consumers and producers from violent cycles as gradual liberalization progresses. They wanted to transform the socialist industry gradually into a competitive business sector.

However, by the end of the 1980s, Deng started to see radical reforms as the only way ahead because of growing corruption and inflationary pressures. Shock therapists argued that the only way forward was to destroy the old industrial base and let the invisible hand of the market work its magic, which would create a new, much more efficient economy.

The year 1988 was supposed to be of rapid mass liberalization measures. However, inflation shot up partly because people knew about the state's intention to terminate the dual-track system. As panic buying ensued and unrest grew, Deng had to step on the breaks. Although the 1990s brought a renewed wave of liberalization, China never implemented anything even remotely resembling post-Soviet shock therapy.

A critical theoretical insight emerging from Isabella Weber's fascinating account pertains to the nature of economics. The key figures behind the gradualist policy approach were empirically oriented development economists, utilizing methods and insights from sociology and other social sciences. In contrast, the proponents of shock therapy believed in the superiority of computerized, mathematical economics, deriving blueprints from neat theoretical models. This 'armchair economics' suffered multiple defeats in China during the formative years of economic policy.

Economists today can still learn a great deal from the pragmatic, empirical orientation of Chinese gradualists. As Herbert Simon remarked, 'economists tend to start with some global theoretical assumptions as if they were handed down from the mountain by Moses, and

then they reason from them. . . . No empirical evidence is given . . . [they] emerge from the mind of the economic theorist sitting in his armchair' (Simon and Bartel, 1986, pp. 19–22).

Since then, economics has undergone a major empirical revolution, and the legitimacy of neoliberalism has suffered significant blows. However, neoclassical economics still reigns supreme at the core of the discipline. Weber's book shows that an economics sensitive to historical context, institutional specifics, and in dialogue with other empirical social sciences can yield superior proposals to armchair economics.

While empirically oriented institutionalists converged on a gradualist reform agenda in China, the economics landscape opened onto a different path in East-Central Europe. In Hungary, the country with the longest legacy of market-socialist reforms dating back to the 1968 New Economic Mechanism, leading institutionalists, such as Kornai, came to embrace the neoliberal outlook most forcefully represented by neoclassical-monetarist economists. The remaining group of institutionalists got marginalized. Neoliberalism reigned supreme already before 1989 (Bockman, 2011).

Many excellent books and articles have been written on what drove the rise of neoliberalism (Eyal *et al.*, 1998), but a China-Eastern Europe comparison would still be a highly rewarding venture. Along these lines, it would also be interesting to look at to what extent and how China escaped the suffering caused by the lived experience of shock therapy. This question is also pertinent for the social stability of China's regime. Here again, a comparison with Eastern Europe would be rewarding (King *et al.*, 2022).

Weber's decision to foreground the price reform meant she had to relegate privatization and industrial policy debates to the margins. Teasing out the industrial policy lessons of China's transformation would thus be an important addition—along the lines of her co-authored essay on the perils of 'carbon shock therapy' and the need for green industrial policy (Gabor and Weber, 2021). We can only hope that the next book or article(s) will explore these topics in more detail.

It is also essential to see that China's success is massive but still relative: China's development model has also kicked off a rapid growth of inequality and precarity, intensified ecological problems and failed to facilitate democratization so far. In fact, it allowed for the emergence of a repressive surveillance state. Whether China can combine gradual economic liberalization with political democratization remains to be seen.

However, these unresolved issues do not diminish the extraordinary contributions of Isabella Weber's book. The combination of historical depth with theoretical insights that speak to contemporary debates makes *How China Escaped Shock Therapy* a benchmark monograph in the literature on the political economy of China and shock therapy.

References

- Bockman, J. (2011) *Markets in the Name of Socialism: The Left-Wing Origins of Neoliberalism*, Stanford, C.A., Stanford University Press.
- Eyal, G., Szélenyi, I. and Townsley, E. (1998) *Making Capitalism without Capitalists: Class Formation and Elite Struggles in Post-Communist Central Europe*, London, Verso.
- Gabor, D. and Weber, I. M. (2021, November 8) 'Cop26 Should Distance Itself from Carbon Shock Therapy', *Financial Times*, accessed at <https://www.ft.com/content/1d2dcdc4-4de2-4e87-ab1f-574a32c5e0e2>.

- Ghodsee, K. and Orenstein, M. (2021) *Taking Stock of Shock: Social Consequences of the 1989 Revolutions*, Oxford, Oxford University Press.
- King, L., Scheiring, G. and Nosrati, E. (2022) 'Deaths of Despair in Comparative Perspective', *Annual Review of Sociology*, **48**, 299–317.
- Nölke, A. and Vliegenthart, A. (2009) 'Enlarging the Varieties of Capitalism: The Emergence of Dependent Market Economies in East Central Europe', *World Politics*, **61**, 670–702.
- Scheiring, G. (2022) 'The National-Populist Mutation of Neoliberalism in Dependent Economies: The Case of Viktor Orbán's Hungary', *Socio-Economic Review*, **20**, 1597–1623. Advance access, published on February 15, 2022.
- Scheiring, G. and King, L. (2022) 'Deindustrialization, Social Disintegration, and Health: A Neoclassical Sociological Approach', *Theory and Society*, Advance access, published on March 14, 2022.
- Simon, H. A. and Bartel, R. D. (1986) 'The Failure of Armchair Economics', *Challenge*, **29**, 18–25.
- United Nations (2022) *World Population Prospects 2022*, Department of Economic and Social Affairs, Population Division, UN, accessed at <https://population.un.org/wpp/> on August 21, 2022.
- Weber, I. M. (2021) *How China Escaped Shock Therapy: The Market Reform Debate*, London & New York, Routledge.

Structural change and the duality within the price system

Cédric Durand*

University of Geneva, Switzerland

**Correspondence: Cedric.Durand@unige.ch*

Rather than to engage with the historical account of the Chinese reform debate, this intervention attempts to make explicit the theoretical underpinning of Weber's economic view and unravel its normative stance. These questions are interesting in themselves, but they become all the more important that Weber is now one of the main protagonists of contemporary debate about inflation, promoting an alternative path to a dangerous macroeconomic cooling through monetary tightening and fiscal austerity (Dullien and Weber, 2022).

Across her book, Weber advances a theory of price dynamics and the role of the price system in the context of structural change. This is a theory of prices from the point of view of policymaking in turbulent times. While not articulated explicitly and informed by insights from various heterodox traditions, the combination of diverse elements disseminated along the historical narrative constitute a very original contribution and an important theoretical breakthrough, with far-reaching implications for post-neoliberal economic policymaking in the shadow of the anthropocene.

What is at stake in the Chinese Market Reform Debate and in Weber's appropriation of this discussion is 'nothing less than a common understanding of the economy's basic mechanisms' (Weber, 2021, p. 260). It cannot be stressed more clearly that the theoretical stakes in this discussion of the functioning of the price system are not specific to the Chinese reform context but hold generally for any situation of major structural disequilibrium threatening the macroeconomic reproduction.

At the heart of this problem lies a conception of the dynamic of the economy as a monetary system based on the heterogenous circulation of products. To articulate this heterogeneity Weber draws on an anti-Chinese view on price regulation, the *Guanzi's* approach (Chapter 1), to distinguish between 'heavy' products that are 'essential' for the functioning of the economy and 'light' products that are 'inessential'. This insightful dichotomy paves the way for strategic and contextualized policymaking. The light/heavy distinction allows to assess in space and time the criticalness of the price movement of specific commodities for the whole economic and social order. Price elasticity is an expression of the uneven ability of society and the productive system to cope with a change in prices. *Light* goes thus for high-price elasticity products when consumption and/or production patterns react by adapting smoothly to price signals; *Heavy* goes for low-price elasticity products for which consumption and/or production patterns cannot adjust in the short run, with the consequence that sharp price movements result in major economic disorders. Importantly this relative 'weightiness' is considered both on the final-demand side (the living conditions) and the supply-chain side (the stickiness of the productive system), pointing out to an equal attention to the political implications of the direct impact on socioeconomic conditions and the more indirect economic fallout of the shockwaves along the industrial branches.

In her discussion of the scholarship about the Great Depression, Mary O'Sullivan makes the point that macro monetary mechanisms are not enough to understand the logic of major economic disorders and that those must be traced in real economy malfunctions that are visible 'in scrutiny of the changing system of prices in an economy and its implications for enterprises' revenues and costs' (O'Sullivan, 2021, p. 326). Weber's theory precisely concerns this combination of micro and macro dimensions. She outlines an insightful articulation of the way the light/heavy distribution of products reverberates in the price system. A tentative summary of this framework is proposed in Figure 1.

At the microeconomic level, price liberalization is instrumental to tackle the shortages and bottlenecks resulting from structural disequilibrium. A consensus among the diverse

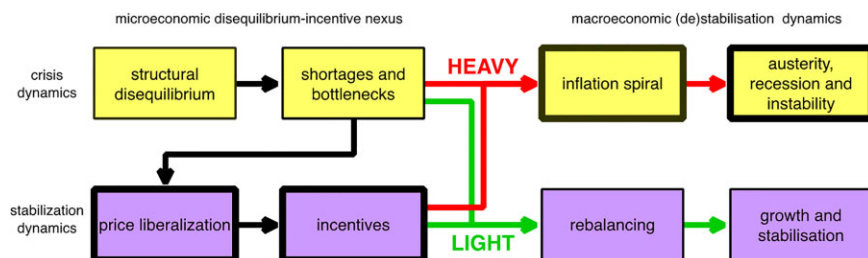


Figure 1 Weber's conundrum: micro-macro price dynamics through the lenses of the 'light/heavy' dichotomy.

strands of Chinese reformers—not challenged by Weber—was that opening some space for the pursuit of profit and individual incentives was instrumental to enhance production and productivity. How, how big, and at what pace should the liberalization go? Those are precisely the issues constitutive of the debate in which Weber is interested, but the direction itself is not a matter of controversy.

At the macro level, the objective is to rebalance the economy in order to accelerate economic growth and contribute to overall socio-political stability and improving the country's international standing. Such a straightforward positive expected outcome is the rationale of the advocates of full-blown liberalization, which is represented by the sequence indicated by the green arrows. However, its advent is highly uncertain. It rests on the hypothesis that economic actors can cope with drastic changes within the price system. If that could be true, as far as the products concerned are of the 'light' kind, when products of the 'heavy' kind are touched, abrupt price liberalization translates into increasing mark-up without allowing for short-term adjustment of the supply. The result is the transformation of localized price increases into an inflationary spiral which paves the way for fiscal austerity and monetary tightening. This unfolding is indicated by the sequence of the red arrows. Instead of balanced growth, the outcome is a costly recession and socio-political instability resulting from widespread frustrated expectations.

Overall, such a perspective provides an original articulation of micro and macro dynamics. As stressed by the two brighter parts in [Figure 1](#), the theory encompasses both positive microeconomic incentives and negative macroeconomic knock-on effect of spiralling inflation through the dislocation of interfirm and intersectoral relations and abrupt shock on consumption patterns. Its main conclusion is that abrupt general liberalization is doomed to fail because some prices are more crucial than others. It is thus the responsibility of public authority to address politically this disparate sensitivity and to subordinate their overall evolution to the broader socio-political developmental goals that cement the community. Hence the gradualist approach is not only concerned by the rhythm of the market transformation but is also more agnostic about its final direction.

Out of Weber's theoretical framework arises a lesson valid beyond the limits of the Chinese reform debate: a dual-track pattern is an adequate feature for economies undergoing structural transformation. In a wide variety of circumstances whose commonality is the necessity to undergo structural changes, she spots a similar configuration where a planned core with state-managed prices co-exists with a market-coordinated periphery. State *dirigisme* for 'heavy' products appears thus as an effective complement of market spontaneous dynamism for 'light' products, keeping in mind that 'heavy' and 'light' are not fixed realities but ever-changing categories due to the ongoing transformation of social and technological modes of production and consumption and of broader circumstances.

At the end of the day, Weber's position is very close to the basic logic put forward by one of the early inspirer of the reforms at the turn of the 80s, Xue Muqiao, and that Weber summarized as follows: 'the state must restrict the power of the law of value over things that are "heavy" – commodities that are in short supply or vital to people's livelihood and production. In contrast, the prices of things that are "light" – commodities that are oversupplied or nonessential—can be determined by spontaneous market forces, achieving balance through imbalance' (2021, p. 120).

This conclusion brings us to the surprising lack of interest in Weber's book for the politico-theoretical discussion about economic systems and the relationship between

socialism and capitalism. The question is not so much where she stands in the nominative debate about the nature of the contemporary Chinese social formation, which is a delicate issue for scholars that want to pursue research on China. More important is the substantial problem of the relation between human emancipation and the transformation of micro and macroeconomic arrangement. To what extent price liberalization contributes to reify human relations or to extend the capabilities and agency of individuals? What are the implications for the economic dynamics of the persistent political control over the commanding height of the economy and the resulting idiosyncratic class relations (Sperber, 2022)? Is there such a thing as collective agency to deal with ‘heavy’ products while the ‘light’ would be better delegated to individual agency? Such questions invite to engage for instance with the dualistic position developed against market socialists and in favour of planning by Ernest Mandel. For Mandel, ‘Money and market relations ... come into their own as instruments for enabling greater consumer freedom to the extent that basic needs have already been satisfied. ... Money as a medium for consumer freedom is efficient only for decisions among what is relatively superfluous ... As a means of determining the basic directions of social resource allocation, it is likely to be both unjust and inefficient’ (Mandel, 1986).

Another troubling issue relates to the implications of Weber’s framework beyond the productivist bias inherent to the topic of the book. Indeed, her research concerns the post-Maoist turn, a moment when ‘the development of the forces of production was ... China’s foremost project.’ In such a context she develops a compelling case in support of the effectiveness of ‘gradual marketisation from the margins under the dual-track system’ (Weber, 2021, p. 226) to allow for balanced growth and economic catching-up out of a weakly commercialized economy, while escaping from the afflictions of hyperinflation and austerity. The prescription here is to free the economic combinatory game for ‘light’ products in order to unleash the productive forces while retaining as long as necessary some public control over the commanding heights of the economy. The overall direction is that of a ‘lightening’ of economic policymaking, i.e. a cautious move away from the plan toward the market.

In the age of the Anthropocene, when affluent countries must move away from productivism, the nature of the economic problem has meaningfully changed. At the beginning of the 1970s, William Kapp made a diagnosis that became truer ever since: the ‘transformation of the environment is no longer an expression of an increasing mastery over the world we live in but is instead a sign of a loss of such mastery’ (Kapp, 1970, p. 23). Considering that such a loss of control of the relationship between productive forces and the reproduction of natural cycles fuels a life-threatening ecological crisis, what would be the recommendations arising from Weber’s framework? Would that call for a shift toward a ‘heavier’ form of policymaking, a move away from the market to the plan? If the stimulation of the profit motive was the rationale to unleash productive forces, would reining them in call for a move in the other direction? If that was the case, Weber’s framework could provide a template for conceptualizing the ecological transition: a displacement from the ‘lightness’ of the enlargement of consumerism toward the ‘heaviness’ of guaranteeing the reproduction of the conditions of production, that is the economic stabilization of the regulation of the biosphere.

References

- Dullien, S. and Weber, I. M. (2022) ‘Höchste Zeit Für Einen Gaspreisdeckel: Ein Wichtiges Instrument im Kampf Gegen Energiepreisbelastung’, *Wirtschaftsdienst*, 102, 595–598.

- Kapp, K. W. (1970) 'Environmental Disruption: General Issues and Methodological Problems', *Social Science Information*, 9, 15–32.
- Mandel, E. (1986) 'In Defence of Socialist Planning', *New Left Review*, 159, 5–22.
- O'Sullivan, M. A. (2021) 'History as Heresy: Unlearning the Lessons of Economic Orthodoxy', *The Economic History Review*, ehr.13117. <https://doi.org/10.1111/ehr.13117>
- Sperber, N. (2022) 'Servants of the State or Masters of Capital? Thinking through the Class Implications of State-Owned Capital', *Contemporary Politics*, 28, 264–284.
- Weber, I. (2021). *How China Escaped Shock Therapy: The Market Reform Debate*, London & New York, Routledge.