

# **Rethinking the “China Model” of Development: A New Critique of Political Economy**

## **Abstract**

In the mid-nineteenth century, Karl Marx issued several critiques of political economy writings in which he criticized the exclusive duality of states and national economies. He argued that capitalism had characteristic features quite apart from those shaped by the idiosyncrasies of national economies. In the first part of the lecture, the speaker critiques contemporary state-centered explanations on the same grounds. Most political economists misinterpret or entirely ignore the significance of export-led industrialization, which is better conceptualized as demand-responsive industrialization. In the second part, the speaker demonstrates the importance of the global retail revolution on the process of industrialization in East Asia, in particular the sequential ordering system for contract manufacturing that is an inherent feature of global capitalism today. Finally, Professor Hamilton debates the so-called China model of development, which emphasizes the state’s control over the process of industrialization, not only involves a misinterpretation of capitalism, but also, as put into practice, has placed China on a path to a coming economic crisis of the first order.