Development prescriptions that assume that the rest of the world can (or should) mimic a stylized North Atlantic path to the modern world dominated the 1950s to 1970s, with limited success. The neo-liberal prescriptions of the last 30 years were no better at creating long-term dynamism, and often imposed horrific social costs.

Most of the success stories of post-1945 development are clustered in East Asia: Taiwan, South Korea, Hong Kong, Singapore, and (with more caveats), coastal China. Among other things, almost the entire net reduction in global poverty numbers during the last 30 years has occurred in China, which largely ignored the “Washington Consensus” on development strategy. This geographic clumping has encouraged discussion of an “East Asian development path.” Sometimes this is said to derive from 20th century corporatist institutions, sometimes from supposedly timeless “Asian values” of discipline and respect for education; but none of these are sufficiently “East Asian” to explain very much.

A new comparative history of economic development yields different lessons. It highlights differences in political-economic relations between cores and peripheries and differential access to fossil fuels in explaining why the most dynamic regions in the West out-distanced their East Asian counterparts in the 19th century, casting particular doubt on arguments that focus on allegedly more perfect markets in the West. A second theme is the role of labor-intensive industries, often based in the countryside and employing people from households still connected to agriculture (creating relatively low rates of both urbanization and proletarianization). This period of catch-up growth unfolds with less growth of landlessness and less
inequality than in most of the industrializing West. However, in China (by far the biggest East Asian country) we also see problems related to trade-dependence, resource shortages, and environmental degradation. These problems have made the indefinite extension of this path highly unlikely, and have engendered familiar strategies—socially and environmentally disquieting—for China’s interior.

**Comparative-Historical Theories of Development**

Recent scholarship suggests a rough comparability in living standards between advanced areas in 18th century China and those in Europe. This allows us to use China to raise questions about Europe, and its 19th century breakthrough to sustained per capita growth. If the divergence in economic performance was quite late, it makes untenable any simple contrast between Western growth and non-Western stagnation. It also means that any explanation resting on cultural or institutional differences (which preceded the divergence by centuries) face a new burden of proof. We must either explain why some difference that was not particularly advantageous earlier became so later, or find offsetting disadvantages that fell away at a particular point, rather than looking only for “advantages” within Europe.

By contrast, most social science in both the Marxist and Weberian traditions was born from contemplation of a West that (briefly) held the world’s only industrial societies, and took Western Europe as the standard of “real” historical change; other places were examples of failed, absent, or deviant development. The “new world history,” or “California School,” of which the work discussed here forms a part, does not deny that this approach yielded many insights, but suggests that reciprocal comparisons may be more valuable today: comparisons in which we also ask, “Why wasn’t England the Yangzi Delta or the Kinai—wealthy agro-commercial areas with lots of handicrafts that did not initiate large-scale energy-intensive manufacturing?” Such comparisons are useful for separating the necessary and the contingent in North Atlantic growth; many structures happened to be in place as the West industrialized, and were adapted to serve that process—e.g. financial markets originally designed mostly to finance war were also useful for financing new technologies like railways that required lots of patient capital—but it does not follow that they were necessary to the process. Reciprocal comparisons allow us to take more seriously the possibilities that other societies had advantages as well as disadvantages, and to see the possibilities for transformative change that draws upon, rather than simply overcoming, indigenous institutions and expectations.

Others have taken these elements and combined them in other ways. André Gunder Frank, for instance, shared the emphasis here on the relative prosperity of early modern East Asia—indeed, he went much further, suggesting that Europe did not become more prosperous until the middle of the 19th century—and also used it to raise doubts about whether Western institutions were more conducive to growth. He also questioned the significance of any differences in local institutions, favoring an exclusive significance on the dynamics of a world system. Others, such
as R. Bin Wong and Jack Goldstone, have differed from the analysis here in the opposite direction, focusing more or less exclusively on reciprocal comparisons while minimizing (at least for the pre-1850 period) the significance of trans-continental connections (including violent ones) and questions of resource endowments and extraction that will figure prominently in later parts of this essay.

But all of us have concluded that the evidence is inconsistent with any assertion that early modern European culture or economic institutions led directly to superior economic performance, much less that they were both necessary and sufficient for the creation of modernity.

**Early Modern Economies and the Origins of the Great Divergence**

An emerging consensus among European economic historians has moved away from seeing industrialization as a British-centered “Big Bang.” Instead, they put industrialization back into its historical context: in long processes of slowly-growing markets, division of labor, many small innovations, and gradual accumulation. The gradual market-driven growth thus highlighted was crucial, but it didn’t differentiate Europe from East Asia. Smithian dynamics worked just as well in much of China and Japan, but didn’t transform basic possibilities—eventually, highly developed areas everywhere came up against serious resource constraints, in part because commercialization and proto-industrialization accelerated population growth. Britain ultimately needed not only technology and institutions, but also the Americas, coal, and various favorable conjunctures. In Flanders and even Holland, proto-industrialization and productive commercial agriculture led to results more like China’s Yangzi Delta or Japan’s Kinai region than like England.

Some readers may object to comparing regions within China and Japan to European countries, but China more closely resembles all of Europe than any one European country in its range of environments, living standards and so on. The Yangzi Delta (with about 31.5 million people in 1770, exceeding France plus the Low Countries), the empire’s most developed region, can be compared to Britain (or Britain plus the Netherlands) in terms of its prosperity and its position within a larger system. The rice-exporting, cloth-importing Middle Yangzi might be better compared to Poland. Such comparisons illuminate parallels and differences in the structuring of inter-regional relationships within world areas, and relate economic development to larger contexts, rather than searching within each region for its “key to success” or “fatal flaw.”

In an influential version of the gradualist story, Jan DeVries has placed the Industrial Revolution within a larger “industrious revolution”—a concept which helps resolve a paradox. The grain-buying power of European day wages fell sharply between 1430 and 1550, and took centuries to regain 1430 levels. Yet death inventories from 1550 on show ordinary people slowly gaining more possessions. These trends can be reconciled because people worked more hours per year for money, allowing them to buy both more non-food goods and stable amounts of increasingly
expensive bread. Leisure probably decreased—though this is hard to pin down—and people certainly spent less time making goods for their own households. Instead, they specialized more and bought more, including many goods (baked bread, manufactured candles, etc.) which “saved time” on domestic chores.

Chinese trends were similar. The rice-buying power of day wages generally fell in late imperial times, but nutritional standards do not seem to have fallen, or to have been inferior to Europe’s. Average Chinese caloric intake in the late 1700s appears to compare well with Europe (and that of the Yangzi Delta with England); China probably led in vitamin intake; and most surprisingly, protein consumption in the Delta and England seems to have been comparable, at least for the vast majority of both societies. Rough nutritional parity is also suggested by Chinese life expectancies, which were comparable to England’s (and thus above Continental Europe’s) until at least 1750. Moreover, while Chinese birth rates (contrary to mythology) appear to have been no higher than European ones between 1550 and 1850, the rate of population growth was the same or slightly higher, suggesting that Chinese death rates were the same or lower.

There is abundant anecdotal evidence that the consumption of “non-essentials” by ordinary Chinese was rising modestly between about 1500 and 1750, much as it was in Western Europe. Quantitative estimates for various commodities suggest that in most cases China circa 1750 stacked up well against Europe, and the Yangzi Delta fairly well against England. Yangzi Delta labor productivity in the largest sector of all 18th century economies—agriculture—was 90% of England’s as late as 1820, leaving both far ahead of almost all of Continental Europe. Total factor productivity was much higher in the Yangzi Delta, because of greatly superior land productivity. In the second largest sector, textiles, the earnings per day of Yangzi Delta producers exceeded those of their English counterparts even in the late 18th century, though the beginnings of mechanization must have caused their productivity to fall behind by then.

The Yangzi Delta may not have stacked up quite as well overall against England as it did sector by sector, because the mix of sectors was different. Lacking much in the way of ores, forest, fossil fuels, or even waterpower (being essentially flat), the Delta had less of its labor force in energy-intensive industry. For example, using one 1704 data set, charcoal was 20 times as costly relative to labor in Canton as it was in London, though real wages were roughly equal. And while the Delta’s long-distance trade was very large, it was, as we shall see, leveling off by the late 1700s.

Generally speaking, though, the economic performance of these two regions was surprisingly similar. Europe-China comparisons are more difficult to do than those for England and the Yangzi Delta, because conditions varied much more and statistics are less reliable; but the data we have also suggest fairly close comparability in 1750 and perhaps 1800.

But another feature of East Asian cores was strikingly different from the early modern West (and probably South Asia). From the 16th century on, a growing percentage of rural European workers (whether in agriculture or other occupations)
were proletarians—people who owned no means of production and worked for wages. In the most advanced parts of 18th century Europe they became a majority. In China, however (and, for different reasons, also Japan), proletarians were under 10% of the 18th century rural population; almost every household either owned some land or had secure tenancy. On the positive side, this reflected both hard-won customary rights and the state’s desire for a peasantry sufficiently independent to be ruled without going through local magnates. More negatively, it reflected very low reproduction rates among those who were proletarianized. Since sex-selective infanticide and neglect skewed male/female ratios, and a few elite males had concubines as well as wives, the poorest men rarely married. (This was perhaps their most intense social grievance; it disappeared for a while after the Revolution, but has reappeared due to sex-selective abortion.)

Given secure tenure, even full-time tenants earned more than twice as much as rural wage laborers. Since urban unskilled wages were very close to rural ones, the poor had little incentive to head for the cities. They were much better off heading for the frontier, where gaining access to land was relatively easy: average incomes were lower, but the chance for a newcomer to reach that average was much better. Consequently, the large non-agricultural labor force in areas like the Lower Yangzi remained embedded in farm households, which produced both agricultural commodities and light manufactures for sale. The resulting economy produced relatively high average incomes, some cushion against market fluctuations, and probably less inequality than in the early modern West, but it needed a continued frontier (both to trade with and to send migrants to), and it produced fewer of the urban agglomeration effects that may have been important to early industrial innovation.

Parity did not last. In the 19th century, output and specialization soared in Europe, while in China, per capita non-grain consumption probably declined: 1900 figures for cloth, sugar, and tobacco, for instance, are below even conservative estimates for 1750.

Much of the difference was ecological, but not because “population pressure” was necessarily producing more serious problems within Chinese core areas than in cores of Europe. Dry-farming areas in North China seem to have been maintaining the soil as well as those in England circa 1800; nutrient balances in South China’s paddy rice regions (where periodic inundation provided nutrients that supplemented impressive applications of recycled human and animal wastes) would compare very favorably to anything in Europe. Even for wood supply and deforestation there was no clear Western European advantage circa 1750, despite its much sparser population. China used fuel very efficiently, and was actually better off in certain ways than Western Europe, where deforestation, sandstorms, and other signs of environmental stress were all increasing in the 18th century. Still, high fuel prices mattered, since they made people in China unlikely to try substituting heat energy for labor.

One can find some signs of serious problems and of relatively stable conditions in cores at both ends of Eurasia, and the research available leaves many gaps; however, the current state of our understanding no longer supports older, taken-for-
granted notions that because they were more densely populated, East Asian cores must have been worse off than European ones in the 18th century. On the whole, the current research seems to suggest rough comparability. What is clear, however, is that in the early 19th century—when both population and per capita consumption were growing as never before in Western Europe—some ecological variables, such as forested area, underwent a surprising stabilization, after declining considerably amidst the much slower growth of the early modern period. In China, by contrast, ecological problems accelerated despite a slowdown in population growth and a probable stagnation or even decline of per capita consumption.

The basic explanation of this ecological divergence appears to be twofold. One is the English transition to fossil fuels. This required new technology, but also luck. Before railways, most of China’s coal deposits were far too many land-locked miles away from its core regions to be economical, regardless of any breakthroughs in extraction and use. In England, by contrast, early deforestation and abundant coal outcroppings in places accessible to London caused widespread early use of this less-preferred fuel, but production would have stalled at early 18th century levels without steam engines to pump water from deeper mines. Early steam engines, meanwhile, were so inefficient that for roughly a century their only use was at the pithead, where fuel was virtually free (fuel prices throughout the early modern world were largely driven by transport costs). But once the engines had some use, they were worth tinkering with, eventually reaching a point where they revolutionized transport and opened a new world of cheap, energy-intensive production.

Secondly, Western Europe benefited from a surge in imports of various land-intensive products from less developed areas, especially in the Americas. As demand for food, fiber, building materials, and fuel (Malthus’ “four necessities”) mounted, cores everywhere had to acquire some of these land-intensive products by trading with peripheries that wanted the manufactures, especially textiles, that cores produced.

But that trade tended to run into one of two problems. Where families in the peripheral areas were largely free to allocate their own labor, export booms stimulated population growth through natural increase and/or immigration. Over time, some labor switched into handicrafts, reducing exportable surpluses of raw materials and demand for imported manufactures. The Middle and Upper Yangzi, North China, and other Chinese hinterlands followed this path around 1750-1850, and what had been by far the world’s largest long-distance staple trades declined. Moreover, the terms of trade shifted against manufactures: a bolt of medium-quality cloth bought roughly half as much rice in 1850 as in 1750. Core regions felt the pinch: the Yangzi Delta population stagnated while that of China overall was doubling.

In peripheries with less flexible institutions, such as Eastern Europe, these trade-dampening dynamics were weaker. Few people migrated in, people could not switch into handicrafts on any great scale, and since cash crop producers were often coerced, export booms did not necessarily increase their birth or survival rates. But such regions also responded less to external demand for their primary products in the first place. Thus, the Baltic trade had reached a plateau by 1650 at a fraction the
size of China’s long distance staple trades.

The Americas, however, were different. Smallpox and other disasters depopulated the region, and most of the new labor force were either slaves, purchased from abroad, or indentured whites transported by landowners in order to generate exports to Europe. Moreover, plantations in particular often became highly specialized; thus slaves, despite their poverty, were a significant market for coarse cloth and other low-end manufactures. Consequently, the circum-Caribbean slave region (from Brazil to what became the U.S. South) was in some important ways the first “modern” periphery, with large bills to pay for imported capital goods (in this case human ones) and a market for some mass consumer goods. Combined with its ecological bounty, this meant that, unlike most Eurasian peripheries, the Americas kept expanding as a source of land-intensive exports.

Thus, contrary to conventional wisdom, Western Europe broke through resource constraints partly because markets in its peripheries weren’t unencumbered. They were actually freer in East Asia, which led to a more equal dispersion of proto-industry and an ecological cul-de-sac. One reason for China’s declining per capita consumption after about 1750 was a shift in population distribution: as the still relatively prosperous Yangzi Delta went from being about 16% of China to being 9% (and 6% by 1950), hinterlands had much more weight in Chinese aggregates. And while living standards in some hinterlands may have kept creeping upwards, others, as we shall see, declined drastically.

Europe in a Chinese Mirror

Once we stop explaining the bottlenecks China hit as due to peculiar pathologies, we can see more clearly the importance of an unexpected relaxing of land constraints—both through coal and through the Americas—in enabling parts of Northwestern Europe to gain population, specialize more in manufacturing, and consume more per capita without raw material prices soaring. Even in 1830—before the great mid-century boom in North American grain, meat, and timber exports, and when its sugar consumption per capita was just 20% of what it would be by 1900—replacing Britain’s New World imports with local products would have required about 23 million acres (mostly to substitute for cotton). This exceeds even E.A. Wrigley’s estimate of the additional forest acres that would have been needed to replace the coal boom—and either number roughly matches Britain’s total arable land plus pastureland. Thus, positive resource shocks, only partly due to technology, allowed England to stretch ecological constraints that might otherwise have slowed its growth, much as the filling up of China’s interior hobbled the Yangzi Delta.

In China, ecological problems mounted in the 19th century—not primarily in cores, but in areas like the over-logged Northwest and Southwest, the North China plain, and alongside rivers whose beds rose as highland forest clearance increased erosion. These problems were exacerbated, as we will see, by a decline in transfer payments from richer regions that had been used in large part for environmental
management. In short, though European and Chinese cores had much in common, they were hitched to very different peripheries: filling up, turning to handicrafts, hitting ecological constraints, and exporting fewer primary products in China; and vastly expanded, ecologically rich, and outward-oriented in the Americas.

So colonies (and former colonies) mattered a lot—not necessarily because they yielded especially high profits, as dependency models have claimed, but because they were a special kind of trading partner—one which allowed European cores to change labor and capital into land-saving imports in a way that expanded trade closer to home couldn’t.

**East Asia from the Great Divergence to a (Partial) New Convergence**

After recovering from mid-19th century shocks, Japan’s economy began to grow faster than ever, benefiting both from new technologies (which were adapted to internal conditions) and from new trading partners with different factor endowments. China had a much rougher late 19th and early 20th century. But it is also true that, after suffering huge mid-century disasters—in part because its state was much weaker than Japan’s—China’s wealthiest regions also resumed economic growth, benefiting from some technological changes and from new trading opportunities that to some extent replaced the primary products, markets for light manufactures, and outlets for emigration once provided by internal hinterlands. Rice from Southeast Asia, for instance, helped to feed much of the Yangzi Delta and rapidly growing Shanghai, replacing lost shipments from the interior; Guangdong and Fujian soon imported rice, too. Timber and other land-intensive products were imported to coastal areas, while old and new light manufactures—cloth, straw mats, cane chairs, cigarettes, and patent medicines—were exported, along with people. It was some of China’s hinterlands that had a hundred-year crisis.

Some internal regions, like the Middle Yangzi, gradually recovered to pre-1850 levels after the mid-19th century rebellions and then reached a plateau. Others, such as North China, declined dramatically, with ecological and political problems reinforcing each other. The Chinese state was battered both by rebellion and by foreign incursions. As it began to recover, its priorities shifted to reflect a more dangerous environment. Defending and developing relatively prosperous and now contested coastal regions became a top priority. Conversely, less attention was devoted to an older “reproductive” statecraft: using revenues from rich regions to underwrite flood control, emergency granaries, irrigation, and other efforts to stabilize family farming and Confucian society in poorer, more ecologically fragile areas. For instance, the state sharply reduced its massive subsidies (between 10% and 20% of all government spending from 1820-1850) for flood control and water transport on the Yellow River and Grand Canal (the canal having been superseded by railways and coastal steamships). The savings were largely diverted to paying indemnities for lost wars and attempts at military modernization. Subsidies for deep wells in semi-arid regions disappeared, even though the water table was falling as population grew.
Thus, certain interior regions suffered simultaneously from being pushed into near-autarky as long-distance internal trade declined, from population growth, and from a loss of state assistance with worsening environmental problems. Floods, droughts and violence all increased dramatically. (That the late 19th century had especially severe El Niños didn’t help.) By contrast, new imports and increased government attention helped stabilize at least some ecological challenges closer to the coast, and levels of violence were much lower there.

Thus, this period provided a strong foretaste of a phenomenon much noted in recent decades: an economic decoupling of coastal and interior China, as the coast became more oriented toward external trading partners and once-crucial inter-regional transfer payments declined. Under these circumstances, coastal China—both the parts seized by imperialists (Taiwan, Hong Kong, the treaty ports, and more briefly Manchuria) and the rest—achieved substantial per capita growth in the early 20th century, despite huge problems. Enough of this growth reached ordinary people for some social indicators to improve: for instance, the average height of railway labor recruits from the Lower Yangzi increased at almost Japanese rates from around 1890-1937. Much of this was powered by growth in rural industry, which adapted new technologies but built in many other ways on historical precedents. In Jiangsu province (which included Shanghai), almost half of manufacturing output still occurred in villages on the eve of World War II. However, interior regions experienced little or even negative growth, much greater social unrest, and a shredding of what had been, by pre-modern standards, a relatively effective safety net. Xia Mingfang has estimated that roughly 1.2 million Chinese died in famines between 1644 and 1796, while 38 million died from 1875-1937—almost all of them in the North and Northwest.

It is therefore not surprising that Maoist political economy, while undoubtedly revolutionary in many ways, in other ways recalled certain tasks and even solutions from the high Qing era. In some sense collectivization made everyone a proletarian, but in another, every rural household was guaranteed access to farm work where, like smallholders or secure tenants, they earned incomes based on their average, not their marginal, product. Subsequent de-collectivization made the comparison to Qing tenures even stronger, though it is now being undermined as farmland as seized for various development projects. (More modest land reforms also preceded industrial booms in Japan, Taiwan, and South Korea.) Massive (if sometimes counterproductive) efforts were made to industrialize the countryside, rather than assuming that higher living standards would have to come from moving people out of the countryside. Migration to cities essentially stopped by 1960. Funds were again directed from wealthier to poorer regions, and (despite the disasters of the Great Leap) emphasis was placed on subsistence security for poor people and fragile regions. The per capita growth rates are unimpressive next to post-1978 achievements, but the social gains were dramatic: literacy soared and life expectancy nearly doubled between 1950 and 1976. So was the creation of infrastructure, including a crucial tripling of China’s irrigated area, almost all of
it in the North and Northwest.

An enormous amount changed after 1978, but it's also important to notice what did not. Rural industry, which added 130 million jobs before its job creation leveled off (as it became more capital-intensive) in the mid-1990s, was in many ways a more important engine of growth than the more glamorous reorganization of urban economies. Despite rapid urban growth, China remains more rural than other comparably industrial countries (just barely more urban than England in 1840). The diversification of rural economic activities means that by 2000 more than two-thirds of rural income came from non-agricultural activities, about the same level Taiwan reached circa 1980. (In India, by contrast, the figure is about 45%, and in South Korea 20%.) In the more successful parts of the countryside, families with local land-leasing rights also provide much of the industrial work force; indeed, villages often insure that as many native households as possible have some stake in the more lucrative parts of the local economy before any migrants are employed in good jobs. Though this model is now fraying in many ways, it is worth reiterating some of its achievements: enormous poverty reduction and labor-absorption, vastly fewer semi-legal urban slums than in most of the developing world, and so on.

If we look at things regionally, we again see familiar patterns. This rural industrialization is again very concentrated in coastal areas (though it takes in a bit more of the coast than before); as of a few years ago, over half of rural industrial value added came from three provinces. And, as the export boom suggests, those areas are again more oriented towards a wider world than towards the rest of China. China's ratio of foreign trade to GDP now far exceeds the highest levels reached in Japanese history. Both exports and imports play a role here, as coastal China is importing hugely increased amounts of oil, metals, raw cotton, lumber, and so on—just as Japan, Taiwan, and Korea have come to do. Despite those imports, however, coastal China's economy is still far less resource-intensive than that of the interior: for instance, energy use per dollar of GDP in Jiangsu, Zhejiang, and Guangdong is about 40% of what it is in Gansu and Xinjiang.

And there's the rub—or rather, rubs. Being six times the population of Japan, Korea, and Taiwan, China can't ever import the quantities of primary products per capita that the other countries do. Internally, the rapid growth of inland/coastal and urban/rural inequalities is both a problem in itself and a threat to the basic development model. Incomes in rural areas that remain heavily agricultural now lag so far behind those in other areas that guaranteed access to land is no longer enough to keep people in the countryside (the rural population stopped growing in absolute terms in 1996, just about when rural industry stopped adding significant numbers of jobs). Despite still-significant barriers, net rural-urban migration is now approaching 20 million per year. Here China seems to be following Japanese trends, with a 50-year lag; after remaining relatively rural for its level of industrialization until the 1950s, Japan then began two decades of extremely rapid urbanization at the same time that it moved strongly into higher value-added industries. But when Japan began this push, its unemployment rate was 2%, so that even as the cities
bulged, everyone found jobs. China’s situation is very different, and its success at avoiding massive peri-urban slums will be hard to sustain. And the prospects for the West absorbing a further surge in manufactured imports from Asia are much murkier than in the 1950s.

One result has been the “Go West” initiative: a massive, government-led campaign to jumpstart economic development through mining, hydropower construction, and other capital-intensive, resource-oriented projects in Western China, to generate primary products for the East. Han Chinese migration to these areas (long restricted to avoid provoking ethnic resentment) is now being subsidized to fill skilled jobs. Lakes, mines, and so on—previously off-limits for various reasons—are now being opened, often over local (and sometimes international) opposition. In general, a long-standing paternalism towards minorities here (which, granted, has been slowly weakening for some time) is now being decisively pushed aside. And this initiative also carries huge ecological risks: removing trees at high elevations where re-growth is slow, quick and dirty mining, diversion of water from the Himalayan glaciers and annual snow melt (some of which currently goes to South and Southeast Asia), and so on. Perhaps half the hydroelectric dams built in West China since 1949 are now silted up, and some new ones are expected to provide power for only 20 years.

In one sense, “Go West” is an effort to stitch the country together, increasing interdependence and reducing economic (and perhaps ethnic) differences. In other ways, it may exacerbate differences. The coastal economy is increasingly semi-private—only 20% of industry remains truly state-owned in many coastal provinces—and the new rich are playing an increasing role in providing local services, as elites in rich areas traditionally did. The West, meanwhile, is seeing a revival of state (often military)-led development, with 60-80% of industry state-owned and far fewer high status jobs outside the state sector. Thus, it is not hard to imagine growing regional differences in social and political orientation as well as in living standards. Rather than a projection of the “East Asian” development seen on the coast across more of the Chinese landscape, developments in the interior (especially the far west) seem to have more in common with colonial or “internal colonial” styles of development.

Conclusion

A comparative history of development casts further doubt on the unique advantages of North Atlantic paths to the modern world; it reminds us that more labor-intensive (and less resource-intensive) “East Asian” paths accounted for much of the world’s economic growth during both the period before 1800 and the period since 1945, and may sometimes offer a less socially-disruptive transition to modernity. They should be taken as seriously as models drawn from North Atlantic experiences, not pigeonholed as a regionally specific curiosity. But the East Asian path is no panacea, either—when projected onto the gigantic scale represented by China, it eventually runs up against massive social and environmental problems of its own.
We still do not know how to have cores without hinterlands.