

1 of 1 DOCUMENT



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Boom Doctor; **Can the Chinese miracle continue without reform?**

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On a warm night during a trip to Beijing last month, Justin Yifu Lin, a fifty-seven-year-old economist who specializes in the study of China's rebirth, took a chauffeur-driven black Audi sedan across town to a reception in honor of the tenth anniversary of an M.B.A. program that he co-founded. It was held in a traditional Chinese courtyard, shaded by wisteria and crab-apple trees, which had once been home to the Empress Dowager Cixi. For this evening, however, it had been done up with a red carpet and klieg lights worthy of a fashion show. Wine was flowing, and a hundred or so guests—mostly middle-aged couples, former students and colleagues—were in a festive mood by the time Lin walked in with his wife, Chen Yunying. The crowd cheered, and a few dozen guests took turns giddily posing for photographs with Lin. A television crew moved in for an interview. A teen-ager requested an autograph. Lin reached a quiet table, but then a guest buttonholed him with news of an exciting opportunity in the golf-course-construction business. Lin's facial expression was polite but desperate, and the hosts hustled him and his wife off to the refuge of a private area, where he waited to take the stage.

Lin is, among other things, the first Chinese citizen—the first citizen of any developing country, in fact—to serve as the chief economist of the World Bank, and these days he lives in Washington, D.C. He is a gentler presence as chief economist than some of his predecessors, including Joseph Stiglitz, the Nobel laureate and Columbia professor, and Lawrence Summers, the outgoing head of President Obama's National Economic Council. But within China—which treats its leading economists like pop celebrities—Lin is well known because of a series of firsts that led to his current role. For one thing, he was the first Chinese student after the Cultural Revolution to return with an American doctorate in economics. His Ph.D. is from the University of Chicago, the crucible of free-market thought, with which he maintains a close, if questioning, relationship. "He was one of the people who brought market economics into China," Stiglitz told me, adding, "What was unusual about him was that he was a Chicago-trained economist who didn't believe in Chicago economics—or, at least, you might say, not its most naïve version."

Lin is also, it's safe to assume, the first chief economist of the World Bank to take office as a wanted man. He faces an outstanding arrest warrant, issued by the Ministry of Defense in his native Taiwan, for "defecting to the enemy": at the age of twenty-six, as an Army captain, he left his post and swam to the mainland and a new life under the Communist Party. It's an inversion of the usual defection tale, and, while it leaves him unable to visit the island of his birth, it enshrines him on the mainland as an icon of devotion. (Chinese newspapers routinely mention the hope that Lin could be the country's first Nobel laureate in economics.) Given the contrast between his education and his loyalties, Lin is often asked whether he is a market fundamentalist or a Marxist. He responds, "A combination."

At the reception, Lin stepped up to the stage and peered out over the guests. He is fit and alert, with a youthful black brush cut and rectangular wire-rim glasses that creep down his nose. The son of a poor family that ran a barbershop, he is an avuncular

and famously energetic figure, the author of eighteen books and dozens of papers, who once told his students, "My ambition is to die at my desk."

Lin began by noting the "earth-shaking transformations" in China's economy over the past decade, and declared, "The next ten or fifteen years are going to be even more spectacular." The crowd applauded. He pointed out that when the Beijing International M.B.A.'s executive program began, in 2000, China had fewer than a dozen companies in the Fortune Global 500, while America had nearly two hundred. "I believe that by 2025, when the Chinese economy has become the largest in the world, and shares the stage with America, the Chinese economy will make up twenty per cent of the global economy," he said. "There will probably be one hundred Chinese companies in the Fortune 500." He ended with an exhortation: "I hope that as you build China's economy you will also help to build a better, more harmonious society in China."

"Harmonious society" is not a phrase that all Chinese intellectuals are quick to use. It is the slogan that has been adopted by President Hu Jintao to signify the goal of a fair and stable society, but Hu's critics have come to use it as a byword that means silencing dissent. (A Web site that gets shut down is said to have been "harmonized.") Lin, however, meant it in purely positive terms, an attitude that is consistent with his enduring faith in the power of government. On the spectrum of Chinese intellectuals, Lin stands squarely in the center: over the years, he has supported greater political openness in the abstract, but in practice he has argued for a slow process of reform, cautioning his Chinese peers against seeing Western constitutional democracy as the route to economic success. In 1999, Yang Xiaokai, a prominent liberal economist, gave a lecture arguing that to declare China's boom a success prematurely was "very dangerous," because "without political reform there is no fairness, which leads to public dissatisfaction." But Lin, in a response published in 2002, pointed to China's economic lead over India, writing, "Whether it's the pace or quality of economic growth, China is doing better than India." When I asked Lin about the debate recently, he said that he and Yang, who died in 2004, were good friends but disagreed. "He thought that, if China wants to be successful, China needs to adopt the British- or U.S.-style constitution first," he said. "I take a different view. I think that we do not know what kind of governance structure is the best in the world. If you look into Japan, and also Germany and the U.S., they are all so different." He continued, "It does not mean that I think there are no problems in the Chinese institutions or constitutional framework. But we need to understand: What are the roots of these problems? And then solve the problems. And then, certainly, the institutions will change."

Until recently, Chinese economists were not in high demand, least of all at the World Bank. When Chairman Mao's advisers tried, in 1958, to warn him against pursuing his ludicrous plan to make China's economy larger than Britain's within fifteen years, he ignored and humiliated them; the head of the national technology commission jumped out of a window. Mao's Great Leap Forward ended in the worst famine in history, killing between thirty and forty-five million people.

That was before China embarked on a path of "reform and opening up," which has increased the size of the economy nearly twentyfold since 1978, produced a vast middle class, and amassed more than two trillion dollars in foreign-currency reserves. In August, China passed Japan to become the world's second-largest economy, a milestone in the recovery of a once dominant civilization and a rebuttal to assumptions about the link between economic success and political liberty. The boom years have been accompanied by greater property rights and more vigorous courts, but China remains a one-party state that tolerates no organized opposition. "One lesson of the crisis is that we economists should all be humbler," a Western diplomat in China told me. "I think we have to accept the possibility that China may become something close to a fully developed economic state without substantial political reform. I still don't think it's likely, but I think we have to accept that."

The extent of China's resurgence was evident at a Beijing gathering on another day last month, when several hundred guests, including foreign diplomats and officials from the World Bank and the Chinese government, met at the lavish Diaoyutai state guesthouse to celebrate a different milestone: the thirty years since China resumed its World Bank membership. Mao considered the bank, which provides loans and expertise to combat poverty, a tool of imperialist aggression, but now China is its third-largest shareholder, and is openly determined to acquire greater say in international economic institutions.

As Lin, wearing a dark suit, a white shirt, and a red tie, looked on, his current boss, Robert Zoellick, the World Bank's president, delivered a message decidedly unlike those he delivered as a State Department official in the Bush Administration, when he called on China to become a "responsible stakeholder" in the world. This time, Zoellick praised China, for "lifting more than half a billion people out of extreme poverty," and noted, "This is certainly the greatest leap to overcome poverty in history." He added, "We, and the world, have much to learn from this."

If China's boom were not well documented, its first flickers would sound like a creation myth of modern capitalism: By the winter of 1978, the inland village of Xiaogang was so paralyzed by Mao's economic fantasies that local farmers had given up trying to till their communal land and were roaming the countryside begging. In desperation, eighteen farmers, after signing a pact to

protect one another's families in the event of arrest, divided up the land, in order to farm it separately and reap the profits. By the following year, they were earning nearly twenty times as much income as before. When the experiment was discovered, some apparatchiks accused them of "digging up the cornerstone of socialism," but wiser leaders recognized it as a signpost to the Party's salvation.

Deng Xiaoping, who took power in December, 1978, is often seen by outsiders as the sole architect of the boom, but that view is the handiwork of Party historians. Deng was a statesman, but, according to the economist Barry Naughton, a China expert at the University of California at San Diego, he never expressed "any particular insight into the functioning of the economy." His shrewdest move was enlisting two lesser-known leaders: Chen Yun, a fellow Party patriarch, who was so skeptical of the West that he greeted the onset of reform by rereading Lenin's "Imperialism," and Zhao Ziyang, a younger, reform-minded Party boss, whose administrative skills had spawned a saying among peasants, "If you want to eat, look for Ziyang."

The three leaders squabbled constantly, but their marriage of charisma, hesitation, and competence was startlingly successful. The model they created endures today: a "birdcage economy," as Chen Yun called it, airy enough to let the market thrive but not so free as to let it escape.

Of all their principles, the most important was the willingness to experiment and adapt. When the villagers of Xiaogang and elsewhere stumbled on success, Party leaders expanded their initiative to eight hundred million farmers around the country. China's reforms had no blueprint. The strategy, as Chen Yun put it, was "crossing the river by feeling for the stones." (Deng, inevitably, received credit for the expression.)

Lin was watching those early days from afar. The fourth child in a family in Yilan, a river town in the northern section of Taiwan, he arrived at National Taiwan University in 1971, just as a surge of political activism was sweeping across Taiwan's campuses. Taiwan, which had been ruled by the Nationalist Party since its defeat by the Communists in China's civil war, lost its seat in the United Nations to Beijing that year. Mainland China was gathering strength, and people in Taiwan worried that they were losing strength. Lin became an activist, calling for Taiwan to reclaim its seat in the United Nations, and was elected president of the freshman class. At the end of his first semester, he announced that he was transferring to a national military academy, a decision that made headlines. He was a poster boy for Taiwanese nationalism, telling reporters at the time, "If my decision to join the military can arouse nationalism in every youth . . . its impact will be immeasurable."

At a friend's house one day during college, Lin met Chen Yunying, another activist, who was studying literature at National Chengchi University. After they graduated, he and Chen married and had a son. Lin spent two years studying for an M.B.A. and then went on to serve as a company commander stationed at one of the most sensitive sites in the standoff with the mainland: the Quemoy archipelago, barely a mile from the Chinese shore. The armies on either side of the straits occasionally shelled each other, but mostly they duelled with propaganda, dropping leaflets by hot-air balloon and sending floating bundles of goods intended to showcase prosperity. Taiwan sent underwear, tape recorders, and biscuits emblazoned with Chiang Kai-shek's picture, among other things; the mainland sent beef jerky, tea, and Maotai liquor. Each side blasted the other with messages from high-powered speakers, but Lin's thinking had already begun a sharp turn, and he had become preoccupied with one thought. "You want to make the Chinese prosperous, and most people in China are on the mainland," he told me. "So if I come to the mainland I can make a larger contribution."

On the night of May 16, 1979, Lin walked to the water's edge, stepped out of his shoes, and waded into the Taiwan Strait. The current was swift and strong, but he had been studying the sea, and he timed his departure to avoid being pushed back to shore by the rising tide. "You need to go when it's receding," he recalled. "You need to cross the middle, and then the rising tide will carry you all the way over to the other side." He swam freestyle, and floated on the current for nearly three hours. "When I reached the shore, I suspected there were some kinds of land mines, so I did not want to walk." He carried a flashlight, and he signalled to Chinese troops on the shore. "They sent a soldier to arrest me." I asked him how he persuaded them that he was not a threat. He paused. "It took some time for them to understand my motivation." Then he added, abruptly, "But this is an old story," and he changed the subject.

Lin left behind Chen, who was pregnant, and their three-year-old son. It's not clear how much Chen knew of the plan. (Wu Ho-Mou, a friend and an economist at Peking University who has discussed the matter with Lin, says, "He said goodbye to his wife only in his mind.") In the years that followed, Lin sent secret messages to Chen through a relative. In a letter to a cousin in Tokyo, he explained his defection, writing that Taiwan's rulers were "only using me and not nurturing me, but here they really value me and want me to develop." He marvelled at the changes under way in China: "People are full of aspiration and confidence. I strongly believe that China's future is bright; one can be proud to be Chinese, standing in the world with one's head held high."

Facing the embarrassment of such a high-profile defection, Taiwan's military declared Lin missing and then dead, but it eventually acknowledged his desertion. These days, much of the Taiwanese public views Lin's success with pride, and prominent Taiwanese politicians have asked the military to drop the case, but it refuses. When Lin's father died, in 2002, the military issued an arrest warrant to prevent Lin from attending the funeral. He had no choice but to watch it from Beijing via videoconference. In a eulogy read aloud, he wrote, "When mother was dying, I couldn't be there to help. When father was bedridden, there was still no route home. I can't send them off on the road to the afterworld. . . . How great the sin of being unfilial! May the heavens punish me!"

Lin changed his name from Lin Zhengyi to Lin Yifu, a Confucian reference that means "a persistent man on a long journey," and applied to a master's program in economics at Peking University. In 1980, the University of Chicago economist Theodore Schultz, who had recently won the Nobel, visited the university to deliver a speech. Lin, who spoke good English because of his years in Taiwan, translated. Schultz returned to Chicago and helped arrange a scholarship there for Lin. In 1982, Lin arrived in the United States, where he was reunited with his family. Chen had come to study for a doctorate at George Washington University. (She is now a leading expert on special education in China and a member of China's National People's Congress.)

When Lin returned to China, in 1987, the country was hungry for expertise. Zhao Ziyang, the youngest member of the leadership trio, surrounded himself with economists and charged them with figuring out how China's enormous labor force could be used to create an export economy of the kind that was transforming South Korea and Japan. For Chinese economists, the sudden embrace of the market was the latest swing in a lifetime of ideological drama. Wu Jinglian, a researcher in a state think tank, had gravitated to Mao's movement as a teen-ager, and persuaded his own high school to give up teaching English and Western economics. But Wu's faith, like that of others, withered amid the political manias of the day. During the Cultural Revolution, his wife, the director of a kindergarten, was labelled a "capitalist roader," because her father had been a general in the Nationalist Army; Red Guards shaved half of her head. Wu himself was tagged an "anti-revolutionary" and sent off to "reform through labor." "I experienced a drastic change in ideology," he said.

By the eighties, Wu was a leading adviser to Zhao, and a nationally recognized expert on the free market, even though that term was too controversial to utter. (Wu called it "the commodity economy.") His ideas and his prominence made him a target for conservatives, who nicknamed him Market Wu, and gossiped that his patron, Zhao, had "learned too much foreign stuff." The tension over reform exploded in 1989, after students occupied Tiananmen Square and the government ordered troops to open fire and disperse the protesters. Zhao Ziyang, the reformist, was blamed for not doing more to suppress dissent; some of his think tanks were dissolved, and several economists went to jail for supporting the protests. Zhao was placed under house arrest, where he lived for fifteen years, hitting golf balls into a net in his yard and tape-recording a secret memoir; he died in 2005. (The Chinese government has effaced him from the official history of the nation's success.)

In the two years after Tiananmen, economic growth slumped more dramatically than at any time since 1976; Deng saw his successes slipping away, and he put China's economists back to work. Reform resumed, but the scars of Tiananmen gave it an unmistakable new twist: the Party would retain strict control.

As a returnee from America, Lin faced a problem: how was he supposed to explain Milton Friedman to socialists? "I went to all the meetings and I didn't say anything," he told me. Eventually, he found his voice. "They were surprised, because I said words in terms similar to theirs, in a language they can understand," he said. For instance, when, in the late nineties, Chinese warehouses filled up with televisions, refrigerators, and other consumer goods, many economists blamed low income for the problem, but Lin disagreed. "People didn't have the infrastructure for consuming those kinds of products," he said. He became one of the most vocal advocates of heavy investment in rural electricity, running water, and roads, a proposal embraced by the Party in a package of reforms that it rolled out under the slogan "The New Socialist Countryside."

Likewise, he enlisted the language of neoclassical economics to praise China's use of its "comparative advantage," in pursuing low-cost manufacturing, which makes use of the country's huge pool of labor. He points to China's success as a guide for other countries: "If you follow your comparative advantage, you will export whatever you are good at, and you will import whatever you are not good at."

Lin's second book, "The China Miracle" (1992), written with Fang Cai and Zhou Li, zeroed in on the disarray produced by the collapse of the Soviet Union and concluded, "The more radical the reform, the more violent will be the destructive social conflicts, and opposition to reform."

While European Communist Parties weakened in a wave of defections, China's braided itself into business in innovative ways. Instead of selling off state-run companies, the government retained ownership but carved the companies into pieces, which

fostered competition, and then appointed board directors. In order to spur performance without private ownership, it tied salaries to a system of report cards-with grades from A to E-delivered to companies and their bosses: managers who scored A's received a bonus of as much as three times their salary; managers who got E's received no bonus. The Party, for all its intrigue and waste, was skilled at punishment and surveillance of itself, and the system thrived.

In 1994, in a small, simple office at Peking University, Lin and four other economists founded the China Center for Economic Research, a think tank designed to attract foreign-trained Chinese scholars. It swiftly expanded, and, as it did, Lin came to have an influential voice, becoming an adviser to the government's five-year plans and other projects. He was not a member of the innermost circle of Party decision-making, but it was a remarkable trajectory for a migrant who had once been suspected of being a Taiwanese spy.

As soon as Zoellick brought Lin to the World Bank, in June of 2008, he made a series of overseas trips. In London, he "spent an hour charming and exciting a bunch of N.G.O.s and academics," according to Duncan Green, the head of research at Oxfam Great Britain. But inside the bank his call for a more vigorous role for government was greeted with skepticism. Ann Harrison, the director of development policy, said, "There's no question that his ideas were different. And they created quite a stir. But, very slowly, he's been very persistent, and all over you see different parts of the institution taking up a lot of his agenda."

"How can a developing country catch up to developed countries?" Lin asked, when I met him at his Washington office on a broiling August afternoon. It is the polarizing question at the center of his life's work. "We see a lot of failures and only a few successes," he said.

Lin has a roomy corner office on the fourth floor of the World Bank headquarters, a thirteen-story edifice a few blocks from the White House. He leads a staff of almost three hundred economists and other researchers, whose work helps the bank and the governments of poor countries decide on strategies for raising income levels, a subject that has been riven for decades by ideological debate. Initially, the bank worked closely with governments to build infrastructure-roads, power plants, and other such projects-but by the nineteen-seventies that approach came to be seen as inefficient, and it lost favor.

As the Soviet Union crumbled, momentum within the World Bank and, especially, the International Monetary Fund moved to advocates of "shock therapy," who sought to cut spending, privatize state-owned companies, and open borders to foreign trade and investment, an idea that became known as the Washington Consensus. In parts of Eastern Europe, the race to the free market led to unemployment, stagnation, and political instability, and the Washington Consensus fragmented. At the same time, China's economy, following a hybrid that fit into neither end of the spectrum, began to surge. It had unchecked capitalism in some areas and heavy government control in others, and the effects were evident. "China is likely to be the first of the great poverty-stricken countries of the twentieth century to end poverty in the twenty-first century," the Columbia economist Jeffrey Sachs wrote in 2005. When, in 2008, China formulated a stimulus plan to combat the effects of the global financial crisis, it discovered that so many gleaming new airports and highways had been built that the planners could not immediately decide what else to build.

Until recently, Chinese intellectuals and officials were reluctant to hold up the country's experience as an alternative to the Western way of doing things, for fear that it would fuel rivalry or distract from the fact that most Chinese people are still very poor. But scholars like Lin have become outspoken advocates for what he calls China's "tinkering gradualist approach." In a lecture at Cambridge University in the fall of 2007, he pointed to "the failure of the Washington Consensus reforms." The shock-therapy policies ordained by the I.M.F. seemed more like "shock without therapy," he said, and were destined to lead to "economic chaos." He said the proponents of the Washington Consensus had warned that China's slow-reform approach would be, in his words, "the worst possible transition strategy," doomed to "result in unavoidable economic collapse."

These days, economists in China and abroad debate the existence of a "China model" or a "Beijing consensus." Lin rejects both terms as oversimplified, but he has begun to use his perch at the World Bank to argue that China's approach has fundamental strengths. "Can other developing countries achieve a performance similar to that achieved by China over the past three decades?" he asked, in a speech in August entitled "The China Miracle Demystified." "The answer is clearly yes." That view has prominent detractors. James Chanos, a hedge-fund manager who predicted the fall of Enron, has promoted his belief that the Chinese economy rests on a bubble that is "Dubai times a thousand." Veterans of Asian booms point out that Japan's economic czars were lionized in the nineteen-eighties, until that country's economy stagnated. China scholars tick off the ways in which breakneck growth has been accompanied by catastrophic pollution, unstable trade imbalances, and an income gap between the city and the countryside that is larger than anywhere in the world. But the most serious and persistent critique is not about whether China's economic success can be replicated but whether it should be, and whether its brand of market authoritarianism is an innovation capable of responding to the mounting demands of the Chinese people or one that will never

be able to propel the country past the first steps out of poverty. Yawei Liu, a China scholar at the Carter Center, in Atlanta, warns that the country is at risk of "developmental hubris." Proclaiming success, he says, is not simply premature; it could have the curious effect of sanctioning its own decline, by providing a "practical excuse to postpone political reform or even to declare it totally unnecessary."

Within weeks of Lin's arrival at the World Bank, the planet was in the depths of financial meltdown, and the recession heightened tensions between China and America. For years, both sides had been relatively content to let the trade imbalance grow—a profitable, if toxic, addiction, in which American consumers binged on cheap Chinese goods and China's central bank, in turn, collected the income and used it to accumulate a mountain of U.S. Treasury bills. But now that dynamic was being tested. China's premier, Wen Jiabao, said that he was "concerned about the safety of our assets." Barack Obama, campaigning for President, observed, "It's pretty hard to have a tough negotiation when the Chinese are our bankers."

Americans worried that China could use its dollar assets as a weapon, by dumping them on the market and causing their value to tumble, a prospect known in financial circles as China's "nuclear option." It could exercise subtler leverage as well: by making small shifts in the pace and the menu of its purchases, China arguably helped persuade the U.S. Treasury to recapitalize Freddie Mac and Fannie Mae, the wounded housing agencies, instead of letting them fail. (Even so, China's ability to use its dollars as a weapon is often overstated, because its holdings are so large that causing a run on the dollar would also devalue China's fortune—something that it can ill afford—and undermine some of its best customers. The result is a deadlock that Larry Summers has called the "balance of financial terror.")

The crisis posed a conundrum for Lin: officials from the U.S., Europe, and the I.M.F. have called on China to raise the value of its currency, an action that they argue would help the global economy by boosting the buying power of Chinese consumers and making products from other countries relatively cheaper. Even though China said in June that it would let its currency float more freely, U.S. officials responded that the movement was far too slow. "China's currency manipulation is like a boot to the throat of our recovery," Senator Charles Schumer, of New York, said in September.

Lin sees the issue differently. Forcing China to raise its currency "won't help this imbalance and can deter the global recovery," he told an audience in Hong Kong last November, arguing that such a move would weaken the appetites of Chinese consumers and would not help the U.S., because Americans don't produce many of the things they buy from China. (Lin made it clear that he was speaking for himself, not the bank; he avoids the subject altogether now.) As the crisis persisted, he wrote a series of papers intended to "revisit" the understanding of how poor countries get rich. In a paper co-authored with the Cameroonian economist Célestin Monga, he argued that governments must "regain center stage." Industrial policy (known to critics as "picking winners") has a bad name in the West, he said, and for good reason: it has failed far more often than it has succeeded. But the only thing worse is not having an industrial policy. He and Monga cited a major 2008 study that looked at thirteen countries that had managed to sustain high growth for long periods after the Second World War. "In all the successful countries, the governments play a very proactive role," he told me. He favors a kind of "soft" industrial policy, in which a clamorous free market produces new industries and firms, and the government spots the best prospects and helps them grow by giving them tax breaks and building infrastructure like ports and highways. It's the marriage of Chicago and China: to rise out of poverty, he and Monga write, markets are "indispensable" but government is "equally indispensable."

In February, one of Lin's former students, a professor named Yao Yang, who serves as the director of the think tank that Lin co-founded, published a view of China's economic future that was markedly less sanguine than his mentor's. Writing in *Foreign Affairs*, Yao pointed to vulnerabilities such as the rise of crony capitalism and the gap between rich and poor as evidence that China's economic model has run up against the limit of what is possible without the government's permitting greater political openness "to balance the demands of different social groups." He cited control of the Internet and labor unions, and the persistence of unsafe working conditions. "Chinese citizens will not remain silent in the face of these infringements, and their discontent will inevitably lead to periodic resistance," he warned. "Before long, some form of explicit political transition that allows ordinary citizens to take part in the political process will be necessary."

The article circulated fast; it seemed to capture a mounting frustration among some Chinese intellectuals that the state's reluctance to share power has brought reforms to a standstill. One afternoon in September, I stopped by to see Wu Jinglian, the respected strategist of early reforms, who, at eighty, is a small, elegant figure, with a thatch of white hair. He remains an official adviser to China's cabinet, but he sounded more like a gadfly. "It's entirely obvious that the biggest problem China faces right now is corruption," he told me. "Corruption is the reason for the gap between rich and poor. Where did this corruption come from? From the fact that government continues to control too many resources."

Like Yao, Wu argues that economic reforms have stagnated, and he has come to believe that China's economic success is

imperilled by the abuse of power in pursuit of profit. In recent years, he has gone so far as to argue that China needs to adopt a Western-style democracy. At one point, that debate turned personal: in September, 2008, the *People's Daily*, the flagship of the state-run media, published Internet rumors that Wu was being investigated for spying for the United States.

The claim was absurd-the cabinet eventually put out a statement supporting Wu and disputing the claim-but the prominence of the attack made it clear that his critique had inflamed powerful people with access to the *People's Daily*. I asked if things had settled down. Wu frowned. "A month ago, there was an item on a Web site saying that someone had taken a piece of a brick and knocked me unconscious, though I wasn't killed," he said.

There was no truth to the item, and I asked him what he made of it. "It was giving people the hint to use violence," he said. It was signed "The China Association for Eliminating Traitors." Wu has no idea who is behind the effort to demonize him-the right-wing populist fringe? powerful figures opposed to reform?-but he thinks that he knows why the abuse has picked up lately: "I wrote that I think that the Chinese currency should be allowed to float free." He went on, "One of the commentators on that article also mentioned where I live and that the security is quite lax." He gave a weak laugh. "Writing that would be against the law in America-in China, no one cares."

On Lin's final afternoon in Beijing last month, he wrapped up another speech, ate another buffet lunch, and stepped out of the Shangri-La hotel, blinking up at a canopy of haze. He scanned the parking lot for his car, but there were half a dozen identical black Audi sedans. He pulled out his cell phone and dialed the driver, who popped out of the closest Audi and waved us over.

Lin slumped into the back seat. He was tired. He had been in eight countries since Memorial Day, and he was booked on the twelve-hour-plus trip back to Washington the next day. He had picked up the flu somewhere-Laos, maybe-and his doctor had advised him to take it easy, which was difficult on his schedule. Lin doesn't know how long he'll be in his job at the World Bank, but he enjoys it, and his contract runs for another two years.

The degree to which Lin will succeed in winning more adherents will hinge, to a considerable degree, on what happens in his principal case study. For all of China's achievements, it still has a per-capita income somewhere between Turkmenistan's and Namibia's. China has succeeded in industrializing a very poor, rural country, but it is notoriously difficult to climb out of what economists call the "middle-income trap" and achieve true prosperity. (In the sixties and seventies, journalists hailed the "Brazil model" of growth.)

Most economists predict that, barring a crisis, China will continue to roar ahead for five or ten years or more but that eventually, as the work force ages, growth will slow. How soon and how much it slows may depend, significantly, on how China's government behaves: whether it can control corruption, maintain public support, adjust the exchange rate, curb pollution, narrow the gap between rich and poor, and go from being a quick learner to a true innovator. To achieve these goals, China could adopt a more democratic form of government, as South Korea did, in the nineteen-eighties, or it could seek to extend its success without changing its authoritarian government.

Historically, that approach would be a risky bet. "For every Lee Kuan Yew, of Singapore, there are many like Mobutu Sese Seko, of the Congo," according to the Harvard economist Dani Rodrik. Over the long term, authoritarian states do not grow as reliably as democracies; they are fragile, and they tend to thrive only in the hands of visionary individual leaders-"favorable but temporary circumstances," in Rodrik's words.

But adopting the kinds of changes that Yao and Wu believe are necessary would take bold leadership, and, when it comes to crossing the river of political reform, Lin believes in feeling for the stones.

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