

Catching Up to America

China's rapid rise is doubtless the most significant economic and geopolitical event in the twenty-first century. What has led to its rise? What does it mean for the rest of the world? When will China overtake the US? Will the conflict between the two superpowers derail its further rise? Can China's development experience be emulated by other countries? These are some of the important questions addressed in this jargon-free, yet rigorous, book. It debunks many popular explanations of China's rapid economic growth ranging from abundance of cheap labor, export promotion, demographic dividend, and strong government, to mercantilist policies and IP theft. Taking a global comparative approach, this book demonstrates convincingly that the true differentiating factor making China grow faster than other developing countries over the past four decades is the Confucian culture of savings and education. This cultural perspective yields powerful new insights into many questions regarding China's rise.

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Catching Up to America

Culture, Institutions, and the Rise of China

TIAN ZHU

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For Xiaoling, Liefu, Liewen, and Liewei

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Abbreviations

BIS	Bank for International Settlements
BRICS	Brazil, Russia, India, South Africa, and China
CCP	Chinese Communist Party
COVID-19	coronavirus disease 2019
EU	European Union
FOF	flow of funds
GCF	gross capital formation
GDP	gross domestic product
GFCF	gross fixed capital formation
GII	global innovation index
GNI	gross national income
GNP	gross national product
HCA	highly cited articles
ICOR	incremental capital–output ratio
IMF	International Monetary Fund
IP	intellectual property
LTO	long-term orientation
M2	broad money
NATO	North Atlantic Treaty Organization
NBS	National Bureau of Statistics, China
NSF	National Science Foundation
OECD	Organization for Economic Cooperation and Development
PCT	Patent Cooperation Treaty
PISA	Program for International Student Assessment
PPP	purchasing power parity
RCEP	Regional Comprehensive Economic Partnership
RMB	Chinese renminbi
R&D	research and development
S&E	science and engineering

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SEZs	special economic zones
SOEs	state-owned enterprises
TFP	total factor productivity
TIFA	total investment in fixed assets
TVEs	township-village enterprises
UCLA	University of California, Los Angeles
UK	United Kingdom
US	United States
WIPO	World Intellectual Property Organization
WTO	World Trade Organization
WVS	World Values Survey
WWII	World War II