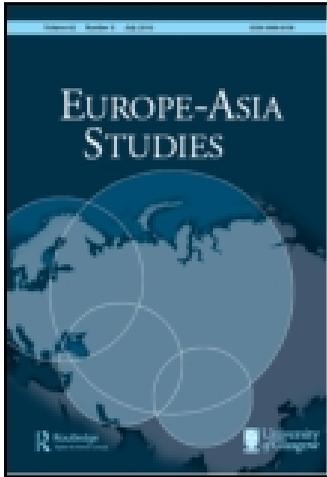


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Publisher: Routledge

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Europe-Asia Studies

Publication details, including instructions for authors and subscription information:

<http://www.tandfonline.com/loi/ceas20>

A Middle Class Without Democracy. Economic Growth and the Prospects for Democratization in China

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Published online: 12 Aug 2014.

To cite this article: Ion Marandici (2014) A Middle Class Without Democracy. Economic Growth and the Prospects for Democratization in China, *Europe-Asia Studies*, 66:7, 1198-1199, DOI: [10.1080/09668136.2014.934141](https://doi.org/10.1080/09668136.2014.934141)

To link to this article: <http://dx.doi.org/10.1080/09668136.2014.934141>

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of faulty location decisions and analysing the reasons why they persist. The resources and assets in Russia are not only mismanaged but also misused, conclude the authors. To illustrate this state of affairs, Gaddy and Ickes address two types of costs particularly associated with misallocation: cold and distance, which are a real tax on Russian growth and are 'potential bear traps if they are not understood correctly' (p. 56). As a vivid illustration of the seriousness of the problem, the authors convincingly examine the implications of mismeasurement and ignoring space distortions. The persistence of the misallocation problem is attributed to deficiencies in the political economy, specifically the Russian model of federalism, which the authors characterise as 'market-impeding'.

Chapter 5 provides strong evidence that pursuing current policies for investment in human capital without realising the discrepancy between its nominal and actual value can be yet another bear trap: the money is spent with the intention of promoting growth but ends up having negative effects on growth (p. 95).

The 'bear trap' metaphor used in the study appears appropriate, as the intention is to show how easy it is to misdiagnose the fundamental cause of Russia's difficulties and use the wrong assumptions to inform growth policies. Gaddy and Ickes paint a quite disturbing picture of the Russian economic reality in which the inferior equilibrium became self-reinforcing. Although the final section of the book has the title 'Conclusion', this does not conclude in the sense of offering a precise path for avoiding the bear trap. However, the book does invite suggestions for the development of a new growth paradigm (the authors call it 'resource track') that accounts for the identified economic handicaps of Russia and exploits Russian advantage. The sustainability of this growth path is not a question for Gaddy and Ickes: in their eyes it is feasible economically but also politically, since it does not threaten the *status quo* in the established rent-sharing management system. The challenge is one of ideology: reforms in Russia can only be advanced if their priorities are established as the political line—only then will the government proceed with policies.

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Jie Chen, *A Middle Class Without Democracy. Economic Growth and the Prospects for Democratization in China*. Oxford: Oxford University Press, 2013, xvi + 210pp., £32.50 h/b.

THE INFORMED AND PERSUASIVE VOLUME AUTHORED BY JIE CHEN SHEDS much-needed light on the stability of the political regime in China. The carefully constructed research design scoops and analyses original data showing that the growing Chinese middle class supports the existing political regime. This is the most significant finding of the book, since it runs against what modernisation theorists have been suggesting for a while. The exponents of the modernisation theory see the emergence of the Chinese middle class as a sign that democracy is around the corner. However, Chen brilliantly points out that the middle class in post-Mao China is largely the child of the state. Half of the Chinese middle class is still employed by the state and thus depends on the jobs and income provided by the patron. Chen's main finding is supported by a vast amount of both quantitative and qualitative data. His collaborators collected a vast amount of quantitative data via surveys carried out randomly in several districts of Beijing, Chengdu and Xi'an, while the qualitative data were gathered by means of over 200 in-depth interviews.

According to Chen, the rise of the middle class in China is mainly the result of economic reforms (p. 45). Even though it comprises managers, professionals and white-collar office workers (*bànshì rényuán*), there is a dividing line separating the middle-class members working for public institutions from those employed in the private sector. The two groups hold different views on democracy and consequently display different types of political behaviour. The author notes that the staunchest supporters of the current political system are precisely the members of the middle class employed by the state. The results of the multivariate analyses confirm that those employed by the state are more

likely to express their loyalty to the regime by participating in elections (p. 141). On the other hand, the middle-class members pleading for more democracy are more likely to make their voices heard by directly contacting and petitioning party officials. Overall, more than 60% of the interviewed middle-class individuals had participated in the previous elections and only a tiny minority had engaged in active political behaviour (p. 161). The careful definition of the middle class helps Chen avoid many pitfalls, but at times the reader wonders whether middle-class members of the Chinese Communist Party (CCP) behave differently from non-members.

The author makes it clear that there is a link between private-sector employment expansion and democratic support and suggests that ‘as the size of that non-state sector segment of the middle class increases, the general level of democratic support within the middle class should gradually rise’ (p. 165). Nevertheless Chen points out that the middle class’ satisfaction with its own social and economic status represents a second cluster of variables influencing the degree of support for democracy amongst this group (pp. 113–114). As long as the middle class is content with its social and economic status, there should not be any shifts in its orientation toward democracy. Chen’s data show that, paradoxically, the Chinese middle class compared to the lower class is more anti-democratic. So what might shatter the political loyalty of China’s middle class? Chen conjectures that the middle-class support for the *status quo* might decline if economic and political inequality in China continues to rise. Even though the *gāigé kāifàng* (reform and opening up policy) initiated by Deng Xiaoping served to raise tens of millions of Chinese out of poverty, the growing lack of social mobility may strengthen the wealth–party nexus in China and alienate part of the middle class in the future.

Chen’s volume makes a significant theoretical and empirical contribution to the long-standing debate between those social scientists favouring a contingent approach and those supporting the modernisation perspective with regards to China’s future evolution. The present study falls in the contingent approach camp, since its findings offer support to the claim that in China, the middle class’ support for democracy is contingent on two sets of variables: its social and economic status satisfaction and its dependence on state patronage. The more satisfied the middle-class members are with their current status, and the more patronage opportunities are provided by the state, the less likely it is that the middle class will demand political changes. The growing private sector of the Chinese economy, rising economic inequality and vigorous economic development are potential disruptors of the existing equilibrium. However, it is difficult to tell what is the precise mix of factors that will sever the bond established between the Chinese state and the middle class. Moreover, these changes may only occur in the long term. After all, the CCP is continuously recruiting members of the middle class as members, and thus adapting to the changing economic and social environment. For now, Chen’s prediction is rather static, for as he says: ‘China’s middle class is unlikely to serve as a catalyst of democratisation, either immediately or in the very near future’ (p. 163).

Even though the transition to a capitalist economy under the guidance of the CCP is still an ongoing process, Jie Chen’s well-researched study successfully enhances our understanding of the conditions under which capitalism may breed a multiparty democracy in China. It is a must-read, not just for scholars studying China, but also for those academics interested in the political implications of economic transition in the former communist countries.

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Alena Ledeneva, *Can Russia Modernise? Sistema, Power Networks and Informal Governance*. New York, NY: Cambridge University Press, 2013, xv + 314pp., £19.99/\$55.00 p/b.

GO TO ANY RUSSIAN BOOKSHOP, AND THE POLITICS SECTION WILL BE FULL of colourful journalistic accounts discussing who really pulls the strings behind the Kremlin walls. However, while there is no lack of books, either within Russia or outside, on Vladimir Putin and the people in his inner circle,