

CHAPTER ONE

Introduction: The Rise of the Middle Class in the Middle Kingdom

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Among the many forces shaping China's course of development, arguably none will prove more significant in the long run than the rapid emergence and explosive growth of the Chinese middle class. China's ongoing economic transition from a relatively poor, developing nation to a middle-class country has been one of the most fascinating human dramas of our time. Never in history have so many people made so much economic progress in one or two generations. Just twenty years ago a distinct socioeconomic middle class was virtually nonexistent in the People's Republic of China (PRC), but today a large number of Chinese citizens, especially in coastal cities, own private property and personal automobiles, have growing financial assets, and are able to take vacations abroad and send their children overseas for school. This transformation is likely to have wide-ranging implications for every aspect of Chinese life, especially the country's long-term economic prospects, energy consumption, and environmental well-being.

The importance of China's emerging middle class, of course, extends far beyond the realm of economics. This volume focuses on the socio-political ramifications of the birth and growth of the Chinese middle class over the past two decades. The central question is: What impacts,

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current and future, might China's emerging middle class have on the country's social structure and political system? Following this broad line of inquiry, the volume sets itself four tasks:

- To examine the status of research on social stratification and social mobility in China

- To identify the major issues and trends related to the Chinese middle class

- To compare the Chinese middle class with its counterparts in other countries

- And to assess the values, worldviews, and potential political roles of the Chinese middle class as well as its likely impact on China's rise on the world stage.

This introductory chapter provides an overview of the political significance and historical background of the emerging Chinese middle class and summarizes the existing literature and ongoing debates on the topic.

The Sociopolitical Significance of a Chinese Middle Class

Early studies of newly affluent groups in China, including the nascent middle class, tend to emphasize the status quo-oriented, risk-averse nature of these prime beneficiaries of economic reform. However, more recent studies (including many by PRC scholars) suggest that this may simply be a transitory phase in the development of the middle class. There already appears to be widespread resentment among the middle class toward official corruption and the state's monopoly over major industries. Another potential source of sociopolitical ferment lies in the increasing number of college graduates, many of whom belong to middle-class families, who are unable to find work. An economic downturn, led by the collapse of the real estate market or the stock market—two institutions that have contributed enormously to the rapid expansion of the Chinese middle class—will only heighten the middle class's sense of grievance. Furthermore, the middle class is central to China's new development strategy, which seeks to reorient China's economy from one overly dependent on exports to one driven by domestic demand. The increasing economic role of the middle class may in turn enhance the group's political influence.

China's emerging middle class is, of course, a complex mosaic of groups and individuals. Subsets of the middle class differ enormously from each other. In terms of the class's occupational and sociological composition, its members fall into three major clusters:

—An economic cluster (including private sector entrepreneurs, urban small businesspeople, rural industrialists and rich farmers, foreign and domestic joint-venture employees, and stock and real estate speculators)

—A political cluster (government officials, office clerks, state sector managers, and lawyers)

—A cultural and educational cluster (academics and educators, media personalities, public intellectuals, and think tank scholars).

There is a tendency, sometimes, to assume that the relationship between China's middle class and its authoritarian state is one of simple, one-dimensional co-optation, but this is to oversimplify. Undoubtedly some members of the class are the clients of political patrons, but many more are self-made people. Indeed, such an economically aspirant population is a double-edged sword for the Chinese authorities. They are well aware of the fact that the middle class has pushed for democratization in other developing countries (South Korea, Indonesia, and Brazil, among others).

It is also noteworthy that the emergence of the middle class in China parallels the reemergence of the Middle Kingdom on the global stage. To a certain extent, the Chinese middle class has already begun to change the way China engages with the international community, both by playing an active role in this increasingly interdependent world and by keeping abreast of transnational cultural currents. As the PRC's international influence continues to grow, two contending views on how China might understand its role in the world have taken shape. They reflect fundamentally different visions of China's future, and neither can be divorced from the trajectory of its emerging middle class.

In the first, a nightmare scenario, a superpower China, buoyed by decades of double-digit economic growth and military modernization, has birthed a middle class of unprecedented size and scope, whose strongly mercantilist views govern almost all affairs of state. The aggregate demand of hundreds of millions of middle-class consumers, coupled with increasingly severe global resource scarcity and growing international consternation at China's swelling carbon footprint, has led nativist demagogues to peddle a toxic strain of nationalism to the broader populace. In this scenario, an ascendant and arrogant China, still smarting from the "century of humiliation" it endured at the hands of Western imperialists over a century earlier, disregards international norms, disrupts global institutions, and even flirts with bellicose expansionism.

In the second view, China's burgeoning middle class increasingly embraces cosmopolitan values, having forged close economic and cultural links with Western countries, and especially the United States. In this scenario, China's middle-class lifestyle closely mirrors that of the West, and an increasing percentage of China's political and cultural elites have received some Western education. The Chinese middle class has acquired a sophisticated understanding of the outside world, recognizes the virtue of cooperation, and demands that China act as a responsible stakeholder on the world stage. The expectation underwriting this scenario is that if China continues to "evolve peacefully" in the direction of openness and integration, it may experience an eventual democratic breakthrough.¹ If this were to occur, then the time-honored theory of a "democratic peace" would finally be put to the test in a world of great powers integrating ever more closely.²

The significance of China's emerging middle class, therefore, lies not only in the economic domain or in its potential to effect domestic politics but also in its ability to shape China's international behavior. A better informed and more comprehensive understanding of the Chinese middle class, from its basic composition to its values and worldviews—from its idiosyncratic characteristics to its evolving political roles in China—will help to broaden the policy options available to the United States and other countries in dealing with this emerging global power. In a broader sense, this study will contribute to the ongoing debate over the Chinese middle class, that is, whether or not it will become a catalyst for political democratization within China and lead to a constructive Chinese presence in a rapidly changing global environment.

China's Middle Class: Fast Ascendance amid Slow Acceptance

Despite the great importance of the subject, scholarly communities outside China have been remarkably slow to accept the notion that the Chinese middle class has become a distinct sociopolitical force. China watchers around the world are nearly unanimous in recognizing the country's rapid economic growth over the past three decades: China's GDP has grown at a pace of roughly 10 percent a year, the average Chinese person's income has quadrupled, about 300 million people have been lifted out of poverty, and a significant portion of the population has become affluent.³ Yet the use of the term *Chinese middle class* remains controversial. With a few notable exceptions, Western scholars are hesi-

tant to acknowledge the existence of a Chinese middle class, let alone explore its political implications.⁴

There are various reasons for this dearth of Western scholarship on the Chinese middle class. The most notable include the difficulty that foreign researchers have in obtaining extensive empirical data on the issue, cultural differences in conceptualizing the idea of a middle class in the Chinese context, and reluctance on the part of Western analysts to accept the fact that Communist China could produce a middle class similar to those found in the West.⁵ This skepticism is not wholly without justification: the nascent Chinese middle class is admittedly a very new phenomenon.

A Foreign Concept and a Nascent Phenomenon

The term *middle class* was rarely used during the first four decades of the PRC. Even in the pre-Communist era, it was largely a foreign concept. According to the late John King Fairbank, capitalism did not grow in earnest in China during the late nineteenth and early twentieth centuries because China's merchant class failed to coalesce into an independent entrepreneurial power outside the "control of the gentry and their representatives in the bureaucracy."⁶ Without firsthand experience, the concept of a middle class remained foreign to the Chinese.

This state of affairs changed very little after the establishment of the PRC in 1949. The few groups considered part of the middle class in pre-1949 China—namely, the private entrepreneurs and petty-bourgeois intellectuals who had emerged in preceding decades—either quickly disappeared or were severely curtailed, both politically and economically, after the Communist revolution.⁷ Indeed, by the mid-1950s the 4 million private firms and small businesses that had existed in China before 1949 had been systematically dismantled.⁸ Maoist ideology dictated that the country had only three social strata (workers, peasants, and intellectuals), and the Marxist notion of intellectuals as an "intermediate stratum" bore little resemblance to the Western concept of the middle class.⁹

Only after Deng Xiaoping instituted reform and opening did the term *middle class* begin to appear in Chinese academic writings. The earliest references to the concept were made in the late 1980s, when scholars began to examine the sudden emergence of rural industrialists—owners of township and village enterprises in the countryside—and the arrival of private entrepreneurs in the cities. At that time, the consensus among Chinese scholars was that the concept of the middle class should not be

employed to describe these groups, in large part because many of these rural industrialists and urban entrepreneurs came from underprivileged or uneducated social strata.¹⁰

Only since the turn of the millennium has research on the middle class found its way into the PRC's intellectual mainstream. It should be noted that in the early phase of research on this concept Chinese scholars often used the terms *middle stratum* (*zhongjianceng*), *middle-income stratum* (*zhongjian shouru jiecheng*), and *middle-income group* (*zhongdeng shouru qunti*), rather than *middle class* (*zhongchan jieji*) to refer to this new socioeconomic force. The increasing use of these new terms among PRC scholars over the past decade reflects the profound changes that have occurred in domestic social stratification and social mobility. In addition to the aforementioned rapid development of rural industries and urban private enterprises, numerous other important developments have led to the meteoric rise of the middle class in China. These include the boom in foreign joint ventures, the adoption of a stock market in Shenzhen and Shanghai, urban housing reforms and large-scale urbanization, an enormous expansion of higher education, constitutional changes regarding property rights, and the increasingly cosmopolitan lifestyles created by economic globalization and international cultural exchanges.¹¹

Two factors, however, have been particularly instrumental in increasing both public awareness of and scholarly interest in China's middle class. The first is the Chinese business community's drive to promote the image of Chinese consumers as potentially the "world's largest middle-class market"; the second is the Chinese government's decision to "enlarge the size of the middle-income group."

The Business Community's Drive for the "World's Largest Middle-Class Market"

The business community in China, including both domestic and foreign companies, has an interest in promoting the notion of a Chinese middle class. The idea of an extant middle class in China has often been the primary driver of foreign investment and other business activities in the country. It has been widely noted that China's savings rate is one of the highest in the world. In 2008, for instance, Chinese households saved approximately 40 percent their disposable income. That same year, American households saved only 3 percent of their disposable income.¹² While private consumption comprised an average of 59 percent of GDP globally and 72 percent of U.S. GDP in 2006,

China's private consumption made up only 38 percent of its aggregate GDP.¹³ The possibility of stimulating domestic consumption in China, the world's most populous country, has understandably captured the imagination of the business community.

The business community recognized very early on that popularizing the idea of a middle class in China would redound to the benefit of their sales figures. As Li Chunling, a sociologist at the Chinese Academy of Social Sciences (CASS) and a contributor to this volume, has observed, it was the business community in China, including manufacturers, company managers, service providers, and their associates in the media, that initially turned the idea of a Chinese middle class from an abstract academic subject to a hot topic throughout society.¹⁴ While most Western social scientists, including academic economists, have been generally dismissive of the idea of a Chinese middle class in the last decade, business leaders and analysts have conducted a substantial number of research projects on the topic. For firms operating in China—including multinational, foreign-owned, and Chinese state-owned, private and joint ventures—this research has helped them to understand the middle class's overall size, consumption patterns, generational composition, and geographical distribution. To the extent that they publicize the middle-class lifestyle, they are also helpful in shaping and promoting the group's continued expansion.

Over the past decade the Chinese media have obsessed over commercial indicators of middle-class growth. One such indicator is the rapid increase in credit card use. In 2003, 3 million credit cards were issued; by the end of 2008 a total of 150 million credit cards were in circulation, 50 million of which were issued in that year alone.¹⁵ Another indicator is the stunning increase in the number of private autos in the country, from some 240,000 in 1990 to about 26 million in 2009.¹⁶ In 2009 China's auto production output and sales volume reached 13.8 million and 13.6 million, respectively, making the PRC the world's leading automobile producer and consumer for the first time.¹⁷

A variety of companies, especially large multinational banks and consulting firms, have commissioned studies to assess the current size and projected growth of the Chinese middle class. In 2004 the French investment bank BNP Paribas Peregrine predicted that China's middle class would increase from 50 million households that year (13.5 percent of the Chinese population) to 100 million households by 2010.¹⁸ Two years later, Merrill Lynch projected that China's middle class would

consist of a total of 350 million people by 2016, constituting 32 percent of the adult population.¹⁹ That same year, the McKinsey Global Institute made an even bolder prediction: China would have a total of 100 million middle-class households by 2009, which would account for 45 percent of the country's urban population. According to McKinsey's projections, the middle class would reach 520 million individuals (or even 612 million if "lower aspirants" are included) by 2025, accounting for 76 percent of the urban population. According to these estimates China will have the world's largest middle class within fifteen years.²⁰ Another study, jointly conducted by the Hong Kong Shanghai Banking Corporation (HSBC) and MasterCard in 2007, reached a conclusion more in line with BNP Paribas Peregrine, forecasting a total of 100 million middle-class households by 2016.²¹

Most of these studies were conducted by groups of economists consisting of local Chinese researchers, foreign-educated PRC nationals, and expatriates based in China. Their methodologies are often quite opaque, and some might not meet the standards of rigorous academic research. Indeed, some of their more rosy forecasts might obscure the real nature of social stratification and social tensions in present-day China. Regardless, these business-driven empirical research projects have served as an important impetus for further study of the Chinese middle class, especially by raising public awareness of the far-reaching changes taking place in both the Chinese and global economic landscape.

The Ideological and Policy Shift of the Chinese Leadership

For the first two decades following Deng Xiaoping's implementation of economic reforms in 1978, the Chinese Communist Party's (CCP) leadership avoided class analysis, a deliberate departure from the Mao era, during which class struggle dominated all aspects of life in China. The year 2000 marked the beginning of a major ideological and policy shift on the part of the Chinese authorities. Jiang Zemin, then secretary general of the CCP, formulated his "theory of the three represents" (*sange daibiao*).²² In contrast to the Marxist notion that the Communist Party should be the "vanguard of the working class," Jiang argued that the CCP should broaden its base of power to include entrepreneurs, intellectuals, and technocrats, all of whom regularly occupy the ranks of the middle-income stratum, the official euphemism for the middle class.

Two years later, at the Sixteenth National Congress of the CCP in 2002, the Chinese leadership called for "enlarging the size of the

middle-income group.” With this pronouncement, the need to “foster a middle-income stratum in Chinese society” became a clear policy objective of the Chinese government.²³ This policy shift reflected a new line of thinking within the Chinese leadership, which held that the middle class should be considered an asset and political ally rather than a threat to the party’s primacy. According to this logic, the real threat to the CCP lies not in the middle class, which is as invested in social and political stability as the authorities, but rather in the prospect of a vicious struggle between rich and poor, a more likely scenario without a rapidly expanding intermediate socioeconomic group bridging the two extremes.

From the CCP’s perspective, a growing middle class can provide hope to the country’s still massive underclass. In 2007 Zheng Xinli, then deputy director of the CCP Central Committee’s Policy Research Office, told the Chinese media that roughly 55 percent of China’s population “will be members of the middle class by 2020, with 78 percent of city dwellers and 30 percent of those in rural areas reaching that status.”²⁴ Similarly, Long Yongtu, the former chief negotiator of China’s accession to the World Trade Organization, boasted to the foreign media that by 2011 “some 400 to 500 million Chinese would become members of the middle class.”²⁵

More recently, Chinese authorities have often contrasted the perceived growth of the Chinese middle class in the wake of the global financial crisis with the shrinking of the middle class in the West (and the United States, in particular). This contrast has become a source of national pride for the Chinese public.²⁶ Several officials and their think tank advisers have turned to the media to publicize the idea that China is entering the “golden age” of its middle-class development.²⁷ A large number of Chinese scholars, however, have remained circumspect. Mao Yushi, a distinguished economist who works at an independent think tank, recently argued that only a subset of the middle class, namely those officials and managers who work in state-owned firms, grew rapidly over the preceding two years, and that this expansion was actually achieved at the expense of other subsets of the middle class.²⁸ According to certain PRC sociologists, the Chinese middle class has actually been shrinking in recent years, partly due to the loss of jobs and financial assets as a result of the global financial crisis and partly because of the rapid rise of housing prices in urban China.²⁹ Recent disputes regarding the status of China’s emerging middle class are part of a long series of scholarly debates on this complex subject.

Empirical Questions and Scholarly Debates

These seemingly paradoxical trends in PRC social stratification and social mobility have generated a high degree of uncertainty regarding the country's future socioeconomic trajectory. They have also created a sense of political urgency among the Chinese leadership to address these challenges swiftly. Contradictory assessments of the middle class's growth and evolution have inspired many important empirical questions within the scholarly community. Three key clusters of interrelated questions have emerged:

—First, what criteria define membership in the middle class? What is the conceptual difference between a middle class and a middle-income stratum? What are the educational and occupational backgrounds of the Chinese middle class? What is the size of the middle class in present-day China, and how fast is it growing? How far is China from becoming a middle-class country?

—Second, how unique is the development story of China's middle class? In what respects does the Chinese middle class differ from its counterparts in other countries? Is the middle class a useful conceptual framework or effective analytical angle from which to study present-day China? Does this framework broaden or narrow our perspective on Chinese politics and society? To what degree does this large and internally diverse group have common political interests and a shared class consciousness?

—Third, what role, politically, does the Chinese middle class play? Will this role change as the middle class continues to expand? What factors shape the relationship between the middle class and the lower class, on the one hand, and the relationship between the middle class and the upper class, on the other? How are new notions of consumer rights, taxpayer rights, and property rights affecting state-society relations in China? How can the study of the Chinese middle class enrich the theoretical discourse on the middle class in general?

There are, of course, a variety of answers to these questions. In a sense, the spectrum of possible answers to these three sets of questions corresponds to the three most important scholarly debates on the middle class in general, and the Chinese middle class in particular. The first concerns its definition, the second its characteristics (especially the ways in which the Chinese middle class differs from its counterparts around the world), and the third its potential political roles. In order to ensure

a critical, comprehensive, and coherent intellectual inquiry into this relatively new and understandably controversial subject, it is necessary to first briefly survey these debates.

Definitional Criteria

Like many other sociological concepts, the term *middle class* is widely used but lacks a universally accepted definition. There is little scholarly consensus on which criteria should be applied when ascertaining who belongs to the middle class. This lack of a clear, consistent, and consensus-based definition is not limited to research on China's newly emerging middle class. It also afflicts middle class studies in general, including those that focus on the United States or other developed Western nations.

In the United States, income, especially household income, tends to be the most essential criterion in determining middle-class status. American sociologists and economists often use a five- or six-class model to analyze the U.S.'s socioeconomic strata, and some also divide the middle class into upper middle class and lower middle class. In his seminal study of America's class structure, the sociologist Dennis Gilbert adopts a six-class model, which includes the capitalist class (1 percent of the population), upper middle class (15 percent), lower middle class (30 percent), working class (29 percent), working poor (13 percent), and underclass (12 percent).³⁰ In their widely used sociology textbook, William Thompson and Joseph Hickey combine Gilbert's bottom two classes into one "lower class" (representing 20 percent of the population), along with an upper class (1 percent), upper middle class (15 percent), lower middle class (32 percent), and working class (32 percent).³¹ While these two major studies feature similar estimates of the percentage of the U.S. population composed of the middle class—45 percent and 47 percent, respectively—other studies reach far more divergent estimates, ranging from 25 percent to 66 percent of households.³²

According to Gary Burtless, an economist at the Brookings Institution, the U.S. middle class encompasses the portion of the labor force earning between one-half of the country's median income to twice the median income. Based on U.S. census data from the late 1990s, Burtless believes that middle-class annual incomes in the United States range from roughly \$25,000 to \$100,000.³³ As a description of middle-class incomes, however, this range has always been controversial. As the Harvard political scientist Iain Johnston notes, "there is no consensus

over where the income cut points are to divide the population.”³⁴ The considerable differences in household size, family wealth, geographic locations, housing costs, and other factors related to a family’s standard of living all illustrate the problems inherent in the income-based criterion. A population’s distribution of household income is also subject to change, requiring that one periodically recalibrate the income range that describes the middle class.

Although American sociologists and economists generally consider income to be the central component in defining the middle class, other factors such as an individual’s educational attainment, occupational status, consumption patterns and lifestyle, values, and self-identification as a member of the class are also important. This multifaceted approach to defining middle-class membership can be traced back to C. Wright Mills’s classic study *White Collar: The American Middle Classes*.³⁵ Max Weber’s analysis of the interaction of economic wealth, social status, and professional prestige in modern societies has also had a significant influence on Western sociological definitions of the middle class.³⁶ The Weberian approach to social stratification, which takes into account various professional groups as well as business managers, is particularly influential in European studies of the middle class. European scholars tend to adopt a composite index that combines educational credentials, occupation, and income.³⁷

The conceptual complexity and diverse definitional criteria found in Western studies of the middle class suggest that similar definitional difficulties pertaining to the Chinese middle class are to be expected. Yet sorting through these definitional issues is necessary to comprehensively assess China’s middle class. A 2005 study of some 263,000 households in urban China, conducted by the State Statistics Bureau of the Chinese government, used income as the primary criterion for determining membership in the middle-income stratum.³⁸ Using the range of 60,000 to 500,000 yuan annual income for a three-member household, this study estimated that the middle class constituted 5 percent of urban Chinese families in 2005 and would increase to 14 percent in 2010 and 45 percent in 2020.³⁹ This definition, however, has not been widely accepted in China, even among analysts affiliated with the government. Several factors undermine the utility of this definition, including rapid changes in income, household wealth, and the ownership of property (which often grows faster than income), enormous regional variations in socio-

economic conditions, and the definition's failure to consider purchasing power parity in international comparisons.

Some sociologists who study social stratification in China strongly reject definitions of middle class or middle-income stratum that are based solely on earnings. As Jianying Wang and Deborah Davis incisively point out in their contribution to this volume, "By that metric [income], however, the middle class would never expand beyond the middle 20 percent." Some PRC scholars, such as Chen Yiping and Li Qiang, also explicitly state that there is no difference between the Chinese terms *middle-income stratum* and *middle class* and therefore favor using the latter.⁴⁰ Not surprisingly, a large number of PRC scholars have increasingly treated *middle-income stratum* and *middle class* as interchangeable concepts in their academic writings and public comments.⁴¹

Like their peers elsewhere, many PRC scholars adopt a combination of criteria, or a composite index, to define middle-class membership. Li Peilin, the director of the Institute of Sociology at CASS, has formulated a comprehensive index for the classification of middle-class membership. The index is based on one of three criteria: income, education, and occupation. He then assigns the individual to one of the following three categories: the core, the semicore, and the marginal groups of the middle class. If a person meets all three criteria, he or she is considered to be a member of the core of the middle class; a person who meets two criteria belongs to the semicore; and a person who meets only one criterion is considered part of the marginal middle class. In 2006 Li and his colleagues completed a survey of 7,063 households in China's twenty-eight provinces and cities, finding that 3.2 percent, 8.9 percent, and 13.7 percent of the population could be categorized as the core, semicore, and marginal groups of the middle class, respectively.⁴²

Li Chunling, another distinguished scholar at CASS's Institute of Sociology, adopts a well-considered, multifaceted approach to dealing with these classificatory challenges (see table 1-1). First, she uses four sets of definitional criteria—occupation, income, consumption, and self-identification—to determine how many people meet each of these four criteria. Then she calculates the percentages of the four groups—total population (2.8 percent), metropolitan residents (8.7 percent), the labor force (4.1 percent), and the age group thirty-one through forty years (10.5 percent)—that meet all four criteria. Her findings provide both general and specific assessments of the size of the middle class in China.

TABLE 1 - 1. Size of the Chinese Middle Class by Several Classifications

Percent	
<i>Classification criteria</i>	<i>Share of population</i>
Occupation	15.9
Income	24.6
Consumption	35.0
Self-identification (subjective identity)	46.8
Comprehensive criteria (combining all of the above four)	
Total population	2.8
Metropolitan population	8.7
Labor force (age group 16–60)	4.1
Age group 31–40	10.5

Source: Li Chunling, *Duanlie yu suipian—Dangdai Zhongguo shehuijieceng fenhua shizheng fenxi* [Cleavage and fragment: an empirical analysis of social stratification in contemporary China] (Beijing: Shehuikexue wenxian chubanshe, 2005), pp. 485–99.

If one looks only at the urban pool of Li Peilin's study, as many as 25.4 percent of those living in urban areas consider themselves to be core or semicore members of the middle class. Similarly, for each of the four individual categories listed in Li Chunling's study, significant portions of respondents meet at least one criterion for membership in the middle class, and 46.8 percent of respondents consider themselves middle class. Despite this fact, both Li Peilin's and Li Chunling's studies have been criticized by many of their Chinese colleagues for being too conservative in estimating the size of the Chinese middle class. In his 2010 book, which was based on a large-scale nationwide survey, the former director of the CASS Institute of Sociology Lu Xueyi notes that, as of 2009, the middle class constituted 23 percent of China's total, up from 15 percent in 2001.⁴³ Lu's study also finds that in major coastal cities such as Beijing and Shanghai, the middle class constituted 40 percent of the population in 2009.

In interviews with the Chinese media following his book's publication, Lu predicted that the Chinese middle class will grow at an annual rate of 1 percent over the next decade or so, meaning that approximately 7.7 million people out of a Chinese labor force of 770 million will join the ranks of the middle class each year.⁴⁴ Lu also held that in about twenty years the Chinese middle class will constitute 40 percent of the

PRC population—on par with Western countries—making China a true middle-class nation.⁴⁵ Lu's prognostication that China will become a middle-class country within two decades is highly debatable. What is not debatable, however, is the fact that China is in the midst of dramatic changes in social stratification and social mobility and that a burgeoning middle class is a central feature of these changes (indeed, Homi Kharas and Geoffrey Gertz suggest, in the following chapter, that it may already be the world's second-largest middle class).

Given the widely divergent approaches to defining the Chinese middle class surveyed above, and the lack of any clear consensus, it is difficult to settle firmly on one uncontroversial standard. Perhaps the most acceptable and ecumenical approach is Li Chunling's four-part typology, which both makes a great deal of analytical sense and produces results that have an intuitive believability. Because this is still an inchoate phenomenon it is highly likely that the most acceptable definition of the Chinese middle class will continue to evolve alongside the vagaries of its development, but for the time being definitions in the style of Li Chunling's composite approach seem most plausible.

Distinctive Characteristics

The Chinese middle class exhibits some extraordinary, perhaps even unique, characteristics. One of the most noticeable is that its rapid growth has taken place alongside an astonishing increase in economic disparities. As the University of Washington professor Ann Anagnost notes, the "expansion of a middle class and its complex relation to increasing social inequality represents a delicate balance between market dynamism and social instability."⁴⁶ The World Bank reports that the Gini coefficient (a measure of income disparity) in China increased from 0.28 in the early 1980s to 0.447 in 2001 and is now 0.47 (a statistic the Chinese government has not disputed).⁴⁷ It was recently reported by the Chinese official media that the income gap between the top 10 percent and the lowest 10 percent of Chinese earners had increased from a multiple of 7.3 in 1988 to a multiple of 23.0 in 2007.⁴⁸

It has also been widely noted that the rise of the Chinese middle class is primarily an urban phenomenon. Indeed, the middle class is disproportionately concentrated in major cities of coastal regions, such as Beijing, Shanghai, Shenzhen, the lower Yangzi River Delta, and the Pearl River Delta. The economic gap between urban and rural areas has

increasingly widened over the course of the past three decades. Economic disparities are now so great that some scholars wonder whether the middle class is even a useful conceptual framework with which to study present-day China. For example, Xu Zhiyuan, a well-known public intellectual in Beijing who writes for influential online magazines such as the *Financial Times*, bluntly refers to the notion of a Chinese middle class as a pseudo-concept (*wei gainian*). In a recent book he argues, “in China during the past ten years, no other popular term has been more misleading than *middle class*.”⁴⁹ In his view, an analytical approach that places too much weight on the so-called middle class actually narrows one’s perspective and risks obfuscating more important issues and tensions in Chinese politics and society.

Lu Xueyi and like-minded sociologists do not deny the seriousness of economic disparities and social tensions in Chinese society but still believe that the concept of middle class is useful. In Lu’s view these problems actually reinforce his central argument that China’s social structure has lagged behind the country’s economic growth for the last fifteen years.⁵⁰ Nevertheless, a significant number of scholars have reservations about how unitary the concept of a Chinese middle class is or can be. According to Li Lulu, a professor of sociology at People’s University in Beijing, the heterogeneity of the Chinese middle class can be explained by the fact that there are three vastly different means or channels by which individuals can obtain middle-class status. Li and his associate created the terms “power-based executive-type access” (*xingzhengxing jinru*), “market-driven access” (*shichangxing jinru*), and “social network-linked access” (*shehuiwangluoxing jinru*) to characterize these three channels.⁵¹ In other words, various groups—such as the Communist Party and government officials, entrepreneurs, professionals, and cultural elites—constitute a significant portion of China’s emerging middle class.

It has also been noted that the Chinese term for middle class emphasizes a sense of ownership (*chan*) or property rights (*chanquan*), a connotation the English term lacks. Some scholars speculate that this shared notion of ownership or property rights may serve as a powerful glue to unify these otherwise starkly different Chinese socioeconomic groups.⁵² While members of the Chinese middle class may differ from each other in occupation, socialization, or political position, they seem to share certain views and values. One such value is the “inviolability of the private property of citizens,” which was only recently amended into the PRC constitution.⁵³ In the words of Zhang Yiwu, a professor of

Chinese literature at Peking University, this new notion may prove to be an “important beginning of group consciousness and the sense of rights’ protection for the Chinese middle class.”⁵⁴

Political Roles

Arguably the most important debate regarding the Chinese middle class is over the potential implications its development will have for the PRC’s political system. A long-standing Western maxim postulates that there exists a dynamic correlation, or even a causal relationship, between the expansion of the middle class and political democratization. Pioneering works by Barrington Moore Jr., Seymour Martin Lipset, and Samuel P. Huntington, among many others, all emphasize, from various analytical angles, the vital role of the middle class in a democracy.

For Moore the existence of a forceful middle class—or, in his words, the “bourgeois impulse”—creates a new and a more autonomous social structure in which new elites do not have to depend on coercive state power to flourish, as had been the case under an aristocracy.⁵⁵ Lipset believes that a professionally educated, politically moderate, and economically self-assured middle class is an important precondition for an eventual transition to democracy.⁵⁶ In his view, mass communication media, facilitated by industrialization and urbanization, provides a broader venue for cultural elites to disseminate middle-class views and values, thus creating a moderate mainstream in the public opinion of a given country. At the same time, political socialization and the professional interests of the middle class also contribute to the growth of civil society and the legal system, key components of democracy.

Huntington, however, criticizes the theory that a market economy or successive capitalist developments, alone, organically lead to political democracy.⁵⁷ In his view, a country’s transition to democracy often depends on historical and situational factors, both domestic and international.⁵⁸ Huntington believes that a middle class tends to be revolutionary in its early development but grows increasingly conservative over time. The newly emergent middle class in a given society tends to be idealistic, ambitious, rebellious, and nationalistic in its formative years. Its members gradually become more conservative, however, as they begin to register their demands through institutionalized means rather than street protests and become engaged in the political system so as to protect and enhance their interests. Both Lipset and Huntington recognize the importance of the middle class in democratic stability, which they attribute to

moderate and institutionalized class conflict rather than more radical and potentially violent conflicts.

The Western literature on the relationship between economic development and political democracy, and the political role often played by the middle class, provides a theoretical and analytical framework within which to study China's economic reform and sociopolitical development. A majority of Chinese studies, however, point in a different direction: the Chinese middle class has largely been a political ally of the authoritarian regime rather than a catalyst for democratic change. In their new book on Chinese entrepreneurs, an important subgroup of the middle class, Jie Chen and Bruce Dickson argue that, partly due to their close political and financial ties with the state and partly due to their shared concern for social stability, these new economic elites do not support a system characterized by multiparty competition and political liberty, including citizens' right to demonstrate.⁵⁹

In the same vein, An Chen, a PRC-born, U.S.-educated political science professor at the National University of Singapore, offers a comprehensive four-part answer to the question, "Why doesn't the Chinese middle class like democracy?"⁶⁰ First, a significant number of middle-class members are part of the political establishment; as Chen describes, "many have established cozy collaboration with the local top officials."⁶¹ Second, members of the Chinese middle class tend to have what Chen calls "an elitist complex which poses a psychological obstacle to their acceptance of political equality based on the one-citizen-one-vote principle."⁶² Third, growing economic disparities and social tensions have often led the new middle class to form alliances with the rich and powerful in the "common cause [of] resisting democratization and averting the collapse of the regime."⁶³ And fourth, middle-class members tend to "associate democracy with political chaos, economic breakdown, the mafia, and other social evils."⁶⁴

Other empirical studies find that certain widely perceived correlations between the middle class and political democratization in Western countries are simply absent in China. The Chinese middle class lacks the political incentives to promote civil society and is reluctant to fight for freedom of the media. Some middle-class opinion leaders actually act as spokespeople for the Chinese state. According to this view, the middle class has yet to develop an identity, a sense of rights consciousness, and a distinct value system, which characterize their counterparts in other countries.⁶⁵ Almost all of these studies, however, acknowledge

the inconclusive nature of their arguments and assumptions about the conservatism and pro-regime role of the Chinese middle class. The experiences of many countries in East Asia and South America suggest that the middle class can shift its political stance from anti-democratic to pro-democratic quite swiftly.

Another important development in the recent literature on the topic is that some scholars have challenged the conventional, dichotomous treatment of political stability and democracy. The middle class's current preference for sociopolitical stability does not necessarily mean that it will oppose democracy in the future. In China, if democracy will lead to social instability, political chaos, or even the dissolution of the country, there is no incentive for the Chinese people, including its emerging middle class, to pursue it. In a fundamental way, sociopolitical stability and democracy should be seen as complementary, rather than contradictory, phenomena. A democratic system enhances sociopolitical stability in a given country because it is based on the rule of law and civil liberties, and it provides for the peaceful and institutionalized transfer of power through elections.

The political scientist Zheng Yongnian, for example, recently observed that in Western multiparty democracies, although the party in power may frequently change, there is a remarkably high degree of continuity in terms of political institutions and public policies. Regardless of whether the incumbent party is left wing or right wing, it is incumbent upon the government to avoid undermining the interests of the middle class, which "plays a pivotal role for the country's sociopolitical stability."⁶⁶ Social stability is an essential component of political democracy and the peaceful transfer of power from one party to another. The attainment of this stability is due, in large part, to the instrumental and pro-democratic role of the middle class.

The Chinese middle class's current inclination for social stability and gradual political change, therefore, should not be characterized as pro-CCP, anti-democratic, or even conservative. As the Michigan professor Mary E. Gallagher argues, "There may be benefits to delayed political change in China. Integration into the global economy, the increased use of legal institutions to mediate conflict, and the influence of a small but growing middle class may together slowly build up a more stable societal foundation for democratization."⁶⁷ Following the same line of reasoning, some PRC scholars have recently expended great effort developing ideas that "conceptually and procedurally make democracy safe for China."⁶⁸

The rapid expansion of the Chinese middle class and its changing relationship to the government has become a focal point of scholarly work on Chinese politics and society. Both the unfolding story of China's drive to become a middle-class nation and the widely differing scholarly assessments of its implications will undoubtedly enrich the literature on this important global subject.

Arguments, Methodologies, and Organization of the Volume

This edited volume is the product of an international conference held on September 22 and 23, 2009, by the John L. Thornton China Center of the Foreign Policy Studies Program at the Brookings Institution. Approximately 300 people attended the conference. Nineteen scholars in the fields of sociology, political science, economics, education, history, and law—including eleven U.S.-based scholars, five from the PRC, one from Taiwan, one from South Korea, and one from Australia—presented fourteen papers. Offered here are all fourteen of these papers, revised to reflect insights gleaned from exchanges during and after the conference.

All of the following chapters are based on firsthand original research and each focuses on one or two specific issues surrounding the Chinese middle class. Several chapters approach the problem from the Chinese perspective or comment extensively on Chinese scholarly debates on the subject. Others painstakingly address the essential definitional and categorical issues, and some provide much-needed cross-country comparisons. One persistent fact is that contributors to the volume have vastly differing views regarding the political role of the emerging Chinese middle class. This volume's rich empirical evidence, diverse perspectives, multidisciplinary nature, and clash of ideas and conclusions make it especially lively and valuable.

Chapter 2 by Homi Kharas and Geoffrey Gertz is unique in two respects: first, it is the only chapter that focuses exclusively on economic issues in the wake of the global financial crisis; second, it provides a macro-level view of the global expansion of the middle class. The authors argue that as the current financial crisis undermines America's customary role as the consumer of last resort, the "center of gravity of global output shifts toward Asia." Based on an absolute definition of the middle class (those with expenditures surpassing \$10 a day), the chapter projects that among the world's top five middle-class markets in 2030, four will be in Asia: India, China, Indonesia, and Japan. According to

this chapter's predictions, China will surpass the United States by 2020 to become the world's largest middle-class market.

Chapters 3–5 examine the middle class in China primarily from the Chinese perspective, examining the way PRC scholars, government leaders, and the general public have viewed, acted on, and reacted to the major changes taking place in terms of social stratification and political ideology in China.

Chapter 3, by Cheng Li, provides an extensive review of recent Chinese literature on the study of the middle class. With a detailed discussion of several prominent PRC scholars and their most influential work, the chapter highlights the shifting focus in recent Chinese scholarship on the middle class from its effect on social stratification to its possible political implications.

Chapter 4, by Zhou Xiaohong and Qin Chen, examines what they believe to be the two most important contributing factors, one external and the other internal, for the rise of the Chinese middle class. The external factor, economic globalization, represents a synchronic transnational flow of Western capitalism, which has helped nurture middle-class consumerism and lifestyles in urban China. The internal factor, domestic social transformation and upward mobility, reflects diachronic changes in the economic, political, ideological, and structural domains of China in the post-Mao era. These external and internal factors make the Chinese middle class similar to its counterparts elsewhere in terms of consumption patterns and other economic activities but different in terms of political attitudes and behaviors.

Chapter 5, by Lu Hanlong, focuses on the Chinese authorities' pragmatic notion of *xiaokang* or *xiaokang shehui* (a moderately prosperous society). Lu's analysis can be enormously helpful for outside observers not only because the idea of *xiaokang* represents the cultural and ideological foundation for China's transition to a market economy in the reform era but also because it has been used to justify the state's major policy drive to expand the middle class.

The definition of *middle class* employed is inevitably controversial. An extensive discussion of definitional and categorical criteria is therefore essential. Chapter 6, by Li Chunling, and chapter 7, by Jianying Wang and Deborah Davis, both deal with issues relating to the definition, categorization, and internal groupings of the Chinese middle class. Drawing upon a wealth of quantitative data from censuses, national income surveys, and household income surveys of Chinese cities from 1982 to

2006 (some of which the author herself participated in as a principal researcher), Li Chunling offers a clear and comprehensive picture of China's rapid upward social mobility over the past two decades. The chapter finds that among all members of the middle class, 65 percent are from farmer or worker families and 57 percent held blue-collar jobs before obtaining middle-class status. Its heterogeneous family backgrounds and diverse occupations have not only contributed to the "inconsistency between social status and economic status" of the middle class but have also undermined the formation of a collective class identity and a unified class consciousness.

The chapter by Wang and Davis raises one of the most fundamental questions in the study of the Chinese middle class: Should it be treated as singular or plural? Based on their quantitative analysis of major occupational groups, Wang and Davis document several middle classes, rather than finding a single middle class. The chapter shows that an upper middle class of professionals and managers has emerged that is distinct from a more generic middle class and from officials, who are also part of the middle class. The authors argue that any theorizing about the political impact of the Chinese middle class must take into consideration these internal divisions.

The most astonishing aspect of the emerging Chinese middle class is the scale and speed of its expansion. Chapters 8–10 provide comprehensive information and analysis of the crucial factors that have contributed to the rapid growth of the Chinese middle class.

Chapter 8, by the economist Joyce Yanyun Man, reveals that since 1998 the privatization of the housing sector has benefited a large number of people, enabling many families to purchase homes from their work units or the housing market or to obtain houses from developers and local governments through urban relocation. According to recently released data from the large-sample Urban Household Survey, China's homeownership rate reached 82.3 percent in 2007, exceeding the level of homeownership found in many developed countries, including the United States (roughly 67 percent). Though the author argues that the size and wealth of the Chinese middle class are rapidly rising to catch up with middle-class countries, she also recognizes that the problem of affordable housing may constitute a severe sociopolitical challenge.

Chapter 9, by the sociologist Luigi Tomba, also focuses on housing privatization. His analysis challenges the conventional mainstream narrative concerning the "housing effect," which often emphasizes a unified

middle-class-based action toward certain goals of political and structural change. Instead, he finds that local variations, the divided nature of the homeowner class, and the various forms of new hierarchy being created all suggest that middle-class homeowners may not soon arrive at a sense of unified collective agency for political change.

Chapter 10, by Jing Lin and Xiaoyan Sun, examines how the expansion of college enrollment has transformed elite higher education into mass higher education over the course of the past decade. This development has, in turn, contributed to the rapid expansion of the middle class and will continue to do so in the future. Lin and Sun's chapter shows that the total enrollment of college students in China increased from 3.2 million in 1997 to 26 million in 2009. A significant portion of the chapter examines the phenomenon of the post-eighties generation, which is not only the main beneficiary of the affluent economy and expansion of higher education in the country but also the first generation of Chinese college students to "face an extremely competitive job market." The chapter discusses the distinct characteristics of this upcoming generation, the future backbone of China's new middle class.

Seeing as middle-class development is a global, and not distinctly Chinese, phenomenon, cross-country comparisons, especially among East and Southeast Asian countries, are invaluable. This is the case not only because these societies also experienced a rapid rise of the middle class in recent decades but also because many have made remarkable democratic transitions, at least partially resulting from the growing influence and political participation of middle-class actors. Chapter 11, by the Taiwanese political scientist Hsin-Huang Michael Hsiao, and chapter 12, by the South Korean sociologist Han Sang-Jin, provide this type of comparative perspective.

Hsiao's chapter argues that one should not perceive the middle classes of the Asia-Pacific region to be uniformly "politically conservative, liberal, or radical." Rather, he describes their subsets as "diverse" and their political standing as "situational," taking into account their various historical contexts; he sees their relations with authoritarian states during democratic transitions as "dialectical." Hsiao finds that in East and Southeast Asian countries, "none of the authoritarian regimes volunteered or self-initiated top-down democratization." Instead, specific subsets of the middle class (that is, the liberal intellectuals and professionals that reached out to civil society organizations) often played a crucial role in the democratic transitions of these countries.

In his chapter, Han compares the role of identity in middle-class development in South Korea and China and argues that, as an independent variable, identity is as significant as education or occupation in influencing middle-class politics. In examining several large data sets in South Korea and China, Han finds that the middle class's development of a "grassroots identity," or pursuit of citizens' participatory initiatives, gives rise to the significant difference in political practice. Han is optimistic about the prospect of democratization in China because the change-oriented and grassroots segment of the middle class, which played a defining role in the democratic transition of South Korea, is beginning to emerge in the PRC.

The final three chapters all directly address the volume's central question: How will the rise of the Chinese middle class impact China's political development? Chapter 13, by Bruce J. Dickson, focuses on private entrepreneurs and calls into question the theoretical proposition that "privatization would create pressures" for democratization, as well as the notion of "social forces as inherently antagonistic toward the state." Instead, "economic development has created material interests [on the part of the middle class] that in turn create a preference for stability and, therefore, support for the current regime." Despite this finding, Dickson also cautiously points out some possible factors—for example, a decline in the pro-business policies of the CCP and middle-class resentment toward official corruption—that may change the relationship between the middle class and the regime in the future.

Chapter 14, by Ethan Michelson and Sida Liu, offers a detailed and sophisticated Internet study of Chinese lawyers, another distinct and increasingly important subset of China's new middle class (the study shows that 70 percent of Chinese lawyers define themselves as middle class). The chapter not only exhibits the key demographic and socioeconomic characteristics of Chinese lawyers but also reveals their political views and values regarding some sensitive issues. Michelson and Liu argue that the fact that Chinese lawyers are economically unstable, politically restricted, and institutionally vulnerable in terms of their occupation-specific work conditions may determine their political stance and behaviors in the years to come.

Chapter 15, by Jie Chen, uses his survey data in offering a comprehensive comparison between middle-class and nonmiddle-class members in China in terms of their political views, values, and behaviors. Chen illustrates that while most members of China's emerging middle class

favor individual rights, they continue to shun political liberties, including the freedom to demonstrate or to form organizations, and are not interested in promoting democratic changes such as the implementation of competitive elections. Like other chapters in the section, Chen's chapter also recognizes that dynamic forces and their interactions in the country may eventually change the political equation.

This volume's contributors not only provide a wide range of arguments, insights, and scenarios based on empirical evidence of China's emerging middle class but also put forth some provocative ideas for both intellectual and policy debates. Despite many contrasting views and assessments about the size, composition, characteristics, and even definition of the Chinese middle class, some baseline consensuses have emerged out of this intellectual joint venture. Contributors agree that a new socioeconomic force has profoundly changed China's social stratification and economic landscape. No one seems to doubt that the Chinese middle class is more or less a heterogeneous subset of Chinese society or that it has remained, at least up until now, a political ally of the Chinese authoritarian regime.

Equally important, there are recent indications, as noted in several chapters in the volume, that the Chinese middle class may soon become a crucial force for political change. Sophisticated analysis of this new and rapidly expanding socioeconomic group will allow one to more accurately plot China's likely political trajectory in the years to come. In the broadest sense, promoting a better understanding of the Chinese middle class may help to alleviate some of the misgivings and apprehensions engendered by the Middle Kingdom's reemergence on the world stage.

Notes

1. The American notion of the peaceful evolution of communist regimes through international integration, first articulated by John Foster Dulles in the 1950s, has long been a cornerstone of the U.S. strategy to change the nature of China's political system. For more discussion of this strategy, see Frederick Marks, *Power and Peace: The Diplomacy of John Foster Dulles* (Santa Barbara, Calif.: Praeger, 1995).

2. The democratic peace theory asserts that democracies rarely go to war with one another. For a detailed discussion of the theory, see Michael W. Doyle, "Kant, Liberal Legacies, and Foreign Affairs," *Philosophy and Public Affairs* 12, no. 3 (1983): 205–35; and 12, no. 4 (1983): 323–53.

3. Fareed Zakaria, "Does the Future Belong to China?" *Newsweek*, May 9, 2005, p. 32.

4. Notable exceptions include Alastair Iain Johnston, "Chinese Middle Class Attitudes towards International Affairs: Nascent Liberalization?" *China Quarterly* 179 (September

2004): 603–28; David S. G. Goodman, ed., *The New Rich in China: Future Rulers, Present Lives* (New York: Routledge, 2008); and Deborah Davis and Feng Wang, eds., *Creating Wealth and Poverty in Post Socialist China* (Stanford University Press, 2008). Even some of these scholars, such as David Goodman, have some reservations when they employ the term *middle class*.

5. For example, in David Goodman's view, the argument that members of the Chinese "new rich" are "just like us" can be "very seductive" but obscures the fact that they represent a miniscule elite that has benefited disproportionately from economic reforms. See Rowan Callick, "Myth of China's New Middle Class," *Australian*, January 14, 2008, p. 2.

6. John King Fairbank, *The United States and China*, 4th ed. (Harvard University Press, 1983), p. 51.

7. For the early development of the Chinese bourgeoisie, or the middle class, see Marie-Claire Bergère, *The Golden Age of the Chinese Bourgeoisie, 1911–1937*, translated by Janet Lloyd (Cambridge University Press, 1989).

8. *China News Analysis*, no. 1501, January 1, 1994, p. 2.

9. Ming Yongchang, "Zhongchan jieji zhengzai shixian 'Zhongguomeng'" [The middle class is realizing its "Chinese dream"], in *Lianhe zaobao* [United morning news], October 1, 2008, p. 2.

10. Zhang Wanli, "Zhongguo shehui jieji jieceng yanjiu ershi nian" [Research on classes and social status during the last twenty years in China], in *Shehuixue yanjiu* [Sociological research], no. 1 (2000): 24–39; and also Cheng Li, "'Credentialism' versus 'Entrepreneurism': The Interplay and Tensions between Technocrats and Entrepreneurs in the Reform Era," in *Chinese Business Networks: State, Economy and Culture*, edited by Chan Kwok Bun (New York: Prentice Hall, 1999), pp. 86–111.

11. China's stock market, for example, was ranked the world's largest emerging capital market and the third-largest capital market in 2007. In the same year, the total number of stock accounts exceeded 100 million, and more than half were owned by individual investors. China's property market had an annual growth rate in sales of 20 percent in the past decade. Song Guokai, "Zhongguo zhongchan jieceng jing shinianlai jiakuai jueqi de zhuyao yuanyin" [The main factors in the rapid rise of the Chinese middle-income stratum in the past decade], *Chinese Sociology*, January 29, 2010.

12. *China Daily*, August 31, 2009.

13. Ann Hodgson, "China's Middle Class Reaches 80 Million," *Euromonitor Archive*, July 25, 2007. The data on American consumption as a percentage of GDP refer to the year 2007.

14. Li Chunling, "Zhongguo zhongchan jieji yanjiu de dongli yu quxiang" [The motives and trends of studying China's middle class], in *Hexie shehui yu shehui jianshe* [Harmonious society and social development], edited by Fang Xiangxin (Beijing: Shehuixue wenxian chubanshe, 2008).

15. Chen Ziling, "Xinyongka xiyoulu" [Balance sheet on credit cards], in *Shanghai jinrong bao* [Shanghai financial news], October 24, 2008, p. 1; and Shushmul Maheshwari, "China Credit Card Market Outlook to 2013," RNCOS E-Services Pvt. Ltd., March 18, 2009 (www.investorideas.com/news/t031809a.asp). [July 21, 2010].

16. See <http://cn.chinagate.cn/chinese/fj/67931.htm> (May 16, 2010).

17. The annual growth rate of output and sales is 48 percent and 46 percent, respectively. Quoted from Zhang Xue, "Domestic Auto Sector Undergoes Structural Adjustments," *Economic Daily*, February 9, 2010. See also *Shijie ribao* [World journal], January 12, 2010, p. 1.

18. *China Daily*, June 2, 2004.

19. Merrill Lynch, *China Consumer Brands Participation Certificate* (Singapore, April 2008).

20. According to the study, the qualification for membership in the middle class is 25,000–100,000 yuan, or \$13,500–\$53,900 per household, adjusted for purchasing power parity. The group can be further divided into the upper aspirants (with an income of 40,000–100,000 yuan) and the lower aspirants (with an income of 25,000–40,000 yuan). McKinsey Global Institute, “From ‘Made in China’ to ‘Sold in China’: The Rise of the Chinese Urban Consumer,” November 2006 (www.mckinsey.com/mgi/publications/china_consumer/index.asp).

21. See www.singtaonet.com/chinafin/200712/t20071210_688541.html.

22. *Nanfang ribao* [Southern daily], February 26, 2000, p. 1. For more discussion of the background of Jiang’s ideological innovation, the “three represents,” see Cheng Li, “China in 2000: A Year of Strategic Rethinking,” *Asian Survey* 41, no. 1 (2001): 71–90.

23. Chen Xinnian, *Zhongdeng shouruzhe lun* [Middle-income stratum] (Beijing: Zhongguo jihua chubanshe, 2005), p. 1.

24. Wu Jiao, “50% of people will be middle class by 2020,” *China Daily*, December 27, 2007.

25. “China’s Middle Class: To Get Rich Is Glorious,” *Economist*, January 17, 2002.

26. See, for example, Alexander Brenner, “Zhongguo zhongchan jieji zai ganchao Meiguo zhongchan jieji?” [Is the Chinese middle class catching up to the American middle class?], translated by Hu Yu, in *Qingnian cankao* [Youth reference], September 22, 2008.

27. Lu Xueyi, “Xianzai shi Zhongguo zhongchan jiecheng fazhan de huangjin shiqi” [It’s the “golden age” of Chinese middle-class development], *Zhongguo qingnian bao* [China youth daily], February 11, 2010.

28. Mao Yushi, “Zhuangda zhongchan jieji: Miaoizhun jiuye, gongping chengxiang” [Enlarging the middle class: focusing on employment and the reduction of the urban-rural gap], *Luye* [Green leaf], no. 12 (2009).

29. Li Qiang, “Dao dingzixing shehui yu gongtong fuyuan jianxing jianyuan” [A reverse T-type society and further away from common prosperity], *Luye*, no. 12 (2009).

30. Dennis Gilbert, *The American Class Structure in An Age of Growing Inequality* (Belmont, Calif.: Wadsworth, 2002).

31. William Thompson and Joseph Hickey, *Society in Focus: An Introduction to Sociology*, 5th ed. (Boston: Pearson, Allyn, and Bacon, 2005).

32. See http://en.wikipedia.org/wiki/American_middle_class (May 15, 2010).

33. Gary Burtless, “Growing American Inequality: Sources and Remedies,” *Brookings Review* (Winter 1999).

34. Johnston, “Chinese Middle Class Attitudes Towards International Affairs,” p. 607.

35. C. Wright Mills, *White Collar: The American Middle Classes* (Oxford University Press, 1951).

36. Max Weber, *Economy and Society: An Outline of Interpretive Sociology* (University of California Press, 1978).

37. For cross-country comparisons of the definitions of the middle class, see Olivier Zunz, ed., *Social Contracts under Stress: The Middle Classes of America, Europe, and Japan at the Turn of the Century* (New York: Russell Sage, 2004).

38. Study Group of the General Urban Survey Team of the PRC State Statistics Bureau, “Liuwan dao wushiwan yuan: Zhongguo chengshi zhongdeng shouru qunti yanjiu” [60,000–500,000 yuan: a study of middle-income strata in urban China], *Shuju* [Data], no. 6 (2005).

39. *Huaxia shibao* [China time], January 19, 2005.

40. Chen Yiping, *Fenhua yu zube: Zhongguo zhongchanjiecheng yanjiu* [Separation and coherence: a study of China’s middle class] (Guangzhou: Guangdong renmin chubanshe, 2005), pp. 95–96.

41. A good indicator that supports this observation is the PRC-based scholarly website China Election and Governance. The website has a special section on China's middle class, which includes over 170 articles on the subject since 2002. Most of the authors use the term *middle class* rather than *middle-income stratum*. See www.chinaelections.org/NewsList.asp?ClassID=93&Pages=1.

42. See Li Peilin and Zhang Yi, "Zhongguo zhongchan jieji de guimo, rentong, he shehui taidu" [Scale, recognition, and attitudes of China's middle class], in *Daguoce tongxiang Zhongguo zhilu de Zhongguo minzhu: Zengliang shi minzhu* [Strategy of a great power: incremental democracy and a Chinese-style democracy], edited by Tang Jin (Beijing: Renmin chubanshe, 2009), pp. 188–90.

43. Lu Xueyi, *Dangdai Zhongguo shehui jigou* [Social structure of contemporary China] (Beijing: Shehui kexuewenxian chubanshe, 2010), pp. 402–06.

44. Lu Xueyi, "Xianzai shi zhongguo . . .," *Zhongguo qingnian bao*, February 11, 2010.

45. *Zhongguo xinwen zhouban* [China newsweek], January 22, 2010.

46. For more discussion of these two simultaneous but seemingly paradoxical developments, see Ann Anagnost, "From 'Class' to 'Social Strata': Grasping the Social Totality in Reform-Era China," *Third World Quarterly* 29, no. 3 (2008): 497–519.

47. World Bank, *World Development Indicators* (various years). Also see Anagnost, "From 'Class' to 'Social Strata,'" p. 498.

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49. Xu Zhiyuan, *Xinglai, 110 nian de Zhongguo biange* [Awakening: China's 110-year reform] (Hubei: Hubei renmin chubanshe, 2009), pp. 194–95.

50. Lu, *Dangdai Zhongguo shehui jigou*, p. 31.

51. Li Lulu and Li Sheng, "Shutu yilei—Dandai Zhongguo chengzhen chongchan jieji de leixing fengxi" [Different approaches and different types: a typological analysis of the middle class in Chinese cities and towns], *Shehuixue yanjiu* [Sociology studies] 22, no. 6 (2007): 15–37.

52. Wei Cheng, *Suowei zhongchan: yingguo jinrong shibao zhongwenwang dui Zhongguo zhongchan jieji de diaocha* [China's emerging middle class: a survey by *Financial Times's* Chinese website] (Guangzhou: Nanfang ribao chubanshe, 2007).

53. Wang Jianping, "Zhongchan jiecheng—Shehui hexie de jiji liliang" [Middle stratum: a positive force for harmonious society], *Zhongguo gaige luntan* [China reform forum], November 2006.

54. Zhang Yiwu, "Yeshuo zhongchan jiecheng" [Comments on the middle stratum], *Huanqiu* [Globe], April 12, 2010.

55. Barrington Moore Jr., *The Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World* (Boston: Beacon Press, 1966), pp. 418, 430.

56. Seymour Martin Lipset, "Some Social Requisites of Democracy: Economic Development and Political Legitimacy," *American Political Science Review* 53, no. 1 (1959): 69–105; and Seymour Martin Lipset, *Political Man: The Social Bases of Politics* (Garden City, N.J.: Anchor Books, 1963).

57. Samuel P. Huntington, *Political Order of Changing Societies* (Yale University Press, 1969).

58. Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (University of Oklahoma Press, 1993).

59. Jie Chen and Bruce J. Dickson, *Allies of the State: China's Private Entrepreneurs and Democratic Change* (Harvard University Press, 2010).

60. An Chen, "Capitalist Development, Entrepreneurial Class, and Democratization in China," *Political Science Quarterly* 117 no. 3 (2002): 401–22.
61. *Ibid.*, p. 411.
62. *Ibid.*, p. 417.
63. *Ibid.*, p. 412.
64. *Ibid.*, pp. 413–14.
65. Margaret M. Pearson, *China's New Business Elite: The Political Consequences of Economic Reform* (University of California Press, 1997); Andrew G. Walder, "Sociological Dimensions of China's Economic Transition: Organization, Stratification, and Social Mobility," Shorenstein Asia/Pacific Research Center, April 2003; Yanjie Bian, "Chinese Social Stratification and Social Mobility," *Annual Review of Sociology* 28, no. 1 (2002): 91–116; and Elizabeth J. Perry, "A New Rights Consciousness?" *Journal of Democracy* 20, no. 3 (2009): 17–20.
66. Zheng Yongnian, "Zhongguo zhongchan jieji he Zhongguo shehui de mingyun" [The middle class and the fate of Chinese society], *Lianhe zaobao*, March 2, 2010.
67. Mary E. Gallagher, "'Reform and Openness': Why China's Economic Reforms Have Delayed Democracy," *World Politics* 54, no. 3 (2002): 371.
68. Cheng Li, "Introduction: Making Democracy Safe for China," in *Democracy Is a Good Thing: Essays on Politics, Society, and Culture in Contemporary China*, edited by Yu Keping (Brookings, 2009), pp. xvii–xxxii.