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THE GROWING MIDDLE CLASS AND THE ABSENCE  
OF DEMOCRACY IN CHINA

by

DANNI MEI

A master's thesis submitted to the Graduate Faculty in Political Science in partial fulfillment  
of the requirements for the degree of Master of Arts, The City University of New York

2019

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Danni Mei

This manuscript has been read and accepted for the Graduate Faculty in Political Science in  
satisfaction of the thesis requirement for the degree of Master of Arts.

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## ABSTRACT

The Growing Middle Class and the Absence of Democracy in China

by

Danni Mei

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Contrary to the prediction of modernization theory, the vibrant Chinese economy and its growing middle class have not brought democratic change to the authoritarian country. This work sheds light on the puzzle of the absence of democracy in China despite a fast-growing middle class. The study argues that the key to explaining the middle class' inert political behavior is to be found in its fragmentation. It is necessary to disaggregate the political, economic, and social positions of different subgroups of the Chinese middle class—government officials and party cadres, private entrepreneurs of small or medium businesses, professionals, and white-collar employees—and the tension among these subgroups. These groups have different interests and so different attitudes toward democratic change. Moreover, the state has astute ways of managing these middle-class subgroups, and that, too, plays an important role in hindering political activity.

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Beginning in 1978, China implemented economic reforms to revive and modernize its economy, which was severely disrupted during the Cultural Revolution. With its economic reforms, China transformed itself from a country with a backward planned economy into one of the major economic powers of the world. According to a 2018 International Monetary Fund (IMF) report, China is the world's second largest economy with a nominal gross domestic product (GDP) of \$13.5 trillion and the world's largest economy by purchasing power parity. Along with its remarkable economic development, Chinese society has undergone a significant transformation as well. In the increasingly modernized society, a new middle class has emerged as a prominent socioeconomic force. Observing these changes in China, scholars have long wondered if there would be ensuing democratic changes because, according to the deeply influential modernization theory, economic development and democracy are closely related. As Seymour Martin Lipset stated, "All the various aspects of economic development—industrialization, urbanization, wealth and education—are so closely interrelated as to form one major factor which has the political correlate of democracy" (Lipset 1960: 41). However, apart from a failed attempt of democratization in 1989, the Chinese society has not experienced major democratic evolution, and China remains an authoritarian country. It is a puzzle why economic growth and a growing middle class have not ushered in political change.

After reviewing the general literature on the correlation between the middle class, especially the Chinese middle class, and democratization, some important questions present themselves: Does modernization theory apply to a late-developing, authoritarian country such as China? What is the explanation for the absence of democratization in China despite significant economic development? What role does the Chinese middle class play in the non-existence of democratization in China? The answers to these three questions are directly connected with the

understanding of the interactive dynamics between economic development and political democratization, and of the middle class' political attitude toward democratization. However, scholars share no clear consensus about the correlation between economic development and the middle class' support for democratic change. Moreover, most of the studies on middle class and democratization deem the middle class as an aggregate without systematically analyzing the nuanced layers of the middle class and distinguishing different subgroups and their distinct stance on Chinese politics.

To further the study on the middle class and democratization, and shed light on the puzzle of the absence of democratization in an economically developed China, this study uses the theoretical literature on the middle class and politics as intellectual guidance, and examines the case of the Chinese middle class. The study also analyzes the political, economic, and social positions of different subgroups of the middle class—government officials and party cadres, private entrepreneurs of small or medium businesses, professionals, and white-collar employees—and the tension among these subgroups, and explains their different attitudes toward potential democratic change. Based on empirical evidence found from multiple sources, including academic literature and information from newspapers and magazines, this work argues that the middle class in China is fragmented and does not have a consensus on democratization. Above all, what contributes to the lack of middle-class consensus in China is the attitude of subgroups that are dependent on the state. The astute ways in which the authoritarian state manages middle-class subgroups also plays an important role in hindering the formation of the consensus.

The first part of the study reviews the theoretical literature on the middle class and democratization, and the literature exploring the correlation between the Chinese middle class and China's potential democratization. The second part of the work examines the formation of the

Chinese middle class from a historical point of view. It discusses the political, economic, and social context in which the Chinese middle class was born. Moreover, the study explains the ways in which the middle class is defined and gives its definition of the class. The third part of the study analyzes subgroups of the Chinese middle class, their different interests and relations with the state, and the tension among these subgroups. The work also elaborates on what hinders the Chinese middle class from forming a consensus on democratization and under which circumstances a consensus can be formed. The last part of the study summarizes the arguments made, examines the prospect of the Chinese middle class and democratization, and discusses the implications of the study for theorizing about the middle class.

## **I. LITERATURE REVIEW**

### **Theories on the Middle Class and Democratization**

There is a large body of literature that discusses topics such as the correlation between the middle class and democratization, the middle class' attitude toward democracy, and the role of the middle class during democratic change. Scholars hold different views. However, there are two major perspectives on the dynamics between the middle class and democratization.

The first perspective contends that socioeconomic modernization leads to an expansive and more liberal middle class, which, in turn, usually show strong support for democracy and plays an important role in propelling democratization. Lipset's (1961) modernization theory is the epitome of this perspective. According to Lipset, socioeconomic development led to the growth of middle class in the democratic countries of Western Europe. Strong democratic countries have strong economies and a large middle class with more purchasing power. Weak and authoritarian states tend to have weak economies and a small middle class with less purchasing power. Therefore, a modernization process is closely related to the rise of a liberal middle class and a democratic political system. Lipset also identifies various preconditions of modernization and democratization, which include industrialization, urbanization, wealth, and education. These conditions are closely related as one major force that leads up to democratic change. To Lipset, the correlation between economic development and democratization is inexorable. However, his theory cannot explain the absence of democracy in China and in other developing countries that have a fast-growing economy.

Agreeing with Lipset's theory, Diamond (2008) addresses the positive impact of economic development on democratization from a socio-behavioral point of view. He contends that as a

country becomes wealthier, more industrialized, urban, and better educated, public values in a society becomes more conducive to democracy. Moreover, people have higher income and become more informative: “They become more politically aware and confident, more inclined to participate in politics, to think for themselves, and thus to break free of traditional patron–client ties” (99).

In the same vein, Huntington (1991) shows the impact of modernization on democratization in Asian states that were experiencing rapid economic growth from 1974 to 1990. He puts emphasis on the predominant economic conditions that led to democratization. In his study, Huntington contends that continuing economic development and a growing middle class undermined authoritarian regimes, which caused these regimes to either choose liberalization or repress democratization. Differing from Lipset, Huntington does not see democratization as an inevitable result of economic development. “An overall correlation exists between the level of economic development and democracy, yet no level or pattern of economic development is in itself either necessary or sufficient to bring about democratization” (59). To Huntington, the relation between economic development and democratization is complex and may change due to temporal and spatial factors. However, he believes the significant impact of economic development on democratization in those Asian states.

Concurring with Huntington’s view, Hattori, Funatsu, and Torii’s (2003) study of the emergence of the Asian middle class and their characteristics makes the same observation. They argue that when a society is undergoing modernization, its citizens’ income, education, social mobility, appreciation of freedom grow simultaneously. All these changes, in turn, propel a transition to democracy. They believe that the rising middle class embodies these pro-democracy changes, and that it is the “main thrust of the democratization movement” (129–30).

A second perspective about the political role of the middle class argues that there is a dynamic interaction between economic development and democratization, and that “democratization is not a natural result of economic growth, it is a political process fraught with conflict, negotiations, and occasionally setbacks” (Dickson 2003: 12). In this line of theory, the middle class’ support for democratization is conditional and dependent on certain important economic and political conditions in a given society. Moreover, studies along this line focus more on the interactive dynamics between the middle class and other classes in a society, which also shape the possibility of democratization in a country.

The most prominent study of this perspective is Moore’s (1966) structuralist theory. Using different cases, Moore analyzes the dynamic structures of power in different countries that were conducive to democratization and sees the middle class as a potential force for democratic transformation and an intervening variable. He famously states, “No bourgeoisie, no democracy” (418). Moore also emphasizes the important role of the middle class’ alliance with other social groups during a democratic transformation. Furthermore, Moore identifies conditions that contributed to the bourgeois revolutions. He argues that the landowners and bourgeoisie should be both strong and independent enough to limit the arbitrary powers of the aristocracy through regulations and other means, which put constraints on kings as well as gain more rights and wealth. It was also important that the coalition be against the aristocracy and not the peasant and worker, or it would be unfavorable to democracy. Moore’s study laid the ground for a structuralist theory and inspired many later studies on the middle class and democracy.

Drawing upon Moore’s theory, Rueschemeyer, Stephens, and Stephens (1992) propose a class-structural model and emphasize the importance of social class in democratization. They create a “relative class power” model of democratization and perceive social class as the “master

key” (5) that defines the chance for coalition. They studied South American societies and distinguished social classes that were important in determining the regime type of a country: working class, rural and urban middle class, landlord class, and bourgeoisie. They see different types of capitalist development as the determinant of the structure of class power in a country, which directly results in a certain type of regime. To them, state power and transnational power do not have a steady impact on the type of regime. As they put it, “[Capitalist development] is associated with democracy because it transforms the class structure, strengthening the working and middle classes and weakening the landed upper class” (7). Rueschemeyer, Stephens, and Stephens argue that the contradictory nature of capitalism advanced the cause of democracy and analyze the tension and interplay among social classes including the middle class. This kind of in-depth social class analysis can certainly be applied to the Chinese case.

In terms of the prominent economic and political conditions that affect the middle class’ support for democratization, scholars of this line of research believe that because of the variation of these conditions in late-developing countries, the middle class’ support for democratization also varies from country to country. According to Chen and Lu (2011), these conditions includes “the middle class’ dependence on the state, its perceived socioeconomic well-being, its political alliance with other classes (e.g., upper and working class), its own cohesiveness (or fragmentation), and its fear of political instability” (706). Numerous studies, especially studies on developing country that are experiencing significant economic changes, provide empirical evidence for this argument. Examples include Koo’s (1991) study on South Korea, Rueschemeyer, Stephens, and Stephens’s (1992) study on South Africa, Bertrand’s (1998) study on Southeast Asia, Jones’s (1998) study on Pacific Asia, and Englehart’s (2003) study on Thailand. According to these studies, when the middle class’ dependence on the authoritarian state is strong, its socioeconomic status is

less prominent, its alliance is with the elite, its structure is more fragmented, and its fear of political instability is pronounced, the middle class is less likely to support democratization. When these conditions change, the middle class in an authoritarian society may also change its attitude toward democratization. Given the middle class' conditional attitude toward democratization, some scholar even goes on to say that "it would not make much sense...to characterize [the middle class] as progressive or conservative" (Koo 1991: 506). However, born in the process of capitalist development, the middle class undeniably shares some intrinsic values with democracy, which is also given birth by economic growth. As a result, it makes more sense to perceive the existence of certain economic and political conditions as inhibitors of the middle class' support for democracy.

A few scholars pay attention to the fragmentation of the middle class and contend that because different subgroups of the middle class are not equally positioned in an authoritarian system, they may adopt different attitude toward democratization. Koo (1991) mentioned in his study that the different segments of the middle class respond to democratic change differently. As he specifies, "The transition from authoritarian rule is composed of a series of different 'moments' or conjunctures, each of which raises different issues, a different form of conflicts, and a shifting balance of power among classes" (486). Therefore, different classes in the society respond differently, so do the different segments of the middle class. The same observation is made by Gill (1998). He suggests that the different strata of the middle class "can have different and sometimes conflicting interests and may act in widely divergent ways to protect those interests" (308). As a result, as Gontmakher and Ross (2015) put it, "Distinguishing the different groupings which exist within the middle class and analyzing their value is thus as important as distinguishing the values of different classes" (273).

The first perspective of linking modernization, economic development, and the growth of the middle class with the middle class' support for democracy and democratization is optimistic. However, it cannot provide a sufficiently convincing explanation for the absence of democratization in China and other late-developing, authoritarian countries. The second perspective is more sober—and more useful. It can better explain why democratization happened or did not happen in countries at different stages of development.

In developing countries, the middle class has shown various attitudes toward democratization. It may support democratization, or it may back authoritarian regimes based on specific social, economic, and political contexts. The second perspective is a more effective framework to analyze the correlation between the middle class and democratization in developing countries such as China. Especially useful in this literature is the emphasis on the fragmentation of the middle class. An appreciation for the nuances of the middle class can seemingly help explain the potential for democratic change. This study agrees with the view that the middle class plays an important role in democratic transformation, but proposes that the Chinese middle class is not necessarily prone to democratic change. The Chinese middle class is complex, and it is fragmented. Different subgroups of the middle class respond differently to political and economic factors. Context is important in Chinese politics.

### **Studies on the Chinese Middle Class and Democratization**

Many scholars have explored the correlation between the Chinese middle class and potential democratization in China. They reach different conclusions on whether the Chinese middle class supports democracy or the authoritarian regime. There are two prominent views in this body of literature.

The first view is that the Chinese middle class, like the Western middle class, embraces many liberal values and is in favor of democratic change. However, whether the middle class will move to support democratic values is still unclear. Chen and Lu (2006) conducted a representative-sample survey in Beijing, and the result shows that the Chinese middle class expressed their preference for a more democratically organized grassroots self-government—a civic administrative unit under the control of the communist party—and their willingness to participate in public affairs. Tang, Woods, and Zhao's (2009) study on the attitudes of Chinese middle class is based on the dataset from Asian Barometer Survey. They conclude that China's middle class showed higher democratic orientation than the Chinese lower class when the class is defined by occupation or self-identification. As they state, "Compared to farmers, workers, and the unemployed, those people who are managers, professionals, private entrepreneurs, or high-salary white-color workers show higher affection towards democracy" (90). Specifically speaking, the middle class showed stronger civic values, favoring attitude toward democratic political procedures, and dislike for unchecked power of the authoritarian regime. They posit that it was the new life experience of new professions that increased people's understanding of modern democratic values.

Tang (2011) examines the characteristics of the rising Chinese middle class by using dataset from Asian Barometer Survey. The study shows that in comparison to other social classes, the Chinese middle class showed a higher interest in politics and participated more in "personal activities in dealing with conflicts with government policies and officials" (373). Nevertheless, the middle class as a group did not exhibit any remarkable difference from other classes in political activities in confronting the authoritarian state. Therefore, Tang believes that the Chinese middle class is not ready to be an active force in the political development in China.

The second view is that the Chinese middle class may have adopted certain democratic values, but it is, in fact, in favor of the current authoritarian system and fears political instability. In her study, Pearson (1997) poses the research question: do economic reforms inevitably lead to political change? Her research is based on 51 in-depth interviews conducted in 1991 and 1995 with Chinese working in managerial positions in the foreign sector. She argues that China's emerging business elites developed new types of relations with the state, from which a democratic/liberal pattern can be observed. She suggests that these business elites enjoyed more autonomy in comparison to other social groups. If they fail to convert their economic interests to political influence, then other groups are even less likely to be able to do so. Therefore, she believes that they were an important social group in deciding China's political future. Since the relations between this group and the state shifted toward clientelism and socialist corporatism, business elites did not choose to support the concept of democratization. Therefore, economic reforms and the ensuing economic growth did not result in democratization.

Similar to Pearson's study, Chen and Dickson's (2008) study explores the reasons and degree of Chinese private entrepreneurs' support for the existing authoritarian system by conducting a survey of private entrepreneurs in five coastal provinces. From the data collected in the survey, they contend that Chinese private entrepreneurs have a tendency to support the current political system and prefer the status quo to fundamental change. According to the authors, several critical factors influenced these private entrepreneurs' favoring attitude toward the authoritarian regime, including "democratic values, life satisfaction, evaluation of government policy performance, and perception of official corruption" (780). In addition, they argue that the closer the ties that the private entrepreneurs have to the state, the more supportive they are regarding the authoritarian regime and the status quo.

From a sociological point of view, Tomba (2009) focuses his study on professionals and public employees in China. He argues that the significant economic status enhancement happened in the late 1990s for salaried Chinese professionals and public employees was not because of the market or the growing economy. He contends that their elevated status was engineered by the reformist state to boost consumer spending, simulate economic growth, promote social and political stability, and enhance the efficiency of the bureaucracy. As the “winner” picked by the state, these professionals and public employees received raised salaries and improved working conditions, and they benefited from redistribution of public assets, especially of housing. These policies favored social groups in the urban areas that have close ties to the state. Apart from the economic consideration of the state, Tomba points out, creating a middle class—an exemplary class—can also help the state to maintain its legitimacy and authority. The middle class’ interests are intertwined with the state interests, and its privileged status increases its fear of political instability and the lower class. As a result, the Chinese middle class is more of a force for social stability than an agent of political change.

In the same vein, Chen and Lu (2011) base their research on data collected from their probability-sample survey conducted on urban population in three cities. They analyze respondents’ rights consciousness, valuation of political liberty versus order, support for participatory norm, and support for competitive election. They conclude that the Chinese middle class’ support for democratization in authoritarian countries is contingent on many social, economic, and political conditions. They also contend that the more the Chinese middle class depends on the state, the less it would support democratization. In addition, when the middle class perceive a good prospect in the authoritarian country, it would tend to be less supportive of democratization.

Based on empirical evidence from previous studies, Nathan's (2016) study explores the reason why Lipset's modernization cannot explain the current situation in China and why the Chinese middle class is not yet a supportive force for democratization. He argues that there are four differences between the Chinese middle class and Lipset's middle class. First, the Chinese middle class only accounts for a small percentage of the population. Second, the Chinese middle class has a different nature of employment, and those in the middle class are mostly employees of state-controlled organizations. Third, the Chinese middle class is new. It only reemerged four decades ago and began its rapid growth three decades ago. The Chinese middle class only started to forge a way of life and have little shared perceptions or interests. Nathan explains, "For an established middle class, wealth is a spur to political participation; for a new middle class, political participation is a distraction" (11). Fourth, the Chinese middle class does not have a rich associational life common in the Western middle class. The government forbids organizations that may compete with top-down youth, women's, and labor associations, and it also impedes the growth of independent media and heavily regulates the internet. Though having some features related to support for democratization, the Chinese middle class today, Nathan believes, has too many fears, and that is why while it has more democratic values, it still supports an authoritarian state.

Both views of the Chinese middle class and democratization are supported by certain empirical evidence from the aforementioned studies. However, these empirical studies have their limits and cannot be deemed as definitive because most of them are based on a sample that has limited representation. Nevertheless, these studies shed light on the puzzle of why China is not democratized when there is remarkable economic development and a fast-growing middle class. Although whether the Chinese middle class supports democracy or the authoritarian state is

debatable, several other points are clear. As a social class born in the tide of economic reform and benefitting from modernization and economic growth, the Chinese middle class is prone to democratic/liberal values. Some social groupings within the middle class are dependent on the state, benefiting from the status quo, but the middle class as a whole is subject to the rule of the authoritarian state and under its control. The middle class' wealth and social status can be easily affected by the authoritarian state's policies, and its liberal values are limited by the non-democratic reality and fear.

Drawing on these conclusions, this study will further explain the absence of democratization in China and specify the Chinese middle class' stance on democratic change. Based on empirical evidence from multiple sources, the study will distinguish different subgroups of the Chinese middle class, analyze their various relations with the authoritarian state, the benefit and/or punishment that they may receive from the state, and the tensions among themselves. The study explains how the different interests of these subgroups and their different relations with the state hinder the middle class as a whole from achieving consensus and creating a momentum for democratic change. The study will also discuss why the attitude of subgroups that are dependent on the state is crucial to forming a political consensus and advancing democratic change.

## II. THE CHINESE MIDDLE CLASS EXPLAINED

### **The Formation of the Chinese Middle Class**

The Chinese society experienced a period of instability after the end of Qing Dynasty in 1912. Between the late 1920s and 1930s, some military-related industrial sectors were developed in preparation for war with Japan. Moreover, in the Republican era (1912–1949), according to Chow (2007), “In spite of political instability, economic activities carried on and economic development took place between 1911 and 1937,” and he concludes, “modernization was taking place” (20–21). During this period, China had a well-functioning market economy, which laid foundation for China’s return to a market economy after its economic reform in the late 1970s. The growth of national capitalism gave birth to factories and workers in major cities, and thus, the Chinese society underwent some significant structural changes.

Chen (2013) distinguished two sectors in the pre-1949 Chinese society: an urban sector and a rural sector. In the rural sector, there was “the dominance of a small number of gentry and landowners over the large number of landless peasants” (46). In the urban sector, there was “the dominance of a small number of upper-class bourgeoisie and comprador capitalists over a large number of urban proletariat” (46). In Mao Zedong’s (1977) well-known essay “Analysis of the Classes in Chinese Society,” he also discusses different components of the 1920s’ Chinese society and distinguishes five classes, some of which can be further divided into subgroups. These classes were: (1) the landlord class and the comprador class, (2) the middle bourgeoisie, (3) the petty bourgeoisie, (4) the semi-proletariat, and (5) the proletariat. According to Mao, the petty bourgeoisie class included the owner-peasants, the master handicraftsmen, and the lower levels of the intellectuals, to be specific, students, primary and secondary school teachers, lower

government functionaries, office clerks, small lawyers, and petty traders. This category clearly paints a picture of the early Chinese middle class. Based on previous studies, Chen estimates that the early Chinese middle class accounted for about only three percent of the population right before 1949. Despite of its small size, this gradually rising class had certain degree of economic and political independence and forged a life style of their own.

In 1949, China ended its civil war with the retreat of the Republic of China to Taiwan and the establishment of the People's Republic of China. The new communist government, under the guidance of the orthodox Marxist ideology, had a mission of eliminating class differences and creating "a classless and equal society" (Chen 2013: 47). Therefore, soon after the party took power, it pushed through reforms to eradicate the economic foundations for private economy in order to achieve the destratification of social classes. In the land reform in the rural China, the party confiscated wealth and land from landlords and redistributed them to peasants.

In urban China, in the 1950s, the party nationalized all large enterprises owned by national and comprador capitalists, most of which later evolved into state-owned enterprises. To take over ownership of these enterprises, "the communist state paid capitalists a fixed interest on their capital until 1966" (Riskin 1991:97). In the same period, the state started "a program of collectivization of the industrial and commercial enterprises owned by the petite bourgeoisie—the so-called handicraft industrialists" (Chen 2013: 47). After these reforms, there was no private economy in China, and almost none of the Chinese people owned private assets. By 1958, the Chinese society had become almost entirely free of economic basis for class differentiation, and the party-state took full control over the Chinese economy. All urban citizens were assigned to different types of work units and had very little occupational mobility. No group of people in China could be construed as the middle class.

Under Mao's class struggle theory, most former capitalists and petty bourgeoisie were categorized as members of the reactionary class and systematically persecuted. Their offspring was also included in the same category based on the concept of class origin (Young 1986: 43). In 1966, the party started the Cultural Revolution after Mao claimed that the bourgeoisie had infiltrated the government and society in the attempt to restore capitalism. During this chaotic period, former capitalists, business owners, professionals and white-collar employees, and intellectuals were significantly purged. Most of them suffered brutal "struggle sessions," and some of them ended up in prison (Chen 2002: 30–31).

About a decade of political chaos and the zigzags in economic policy during the Cultural Revolution period resulted in slow economic growth. In 1978, China entered its economic reform era and started implementing the open-door policy. In this era, the Chinese society experienced a dramatic change in social stratification. As Chen (2013) states, "While Maoist China was characterized by the social 'destratification,' post-Mao China has seen the gradual return of the pre-1949 social stratification" (50). Most of the change happened through policies that encouraged economic privatization. In the early period of economic reform (1978–1983), the party gradually legitimized the existence of the private sector and allowed individual/small-scale business to be a supplement to the state and collective sectors. Only in the next stage of reform (1984–1992), the state started to recognize the legitimacy of private enterprises, which had more employees than individual/small-scale business. In the ensuing period (1993–present), the state deepened the reform by taking economic privatization to the next level. After the 1989 pro-democratic movement, Deng Xiaoping made the decision to continue economic reform and make the transition to a market-based economy. After Deng's famous southern tour in 1992, China's private economy started to grow at an exponential speed. In 1995, the party carried out its reform of state-owned

enterprises and implemented a policy— “keep the large ones and let the smaller ones go.” As a result of this policy, most small- and medium-scale state-owned enterprises were privatized and became a part of the private sector (Dittmer and Gore 2001). At the same time, the party encouraged party cadres and government officials to participate in the activities of the private economy, and by the mid-1990s, “they had become the largest group among private entrepreneurs” (Chen 2013: 52). In the ensuing decades, the successors of Deng Xiaoping kept following the reform plan laid out by Deng, and China’s economy made unprecedented progress. In 2017, there were 65.79 million individually owned businesses and 27.26 million private enterprises in China. In 2018, the private sector contributed more than 60 percent of China’s GDP growth and created more than half of its fiscal revenue. In the same year, China’s private economy provided more than 80 percent of jobs and created over 70 percent of technological innovation and new products in the country (*Xinhuanet* 2018).

To be noted, the communist party adopted a capitalist economic reform approach because of the consideration that such an approach is more economically efficient than the old system. It was political pragmatism, not a fundamental change in ideology. By taking this approach, the communist party maintained its legitimacy by creating remarkable economic growth. Moreover, the ruling elite drew lessons from the collapse of the Soviet Union, prioritized economic reform, and left the political reform behind. It was against this backdrop, after two decades of absence, the Chinese middle class reemerged.

### **Defining the Contemporary Chinese Middle Class**

According to Chen and Lu (2006), there are two approaches in the political science literature in terms of the conceptualization of the middle class, “subjective approach” and “objective approach”

(2). The subjective approach deems social class as an individual's perception of the stratum in the society that this individual belongs. It is a psychological attachment to a social class, which influences an individual's attitude toward politics. The objective approach is defining social class by certain objective socioeconomic indicators, such as income, education, and occupation. The objective approach bifurcates into two branches. One branch quantifies those objective indicators. For example, the quantitative branch puts emphasis on the range of the income of a social class instead of the sources of income. The other branch is a qualitative branch. It stresses the qualitative property of the objective indicators, such as different types of occupations.

As an emerging social class in China, the middle class has been expanding since its reappearance four decades ago, but it is a relatively new and evolving class. People may have limited understanding of the middle class or even misperception of it. Therefore, people may not have a shared opinion on what the middle class indicates. As a result, this study takes the objective approach to defining the Chinese middle class. Both quantitative and qualitative branches are applied to defining the Chinese middle class in this study. While defining the Chinese middle class by income level is objective and practical, it alone may fail to acknowledge some particular features of the Chinese politics and economy. First, there are significant differences between the urban China and the rural China due to the dualistic development of the country. Apart from different income and education levels, the urban China and rural China are positioned differently in the prominent dual economic structure (Xu, Shi and Huang 2014). In the economic reform period, the party also applied different policies to the urban and rural China. Consequently, the reemerged Chinese middle-class citizens are mostly the product of urban economy and evolved during industrialization and modernization in the urban areas. Since there is no significant

geographic difference in economic and social development among urban areas, this study does not distinguish middle-class subgroups based on different geographic locations in urban China.

Second, it is necessary to distinguish the various sources of income based on different occupations because income level alone is not an enough indicator of how an individual is positioned in a society. In fact, many previous studies on the Chinese middle class have paid attention to the sources of the middle class' class status. According to Li (2010), there are three channels through which individuals can access middle class status: “‘power-based executive access,’ which includes members of the ruling party, government officials and members of the civil service; ‘market-driven access,’ which includes private entrepreneurs and managers; and ‘social network access,’ which include professionals and cultural elites” (18). As an effective indicator of sources of income, occupation can reveal “[social] groupings that are distinct and separate from one another” (Oppenheimer 1985: 7). Thus, when defining the Chinese middle class, apart from income level, this study also takes geographic location and occupation into consideration.

Thus, based on the statistics from a report by *Mckinsey & Company*, the Chinese middle class is defined as urban Chinese citizens whose annual incomes range from \$13,500 to \$53,900 (Barton, Chen, and Jin 2010), and whose family income source is mainly from such occupations as government officials and party cadres, private entrepreneurs of small or medium business, professionals, and white-collar employees. There are different sources of data on the Chinese middle class. Although they may be based on different definitions of the social class, it is helpful for achieving a more specific understanding of the Chinese middle class to draw the contours of it with some statistics. The Chinese middle class has an estimated size of 400 million people or 140 million households, which accounts for about one-third of China’s population. Only 4 percent of

the Chinese urban population was considered middle class in 2000, but the number increased to more than 30 percent in 2018 (Cyrill 2019). By 2022, 76 percent of the Chinese urban population will be considered middle class (Barton, Chen, and Jin 2010), and about 100 million Chinese households will reach an above-upper-middle-class living standard (36Kr 2017).

### **III. A FRAGMENTED CHINESE MIDDLE CLASS AND THE ABSENCE OF DEMOCRACY**

#### **A Chinese Middle Class without Consensus**

After four decades of economic and social development, the Chinese middle class has grown to be a prominent social group in the today's Chinese society. Along with other social groups, the Chinese middle class has experienced rising wealth and education, more access to information, improved physical mobility, freer lifestyle choices, and other personal freedoms. Many scholars have commented on this gradual liberalization (Pearson 1997; Chen and Lu 2006; Tang, Woods and Zhao 2009; Tang 2011; Nathan 2016). However, these remarkable changes did not lead to a middle class with pronounced pro-democratic support, let alone a middle class acting as a driving force of democratization.

There are multiple reasons for the political inactivity of the Chinese middle class. It can be explained by its newness because it may take time for the middle class to find their voice (Nathan 2016). However, in the Chinese case, the middle class' dependence on the state and its preference for the status quo are deeper reasons for its lack of democratic support. After all, in the authoritarian country, the state controls the necessities for economic development, such as resources and finance, and many members of the middle class have strong ties with the state. In addition, this dependence is enhanced by the state's cooptation strategy toward the middle class (Tang 2011: 375). Moreover, the middle class benefits from the status quo and does not want to lose its advantageous position by supporting unpredictable political changes. When discussing the middle class as a homogeneous social group, the above reasons for an inactive middle class are feasible. Nevertheless, they cannot explain why there is empirical evidence that shows the Chinese middle class' expression of favor toward democratic procedures and dislike for unchecked power

of the authoritarian state (Chen and Lu 2006; Tang, Woods and Zhao 2009; Tang 2011; Pearson 1997). The schizophrenic expression of the middle class' attitude toward democratization is a manifestation of its fragmentation and the tension among different subgroups. The Chinese middle class may have the potential for supporting democratization, but it does not have the cohesion to reach a consensus.

To explain how the fragmentation of the Chinese middle class prevents it from forming a consensus on democratization, this part of the study analyzes the fragmented Chinese middle class by delving into each middle-class subgroup's state of existence, including their sources of wealth, relations with the state, relations with other subgroups, and their preferences and fears. Subsequently, there is a discussion of how the state handles these subgroups, and the middle class as a whole. Finally, this part of the study explores when democratization might be a favorable choice for the Chinese middle class by examining the middle class' attitude in the China of 1989 and the China of 2019.

### 1. Government Officials and Party Cadres

Government officials and party cadres account for a significant part of the Chinese middle class. In one study conducted in three large cities in China, this subgroup makes up 60 percent of middle-class respondents (Nathan 2016: 10). Since they have the strongest tie with the party-state and directly ensure the survival of the authoritarian regime, government officials and party cadres usually receive generous remuneration from the state. This compensation is especially true after the second half of 1990s, when the state decided to build a more efficient government by emulating Singapore and Hong Kong, and adopting a policy of "paying a high salary to foster honesty" (Tomba 2009: 4). Millions of public servants benefitted from this salary boost, with some even

received four times of what they used to earn. Apart from high salary, government officials and party cadres also get special access to inexpensive housing and low-price, high-quality healthcare, and it is common for them to regularly receive free food, free transport, and other perks (*Huanqiu* 2012; Jiang 2013).

In addition to these benefits, party officials and party cadres may also get their wealth from China's state-owned enterprises (SOEs). Pei (2006) argues that as a neo-Leninist state, China "blends one-party rule and state control of key sectors of the economy with partial market reforms" (34). After four decades of development, the state is still deeply entrenched in the economy. According to government data, in 2008, SOEs held about 30 percent of total assets in the industrial and service sectors (Xu 2010). The authoritarian state cannot maintain power through coercion alone. As a result, these firms then serve as "a vast patronage system that secures the loyalty of supporters and allocates privileges to favored groups" (Pei 2006: 35). In these SOEs, most of the chief and senior executives are appointed by the party, and members of the party committees in these enterprises are also members of the boards of directors. Lower-ranking managers and some staff members of these firms also have dual identities (Cheng 2004: 10). Good performance of SOEs is favored, but the executives from the party have no mandatory responsibilities to ensure the efficiency of these enterprises. Corporate debts and bad loans are usually absorbed by the state, which pays for the debts by using revenue generated by extracting high taxes from private businesses and Chinese citizens. Employees and the management in SOEs also enjoy high salary and benefits. Moreover, during the 1995 privatization of SOEs, most small- and medium-scale SOEs were cheaply sold to the managers of SOEs and became their "first pot of gold" as private business owners. Apart from these sources of wealth, government officials and SOE managers also receive the so-called "grey income." They "often take advantage of their positions to approve

projects, set prices or influence other deals and then to reap ‘grey income’ in bribes, backhanders and other forms of corruption” (*South China Morning Post* 2010), and when the misdeeds are discovered, some of them only receive “light punishments” (Gidda 2016).

In comparison to other subgroups in the Chinese middle class, government officials and party cadres enjoy high stability of employment. Since China started embracing market economy, employment with the state has become the most sought-after “iron rice bowl” to Chinese citizens because it usually means a job for life with numerous benefits. As a result, young Chinese citizens favor these jobs because of the job security, competitive salary, and fringe benefits. To obtain these jobs, people usually need to join the communist party (Nathan 2016: 10). In 2018, 920,000 people took the national civil service exam, and on average, 63 job applicants competed for one post (Ni 2018).

In the competition for better social status, all contenders are not equal. The offspring of government officials and party cadres are situated in an advantageous position. They occupied positions in the government and the military, enjoying political power, and then went into business, benefitting greatly from the post-Mao market economy because of their strong ties with the state (Pei 2016: 36). By using their nepotistic connections, the second and even third red generations can obtain positions “inside the system,” and then they are “riding a rocket” and “promoted rapidly through government or party ranks to fill positions that, usually, have been vacated by their parents” (Wang 2013). When the country transformed itself from a planned economy to a market-based economy, these resourceful offspring used their families’ influence to “buy goods at government-fixed prices and resell them at the higher market prices” (Wang 2013). Their profiteering caused public discontent that triggered the 1989 pro-democratic movement. Years later, when China’s SOEs started to enter the stock market in Hong Kong, these well-connected offspring “landed

positions at American and European banks where they used their parents' influence to seek listing mandates" (Wang 2013).

Clearly, as the major beneficiary of the current authoritarian system, the subgroup of government officials and party cadres obtained their wealth by using or being close to the public power. They also have a great advantage in "class regeneration." Moreover, their privileges and clientelistic ties with private entrepreneurs create tensions between them and rest of the society. They have the least motivation in supporting democratization and changing the status quo. Still, as individuals, they may be influenced by liberal or democratic values. Furthermore, the political infighting and possible political terror of the authoritarian bureaucratic system may also result in their support for a more democratic system. For example, the downfall of Bo Xilai and his allies might remind these government officials and party cadres of the precariousness of politics in an authoritarian state.

## 2. Private Entrepreneurs of Small or Medium Businesses

The private sector of the Chinese economy and private entrepreneurs are born in the process of economic reform led by the state and benefit from the state's economic policies. After decades of development, private entrepreneurs have become an indispensable part of the Chinese economy, contributed greatly toward the country's high-speed economic growth, and become an important part of the Chinese middle class.

This part of the middle class has complicated ties with the party-state. Chen and Dickson (2008) discuss the party-state's political embeddedness in the private sector, and they examine private entrepreneurs' different degrees of affiliation to the party-state. The scholars distinguish two groups of private entrepreneurs that have close ties with the state. The first group is private

entrepreneurs who are party members. This groups includes “formerly party and government officials, state-owned enterprise (SOE) managers, or rank and file members” (788). The second group is private entrepreneurs who are members of the All-China Federation of Industry and Commerce (ACFIC), which is a state sponsored association. The state regards this association as the important institutional connection with private entrepreneurs. In the 1990s, the relations between private entrepreneurs and the state gradually shifted to clientelism, and thus, private entrepreneurs became more dependent on the state (Pearson 1997). There are still independent private entrepreneurs, but they only account for a small portion of this subgroup of the middle class. Just as dependent private entrepreneurs, these independent private entrepreneurs also have to develop close ties with officials of the party-state to do business.

In the face of a rising class of private entrepreneurs, the state has taken steps to coopt this new force in the Chinese society and prevent it from turning into a threat to the authoritarian system. The party-state adopted two strategies (Dickson 2003): “building institutional linkages with business associations and recruiting entrepreneurs into the party” (Obukhova 2004: 901). In 2001, the party started to allow private entrepreneurs to join the party, and it also encouraged private entrepreneurs to participate in civic and political affairs, including “community contribution, participation in local people’s congresses, political consultative conferences, and local elections” (Obukhova 2004: 902). Being coopted into the party-state and enjoying more benefits, the attitude of these private entrepreneurs, “especially regarding their willingness to restrict political participation to elites and to follow the lead of the state in political and especially economic reform,” became “more in common with the neoconservative perspective prominent in some intellectual circles in China than a liberal faith in participatory democracy” (Dickson 2003: 134). Moreover, in 2004, the party-state amended the Chinese constitution and provided for the protection of private

property. According to Article 13 of the amended constitution, citizen's lawful private property is "inviolable" (Zhang 2015).

Though being coopted by the party-state, the middle-class subgroup of private entrepreneurs still faces a difficult business environment. The challenge is twofold. First, private entrepreneurs have to pay the price for political corruption when dealing with the clientelistic ties between them and government and party officials. Everything from the registration of a company to the sale of commodities requires governmental approval. However, the approval or disapproval of a business activity is not entirely based on laws and regulations, and there is room for rent-seeking local officials to ask for bribes (Chen 2002: 415). As a result, small- and medium-scale business owners share the same resentment against corruption with the subgroups of the middle class that have no party or governmental background. Second, these private entrepreneurs need to face the competition with red capitalists and SOEs. Without strong ties to the state like most business elites have, these small- and medium-scale private entrepreneurs feel vulnerable in the party-state-controlled market. Therefore, they support the idea of "institutionalization of and ideological (or constitutional) justification for capitalism in order to make their business and capitalist way of life politically safe" and "a system of checks and balances that could effectively constrain party power over the market" (Chen 2002: 416). What they demand clearly resonates with democratic values.

The interests of the private entrepreneurs are not aligned with those of the lower part of the middle class, namely, white-collar employees, and the lower class in the Chinese society—workers and farmers. Benefitting from the clientelistic ties with the government officials, private entrepreneurs are able to maximize business profit with the help of a labor-repressive state power. When exploitation and deteriorating working conditions cause capital-labor tensions, local

governments usually choose to side with private entrepreneurs, share their profit, and ignore the rights of the employees, who are underpaid or forced to work overtime (Chen 2002).

High income inequality in Chinese society also worries private entrepreneurs because it may trigger a political movement or unpredictable change. The fear of revolution is deeply engrained in these private entrepreneurs, and thus, they have reasons to back the authoritarian state and prevent disruptive political change. However, most of these private entrepreneurs “have not freed themselves from suspicions about the communist leadership’s commitment to capitalism” (Chen 2002: 415). They still need the democratic rule of law and confined state power to prevent the recurrence of what happened to their predecessors in the 1950s.

### 3. Professionals

The middle-class subgroup of professionals includes professionals in both public sector and private sector of the economy. Most professionals in the public sector are dependent on the state for their income. As highly educated people, professionals are more prone to democratic values, and, as a result, they are usually supervised by the state through their affiliated public agencies—such as universities, public hospitals, research institutions, or trade associations—such as the China Writers Association and the All China Lawyers Association.

The state makes efforts to coopt professionals, especially professionals in the public sector. While professionals in the private sector obtain wealth in the market-based economy, those in the public sector mainly depend on government commission and experienced a surge of income in the late 1990s. For example, the salaries of professionals in the healthcare sector in Beijing raised by 168 percent during 1995 and 2000, and their average salary increased on average to 40 percent above the average salary. In the same time period, professionals in tertiary education and scientific

institutions experienced an increase in salary by 158 percent, and their average salary went from below average to 31 percent above the average salary (Tomba 2009: 3). Apart from expanded income, professionals in the public sector also received other benefits, including education, welfare, and housing. Moreover, the state also hands out a special government stipend, and recruits professionals into the party or promotes them to senior government positions.

Professionals' experience of upward economic mobility is accompanied by an elevated social status. In traditional Chinese society, intellectuals were venerated by the public. However, in the chaotic Mao era, intellectuals were seen as members of "class enemies" and "bourgeois reactionaries," named the "Stinking Ninth"<sup>1</sup> (*Facts and Details* 2019), and systematically persecuted. During the first two decades of economic reform era, when the economy took off, these professionals' income was left behind, and they were seen as "perennial under-achievers." The sudden economic elevation helped professionals to assume a much higher social status. These uplifting changes, along with other perks due to the state's cooptation strategy, successfully tamed politically most of these professionals. Those professionals who cannot be coopted were purged. For example, according to the regulations of Chinese Academy of Social Sciences, Academy scholars "must adhere to the guiding role of Marxism in philosophical and social science research, and may not publicly proclaim views which oppose or violate the fundamental theory, direction, or platform of the Party." Scholars who violated the regulation were dismissed from their positions (*Human Rights in China* 2009).

Thus, the middle-class subgroup of professionals, which is usually the "forces of democratization," is neutralized by state's cooptation and purges. Some of the professionals may

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<sup>1</sup> Mao Zedong distinguishes nine categories of enemies during the Cultural Revolution, including landlords, rich peasants, counter-revolutionaries, bad elements, rightists, traitor, foreign agents, capitalist roaders, and intellectuals. The name comes from intellectuals' ninth ranking on the list (*Facts and Details* 2019).

strive for democratic political change, but most of them are satisfied with the benefits that they obtain from the authoritarian status quo and have learned from past political movements and recent “lessons” to live under the rule of the party.

#### 4. White-Collar Employees

White-collar employees are the lower part of the Chinese middle class. This subgroup of the Chinese middle class grew rapidly along with the expansion of the private sector in the 1990s. White-collar employees are mostly college educated and were once an exemplary group of the Chinese middle class in the 1990s and early 2000s, representing the China’s version of the “middle class dream” (Chan 2010). A college degree used to be a ticket to middle-class status. However, after the expansion of university enrollment in 1996, there was a massive glut of college graduates. An excessive supply of college graduates, the aftereffects of the global financial crisis, and the slowdown of the Chinese economy all negatively affect the employment prospect of these white-collar employees. They are forced to take jobs with a lower salary. Some of these white-collar employees are struggling on the edge of being middle class, and others have already stepped down from the middle-class status, earning less than blue-collar employees (Chan 2010).

The middle-class subgroup of white-collar employees is facing multiple challenges. Rising property prices, poor salaries, limited promotion opportunities, and poor health conditions due to heavy workload are among reasons for their anxiety (Wang 2017). According to a Cision report (2018), about 45.1 percent of white-collar employees rented apartments, and 22.2 percent of them bought condominiums with mortgages. About 70 percent of white-collar employees were not satisfied with their salaries and believed that their current salaries did not match their skills. More than 90 percent of white-collar employees experienced anxiety often or occasionally.

Moreover, as the lower part of the middle class, white-collar employees do not enjoy privileges available to other subgroups, and their rights are also not properly protected by the state, which creates tensions between white-collar employees and other subgroups of the middle and upper class. The most telling example is the infamous “996” work schedule. In recent years, more companies in China started to expect white-collar employees to work “from nine in the morning to nine in the evening, six days a week” (Hruby 2018). Those employees who opposed the 12-hour workaday were dismissed by companies. Making employees work overtime is against the labor law in China, but private businesses were not punished by law because of the acquiescence of the state. In terms of the “996” work schedule, the response from government officials was that companies should have employees’ consent for working overtime, and that if employees believe companies’ work schedules are against the law, they have the right to file a complaint (Zhao 2019). However, in reality, filing a complaint against the company means certain dismissal. White-collar employees can rarely afford the cost.

Facing deteriorating job market, financial burdens, and exploitation by private entrepreneurs, the middle-class subgroup of white-collar employees have enough reason for supporting a more democratic system that can effectively protect their rights and well-being. With their education background, these white-collar employees are tech-savvy, speak foreign languages, and thus, are more likely to embrace democratic values. In addition, they are also familiar with the internet and social media. As a result, they can pose a threat to the authoritarian rule of the party if they are organized around a common cause.

Based on the above analysis of different subgroups of the Chinese middle class, it is clear that these various subgroups have different interests that create divisions and tensions. Therefore, although these subgroups all share certain degree of democratic orientation, the fragmented

structure of the Chinese middle class prevents reaching a consensus on democratic change. The more privileged subgroups, such as government officials and party cadres and some private entrepreneurs and professionals, are benefitting from the current order and remain satisfied with the authoritarian status quo. The lower part of the middle class can only cope with the tensions between themselves and privileged subgroups. There is little common ground for joining forces and reaching a political consensus. The fragmented Chinese middle class is also the product of the party-state's cooptation.

With no cohesion in the class structure, the Chinese middle class is not likely, for the time being, to become a force of democratic change. Furthermore, the more privileged subgroups that are more dependent on the state are the ones with more social influence and resources. As a result, their attitude toward a potential democratic change is crucial to the formation of a middle-class consensus. If the lower part of the middle class could receive support from the more privileged part of the middle class, a consensus on democratization might be reached, and a democratic change could be possible.

To prevent such a consensus from being reached, the state handles the Chinese middle class through ways more than cooptation. First, the state tightens its social surveillance and control over media. Economic development has equipped the state with the revenue to fund "expanded and upgraded police efforts (including monitoring and censorship of the internet)" (Pei 2007: 55). Moreover, the state also introduces a "social credit" system, which not only records citizens' financial credit but also documents their "good deeds" and puts some citizens on a "blacklist" based on their misconduct. The citizens' social credit score can directly affect their financial and employment opportunities, and it is also linked to their access to public service (Zeng 2018). This measure can be used to punish citizens who do not cooperate with the state. Second, the state uses

its propaganda machine to discredit democracy as a feasible political system for China. The state promotes media coverage of democratic movements in other countries, which are portrayed as chaotic and dangerous, so that the Chinese middle class and other parts of the society “associate democracy with political chaos, economic breakdown, the mafia, and other social evils” (Chen 2002: 414). And last, when propaganda and surveillance are not effective, the state can resort to political retribution to deter any challenge posed by middle-class individual. For example, to protect their rights, members of the middle class are more likely to choose a legal solution. However, by suing government officials, these individuals might face “inconvenience or trouble in their future relationship with the government” (Tang 2011: 384). More progressive actions such as protesting can be framed as “subversion” and then be repressed.

Under the pressure of state control, the middle class’ voice is muffled, and an alliance among different subgroups is elusive because the censored media cannot provide a forum for these groups. Consequently, the gaps between these fragmented middle-class subgroups has deepened. The party-state’s unconstrained power can negatively affect the interests of the middle class as a whole, privileged and unprivileged members alike. With its lack of confidence in the state and the future of the country, and even fear of the possible collapse of China, many middle class members, along with some members of the upper class, have left the country. They seek to migrate to more developed democratic countries, such as the United State, Canada, the European Union, Australia, and New Zealand (*Sohu* 2018), where they believe their private property will be protected. This trend caused capital outflows that concern the state because of their negative impact on the Chinese economy. Some government officials even became so-called “naked officials,” those who “send their families overseas allegedly with their ill-gotten assets” (Li 2014).

## **When Is Democracy Preferred?**

If the argument in this study holds, then the Chinese middle class does have an intrinsic desire and need for a more democratic political system. However, it has not been able to act because of the fragmentation of the class and the deep tensions among its subgroups. The strategic handling of the middle class by the party-state only deepens the fragmentation. At this point, there is a question that needs to be asked: when will democratization become the preferred future for the Chinese middle class as a whole? By taking a look at the China of 1989 and the China of 2019, and analyzing the political, economic, and social conditions in these two eras, the answer is clear: the various Chinese middle-class subgroups need to somehow form a cohesive force around a common cause, and the subgroups of the middle class dependent on the state need to support the potential democratic change.

A pro-democratic movement happened in the China of 1989. In the 1989 Chinese society, the social groups that can be construed as middle class were government officials and party cadres, professionals, and small-scale businesspeople. At that time, the salaries of government officials, party cadres, and professionals were not significantly higher than other urban social groups. Income inequality among the Chinese middle class was not pronounced. Moreover, the economic reform was still at its initial stage, and thus the tensions between owners of private business and their employees were not marked. In the 1980s, there was a liberalization in the Chinese urban society, and intellectuals and urban citizens were both exposed to some democratic values. Furthermore, after ten years of political terror during the Cultural Revolution, the party implemented a more relaxed political attitude. As a result, when the resentment toward the profiteering of the offspring of government and party officials fermented in the Chinese society and was expressed by the university students—a considerable amount of which were from middle

class families, the middle class supported the movement. In Beijing, many urban citizens joined the student protest and provided food and transportation for students. But the repression of the state was fast and furious.

There are many possible reasons for the failure of the 1989 pro-democratic movement. Some scholars believe that the university students failed to engage workers and farmers to form an alliance; some argue that the students wanted to be coopted by the state and were not determined to support democracy; and still other contend that the reason might be the lack of a Chinese civil society or the party's determination to suppress dissent.

This study contends that one other reason might be the fear of instability of the middle class as a whole. After a decade of devastating political movement, the Chinese middle class only had a brief taste of economic development and a relatively peaceful political life. Although most of them hoped for democratic change, their memory of the past horror was still fresh. They were not ready for a political upheaval that could possibly send the country back to chaos. Therefore, their support for democracy was halting, tentative, and weak.

In the China of 2019, there no national democratic movement in spite of high income inequality, rampant corruption, economic slowdown, many social grievances, and a tightening political control of the party. The economic development and the party's cooptation strategy both deepen the fragmentation of the Chinese middle class, and it is difficult for various subgroups of the middle class to reach a consensus on democratization because they have different interests and fears. In addition, economic growth has equipped the state with more powerful tools for social control.

#### **IV. CONCLUSION**

After four decades of economic and social development, Chinese society has undergone significant changes, and the Chinese, including the middle class, have grown with the country as they have lived through different stages of economic development. The absence of democracy in today's China is more than just a puzzle, but, in fact, an embodiment of the contradictory nature of the country: a fast-growing middle class, benefitting both from the capitalist economy and the authoritarian political system, but composed of fragmented subgroups, all harboring nervousness about politics. Division stymies political engagement. Only when a consensus among the many middle-class subgroups is achieved will there be a possibility for a democratic China.

Certain scenarios could lead to a middle-class consensus. First, China's immense income inequality could lead the lower part of the middle class to protest. The privileged part of the Chinese society, including the upper part of the middle class, might be forced into a consensus because of the lower middle class' large size and its strong ties with rural China (a significant number of white-collar employees are from rural families). Second, unexpected events, such as a natural disaster or a catastrophic accident, might exposed the party-state's weaknesses and potentially threaten the interests of the privileged subgroups of the middle class. Then a middle-class consensus might be reached. Finally, the mishandling of the middle class by the party might lead to a middle-class consensus. For example, the party's austerity program might hurt the interests and undermine the loyalty of the privileged subgroups of the middle class, leading them to form a coalition with less fortunate members of the middle class.

In the globalized era, the well-to-do Chinese middle class could choose in increasingly large numbers to leave authoritarian China and to migrate to democratic countries. Migration can be perceived as an individual solution to a collective problem. By escaping from the authoritarian

system, middle-class individuals can finally embrace the democratic values and rights that they desire. For the state, migration is a safety valve. Despite the negative impact of wealthy Chinese citizens' migration abroad on the Chinese economy, middle-class citizens who are more likely to support democratic change leave China through migration, which indirectly takes pressure off the state. If the Chinese middle class did not have such a choice of moving to other countries, they might be more willing to support democratic change in China.

The theoretical implication of this study is threefold. First, it is theoretically beneficial to study the middle class as an actor in democratization. As units that depict the dynamics of social stratification during social and economic advancement, social classes summarize various social groups' positions in a given society and outline the characteristics of groups that share more or less common backgrounds, income levels, political interests, and lifestyle. The middle class, as described by Lipset and many other scholars, possess a natural tendency toward democracy. With the general understanding of the middle class and a grasp of its overall political interests, scholars can develop theories that more concisely explain political phenomena in a given society.

Second, although displaying common socioeconomic characteristics and certain shared values, the middle class is not a monolithic entity, and, consequently, not a monolithic political actor. Scholars have long observed the fluidity and inconsistency of the middle-class political attitude toward democratic change, which can partly be explained by its fragmentation or lack of coherence. Each subgroup of the middle class is facing a unique social, economic, and political context, and they react differently to various conditions. As a result, the middle class not only needs to be carefully defined as a social group, but also needs to be discreetly disaggregated. Instead of using the middle class as a "catch-all" expression, and studying it as a homogeneous entity, it is more effective to distinguish subgroups of the middle class, analyze their interests, and

reach explanations for political behavior based on their complexity and fragmentation. Moreover, it is also important to take into account the state's sensitivity to these cleavages, and its capacity to exploit conflicts among the middle-class subgroups.

Third, new circumstances have emerged during recent economic development and globalization. One example is middle class' migration to democratic countries to escape authoritarian rule, which disrupts the middle class' support for democratic change. Another example is the closer tie between urban white-collar employees and the rural population because of both internal migration and the expansion of higher education, which also affects the middle class' political attitude and the state's strategy of managing the middle class. In the era of Lipset and the development of the modernization theory, scholars did not foresee the emergence of these new circumstances. Theory should always be grounded in empirical realities—and the world is forever changing.

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