China’s Middle Class: 
Content in the “Middle Income Stratum”
or Seeds of Political Change?

Rufino Hurtado
Johns Hopkins School of Advanced International Studies

This paper examines the rise and political implications of a middle class in China. It explores the difficulty of defining such a class in China, though its emergence is indisputable. The primary factor of commonality across this group is its impulse to preserve newfound wealth and affluence. In seeking to secure recent and rapid enhancements in quality of life, and in the absence of a coherent, unified political agenda, China’s middle class, however unintentionally, has therefore served as a stabilizing socio-economic group from which the Chinese Communist Party derives legitimacy.

Few predictions have been as consistently mistaken as those postulating that China’s middle class will serve as a democratizing political force. Over the course of China’s recent and incredible economic growth, many observers argued that an emerging middle class would inevitably agitate for greater rights and enfranchisement. The idea that an increasingly educated, wealthy, urbanized and generally more vigorous and pluralistic society would produce the requisite socio-political conditions for a transition to democracy was originally articulated by the political sociologist Seymour Martin Lipset in the middle of the twentieth century; and his “modernization theory” has gained renewed interest with the recent emergence of a middle class in China. But while it is undeniable that a middle class has emerged in China, this class has instead served as a stabilizing socio-political force. Quite simply, the Chinese Communist Party (CCP) has benefited from its own wildly successful economic reforms. Rather than fomenting political instability, these reforms have enriched a wide swath of Chinese who are more inclined to support the party-state, or shun political activism altogether, in order to secure and consolidate their newfound wealth.

A Middle Class with Chinese Characteristics

Certain themes emerge in the discourse on contemporary China, particularly since the death of Mao Zedong and Deng Xiaoping’s subsequent embrace of economic reform. One such

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1 Rufino Hurtado is pursuing a Masters of International Public Policy at Johns Hopkins SAIS. To provide feedback on this working paper, he can be reached at rufinohurtado@gmail.com.
theme is that China will inevitably democratize, as was the hope of many western observers during and immediately after the 1989 protests in Tiananmen Square. More recently, hopes for a democratizing China hinge on another development: the emergence of a middle class since the economic reforms of the early 1990s. And yet this middle class has not agitated for democracy in the twenty plus years since those reforms.

A closer look at China’s middle class reveals a loosely constituted group that by any definition is far from monolithic, particularly with respect to political ideology. This heterogeneity makes it difficult if not impossible to compare the evolution of China’s middle class to middle classes in other countries. Middle classes that agitate for democracy, or at least served as influential constituencies against established and closed political systems, often share common characteristics. Democratization movements in Eastern Europe and East and Southeast Asia serve as examples. Transitions to democracy in these cases demonstrate the difficulty of denying newly affluent constituencies, with their shared core values and interests, a greater role in the affairs of a modern nation state.

Taiwan is perhaps the most compelling example of economic development and an emerging middle class serving as powerful catalysts in transitions to democracy. Taiwan experienced a relatively rapid transformation from authoritarian government to full democracy, while sharing historical, cultural, and ethnic ties to mainland China. In Taiwan’s case, an increasingly affluent society and growing middle class facilitated the transition to a pluralistic, representative system of government. This so-called “third wave” of democratization, as described by Samuel Huntington, best encapsulates the political transition that many observers thought or hoped would extend to China. All the countries that embraced democracy in the “third wave” shared in common a substantial middle class that was essential in agitating for political reform and enfranchisement.

But the continued legitimacy of the CCP rests largely on perceptions of its record of economic growth and rising standards of living. Freer markets and reform of state owned enterprises (SOEs) sowed the seeds of the manufacturing and exporting powerhouse that China is today. Workers formerly assigned to SOEs or the agricultural sector were now essentially free to seek higher paying jobs in manufacturing and served as an abundant pool of inexpensive labor to supply the world with lower-cost goods. According to An Chen, professor of political science at the National University of Singapore, “by 1999, state-owned companies that used to monopolize business made up only 47 percent of the national economy. The private sector…accounted for as much as 40 percent and dominated the regional economy in some coastal provinces.” Of those Chinese who “jumped into the sea” of commerce in those early days of the reform period, some went on to become wealthy owners of capital, but the vast majority would toil in factories for wages that would in time allow for a far more modest, albeit real degree of upward mobility. The accumulation of monetary and material wealth that followed served to swell the ranks of today’s middle class.

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5 Others argue that economic growth was achieved when the CCP simply withdrew from certain sectors of the economy, rather than any specific action or reform it undertook.
China’s Middle Class: Disparate and Difficult to Define

Economic reforms initiated after Mao’s death have resulted in distinct classes and levels of well-being. These however do not lend themselves to basic western notions of class. Attempts to analyze the size and composition of China’s economic classes are complicated by the variables used to define classes, whether, for example, by income and profession, region, education, the hukou system of household registration, or ties (or lack thereof) to the state. Though an exact definition of a middle class lifestyle is debated, many economic indicators clearly demonstrate that the 1990s economic boom stratified Chinese society into distinct classes. An examination of the varying methods used to define China’s middle class reveals the difficulty of defining this class, and the extent of its heterogeneity.

Analyzing China’s middle class requires looking at certain commonalities across a significantly disparate population. While the definition of middle class varies across countries, analyses often employ a combination of qualitative and quantitative variables. In this effort, multilateral institutions such as the World Bank and Organization for Economic Cooperation and Development (OECD) are instructive. A widely cited OECD working paper by Homi Kharas begins by listing the qualitative aspects of a middle class lifestyle: “The middle class usually enjoy stable housing, healthcare, and educational opportunities (including college) for their children, reasonable retirement and job security, and discretionary income that can be spent on vacation and leisure pursuits.”

This qualitative description becomes essential when considering China’s own middle class, as quantitative measures alone can be misleading.

From a purely economic perspective, definitions of China’s middle class are based on household purchasing power. From this perspective, the McKinsey Global Institute defines middle class households as those that earn between $16,000 and $34,000 per year, while Kharas defines middle class households as those earning between $10 and $100 per day, in purchasing power parity terms. But even by these metrics, determining China’s middle class proves difficult as costs of living vary greatly between cities, provinces, and regions, and since much income generally goes unreported. Graft and grey economy transactions can also significantly bolster income, adding perhaps as much as 1.5 times of earned salary to an individual’s annual income.

According to Joseph Fewsmith, if the single criterion used to define the middle class is income, China’s middle class could be said to number approximately 200 million. Overlay other criteria such as occupation, consumption, and location, and the middle class declines dramatically to about 3.5 million. A 2002 study of China’s social structure estimated that about 80 million qualified as middle class, while Zhou Xiaohong, Dean of the School of Social and Behavioral Sciences at Nanjing University, looking at the same timeframe, argued that 44 million Chinese were middle class after including criteria such as monthly income, profession, and education level. Fewsmith concludes that “these various studies suggest that if one means by middle class having a modern, urban lifestyle and a white collar occupation, then China’s

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10 Kharas, “The Emerging Middle Class in Developing Countries,” 8.
13 Ibid., 4.
middle class is still quite small, certainly not over 50 million or about six percent of China’s population.”

The studies described above demonstrate the difficulty of defining the middle class. Changes in the criteria result in great differences in the estimated size of the middle class; and even standards for determining appropriate criteria are debated. The only sure thing is that China’s economic reforms created a middle class of some size and shape.

Disparate and Dependent

A still closer review of China’s middle class reveals the extent to which it is beholden to the CCP. Apart from its relative newness, China’s middle class has yet to develop a unified identity because its members entered this class in a variety of ways. Approximately half, for example, work for the government in SOEs or as civil servants. As such, this portion of the middle class benefits directly from central government policies designed to grow the economy, and has benefitted from government attempts to tackle increasing income inequality through direct wage increases. Luigi Tomba elaborates:

During the second half of the 1990s, groups of Beijing public employees whose income had been stagnating during the early reform years experienced a sharp increase in salaries. Employees in the healthcare sector, for example, saw their salaries rise by 168% between 1995 and 2000, and their average salaries are now around 40% above the average (they were average in 1995).

Further, the portion of China’s middle class with ties to the CCP enjoyed early and advantageous access to newly privatized urban real estate, allowing for home ownership and accumulation of capital as undervalued real estate swiftly appreciated. To account for the varying characteristics of China’s middle class, some observers have described “middle classes,” plural. Li Chunling, a sociologist at the Chinese Academy of Social Sciences, for example, divides Chinese who achieved a middle class lifestyle into four distinct groups: 1) “Capitalist Class,” consisting of private entrepreneurs; 2) “New Middle Class,” of professionals, managers and government officials; 3) “Old Middle class,” of small employers and business owners, and the self-employed; and 4) “Marginal Middle Class,” of low wage white-collar and other workers.

A uniform class identity is further obscured by varying familial and occupational histories. Li explains that members of the capitalist and old middle classes tend to come from modest family backgrounds, a solid majority hailing from rural families, and a smaller yet substantial share from working class families. Indeed, a significant share of middle class Chinese hail from these types of families and also held blue collar or farming jobs before entering the middle class. But the differing paths and experiences leading to a middle class lifestyle

14 Fewsmith, “The Political Implications of China’s Growing Middle Class,” 4-5.
effectively prevent a more uniform class identity from forming.\textsuperscript{19} Values and hopes for the future vary considerably across such a disparate population spread across a geography as large as China’s, thus diluting the middle class’s group consciousness.

\textit{The Middle Class and Political Ideology}

Like attempts to quantify China’s middle class, inferring its ideological disposition is difficult in the absence of official data and polling. Here again one is forced to rely on patterns that emerge from various, unofficial studies, while acknowledging that without state-sanctioned research, many of those polled in existing research may be hesitant to fully articulate their political stances or divulge personal opinions in unofficial polls.

One pattern that emerges however is that perhaps the most unifying feature of this otherwise heterogeneous class is its insularity. Polls of Chinese employed by the state and in the private sector—that is, those most likely to be middle class based at least on employment—reveal a group of people most interested in keeping a low profile and consolidating their lifestyle.\textsuperscript{20} In this sense, the middle class seems more inclined to avoid any sort of political activism in favor of preserving their place in society. Certainly, those Chinese employed by the state or in SOEs are most likely to support the government and favor the status quo, for it was the government that enabled their lifestyle in the first place. It is thus within China’s middle class that support for the CCP, and its role as a stabilizing ideological and societal force, is most apparent.

As Wang Xin, a professor at Baylor University, notes of this dynamic:

The research shows that China’s newly emerged middle-income individuals…are more interested in seeking ways of enriching their personal lives rather than the public good. Their life style requires them to be more concerned with their living conditions, qualities, and personal well-being. Their economic interests precede political interests. They have not shown a strong predisposition to be the driving force to lead political and social changes.\textsuperscript{21}

\textit{Aspiring to be Middle Class – The China Dream?}

The rise of a loosely defined middle class in China has produced interesting perceptions of this class within Chinese society. At the outset of the reform era, many Chinese appear to have either been unfamiliar with the concept of a middle class, or hesitant to claim they were part of any such group. By the late 1990s this changed dramatically as many Chinese identified themselves as members of the middle class in polling—far more than statistically possible given the relatively small portion of the population that could qualify based on even simple quantitative measures such as income.\textsuperscript{22} Not only therefore was there an actual middle class at this time, but perhaps more significantly, there was a new and openly expressed aspiration to be a part of this class.

\textsuperscript{19} Li, \textit{The Rising Middle Classes in China}, 100-101.
\textsuperscript{20} Wei, “An Unhappy Middle in the Middle Kingdom,” 2.
\textsuperscript{21} Lu, “China’s Middle Class: Unified or Fragmented?,” 27.
\textsuperscript{22} Fewsmith, “The Political Implications of China’s Growing Middle Class,” 5.
With China’s economic growth, and a burgeoning media and entertainment industry, the concept of a middle class lifestyle increasingly appeals to many Chinese. As Luigi Tomba notes, “In this respect ‘middle class’ is a discourse more than it is a reality. The idea of the middle class (with its better lifestyle, better education, higher income and better overall ‘quality’) becomes almost a contagious force that produces value wherever it decides to settle down.”

Questions regarding China’s middle class are usually posed by two distinct interest groups: socio-political observers interested in the societal and political implications of its emergence, and those motivated by profit. For the latter group, China’s middle class represents the future of global commerce and economic growth. The World Bank states that “even if China grows a third as slowly in the future compared with its past (6.6 % a year on average compared with 9.9% over the past 30 years), it will become a high income country sometime before 2030 and outstrip the United States in economic size.” Economic growth projections cited by the World Bank (listed below) indicate that China will steadily transition away from a developing economy to a more modern one based on services and consumption.

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<td>GDP growth (percent per year)</td>
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<td>Labor growth</td>
<td>0.9</td>
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<td>Labor productivity growth</td>
<td>8.9</td>
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<td>Structure of economy (end of period, %)</td>
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<td>Investment/GDP ratio</td>
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<td>42</td>
<td>38</td>
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<td>Consumption/GDP ratio</td>
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<td>Industry/GDP ratio</td>
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<td>43.8</td>
<td>41.0</td>
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<td>Services/GDP ratio</td>
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<td>Share of employment in agriculture</td>
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<td>Share of employment in services</td>
<td>34.1</td>
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<td>47.6</td>
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These projections compel both foreign and domestic companies to cater to the demand of wealthy Chinese, and, increasingly, the appetites of its middle class as well. In the absence, however, of an official dialogue about what the middle class is or should be, Chinese and foreign companies compete aggressively to define a middle class lifestyle. Particularly in the early 2000s, high-end brands began advertising their products and services by associating them with a middle class way of life.

Image consciousness, or “face,” is particularly important to many Chinese, and material possessions often serve as a means of demonstrating one’s affluence. Brand names are big business as Chinese increasingly seek products that they associate with modernity and the

25 Ibid., 9.
Along with this materialism, publishers increasingly cater to public perceptions in books about a glamorized middle class lifestyle. Television shows dramatize what it means to not only live comfortably but with disposable income as well. A telling illustration of middle class aspirations is recounted by Jonathan Fenby: “There is a well-known story about a young woman on a television dating show…in Jiangsu province…When she was asked what attributes she would be looking for in the young men on the show, she replied ‘To be honest, I’d rather cry in the back of a BMW than laugh on the back of a bicycle.’”

But much as the middle class itself has yet to develop a uniform identity, mainstream Chinese views on this class are mixed. Some Chinese observers have deplored a certain segregation occurring in China’s cities. Wang Xin notes that “urban living space has become stratified into upscale ‘garden,’ [sic] mid-range neighborhoods, and low-income ‘salary communities.’” Zhang Li argues that class becomes ‘spatialized’ as individual’s social positions and status are increasingly correlated with where they live.

Such perceptions must be concerning to China’s government when considered against income inequality. In 2010, the urban mean disposable income was more than three times the rural level (19,100 yuan compared with 5,900 yuan). But there are signs that disparities are leveling off and in fact reversing. The World Bank projects that income inequality between urban and rural incomes will fall from the current ratio of 3.2:1 to 2.4:1 in 2030. China’s government has also gradually relaxed the hukou system to allow China’s internal migrants to benefit from public services offered in the cities in which they labor.

Resolutions of the recently concluded Third Plenum of the CCP’s 18th Central Committee highlighted the plight of over 300 million internal migrants who are not eligible to receive government assistance in cities because of their rural hukou registrations, and the need to extend hukou to these migrant laborers. The objective of hukou reform is to lessen the inequality of access to services, if not income, and thereby mitigate the most visible and provocative aspects of class differences in China. Ultimately, the government’s stated objective is to create an “olive-shaped” society that lifts working class and poor Chinese into the middle stratum, in hopes of sustaining economic growth and mitigating class resentment.

To this end, the government is seeking to encourage consumerism and discourage China’s famously high personal savings rate in favor of consumption. China is an outlier in the ratio of per capita economic growth to savings rates when compared to other countries. These high savings rates are generally driven by health concerns and poor services that compel Chinese to save, essentially, for a “rainy day.” Periodically increasing the wages of SOE employees and greater investment in social safety nets (rather than reinvesting in SOEs) are thus implicit, if not stated, policies designed to foster a larger middle class, and overall olive shaped society.

30 World Bank, China 2030: Building a Modern, Harmonious, and Creative Society, 8.
31 Boulter, “China’s Emerging Middle Class: Challenges and Opportunities,” 5.
33 Boulter, “China’s Emerging Middle Class: Challenges and Opportunities,” 5.
Class and Politics: Stratification as Threat to Political Mobilization

The Chinese government’s apprehension over the emergence of a middle class severely complicates efforts to define it and determine its size relative to the rest of the population. Prior to the communist revolution of 1949, approximately 7% of the population could be classified as middle class by occupation (consisting of managerial personnel, professionals, small businessman, and civil servants). The CCP under Mao however set about systematically eradicating this already small middle class, with the aim of creating a classless society. Indeed, even as the country experienced rapid economic growth during the 1990s and the emergence of a new middle class became apparent, the CCP hesitated in acknowledging this development for fear of provoking the ire of poorer classes. This political calculation, intended primarily to prevent social unrest, still indirectly limits discussion of the middle class as a concept by creating a dearth of official data often used to analyze middle classes in other countries.

The government did not begin recognizing a middle class in official statements until the early 2000s. This grudging recognition resulted from a growing, largely academic discourse within China in the 1990s that emphasized the important and stabilizing role a middle class could play. Li Qiang, dean of the School of Humanities and Social Sciences at Tsinghua University, became an influential voice in this discourse by elaborating a political, ideological, and economic rationale for how the middle class could serve a positive role in China from a political perspective. A middle class would act as a sort of “cushion” between the emerging wealthy class and the vast majority of poor, mostly rural Chinese. It would also mitigate resentment against the extravagant wealth accumulated by a small segment of Chinese society by providing the poorer masses an ideal lifestyle more realistically within reach. Ideologically, Li argued that a middle class in China would be inherently conservative and supportive of the conditions and government, which they view as enabling an enhanced, middle class lifestyle. And a burgeoning middle class would obviously benefit the Chinese economy as a consumer class.

Li and others eventually persuaded the CCP that this emerging class could buttress the current polity and thus contribute to the preservation of the existing order. As Li Chunling notes:

Sociological perspectives on the middle class received recognition in the realms of both academic and public discussion, and the greatest success of these sociologists was to gradually change government policy makers’ attitudes and policies towards middle class issues. The government no longer looked on China’s middle class as a potential threat. An indication of the government’s changing attitude was on the 11th of November, 2002, at the Sixteenth Plenum of the National Congress, when Central Committee Secretary Jiang Zemin clearly raised the need to “raise the proportion of the ‘middle-income group,’” after which fostering a strong “middle income group” was established as one of the government’s objectives.

This seemingly innocuous statement marked a substantial departure from past government policy. Instead of viewing the stratification of Chinese society as a threat to stability and the government’s monopoly of power, the emerging middle class would legitimize the party-state and serve as living proof of the efficacy of its economic reforms.

34 Lu, “China's Middle Class: Unified or Fragmented?,” 135.
35 Li, The Rising Middle Classes in China, 8.
36 Ibid., 9.
**Political Embrace of a Concept, if Not a Class**

Even as the government cautiously embraces the emergence of a middle class, however, it prefers an ambiguous definition for fear of attributing status or social differentiation to this group. Rather than a middle class, China’s government recognizes a “middle income stratum” (*zhongchan jieji*) based solely on profession. In other words, the middle class is deemed a purely economic phenomenon with little social significance. According to Wang Xin:

A study by the Chinese Academy of Social Science (CASS) in 2001 used occupation as the primary indicator to define Chinese middle-income stratum. The estimated number of middle class households in China was 80 million. The CASS report adopted the term *zhongchan jieji*, which means the ‘middle property stratum,’ to deemphasize the income and ownership of private assets and properties but use the occupational characteristics as the criteria for the new social class.\(^{37}\)

As long as the government remains uneasy about the middle class, obtaining accurate data will be nearly impossible. By 2011, for example, CASS was reporting that China’s middle class had increased to 230 million, a figure almost three times as large as that reported by CASS a decade earlier, in 2001.\(^{38}\) In the 2011 study, CASS defined “middle class” by analyzing the percentage of a person’s total spending on food compared to their total spending. While this does not constitute an incorrect method for defining middle class, it is unusual when compared to more widely accepted and used methods. More importantly, this methodology effectively obscures the amount of wealth held by those identified as middle class by focusing solely on life necessities while discounting disposable income for discretionary pursuits that qualitatively characterize a middle class lifestyle.

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In the absence of an official, state-sanctioned study of China’s middle class—based on a comprehensive set of quantitative and qualitative variables—we are instead left with a growing body of unofficial research. Many of these studies often use a different mix of methods and variables which yield different conclusions on the size and affluence of China’s middle class. Some consistencies do emerge from these multiple, often contrasting efforts, however. From the 1990s through the first decade of the 21st century, most members of the middle class were concentrated in China’s coastal cities, where economic growth was most robust and concentrated. But as the government continues encouraging urbanization, the urban middle class will increasingly be found in cities throughout the country.

To evaluate the middle class’s propensity to agitate for democracy or greater enfranchisement, key qualitative elements must be considered, including factors such as leisure time afforded to white-collar professionals and regular access to the Internet. They reside almost exclusively in cities, are highly educated, and enjoy a degree of purchasing power that allows for the acquisition of material, status-deriving goods. Certain professions, particularly in SOEs for example, are more likely to entail middle class lifestyle and purchasing power. 39 Considering these qualitative variables along with exacting quantitative data such as household income and level of education, estimates of the size of China’s middle class at the lower, more conservative end of the range are most relevant, or about 5 to 10 percent of China’s current population.

**Love of the Middle Class Lifestyle and the Fear of Losing It**

As China’s government tacitly attempts to bolster the ranks of the middle class, many Chinese also look to the government to secure their place in the middle and increasingly attempt to join the CCP in hopes that affiliation will grant even more upward mobility. 40 This symbiotic relationship effectively discourages a large swath of China’s middle class from attempting to disturb the status quo. While many middle class Chinese voice interest in democratic forms of government, few are familiar with the mechanics of representative government, and still fewer welcome the prospect of China’s poorer classes having a say in the affairs of the nation.

Still, there is evidence of a rising desire for enfranchisement. Li Chungling’s characterization of middle classes is helpful in this sense, for while the two largest subsets of the middle class—the Capitalist Class and the New Middle Class—tend to be most concerned with maintaining their place in the middle, members of the Marginal Middle Class seem more inclined to support political reform. They are generally younger and educated, active in Internet discussion forums, and conscious of democratic forms of government. And with rising incidences of spontaneous protests against land development, environmental degradation, corruption, and for social rights, many observers do acknowledge the stirrings of social and political activism. An interesting dynamic emerges here, as the government seeks to co-opt these impulses by intervening in city elections to ensure certain outcomes, monitoring and censoring the Internet, and encouraging the inclusion of new middle class members in the CCP. 41 According to the *Wall Street Journal*, for example, “among the 3,000 delegates of the 2013 National People's Congress, the percentage of blue-collar workers and peasants has risen to 13% from 8% in 2012. The number of migrant workers has jumped to 30 from just three last year.” 42

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39 Fewsmith, “The Political Implications of China’s Growing Middle Class,” 4-5.
41 Lu, “China's Middle Class: Unified or Fragmented?” 140.
42 Wei, “An Unhappy Middle in the Middle Kingdom,” 1.
This is an attempt to co-opt a portion of the broader middle class that is less affluent, more interested in improving their material wellbeing, and thus most likely to support the CCP.

But recognition of the need to foster greater political inclusion of increasingly affluent Chinese in fact dates back to Jiang Zemin and his “Three Represents” theory. The elaboration of this theory called upon the CCP to deliver economic, cultural, and even political development, while at the same time implicitly suggesting that these ends could only be achieved through the party itself. The Sixteenth Party Congress in 2002 formally adopted Three Represents theory as a guiding ideology of CCP and has since served as both covenant and mandate. It amounts to a brilliant and deeply nuanced political strategy that simultaneously satisfies the emerging middle class’s appetite for greater political inclusion and for government accountability. From the perspective of China’s middle class then, especially the new and capitalist middle classes, the CCP effectively serves as the vehicle through which upward mobility is attained and sustained, and any other political course or system of government may be perceived as an effective impediment to the greater material wellbeing now promised by the current regime.

Jiang’s successor as General Secretary of the CCP, Hu Jintao, further endorsed the dual covenant-mandate nature of the Three Represents in 2003:

> We dedicate ourselves to the interests of the public and to governing for the people’s benefit. This means we can’t just pay lip service. We must focus on the issues that directly affect the public and the ones that they are most concerned about. We must strike a balance between achieving the long term strategic goals of economic development and the immediate goals of raising the standard of living. There is nothing trivial about people’s interests. We will try our utmost to help solve problems that concern people’s wellbeing and practical difficulties. We should always keep in mind people’s safety and their livelihood.43

An Emerging Discourse on Governance

There is however a broader and active discourse taking place in China regarding governance. Party leaders have occasionally adopted thinking emerging from this discourse, as when Hu Jintao called China’s rise a peaceful one, as originally described by Zheng Bijian. More recently, Xi Jinping has adopted an idea originally articulated by Zhang Weiying that calls for fulfilling the “Chinese Dream.” Unlike political discourse in Western countries, the ideas that have been articulated by Chinese thinkers and academics do not necessarily fall neatly across a linear ideological spectrum. Instead, economic growth, rising nationalism, and decreasing deference to Western principles of governance have given rise to various schools of thought incorporating a wide array of domestic and foreign policy prescriptions for China that nevertheless share in common the assertion that China’s future will be determined by China itself, rather than by external forces. The thinking of Pan Wei, a professor at Beijing University, and Wang Hui, another professor at Tsinghua University, can serve as representatives of two broad schools of thought in China regarding the relationship between economic and political reforms, and the path China must take to achieve the “Chinese Dream.”

Pan Wei, a leader among the “New Right,” has sought to “demythologize democracy” by claiming that economic reform and growth must continue before implementing political reforms,

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and that in fact a smaller, more centralized state is most conducive to ensuring continued economic growth in China.\(^{44}\) The most pressing issue is not \textit{who} should run the government, but \textit{how} it should be run.\(^{45}\) For Pan Wei, political reform and democratic governance are thus not prerequisite to China’s continued prosperity and growing national prestige. In support of this claim, he looks to the collapse of the Soviet Union and subsequent transition to democracy that, in his view, unleashed chaos in the form of severely reduced economic output, corruption, and crony capitalism.

Rather than adopting democracy, strengthening the rule of law is of paramount importance, and effective governance can be achieved under a one-party system that appoints qualified civil servants under a meritocratic process to uphold this system of law. The party itself seems to have realized this to an extent and, as Mark Leonard notes, has implemented “institutional ways of dealing with grievances [that] can make the state more stable. If there is a system of legal redress, citizens can be compensated for ills rather than punished for dissent.”\(^{46}\)

Pan Wei further argues that democracy and suffrage could even amount to a mortal threat to China’s stability and union. Unfettered democracy would almost certainly result in the Taiwan formally declaring independence from China, were it not for the ability of China’s government to coerce Taiwan’s population through force. Similarly, China’s other restive and non-Han populations might elect to declare independence by ballot. And beyond these existential issues of sovereignty, empowering the impoverished rural masses with a vote might even incite class warfare. This is in fact a consistent theme in China not only in the realm of political theory and discourse, but also among China’s growing middle class and certainly its newly rich who fear inciting those on social rungs below them who might resent the increasing affluence of their mostly urban peers.\(^{47}\)

Wang Hui, a leading intellectual among the so-called “New Left,” disagrees and argues instead that democracy and elections must be implemented across the country starting at the village level and incrementally on up the government hierarchy until reform reaches the central government. It is only democracy that can reconcile the powerful and entrenched interests that have emerged since Deng Xiaoping’s reforms ushered in two decades of unbridled economic growth and capitalism. Wang Hui and others on the New Left generally support these market reforms but also argue they are responsible for the deprivations experienced by workers who have been treated as a commodity, and the yawning gap between the very wealthy and the rest. To rectify these issues China must embrace incremental democratic reforms before reforming the rule of law. Only by popular will can laws be enacted that are both legitimate and free from the machinations of an already entrenched and corrupt ruling class. Wang Hui states that “you need democracy in order to empower the state to take money from special interests to pay for public goods…. Now we see that many of the problems we are facing are a product of economic reforms and we need political reform to correct them.”\(^{48}\)

Xi Jinping’s adoption of the “Chinese Dream” marks a clear departure from Hu Jintao’s more measured call for a harmonious society pursuing scientific development and a peaceful rise. The change in tone is significant since the previous leadership was widely considered to have accepted and pursued the thinking of China’s New Left as elaborated by the likes of Wang Hui and others. Xi’s “Chinese Dream” represents the aspirations of a more confident and

\(^{45}\) Ibid., 61.
\(^{46}\) Ibid., 74.
\(^{47}\) Ibid., 62-63.
\(^{48}\) Ibid., 75.
assertive China, at once determined to build on its remarkable economic growth and optimistic for the future. It fittingly captures the aspirations of China’s emerging middle classes for a better life, and the Communist Party’s commitment to delivering this to its citizens.

Conclusion

Jonathan Fenby recounts a dinner with Bill Clinton in the late 1990s during which the former president stated that a middle class in China would ultimately agitate for democracy in the same manner that middle classes in Europe and North America did in the eighteenth and nineteenth centuries. This was at the time, and continues to be, a popular sentiment among foreign observers of China.

The emergence of a middle class in China however has not resulted in civil unrest or calls for democratization—far from it. China’s middle class to date has not exhibited any definitive desire for democracy, at least since demonstrations in Tiananmen Square in 1989, well over two decades ago. It seems instead that many outside observers ascribe their own hopes for democratization to China’s emerging middle, while overlooking conditions in China that give rise to the oft-repeated phrase of “with Chinese characteristics.” More likely, China’s middle will remain unorganized and more interested in obtaining and securing the trappings of a middle class lifestyle.

For a regime that derives legitimacy from economic growth and enhancing the well-being of its citizens, it might seem curious that the CCP would chose not to specifically define the parameters of a middle class if only to then tout its growth. Conversely, one would expect that middle class Chinese would begin demanding more recognition from (and perhaps even a greater voice in) their government. But China defies convention. For the fact is that economic reforms that have enabled China’s economic growth and resulting middle class were enacted by the regime itself. As Joseph Fewsmith notes, “China’s middle class has necessarily grown up in the shadow of—and, indeed, inside—the party-state. Rather than agitating against the state, the interests of China’s middle class have paralleled those of the state.”

All that being said, one must not forget the long view. The emergence of China’s middle class remains a fairly recent development, and its ranks will continue to grow. Whether this growth will foster a more uniform identity that manifests in common demands on the government will remain a very real possibility. It is possible too, however, that the Communist Party will continue delivering on promises to raise standards of living while stoking an increasing sense of nationalism, resulting in increasing support for the government rather than demands for little-understood and potentially tumultuous political reform.

Does China’s new leadership intend to pursue a different course more reflective of the country’s economic performance, rising nationalism, and prominence on the world stage? It is almost intuitive to think so and aspiring to a national dream implies much loftier ambitions than a peaceful rise or the pursuit of harmony. In this context, it is easy to postulate that a new and emboldened leadership might begin veering towards China’s New Right to develop a governance system with a professional civil service and effective mechanisms for legal redress, while holding fast to centralized rule. Such a governance model will secure the Communist Party’s grip on power while also ruling out democratic reform as unfit for China.