

BOOK REVIEWS

Pursiainen Christer (ed.), *At the Crossroads of Post-Communist Modernization: Russia and China in Comparative Perspective*, Houndmills: Palgrave Macmillan, 2012, 248 pp., £57.50, ISBN 978-0-230-36392-2, ISBN 10 0-230-36392-X

E. N. Danilova and V. A. Yadov (eds.), *Rossiyanе i Kitaitzy v epokhu peremen: Sravnitel'noe issledovanie v Santk-Peterburge i Shankhae nachala XXI veka* [Russians and Chinese in the epoch of transition: a comparative investigation in St Petersburg and Shanghai at the beginning of the 21st century] (Moscow: Logos)

The wide-ranging book edited by Christer Pursiainen analyses developments in post-communist Russia and China in the context of globalization, looking at socio-economic systems, political structures and foreign policy. The analyses are noteworthy for the attention they pay to emerging class structures and to the interplay between structure and agency (although no attention is devoted to culture). A strong central chapter by Markku Kivinen and Li Chunling compares the processes of market reform on economy and society. They emphasize the relative contentiousness of market reform under Mikhail Gorbachev. Only after the break-up of the Soviet Union did privatization and deregulation get underway in earnest, with initially catastrophic consequences (GDP fell by 40% between 1991 and 1998). At first, the beneficiaries were the directors of the old state-owned companies, but under Yegor Gaidar and Anatolii Chubais, champions of the Washington consensus, a new class of entrepreneurs, the so-called oligarchs, was promoted. They were drawn mainly from outside the old *nomenklatura* and made huge profits by buying state-owned raw materials at knock-down prices, by speculating in currency, and by releasing worthless shares in investment funds. Under Putin the political wings of the oligarchs have been clipped and, as the economy has stabilized, the state has reasserted some control over strategic sectors, such as raw materials and energy. In China privatization went altogether more smoothly and its economic consequences have been far more beneficial. After the Tiananmen crisis of 1989, few in the leadership of the Chinese Communist Party opposed privatization of the state-owned industrial sector, and between 1995 and 2002, the share of industrial output produced in state enterprises fell from 64 to 30 per cent. The historically

unprecedented growth achieved in the PRC – and the historically unprecedented rise in the standard of living of hundreds of millions of Chinese – has not based on the Washington consensus, insofar as the state has retained control over significant sectors of industry and finance, as well as over capital flows. The authors stress the closeness of the relationship between state and capital in both Russia and China, a key cause of corruption.

Kivinen and Li pay welcome attention to changes in the class structure, particularly to the shift in China's population from being rural to urban. They argue that social classes are weak in both Russia and China: the middle classes have grown substantially (though more in China than in Russia) but they do not represent a political force for change, and the power of organized labour has diminished significantly. In both societies social inequality has increased massively, although inequality is also strongly linked to the urban-rural divide and to regional differences. They conclude that such was the deterioration in the security of hundreds of millions of people during the 1990s that the state in both countries is moving away from a welfare system based on the market and individual insurance towards minimal state provision.

In the other central chapter, Christer Pursiainen and Minxin Pei explore the main characteristics of the post-communist political systems, their modes of legitimation and the prospects for democratic change. Pursiainen argues that the fragmentation of political parties, weak partisanship among citizens, the limited role of parties in influencing government policies, and 'superpresidentialism' all serve to make government unaccountable, but concludes that political competition and some pluralism are genuine, in spite of creeping authoritarianism. By contrast, China remains an autocratic one-party state despite some local democratization in the countryside. Pei contends that the legitimacy of the Chinese Communist Party derives from the increased standard of living it has brought its citizens, its cosy relationship to the business class, and its selective use of repression. Social conflict is far more widespread in China today than in Russia, but it is doubtful that strikes, rural riots, or ethnic tensions (given surprisingly little attention) threaten the rule of the party. Any political challenge seems more likely to derive from weakening economic performance and conflict among rent-seeking elites than from popular resistance.

The volume edited by Danilova and Yadov is based on interviews with 1300 citizens in St Petersburg and 1660 in Shanghai carried out by the Institute of Sociology of the Russian Academy of Sciences and the Academy of Social Sciences in Shanghai. The investigators explore the economic and social impact of the transition on the lives of the inhabitants of these two 'second cities'. Perhaps the most striking finding is that a

majority in both cities welcome the reforms, even though around a quarter of the respective populations consider themselves losers in the transition. In both cities the main winners have been entrepreneurs and those in higher administrative positions, but in Shanghai the pool of beneficiaries has extended to anyone with skill and cultural capital. In general, respondents in Shanghai viewed reform more positively and were much less critical than their Russian counterparts. In St Petersburg the nature of 'support' for reform is somewhat unclear, since it coexists with widespread dissatisfaction with inequality and support for redistributive social policies. It seems to amount mainly to an unwillingness to return to state socialism. In Shanghai egalitarian ideas are also popular, reflected in support for redistribution and for the less privileged, but they are less ideologized and the social order as a whole is perceived far less negatively than in St Petersburg.

The great strength of the book lies in the fact that it looks at the impact of reforms across a wide range of spheres, including social mobility, social inequality, household structure, family relations, employment patterns, the labour market, labour relations and also value systems and social identities. Social mobility has been greater in Shanghai, largely due to huge immigration from the countryside, and education has been crucial in determining this, with minimally literate peasants able to move into small businesses or skilled industrial jobs. In St Petersburg, by contrast, the upward mobility associated with the Soviet era has gone into reverse, with, for example, many highly qualified engineers forced into the burgeoning service sector. We are told that in Shanghai the labour market is more favourable for the worker and, as a result, that industrial relations are less arbitrary than in St Petersburg. This is one of the more surprising findings, with Shanghai workers apparently showing greater trust in trade unions than their Russian counterparts. I am somewhat sceptical of the general conclusion that the system in China today is more meritocratic and genuinely oriented to competition than in Russia. If this is so, it is almost certainly due to the greater opportunities for social mobility that exist in Shanghai. The authors echo the view of St Petersburg respondents that 'informal practices' determine life chances in post-Soviet Russia, whereas merit is all-important in Shanghai. But for anyone who knows the extent to which particularistic ties structure social life in China this seems dubious. The greater awareness among St Petersburg respondents of the salience of 'informal practices' may well reflect the fact the issue receives greater publicity in Russia. So although the surveys are remarkably informative they do suggest the limits to which surveys of social attitudes can grasp the underlying dynamics of complex structural transformations.

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