Book Review: China’s Challenges edited by Jacques deLisle and Avery Goldstein

Should we anticipate the collapse of the CCP or coming Chinese dominance? Matteo Dian argues that China’s Challenges, a new collection of essays by twelve respected scholars edited by Jacques deLisle and Avery Goldstein, situates itself between these polar perspectives by exploring the pressing economic, social and political concerns of contemporary China. China’s Challenges gives the reader a sense of the complex issues that the Chinese elite are currently confronting following the rapid economic development of the last thirty years.


China is facing a number of daunting and complex challenges. The extraordinary pace of economic development experienced over the last thirty years has fundamentally transformed Chinese society, altering the distribution of wealth, relations between citizens, the Chinese Communist Party (CCP) and the state as well as the Chinese role in Asia and in the rest of the world.

China’s Challenges is edited by Jacques deLisle, Director of the Center for East Asian Studies at the University of Pennsylvania,
and Avery Goldstein, Director of the Center for the Study of Contemporary China and author of *Rising to the Challenge: China’s Grand Strategy and International Security* (2005). They have gathered together twelve of the most respected scholars in the field to reflect on China’s most pressing problems. In so doing, they have produced an informative, nuanced and sophisticated picture of the myriad challenges generated by the high-speed economic development China has experienced over the last three decades.

The twelve chapters constituting *China’s Challenges* deal with economic, social and political issues, including three chapters dedicated to foreign and security policies. The chapters on domestic concerns, whilst providing a *tour d’horizon* of different issues such as the necessity of rebalancing of the economy, demographic challenges, the reform of the hukou system and corruption, tend, at least implicitly, to reflect on two general questions: will the fifth generation of leaders be able to manage the magnitude and the complexity of these issues; and will reaching the next stage of reform, including giving a fundamental role to the market and to the rule of law, entail putting into question the present political structure?
The responses provided by the volume are mixed. Chapters on social issues describe an increasingly critical situation and imply that the Party will encounter growing difficulties in facing contemporary challenges such as inequality, ageing and internal migrations. Jane Duckett and Guohui Wang, for instance, stress how inequality represents a fundamental danger for the CCP since it has created a number of ‘developmental losers’ – such as rural dwellers forced to relocate, middle-aged manual workers and unskilled female labourers – who see their income as well as their social status damaged by capitalist modernisation and economic growth. This might undermine the legitimacy of the regime. Similarly, Zai Lang and Yong Cai highlight how the marginalisation of significant social groups such as internal immigrants (the floating population) and ‘single bachelors’ can amplify these risks.

The section dedicated to economic policies tends to allow Chinese policymakers more room for manoeuvre, admitting that the future of the Chinese economic system, as with the future of the country’s political system, will be determined by key choices taken by Beijing’s leadership. Yasheng Huang reaffirms his established argument, stating that the post-Tiananmen leadership has reversed the pro-countryside policies that had characterised the early reform era. The process of the return of the state (guojin mintui) during the Jiang and Hu eras has favoured the urban economy – typically more reliant on the state and less innovative – and has contributed to make inequality worse. The key challenge for the fifth generation in this respect is the reduction of the role of the state-controlled sector in favour of private enterprise.

In addition, Barry Naughton considers impending policy choices as key to the future of China’s economic and social system. The hypergrowth phase – based on the export-led model, cheap labour and favourable demographic conditions – might come to an abrupt end, as has previously happened to Japan and the Asian Tigers. Chinese policymakers should equip the country for more balanced growth, rooted in consumption and a less intrusive role for the state.
These cited authors, as well as other contributors such as Melanie Manion and Daniela Stock, have the merit to reject both the theory of the coming collapse of the CCP, recently embraced by David Shambaugh amongst others, and triumphalist visions of the Chinese rise proposed by those such as Martin Jacques in his book, *When China Rules the World: The End of the Western World and the Birth of a New Global Order* (2009).

Many of the challenges that the CCP has faced are structural in nature and will require long-term, costly adjustments in terms of economic and social policies as well as in terms of the Party’s capacity to adapt to these new conditions. The majority of the contributors highlight the main obstacle on the way to reform: the nature of the Party itself and the sources of its legitimacy. The end of hypergrowth will not simply require rebalancing to an economic model based more on consumption than investments and exports. It will also demand the reconstruction of the Party’s legitimacy around the consolidation of the rule of law, the fight against corruption and the inclusion of those, such as internal immigrants, who have been cut off from present developments. In order to achieve these results, the Party should accept diminished control over society and the economic system.

*China’s Challenges* is a really valuable book, not just because amongst the contributors appear several of the most authoritative scholars in the field. Most importantly, it gives the reader a sense of the magnitude and complexity of the task that the Chinese elite is facing. While China evolves at an astonishing pace, policymakers need to rethink both the economic and political recipes that guided them as well as to convince their own people that, together with economic growth, the Party is able to maintain its legitimacy and solve new and pressing problems such as inequality, ageing and environmental degradation.

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