



Mylène Gaulard, *Karl Marx à Pékin – Les racines de la crise en Chine capitaliste* (Karl Marx in Beijing: Roots of crisis in Chinese capitalism),

Paris, Demopolis, 2014, 270 pp.

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Book reviews



Mylène Gaulard,
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DAVID BARTEL

Mylène Gaulard's book is as compelling as it is problematic. It is compelling because it offers new paths of reflection by challenging key concepts that a new globalised economic *doxa* wants to be taken at face value. In a world where economics seems to have become the very heart of political action, it is important to note that this discipline is not an exact science and that the grand certitudes of economism are quite often retrospective. As with history, economics is an account, which does not mean it is fiction but that some subjectivity is present in its structure. The lesson in political economy that the author offers with a rare polemical verve is thus a well-referenced package that reconsiders in light of Marxist theory – and over six chapters – the current situation in China to highlight profound contradictions in the Chinese capitalist mode of production (p. 12). Gaulard is a development expert and has written a thesis comparing the economies of Brazil and China. Her papers include "Les limites de la croissance chinoise" (Limits to China's growth) (*Revue Tiers-Monde* – Third World Review, No. 200, December 2009) and "Changes in the Chinese Property Market: An indicator of the difficulties faced by local authorities" (*China Perspectives*, 2013/2). Her presentation entitled "L'économie chinoise, les dangers de la suraccumulation: une analyse marxiste" (Chinese economy and dangers of over-accumulation: A Marxist analysis) is available via the Internet and offers a good introduction to her work.⁽¹⁾

The starting postulate encapsulated in the title alluding to the controversial book by Giovanni Arrighi, *Adam Smith à Pékin – Les promesses de la voie chinoise* (Adam Smith in Beijing: Promise of the Chinese path) (Max Milo, 2009), is itself provocative: what would Karl Marx make of China today? It is all the more interesting given that Marxism is still enshrined in the constitution as one of the Four Basic Principles on which the People's Republic rests. The book opens with this observation: solutions attempting to deal with crises of capitalism that have occurred at regular intervals since the 1970s are "all equally ineffective" (p. 9). Gaulard prefers to look beyond the stage of blaming a vague neo-liberalism, distinct from a cleaner capitalism that preceded it. She thus demolishes the first orthodoxy pitting bad financial capitalism against a good productive one. In her view, such an analysis completely misses a proper understanding of the very development

of capitalist-mode production, whose only aim is limitless accumulation of profit.

Reviewing in a highly pedagogical way the basic principles of Marxist socio-economic analysis, the author touches on subjects as fundamental as the role of the state and thus the nature – capitalist or otherwise – of the Chinese economy, the effectiveness of the fight against poverty and the emergence of a middle class, the qualities and limits of the production apparatus, and the reality of Chinese financial might. Implicit in this careful and efficient work of an economist, Gaulard buttresses quite a convincing contestation of two fashionable ideas that display a certain conformism. Questioning the history and reality of the highly uncertain concept of the "middle class," she casts doubt on the very idea of "emergence" favoured by the media and new globalised managerial discourse. In a review of the history of the two notions, she shows to what extent they are ill-suited to the Chinese situation and, moreover, how they have been ideologically constructed by the worlds of media and business. Without going into too much detail, the author most pertinently sets out that measurement of the middle class is entirely artificial and arbitrary, and often obscures the growing chasm between the dominators and the dominated. Massive revenue shortfalls, the growing share of value-added directed towards and exploited by capital, and moreover connivance between political and economic elites seem to exemplify another convenient idea, the widespread one of a "natural" linkage between the middle class and democratic culture. In fact, in emerging countries, the growth of a consumer elite with incomes much greater than the national average has no evident linkage with a desire for greater political representation or with subsequent demand for more democratic institutions (p. 103). This is even more the case in China, where this middle class shares well-understood interests with the evolution of capitalism and the state apparatus (p. 105).

At the book's heart is a Marxist analysis of the dip in the rate of profits reported in China now, showing that efficiency of capital is falling (p. 147) and that the solution envisaged by enterprises – national and transnational – to continue raising their profit margins seems to be to keep producing more to make up for the fall (p. 151) or to invest massively in speculative bubbles, real estate being the most striking example (p. 157). Gaulard sees a danger in abandoning the production apparatus for real estate investment, more lucrative in the short term (p. 160). A quarter of Chinese billionaires consist of major real estate promoters (p. 161). Thanks to the absence of a sufficiently sound and developed financial sector, capital is oriented towards real estate. A fine study of real estate speculation – and local authorities' indebtedness – is extended sufficiently in Chapter Six to radically challenge the "emergence" phenomenon. Generally speaking, the emergence presupposes the idea of a linear economic progression on a Euro-centred model (take off/maturity/golden age) whose main criteria would be economic and financial liberalisation. This schema remains largely impervious to the series of dramatic crises that gripped so-called emerging countries such as Mexico

1. www.youtube.com/watch?v=ezXfYRjAu-g, 12 April 2014 (accessed on 17 December 2014).

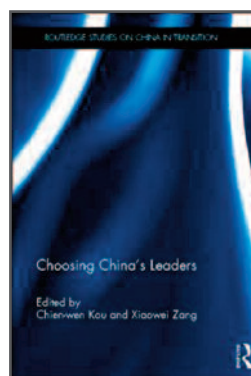
(1995), new industrialised countries (NICs) of East Asia (1997), Brazil (1999), Argentina (2001), and more recently southern European countries. It seems to confront several political and social weaknesses – above all economic – that affect all these countries at special but different levels, which underline again the extreme heterogeneity of national situations grouped under the convenient but nevertheless rather irrelevant acronym BRICS.

By separating China from Chinese studies, the author has contributed a salutary work. This is similar to other observers such as Arif Dirlik, who see the Chinese economic structure as an immense enterprise where about 20% of the population exploits the rest of the billion, most of whom are often condemned to surviving on the margins and often in great precariousness (migrants, the elderly, rural populations, and unemployed graduates).⁽²⁾ The absence in the otherwise impeccable bibliography of the works of Dirlik, as well as of other authors such as Maurice Meisner, who has also reflected on the future of socialism in China, is surprising and regrettable. Gaulard's book can be counted among economic literature on China that leans more towards the problems of the "Chinese model" than on developmentalist successes of forced productivism. However – and this is where the book becomes problematic – torn between political economy and intellectual history, it seems to divide people into "vulgar economists" and "uncouth Marxists," the author leaving herself little room for being heard by experts on Chinese economy and those engaged in Chinese studies in general. And the deliberately iconoclastic and polemical – even mocking – tone, which lends the book a freshness in the often arid domain of economics, could attract a knee-jerk, ideological reaction that would miss the point and prevent a thoughtful response to an otherwise fine and eloquent work that makes for fascinating reading and which, it is worth repeating, has great pedagogic and intellectual qualities.

■ Translated by N. Jayaram.

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2. Arif Dirlik (interviewed by Luciana Leitao), "Chinese Communist Party – World's Biggest Corporation," *Macau Business Daily*, 25 June 2013.



Chien-wen Kou and Xiaowei Zang (eds), *Choosing China's Leaders*, London, New York, Routledge, 2013, 166 pp.

JÉRÔME DOYON

This book emerged from a conference focusing on Chinese political elites held in November 2010 at National Chengchi University in Taipei. The book has the merit of, among others, rendering accessible in English the rich work on the Chinese party-state by Taiwanese scholars, who account for six of the nine contributions. While varied approaches have been adopted, the authors share a distancing from classical Pekingology, which sheds light on day-to-day goings on behind *Zhongnanhai* walls, and a preference for focusing on the issue of Chinese elites in a dynamic manner, concentrating on the mechanisms at work in the modes of promotion and exercise of power by the Chinese leadership. As the introduction by Chien-wen Kou and Xiaowei Zang shows, the book as a whole is concerned with current debates on factions and on the technocratisation and institutionalisation of the Chinese Communist Party (CCP). Its ambition is to go further than existing literature, mostly Anglo-Saxon, by detailing the interactions between informal networks and the Party's institutionalisation. According to Kou and Zang, two phenomena that are generally ill understood are: the causes and forces behind the Party's institutionalisation, understood as the development of rules governing the recruitment, promotion, and exit and retirement of cadres; and the interaction between this phenomenon of institutionalisation and the survival of factionalism and nepotism.

The first two contributions concern national political elites. Hsin-hao Huang studies the careers of members of the CCP Central Committee's Politburo from 1997 to 2007. He uses a method that stems from a qualitative-quantitative comparative analysis by applying statistical tests to a very limited sample of political careers. He sheds light on the persistence of "informal" political practices in the sense that they are not governed by organisational rules in the framework of a growing institutionalisation of promotion regulations in the Party. Adoption of rules concerning candidates' age, gradual promotion of cadres, and the practice of transferring them from one branch of the party-state to another have led to a standardisation of the careers of Politburo members. Following is the typical-ideal candidate for a Politburo seat: 63 years old, a Central Committee member, and with much experience in ministerial posts. The candidates' age limit pushes functional chiefs to promote their protégés as speedily as possible in order to ensure their succession. In Huang's view, getting promoted very young is thus a sign of a developed personal network. While the reasoning is interesting, it nevertheless seems difficult to analyse age at promotion purely in light of a cadre's personal relations when it could be due to many additional factors, including his or her personal competence.

Using a more qualitative approach, You Ji's contribution examines changes in the promotion of military officers in the context of the professionalisation of the army. He highlights the development of a meritocracy in the People's