Book Review/Compte rendu

Carolyn L. Hsu, *Creating Market Socialism: How Ordinary People are Shaping Class and Status in China*. Durham, NC: Duke University Press, 2007, 240 pp. $US 21.95 paper (978-0-8223-4036-2) $US 74.95 hardcover (978-0-8223-4017-1)

Creating Market Socialism is a study of how cultural narratives have shaped and are shaping "institutions of social stratification" in Chinese society. Set in the northeastern city of Harbin, Hsu's study draws upon ethnographic observations and over 80 formal interviews with a wide range of urban residents to explore the value placed upon political, economic, and human capitals in China's postsocialist transition. Hsu also weaves a consideration of "social capital" (in the form of social networks or *guanxi*) throughout her analysis.

The monograph begins by introducing a scholarly debate over convergent versus path-dependent institutional change in formerly state socialist (here, "Marxist socialist") societies: Will they converge with the capitalist institutions of the West? Or will new institutions be cobbled together out of the broken pieces of state socialism? The author suggests that the existing literature overemphasizes the role of economic capital and fails to sufficiently map out the cognitive framework within which new social institutions are being constructed. Hsu proposes that the intense speed of social change in China requires consideration of the narratives that motivate ordinary Chinese people to participate in the construction of new institutional practices.

The narrative theory of social action that Hsu turns to is appealing, especially for a study of contemporary China, where ordinary people seem constantly engaged in efforts to make sense of their lives and their place in a society awash in change. Hsu suggests that narratives shape social stratification by providing stories about the causes, consequences, and meanings of a society's distribution of rewards. These stories, she reminds us, are imbued with "moral assessments about … various occupations and the rewards they deserve" (p. 10) and thereby help determine the actual strategies and practices in which ordinary people engage.

The succeeding chapters then explore the "three paths," or three forms of "capital" that Hsu has determined are central to understanding stratification in urban China today. In each substantive chapter, Hsu discusses the emergence of new state-generated narratives about party

membership, private business and entrepreneurship, and education. Special attention, however, is devoted to the ways in which ordinary Harbin residents talk about and evaluate political position, economic wealth, and educational attainment. Hsu describes, for example, a widespread collective narrative of the "corrupt cadre" and a marked decline in the status granted to political capital. Somewhat more complex are attitudes towards entrepreneurs and business people. Those business people who entered the private sector early in the reform years were perceived as uneducated, suspect, and potentially criminal, but Hsu suggests that by the early 2000s a new model of entrepreneur had emerged that weds economic wealth and success with high levels of educational achievement (the scholar-entrepreneur). These high "quality" businesspeople were admired for both their material success and their cultural attainment.

This concept of "quality" (*suzhi*) is central to Hsu's analysis of the great material and moral value granted to educational attainment by her Harbin interviewees. She argues that ordinary Chinese people have reconfigured Deng Xiaoping's reform-era narrative about education — that scientific knowledge, in particular, would be central to the development of China into a modern nation — into an understanding of educational attainment as the most valid basis for economic success and high social status in Chinese society today. Becoming an intellectual, in other words, is viewed not simply as a pathway to material comfort but also as the best way to contribute to society and the nation. Hsu's Harbin informants invested heavily in education, sometimes for themselves but especially for their children, and they strongly believed in the close connection between educational attainment, high personal "quality," and success in life. Hsu concludes the book by arguing that this narrative about *suzhi* represents not the internalization of neoliberal tenets, as some scholars have argued, but rather the active negotiation of collective narratives about Chinese society by ordinary people.

So what, ultimately, is this active role played by collective narratives, and how are such narratives reshaping Chinese social institutions? To the end, the link between collective narratives and actual institutionalized forms of stratification in China remains vague. Throughout the book there is little discussion of the specific institutions or practices that are being constructed on the basis of the narratives Hsu describes, with the exception of her interesting insights into entrepreneurship and *guanxi* practice. For example, in the discussion of political capital, we learn about the dismantling of a "virtuocracy" based upon expressions of political zeal and loyalty in the wake of the Cultural Revolution, and the rise of a collective narrative about official corruption among ordinary Chinese. But does this signal a decline in the "value" of political capital?

Hsu herself notes that her data "indicate that Party members did better than non-members," whether they worked in the state or the private sector, despite a collective narrative that suggested a decline in the status of party-state officials. In this and other cases, it is never especially clear what specific institutions are deemed significant in generating social stratification in China, nor is it clear how collective narratives concretely configure institutionalized practices.

The qualitative data in this study are rich, and the text itself is accessible and well-written; Hsu goes to considerable lengths to avoid complex academic jargon, and she presents her points in a straightforward manner. She also makes great efforts to draw out the historical linkages in the narratives she analyzes, pointing to narrative threads drawn from pre-Communist, Maoist, and reform-era discourses. But there are numerous elements in Hsu's analysis that would have greatly benefited from more systematic treatment. What exactly *is* market socialism, for example? How *do* post-socialist institutions in China differ from those in post-Soviet contexts, and why? More fundamentally, what is the relationship between status (presumably what is at stake in collective narratives) and class (objectified in the form of stratifying social structures —institutions)? Discussions of academic debates are often severely truncated or are oversimplified, making it difficult to assess exactly what intervention Hsu is making. Because the analytic focus is so narrowly on narrative, while the book's central claim is about institutional change, the role the ordinary urban people actually play in reconfiguring class and status in China remains obscure.

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