

While the book does an outstanding job in capturing the way in which domestic and transnational factors shape and influence interests of state actors and their behavior in the international arena, it falls short in its systematic treatment of the relationship between external and internal variables in policymaking. At times, domestic actors have more access and more say in the policymaking process of a certain issue, but at other times they do not. What explains such variation? It would also be worthwhile to further investigate whether the argument that democratization sets in motion the two-level game still holds for countries that oscillate between democracy and authoritarian rule (i.e., the Philippines and Thailand).

From the methodological viewpoint, however, the book suffers from selection bias in the sense of choosing only the "positive cases" to confirm the author's hypothesis, not to test its robustness. Is cooperation among states always good? Are there cases where interactions among the domestic, regional, and international arenas led to negative outcomes? In fact, the case of the Thai-Cambodian border conflict could be used to illustrate that domestic actors can negatively impact a country's foreign policymaking. On the contrary, as the author outlines in Chapter 4, Thailand and Cambodia's cooperation on the GMS has been positive. Perhaps whether the dynamics of Southeast Asian politics are changing for the better may depend largely on the policy area.

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***Socialist Insecurity: Pensions and the Politics of Uneven Development in China.*** By Mark W. Frazier. Ithaca: Cornell University Press, 2010. 224 pp. \$35.00 (cloth).

After a surge of studies on laid-off Chinese workers, relatively less academic attention has been paid to the Chinese state's endeavor to redress its broken promise that dislocated the lives of the socialist working class. Mark Frazier's *Socialist Insecurity* is the first book-length study to analyze the politics of China's old-age pension policy after the collapse of the lifetime employment system. It offers a valuable insight into the logic behind the evolution of China's welfare regime.

Frazier begins with the recognition that the development of China's welfare regime was influenced by two opposite forces—retrenchment and expansion—that dismantled the old socialist welfare system and built a new welfare state. Such transformation was hardly explained by the existing welfare state literature, which emphasizes social structural

changes, the dynamics of national politics, and transnational influence. In addition, the creation of the new welfare regime soon became the most costly expenditure for the Chinese state. It is thus puzzling to find that urban governments have actively involved themselves in assuming the burden of old-age pension provisions. Facilitated by analytical leverage of historical institutionalism, Frazier answers this puzzle by elaborating on the interactions among the political preferences of actors involved in the transformation of China's welfare regime—mainly urban officials and managers of state-owned enterprises (SOEs).

Frazier argues that two preexisting institutions are important in explaining urban officials' preferences and behaviors: the property rights regime that governs the assets of SOEs and the revenue rights of urban governments to collect pension funds submitted by nonstate firms.

Acting as the owners of local SOEs, urban governments were motivated to collude with SOE managers to embark on underpriced privatization of loss-making SOEs, which enriched both parties. The laid-off workers associated with the privatization program were given pension benefits, while the burden of welfare provisions was shifted from SOEs to urban governments. In the meantime, with the central government and the urban workers who stayed employed bearing the real cost of the pension, urban governments continually frustrated the central state's effort to standardize the pension system nationwide by resisting transferring local pension funds to higher jurisdictions beyond cities. For urban governments, this strategy had an immediate advantage. Maintaining control over local pension funds meant that urban governments retained the right to collect social insurance fees not only from state firms but also from nonstate firms. The practice would concentrate a large amount of capital at urban governments' disposal, which in turn enhanced urban official administrative capabilities to favor a specific constituency.

Frazier also finds that because China's welfare scheme was localized and thus fragmented, it is more difficult for the central government to engage in wealth redistribution across the nation. As a result, a dramatic increase in pension expenditure did not lead to a decrease in regional inequalities. Instead, the new welfare regime, as Frazier notes, has worsened already serious economic inequalities among regions. Frazier concludes his book with a comparison of welfare regimes between China and two other "large uneven developers," Brazil and South Africa. Unlike other scholars of welfare studies who compare China to either post-communist countries or East Asian developmental states, Frazier notes that China shares common features with other "large uneven developers" in that their fast-growing economies face "built-in income unequal-

ity" due to the nations' large populations and geographically uneven distribution of natural resources. By this meaningful comparison, Frazier claims that welfare programs in all three of these countries actually led to the persistence of economic inequalities.

Frazier's arguments are bolstered by abundant empirical evidence and solid statistical analyses, mainly in Chapters 4, 5, and 6. The value of *Socialist Insecurity* lies in its ability to articulate the complexity associated with the unique evolution of China's welfare policies. One omission in the theoretical articulation of this book, however, deserves mention. While Frazier focuses on urban officials as the veto players in the central government's effort to standardize pension systems nationwide (p. 72), it is not clear why the party-state's personnel management system does not function to repress the officials' resistance. In other words, it is not convincing that because the central government did not develop adequate monitoring capacity over the implementation of pension regulation, officials working at the levels of cities and counties would pursue their private agendas regardless of the career setbacks their resistance might incur.

In explaining the central government's failure to take the control of pension funds away from urban governments, Frazier uses the analytical perspective of *fragmented authoritarianism*, a framework frequently invoked by China scholars to study interagency competition among parochial horizontal and vertical government units over a given policy area. Moreover, Frazier notes that the social insurance agencies—the primary agencies in charge of collecting social insurance funds—are tightly controlled by urban governments. Frazier thus argues that the new source of extrabudgetary revenue gave urban officials an incentive to resist the central government's agenda on pension reform, including moving pension administration to provincial governments. However, given that any political actors in China are subject to complex incentive structures in the party-state hierarchy, the revenue right (along with other advantages that stem from this right) is only one of several strong incentives that motivate urban officials' behavior. Career development is another key incentive that influences officials' behavior.

In the case of municipalities, officials at this level occupy high echelons of Chinese politics and are regarded as national political figures. Their career development is heavily dependent on the central government's judgment. It is therefore fair to assume that municipality officials would make every effort to please the central government in order to be promoted. Similarly, in the case of cities and counties, the appointment of officials at these levels is controlled by provincial governments. In some places, city officials are members of provincial party committees.

Considering this institutional arrangement, Frazier seems to put too much emphasis on the city and county official as veto player in explaining the evolution of China's pension regime. Especially in cases in which pension funds have become large financial resources in rich areas, Frazier should spend some time explaining why provincial officials would not collaborate with the central government in centralizing pension administration at the provincial level. In short, the various incentives of urban officials and the related institutions that dominate the interactions of these incentives need further investigation.

Overall Frazier has written an important book that scholars of Chinese political economy cannot afford to ignore. *Socialist Insecurity* deserves a careful read and has a broader implication in understanding the continuing debate on the capacity of the Chinese party-state.

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***Service Encounters: Class, Gender, and the Market for Social Distinction in Urban China.*** By Amy Hanser. Stanford: Stanford University Press, 2008. 235 pp. \$55.00 (cloth); \$21.95 (paper).

Amy Hanser's *Service Encounters: Class, Gender, and the Market for Social Distinction in Urban China* is an impressive ethnographic study that examines how social inequality is reproduced and sustained through everyday dealings across service floors. To capture the experience of service encounters, Hanser conducted thirteen months of fieldwork at three distinctive service settings in Harbin, the capital of Heilongjiang province in northeast China. These settings were Sunshine, a high-end private department store; Harbin No. X, a state-owned department store; and The Underground, a low-end clothing bazaar consisting of numerous small-scale private merchants. Adopting a Bourdieuan lens in understanding inequality, Hanser maintains that the "unequal access to and distribution of resources and opportunities" are results of the practice of social distinction that translates "perception of groups of people as different or distinct" (symbolic boundaries) into "forms of social closure and exclusion" (social boundaries) (p. 6). Following this line of argument, Hanser develops the concept of "structure of entitlement," which refers to "the often-unconscious cultural and social sensibilities that make

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