

The Precarious Chinese Ecology of Financial Expertise: Discontent in the Mix

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Abstract : Within the contemporary financial capitalist configuration, the interplay of Chinese statecraft and financialization has shaped a new 'ecology of financial expertise.' This indicates the emergence of a new financial technocratic governance; that is increasingly changing the Chinese economy, reducing the state's administrative and fiscal functions and increasing state assets in accordance with a new shareholder logic. In this shift, the creation of the stock market by the state was conceived not only as a new redistributor of wealth but as a 'clearing house' for social discontent resulting from work casualization, wage repression and a lack of social welfare. Since its inception in the wake of Deng Xiaoping's reforms, the Chinese state has used the stock market as a means of securing social legitimation by providing a prearranged space where the disaggregated and vulnerable subjects left behind by the dismantlement of the collective work units of the Maoist period (danwei) can congregate. However, fieldwork which included both participant observation as well as interviews with investors in brokerage rooms in Shanghai (where one of only two mainland Chinese stock exchanges is situated) reveals that both new formal and informal financial experts—namely the haigui (Chinese returnees with a financial degree abroad) and sanhu (individual Chinese scattered players), are equally dissatisfied with their investing activities. They express discontent with the state, which they hold responsible for the summer 2015 financial crisis and for the financial turmoil that jeopardizes China's financial and political project. What the investors want is a state that will guarantee the continuation of the current gupiaore 'stock fever'. This paper holds that, by embracing financialization, the state is undermining the contract at the base of its legitimacy.

Keywords : Chinese state, Deng Xiaoping, financial capitalism, individual investors

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