

China has reached a critical point in its development. Widespread poverty and growing social inequality are posing daunting challenges for social stability. The Chinese government seems aware of this, but needs to do more to empower the people to participate in the reform process.

Democracy by degrees: China's roadmap for change?

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China's development is uneven and unbalanced, with growing divisions between urban and rural areas, men and women, and different population groups. This trend is further exacerbated by the lack of effective governance. According to the 2007 Corruption Perceptions Index (CPI) compiled by Transparency International, China ranks 72 out of 180 countries. Former President Jiang Zemin admitted that up to 20 percent of the state budget went missing in 2000, while the National Audit Association revealed that 10 percent of the funds earmarked for poverty alleviation go astray.¹

Since 2002, China's development policy has shifted away from an over-emphasis on rapid economic growth towards sustainable development and deepening governance reform. In the 11th five-year plan for national economic and social development (2006–2010), the agenda for building a prosperous and harmonious society includes the adoption of a scientific or people-centred approach to development. This blueprint was reiterated at the 17th Communist Party Congress in October 2007, demonstrating the party's concerns about the overheated economy and the widening social inequalities. In his political report to the congress, President Hu Jintao expressed his willingness to deepen the political reform process by prioritising democratisation within the party and gradually increasing citizen participation in public affairs, especially at the grassroots level, under the rule of law. For the first time he made it clear that he regards grassroots democracy as the fundamental engine of socialist-style democracy.

These policy changes may signal the determination of China's top leadership to tackle the tensions and problems confronting the country, although some scholars believe it is unlikely that the state will seriously undertake democratisation. Others hold the view that China's economic development will inevitably lead to greater democracy and they believe that China's growing middle class will be the driving force for change. With the impact of globalisation on Chinese society and polity, the quest for democracy is inevitable. The question is to what degree the party/state has the capacity to deepen its experimentation with political reform, and what role society can play in this process.

The state capacity to democratise

Minxin Pei, Director of the China programme at the Carnegie Endowment for International Peace is pessimistic. He describes China's transition as being trapped in partial economic and political reforms.² He views the state as neo-authoritarian in nature, and thus self-destructive, and claims that improving its governance and representing societal interests will eventually exhaust its economic and politi-

cal vitality. This is because the state has no effective means to address the current problems, given its inherent institutional weaknesses, characterised by pervasive corruption and the lack of mechanisms to enhance political accountability. The gradualist reform strategy centred on the state's goal of political survival cannot lead to a fully fledged market economy under the rule of law.³ In his recent comments on the 17th congress, Pei stated that the Chinese leaders' obsession with political stability can only hinder the overdue reform, which could be exacerbated by the likely economic consequences – falling consumer demand, diminished household wealth, rising bad bank loans and reduced corporate investment.⁴

Will Hutton, Chief Executive of the Work Foundation and Governor of the London School of Economics, also warns that "China is running up against a set of daunting challenges from within its own political and economic systems that could well derail its rise, leading to a massive



shock to the global economy'.⁵ For Hutton, the state still imposes arbitrary, sometimes totalitarian ideological interventions on society, which has no effective means to participate in the political deliberation process. Consequently, the state faces a crisis of ideological and political legitimacy. The party is, according to Hutton, 'a moral and ideological empty vessel' that is unable to confront the escalating social protests and its own corruption. To address this, Hutton argues that China needs to develop independent and pluralist public institutions built on the rule of law, an independent judiciary, freedom of the press and authentic representative government.

These perspectives on China's transition remain highly controversial. Andrew Nathan, professor of political science at Columbia University, contends that Pei fails to provide ample evidence to support his thesis. He argues that China may not need Western democracy and full marketisation apart from reforms to streamline public administration based on controlled consultation processes. Nathan also questions whether the mounting social unrest

is threatening the regime." He refers to the state's achievements in bringing about change through policy reorientation to redress the negative consequences of economic growth. And he sees unity within the party in deepening the reform process.⁶

Democracy in China is a borrowed concept, according to Yong Xu, Director of the Centre for Chinese Rural Studies of the Central China Normal University, and a leading expert on village elections. The 1998 Organic Law on Village Committees provided the first institutional basis for China's grassroots democracy. This form of rural self-governance is based on the separation of collective ownership of village property such as land, from individual user rights. This means that ownership per se is in the hands of the village committee, which is supposed to represent the collective interests of the villagers, rather than individual villagers. As such, farmers' demands for village governance are inextricably linked with their interactions with the village committees over the management

Step-by-step democracy

Keping Yu, director of the China Comparative Politics and Economics Centre (CCPEC), a central government think-tank, has proposed a concept of incremental democracy for China, which was endorsed by the 17th congress. The prerequisites for this pattern of democracy are a strong economy and modern political and legal frameworks. Given its complex social and economic realities, China can only adopt a gradual approach to democracy by pursuing 'inner-party' and grassroots democracy first. His view resonates with those of other Chinese scholars, such as Tianyong Zhou, professor at the China Central Party School, and Xinjun Gao, senior fellow at CCPEC. In recognition of the current governance structure, characterised by top-down administration and supervision, they claim that local governments lack accountability to the poor, who actually have few incentives to participate in public affairs. To Zhou and Gao, mechanisms for improving inner-party democracy will have to be explored and institutionalised in parallel with grassroots experimentation. Only when the party itself becomes democratic will the centralised governance structure become more decentralised.¹⁰

Culture also plays a role in societal and political change. Michael Johnston, professor of political science at Colgate University, New York, argues that despite the increasing awareness of democratic values, principles and practices among the public and politicians, the majority of the population are still overwhelmed by Confucian values. As a result, Chinese society, to certain extent, is organised in strong networks in which patron-client relationships play an overriding role in social and political relations. It is in these spheres that people are inclined to rely on consensus making and the power of the authorities, which inhibit the development of a pluralist society and further undermine the power of the citizenry in holding the state accountable.¹¹

Political change in China hinges not only upon the state itself, but also on society as the agent of change. People are not entirely constrained by the binding superstructures; rather, they are active agents whose culture, ideas, values and knowledge play an important role in driving the process of change.¹² The roles of the state and society in political and social transformations are mutually reinforcing. This highlights a number of issues that require further study. What and how can power be transferred from higher- to lower-level authorities and newly elected village committees, villagers and the wider public? What will this mean for the elected village committees, which are fettered by their lack of control over resources and have little say in village administration, as the nomination of their leadership is controlled by the higher-level authorities? Who are the champions of change and how are they driving it? And, in the context of the lack

of democracy, as seen by the West, what model of democracy do the Chinese people themselves need?

Policy makers need to be convinced with viable options for tackling poverty and social inequalities through improvements in governance. The realisation of sustained growth coupled with democratic governance can only be a protracted process. The promoters of democratic governance will have to confront resistance from different groups of actors with vested interests and identify and seize opportunities again and again, according to Jesse Ribot, senior associate at the World Resources Institute. All of this will require a viable programme that addresses the poverty and social divisions in a society that is dominated by a hierarchical and compartmentalised state. Perhaps the roadmap is there, but societal demands for measures to implement the new development agenda, and the reactions to them, require further studies.

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Notes

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