April 14, 2005
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Before the U.S.-China Economic and Security Review Commission

China's State Control Mechanisms and Methods

Chairman D'Amato, Ladies and Gentlemen of the Commission:

China is in the midst of an unprecedented societal transition. Triggered by powerful twin engines of change -- marketization and globalization -- the country's socio-economic landscape has been altered profoundly and irreversibly over the past quarter-century. For most of China's 1.3 billion people, the changes have brought new (if unevenly distributed) opportunities for self-betterment and freedom of personal choice, along with new risks of personal failure.

This profound seismic shift in China's socio-economic landscape has not been matched by equally profound changes in the country's dominant political institutions and processes. With their deeply engrained commitment to a monocratic Leninist political order, China's leaders have struggled mightily to resist – or at least to contain and control -- the inherently pluralizing forces of marketization and globalization. The result has been a build-up of tensions between a complex, vibrant society and a rigid, monochromatic party- state.

Not all the political political news is dim and dreary, however. There are at work in China today transformative forces that are slowly altering the country's underlying political dynamics -- even as its leaders try to redirect and channel these forces from above. In the cracks of the monolithic Chinese party-state there are growing the first visible sprouts of a frail but genuine civil society. The net result is a complex and multi-layered political reality, not easily captured in conventional "either/or" dichotomies. The Chinese political glass is both half full and half empty, both ossified and evolving.

For those who may have expected to see an early, wholesale democratic breakthrough in China – marked by Western-style competitive elections, a constitutional separation of powers, and free, unfettered political participation and debate -- the outlook is not particularly encouraging. For those who measure political progress by degrees, however -- in the ability of Chinese farmers to reject corrupt village leaders, or the ability of ordinary citizens to sue government agencies in court, or the ability of urban residents to have their electronically registered complaints attended to by local officials -- the outlook is somewhat brighter.

In my testimony this morning I begin with a brief recapitulation of relevant background events. I then map out what I consider to be the most salient features of the current Chinese political landscape at both the national and local levels, followed by an assessment of China's near- and intermediate-term prospects for meaningful political reform. I conclude by drawing out a few key policy implications and recommendations.

A. China's Political Landscape: The View from Above

1. Past efforts at political reform. It is sometimes forgotten that there were positive signs of imminent political reform in the years prior to the student demonstrations of spring 1989. At the CCP's 13th Party Congress in September 1987, Party General-Secretary Zhao Ziyang proposed a number of institutional innovations that, if adopted, would have moved China in the direction of a more open and pluralistic -- albeit "soft authoritarian" -- political system. Included in his recommendations were: a complete separation of the Communist Party from the functions of state administration; a thorough reform of the state personnel system – the notorious "Nomenklatura" -- to minimize political patronage and ensure reliance on merit in government appointments and promotions; amplifying the voice and legislative autonomy of people's congresses at all levels; augmenting the watchdog role of "democratic parties," mass organizations, and the Chinese People's Political Consultative Conference (CPPCC); and strengthening the rule of law. Perhaps most radical of all was Zhao's call for the Communist party-state to recognize the legitimacy of diverse socio-political interests and interest groups – the first step toward authentic political pluralism: "Different groups of people may have different interests and views," he said; "they too need opportunities for the exchange of views."

If adopted, Zhao's reforms would have taken the first meaningful steps toward easing the growing disconnect between state and society in post-Mao China. Zhao's proposals were stillborn, however, stopped in their tracks by the bloody crackdown of June 4, 1989; and Zhao himself was removed from his leadership post for "splitting the party." Thereafter, fear of endemic instability and chaos, reinforced by the sudden, startling disintegration of the Soviet Union, prevented nervous Chinese leaders from renewing Zhao's call for enhanced political pluralism or institutional checks and balances. To date neither Zhao, who died in disgrace in January 2005, nor his 1987 proposals have been rehabilitated.

2. Worsening socio-economic stresses. Partially masked by China's ongoing economic miracle, a number of deepening societal stresses festered just under the surface in the 1990s. These included: high levels of urban unemployment (fueled by the closure of tens of thousands of overstaffed, inefficient state-owned enterprises; growing urban-rural and coastal-interior income and productivity gaps; massive waves of internal migration by a "floating population" of perhaps 100 million rural villagers seeking urban employment; widespread cadre corruption; a teetering state banking system awash in non-performing loans; and a looming HIV/AIDS epidemic of major proportions.

Throughout the 1990s and early 2000s, high rates of economic growth, underpinned by a massive influx of foreign direct investment, permitted the Chinese government to "muddle through" in the absence of a viable strategy for political-institutional reform.
When problems arose that could not be ignored – farmers protesting arbitrary taxes and fees; laid-off workers demanding payment of embezzled wages and pensions; outraged parents demanding investigation of a fatal primary school fireworks explosion -- they were handled on an *ad hoc*, case-by-case basis. So long as such incidents were localized, isolated, and unorganized they could be dealt with by a paternalistic government

determined to keep the lid on social disorder. If necessary, village elections could be held to remove corrupt rural cadres; government officials could launch high-profile investigations into the causes of a school fire or a coalmine disaster; and money could be found to pay off angry workers and pensioners.

What began to happen in the late 1990s, however, was the *aggregation* and *mobilization* of discontent by aggrieved individuals and groups possessing modern means of communication – cellphones, pagers, personal computers, fax machines, SMS, and the Internet. As manifestations of discontent become larger in scale and more readily communicated to others, their potential danger to the regime became greater.

3. Jiang Zemin's "three represents." Confronted with growing symptoms of incipient unrest in the late 1990s, Zhao's successor, Jiang Zemin, sought to shore up the Communist Party's flagging popular appeal by broadening its social base. The result was Jiang's famous "theory of the three represents" (*sange daibiao lilun*), which officially invited China's *nouveaux riches* capitalist entrepreneurs and commercial middle classes to join the CCP.

In the event, Jiang's initiative did little to ease the "great wall of power" that separated the Party from the Chinese people. Most ordinary citizens displayed a guarded, non-commital attitude toward the "three represents"; others were openly cynical, regarding the new doctrine as a thinly veiled attempt to co-opt upwardly mobile groups and individuals without diluting the Party's political power monopoly. With Jiang's phased retirement from active political leadership in 2002-03, the "three represents" began to fade from public view, though they remain embedded in the CCP Constitution.

4. The rise of Hu Jintao and Wen Jiabao. When China's new leaders began to emerge from Jiang Zemin's shadow in the early years of the new millennium, hopes were raised that the long-stalled process of political reform might be jump-started. With the autocratic, risk-aversive Jiang out of the picture, it was anticipated that Hu Jintao and Wen Jiabao might be free to raise their own profile and pursue their own, ostensibly more progressive policy agenda.

It did not take long for Hu Jintao to deflate such expectations. In a September 2004 speech commemorating the 50th anniversary of the National People's Congress, Hu made it clear that the Communist Party would not relinquish its 55-year monopoly of political power:

> "The Communist Party of China takes a dominant role and coordinates all sectors…. The leading position of the Party is a result of long-term practice and is clearly stipulated by the Constitution. People's congresses at all levels and their standing committees must consciously put themselves under the Party's leadership. . . . The role of Party organizations and Party members in government departments should be brought into full play. . . so as to realize the Party's leadership over state affairs."

5. The drive to "strengthen ruling capacity." In the face of deepening societal tensions, the CCP Central Committee, at its Fourth Plenum in September 2004, frankly acknowledged the fragility of Communist Party rule and affirmed the urgent need to strengthen the Party's ruling capacity:

> "China's reform and development has reached a critical stage in which new problems are mushrooming…. The CPC's ruling status… will not last forever if the Party does nothing to safeguard it.... We must develop a stronger sense of crisis… and strengthen our ruling capacity in a more earnest and conscientious manner."

What did Party leaders have in mind? In the Fourth Plenum's official Communiqué a number of measures were proposed that aimed at improving the increasingly strained relations between the Party and the people:

> "The Party will guarantee that the people carry out democratic election, policy making, management and supervision according to law, while improving the People's Congress system and the system of multi-party cooperation and political consultation under CCP leadership....
>
> "The Party should continue to enforce and further improve existing rules and practices of democratic recommendation, multi-candidate selection, opinion solicitation on newly appointed official posts, decision making through a vote by all members of a Party committee instead of arbitrary decision making by head of the committee...

While these (and other) pledges of improved political performance seemed sincere on the face of it, the choice of phrasing (democratic *recommendation* rather than nomination; candidate *selection* rather than *election*; decision making by vote of *all members of a Party committee* rather than by the people's elected representatives; and improving people's congresses *under CCP leadership*) suggests that the Party would continue to guide and control all aspects of the country's political life.

As if to underscore this point, a lengthy commentary by Politburo Standing Committee member Zeng Qinghong (a protégé of Jiang Zemin), published shortly after the Fourth Plenum, spelled out in greater detail the dominant role to be played by the Party. Among other things, Zeng called for strengthening the Party's control over legislative process and content; blurring the functional distinction between Party and state leadership; and preventing the emergence of interest-based pluralism:

> "Upholding rule by law requires strengthening the Party's leadership of legislative work and being good at turning what the Party advocates by way of statutory procedures into the national will....
>
> "The Decision proposes… increasing to an appropriate extent the overlap in the duties and positions of Party and government leaders….

> "Creating sound supervisory channels. . . will prevent the formation of vested interest groups."

Not coincidentally, these three imperatives directly contradicted key reform proposals advanced by Zhao Ziyang in 1987. In this and other respects, the Fourth Plenum's call to "strengthen ruling capacity" seemed less a manifesto for serious political reform than a call for patching up and applying a fresh coat of paint to the CCP's stress-damaged institutional façade.

6. The Mass Media: Barometer of change? Along with the CCP's recent decision to tighten its grip on the institutions of governance, in the past six months there has been a visible tightening of Party controls on the mass media. In November 2004 the CCP Propaganda Department blacklisted six well-known political commentators from the state-owned press. The six banned journalists were: Peking University Journalism Professor Jiao Guobiao; veteran Communist Party member (and Mao's former political secretary) Li Rui; political commentators Wang Yi and Yu Jie; Tianze Economic Research Institute director Mao Yushi; and Yao Lifa, a peasants' rights activist in Hubei province. At the same time, the authorities have disparaged the role – and muted the voice --of China's "public intellectuals." And at least two Chinese journalists, Wang Guangze of the *21st Century Business Herald* and Jiao Guobiao, a frequent critic of the Chinese censorship system, were sacked earlier this year after making extensive U.S. speaking tours.

7. Recent developments in "rule by law." While continuing to resist intellectual pluralism and institutional power sharing, China's post-Mao leaders have shown a growing appreciation for the advantages of rationalized, rule-based governance. Chinese accession to the WTO in 2001 involved an explicit acceptance of prevailing international norms governing regulatory transparency, market openness, and dispute-resolution, thereby signaling the emergence of an embryonic legal culture in China. By the same token, a long list of progressive legislation, from the 1990 Administrative Litigation Act to the 1994 State Indemnity Law to the 1996 Law on Administrative Punishments to the 2003 Law on Identity Cards (passed after police brutally murdered a migrant worker in Guangzhou), reflected the Party leadership's growing recognition of the need to protect vulnerable citizens against overzealous state agents.

The problems with China's emerging "rule by law" system (as distinct from a "rule *of* law" system, which subjects *all* state institutions and ruling elites to binding legal restraint) are three-fold. First, despite periodic disclaimers, the Communist Party itself remains essentially above the law by virtue of its self-arrogated "leading role" in every sphere of governance. There is simply no appealing a decision of the Party Central Committee. Second, in the realm of criminal law, such notions as "rights of the accused" and "due process" are frequently honored in the breach. To give but one particularly egregious example, extrajudicial administrative detention is widely used by police to incarcerate "undesirable elements"—sometimes indefinitely – without a formal hearing. Finally, the administration of justice is subject to wide variation depending on province and locality of jurisdiction. In many places today, an individual's chances of receiving a

fair administrative hearing or a speedy public trial are more dependent on accidents of venue and the vicissitudes of personal connection than on the law itself. Despite the training and accreditation of 130,000 Chinese lawyers since the onset of the reform era, many Chinese judges are demobilized servicemen with no post-secondary education; and there remains a serious nationwide shortage of competent, professionally trained legal and judicial personnel.

7. The rebirth of Confucianism and the search for "socialist harmony": In recent months a new challenge to the emergence of a rule-based, pluralistic polity has appeared. Since last winter, Party theorists have begun to promote a renaissance in Confucian philosophy, centering on the quest for a "harmonious society." Premier Wen Jiabao laid the cornerstone of this renaissance on March 5, 2005, in his Report to the National People's Congress. "We must," said the Premier," build a harmonious socialist society that is… fair and just, trustworthy and friendly, full of vigor and vitality, secure and orderly, and in which man and nature are in harmony." While there was nothing particularly onerous or alarming about the Premier's exhortation, subsequent media commentaries gave a more problematic political spin to the quest for organic social harmony. On March 23, an article in the overseas edition of *People's Daily* defined the political goal of "harmony" as a desire to "reach unanimity after taking many things into consideration." The author went on to say:

> "When five-tones are harmonious, their sound is audible; when the five-colors are harmonious, they become a set or well-designed pattern; when five flavors are harmonious, they are edible. When this logic is [applied] to administration, we must harmonize various kinds of interests, synthesize different opinions and defuse complicated contradictions."

While this language is idealistic and even inspirational, it should not be forgotten that in Imperial China, self-serving dynastic rulers adopted this same Confucian value system as their official *ideologie d'etat*, using it to impose a paternalistic, ritualized ethos of political consensus and conformity upon a voiceless, powerless peasantry. While it is too early to draw firm conclusions about the likely impact of a Confucian revival on the nature and quality of governance in today's China, efforts to achieve organic social unity and harmony under one-party auspices, in the absence of authentic political pluralism, are more likely to lead to a suppression of heterodox opinion than to a spontaneous blending of complementary colors, flavors, or tones.

B. China's Political Landscape: The View from Below

While those at the top of the Chinese political system struggle to maintain their Leninist advantage, viewed from below the political situation in China looks rather different, and in some ways more promising. Partly because of constraints imposed (and opportunities afforded) by fiscal and administrative decentralization since the mid-1980s, and partly because of the polarizing second-order consequences of China's rapid market transition, local politics in China currently exhibits a fascinating variety of political colors, patterns and processes.

1. Urban political trends. In the rapidly developing cities and Special Zones of the East Coast, where incomes are much higher than average and where a sizeable middle class has begun to emerge, a cosmopolitan consumer culture is taking shape that is sensitively attuned to the outside world, supportive of "modern" ideas and values, questioning of authority, and relatively tolerant of nonconformity. Such vibrant urban cultural environments, while still in their relative infancy, can be regarded as the "petri dishes" of incipient political pluralism.

Although national political institutions have remained rigid and change-resistant, experimentation with urban political reform has proceeded apace. Beginning in 1999, more than a dozen large Chinese cities – including Beijing, Shenyang, Ningbo and Nanning -- were selected for a pilot study involving direct elections to urban residence committees – the lowest level of municipal governance. Following a pattern established in village elections a decade earlier (see below), elections in these cities involved open nominations, secret ballots, and more candidates than posts. According to observer groups from the International Republican Institute and the Carter Center, the first urban elections were relatively free and transparent, notwithstanding occasional efforts by local officials to manipulate the outcomes.

Other local experiments in increased governmental transparency and accountability have also been undertaken. In Guangdong province, officials in several counties have started to open their budgets and hiring practices to public scrutiny. Going a step farther, local authorities in one Jiangsu county conducted a public referendum in 2003 in which residents were asked to name the county's worst performing officials in each of several administrative spheres. Private entrepreneurs voted for the most inefficient commercial cadre; taxi drivers chose the worst traffic cop; fisherman selected the most incompetent fishery official; and so on. Altogether, nine local cadres were suspended for six months. Their salaries were halved and they were forced to undergo self-criticism.

Another interesting experiment involves the rapid rise of "e-Government" in China, i.e., the advent of Web-based, online access to provincial and municipal administrative services, informational resources, and electronic bulletin boards (BBS) that solicit citizen opinion and feedback. While e-Government is sometimes discounted as a paternalistic alternative to genuine democratic transparency and interest articulation, it is arguably helping to reduce the information gap between the Chinese state and its increasingly information-hungry, Internet and cellphone-savvy urban citizenry. (The CECC maintains a list of more than 60 provinces and municipalities offering e-Government services on its website at http://www.cecc.gov/pages/prcEgovDir/dirEgovPRC.php.)

2. Rural political trends. In contrast to the increasingly cosmopolitan, consumer-driven, information-rich urban culture of China's Eastern seaboard and major provincial capitals, life in most of China's 700,000 rural villages and associated townships remains relatively harsh. Resources there are generally meager, infrastructure sparse, information scarce, and opportunities for advancement few. Yet even in the vast backwater of China's agrarian heartland, some significant changes are taking place.

The most widely noted political innovation in rural China has been village elections. First introduced in 1987, the practice of directly electing village leaders was widely expanded in the 1990s, in response to reports of worsening rural discontent. In many villages, autocratic local cadres were indulging in predatory practices, exacting arbitrary fees, fines, and taxes from powerless peasants. With reports of rural unrest – including demonstrations and large-scale riots – on the rise, elections were viewed as a safety valve for venting rural frustration and directing it against local, rather than national targets.

To date, elections for village leaders have been conducted in over 70% of China's rural areas. The results have been generally encouraging, if decidedly mixed. In many cases, nominees are pre-screened for acceptability by local Party officials, and balloting is often less than wholly secret. Moreover, organized campaigning is prohibited. Still, for all their procedural flaws, village elections have enabled many rural dwellers to gain their first meaningful taste of political empowerment. Though aggregate statistics have not been kept, there is considerable anecdotal evidence to suggest that the removal of corrupt and unpopular village leaders through elections is not uncommon.

Another new and more controversial rural innovation is the phenomenon of direct elections at the township level. Unlike villages, which are not part of the government's formal hierarchy (and whose leaders are not considered state employees), township governments have official status. For this reason, and because townships are much larger and more complex than villages, presenting a wider range of political monitoring and control problems, Party leaders have been reluctant to approve the spread of township elections. To date, only a relative handful of such elections have been held, on an experimental basis and often without higher-level approval.

3. Merging village and Party leadership. One way of controlling the potentially pluralizing effects of rural elections is to require that nominees for the post of village chief be drawn from a narrow pool of local Party branch members. Such an electoral device, which has recently been introduced in village elections in several provinces, effectively fuses the top village and Party leadership posts, thereby eliminating the possibility of a "runaway" village electorate rejecting Party leadership. Ironically, and despite the obvious restrictiveness of this electoral device, the practice of subjecting party members to electoral competition for village chief has been hailed in the official media as a step forward in the development of "socialist democracy."

C. Prospects for Future Political Reform

Given the determination of Party leaders to maintain their grip on the political life of the country, it would be unrealistic to expect an early "democratic breakthrough" from above. On the other hand, rising elite concern with the spread of popular discontent and disorder, most apparent in the less-developed areas of the country, has caused Beijing to be more receptive to local experiments in controlled grass-roots political participation. In tandem with the spontaneous emergence of the first clear sprouts of a self-organizing civil society in cities, townships and villages throughout China, the new willingness to

tolerate local political experimentation may portend the rise of a more innovative, self-confident class of political entrepreneurs.

However, given the well-known existence of Chinese "*guanxi* networks" that enmesh government officials and entrepreneurial elites in a web of symbiotic mutual dependency – a phenomenon variously known as "state corporatism" or "crony capitalism" -- it would be naïve to view China's new bourgeoisie as an independent, free-standing political force, ready to assert its democratic will against the confining bonds of a one-party dictatorship. On the contrary, China's *nouveau riches* have increasingly been embraced by, and embedded within, the hegemonic party-state. Consequently, the likelihood of a British or American-style bourgeois revolution appears remote.

More likely is a continuing low-key, market-driven evolution-from-below in the direction of greater societal pluralism and an attendant flowering of diverse political interests and opinions. This slow, evolutionary progression is likely to receive a boost toward the end of the present decade with the accession to power of the "fifth generation" of Chinese political leaders. In contrast to their third and fourth generation predecessors (respectively typified by Jiang Zemin and Hu Jintao), who grew up and gained educational and career mobility within the firm technocratic embrace of Leninist institutions and values, members of the fifth generation, now in their late forties and fifties, are generally more cosmopolitan, well-traveled, and open-minded. Many have lived abroad, receiving higher education and professional training in Europe and America.

While it is too soon to tell whether China's fifth generation leaders will break the longstanding taboo on political-institutional reform imposed by their forebears in the wake of the 1989 Tiananmen debacle, they are less likely to be instinctively averse, for example, to a revival of the "soft authoritarian" political reforms proposed by Zhao Ziyang, or even to a "reversal of verdicts" on the events of 1989.

D. Changing Chinese Attitudes toward the United States.

Reflecting a series of exacerbatory incidents in U.S.-China relations over the past half-dozen years, including the "accidental" U.S. bombing of China's Belgrade Embassy in 1999, the EP-3 spyplane incident of 2001, China's escalating threats against Taiwan, and President George W. Bush's declaration of intent to do "whatever it took" to defend Taiwan, Chinese attitudes toward America have perceptibly hardened. In a survey of residents of five major Chinese cities designed by the American Studies Institute of CASS and published earlier this year in the *Global Times (Huanqiu shibao)*, 49.2% of people polled viewed the United States and China as "rivals" in world politics, while an absolute majority of 56.7% believed that the U.S. was out to "contain" China. By the same token, over half of the respondents agreed with the statement that the Taiwan issue "would" (11.9%) or "would probably" (41.2%) lead to a clash between China and the United States. The survey also revealed negative Chinese attitudes toward American efforts to raise issues of human rights in China, with. 49.3% agreeing that US actions reflected a desire to "disturb China's stability" and another 10.4% believing that it was intended to "smear China's image." On the other hand, attitudes toward the Americans

people (as opposed to the U.S. government) were rather more benign, with almost two-thirds of respondents saying they either “like Americans” (13.2%) or “like Americans, but not particularly” (52.9%). On the whole, these results do not provide much cause for optimism, particularly since residents of the five polled cities among the most cosmopolitan and well educated in China.

D. Key Policy Implications and Recommendations

Given the deterioration in Chinese images and attitudes toward America, and given the prevalence of near-term political forces that favor continuation of “hard authoritarian” political controls in China, the prospects for “peaceful convergence” of fundamental Chinese and American political and ideological values and interests in the foreseeable future would not seem particularly bright. On the other hand, as suggested above, there are at work in China long-term, secular forces that are capable of eroding the narrow political monism and brittle nationalism that characterize contemporary Chinese politics.

To give these longer-term forces of market-driven societal pluralism, personal freedom, and global economic and cultural interdependence a chance to mature and breed peaceful political change in China, we must be prepared to nourish them, patiently and persistently. At the same time, we must be firm and clearheaded in our support for the core American values of freedom, opennness, and rule of law, as well as in our principled opposition to such things as the persecution of dissident Chinese intellectuals and journalists, unfair trade practices, and military threats against Taiwan. But China is no third-rate Rice Republic that can be bullied or cowed into conforming to American values and preferences. It’s vital national interests must be understood and, within reason, accommodated. Wherever possible, “win-win” strategies must be devised in our dealings with China. A “zero-sum” mentality will surely lead us into an adversarial relationship.

China today is undergoing a dramatic transformation. Whether it will, in the long run, be a force for good or for ill remains to be seen. Though we do not have it in our power to determine China’s future, we can, by our behavior and by the power of our example, encourage a more benign outcome. In concrete policy terms, this means that we must pursue a long-term policy of cooperating where we can, while contesting where we must. Paraphrasing Winston Churchill’s ironic defense of democracy as the least bad form of government, I would conclude by observing that “constructive engagement” may well be the worst possible American policy toward China – except for all the others.

Thank you.