

Chinese Democratization: An Inevitability or Possibility?

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China's rapid economic growth since its late 1970 reforms has produced significant debate among scholars concerning whether or not it will democratize. Despite extensive liberalization of its economy, the Chinese Communist Party (CCP) maintains an iron grip on its political system. Modernization theory and the potential for a stagnating economy present two compelling arguments for a democratic future. Although Chinese authoritarianism faces significant pressures, the CCP's use of pragmatic political reforms, adaptation, and alternative forms of legitimacy make it resilient. Economic growth or decline is not a sufficient condition for democratization. Rather, the likelihood of democratization will depend on the ability of the CCP to address emerging challenges such as political corruption that could threaten China's authoritarian resilience.

Introduction

China's rise and stellar economic growth is attributable to its pragmatic shift from a Maoist centrally planned economy to one based primarily on free market principles under Deng Xiaoping. Although its economic system is open and liberalized, its political system remains closed and authoritarian. For decades, pundits have explored the relationship between economic development and democratization. They ask, "to what extent does economic growth lead to democratization?" Some scholars predict that China (PRC) will begin democratizing as early as 2020ⁱ, while others highlight its authoritarian resilience.ⁱⁱ In this essay, I argue that China's transition from authoritarianism to democracy is not guaranteed. Firstly, I briefly describe China's rapid growth and authoritarian political system. Secondly, I assess emerging challenges to China's authoritarianism, focusing on arguments drawn from modernization theory and the impact of a stagnating economy. Thirdly, I reveal the limitations of the preceding perspectives and assess three characteristics of Chinese authoritarianism: the ability to adapt, pragmatic political reform, and deriving alternate sources of legitimacy. Economic growth or decline is not a sufficient condition for the emergence of a Chinese democracy. This narrow perspective fails to recognize that an authoritarian or democratic future will depend greatly on the ability of the Chinese Communist Party (CCP) to address factors that make a democratic transition likely.

Charting China's Economic Development

An empirically sound assessment of the future of Chinese authoritarianism requires a systematic analysis of its post-war economic and political development. Under Mao Zedong, China adopted a centralized single-party system coupled with a centrally planned economy. By the late 1970s, after years of failed policies (e.g. the Great Leap Forward and the Cultural Revolution), China changed. Deng Xiaoping spearheaded China's incremental transition to a market-based economy that, "lay the groundwork for a remarkable economic transformation . . ." ⁱⁱⁱ As part of this new pragmatism, Deng supported market-oriented policies including the household responsibility system, the establishment of special economic zones, and a strategy of "going out" that encouraged Chinese investment abroad. ^{iv} This shift contributed to China's, "steroid-paced growth," ^v greater than tenfold increase in GDP, ^{vi} and average growth rate of 9.9% from 1979 to 2008. ^{vii}

Political Authoritarianism and Chinese Capitalism

China's economic liberalization did not signal the cessation of authoritarianism. ^{viii} After the events of 1989, foreign scholars generally agreed that Chinese authoritarianism was in a "state of atrophy." ^{ix} Among their concerns were China's post-Tiananmen legitimacy, widespread corruption, and a reduced capacity to deliver public goods. ^x In spite of these concerns, the PRC, "brought inflation under control, restarted economic growth, [and] expanded trade . . ." while crushing political opposition from the Christian Democratic Party and the Falun Gong spiritual movement. ^{xi} The PRC's model has been commonly referred to as illiberal capitalism, ^{xii} the Beijing Consensus, ^{xiii} and the China Model. ^{xiv} Despite its various titles, the model clearly combines a state-directed market economy with strict political control. Similar to the East Asian miracle economies, it emphasizes economics over politics, evident in Deng Xiaoping's decision to, "replace Mao's 'Politics in Command' with economics in command." ^{xv} Authoritarianism is, "a political system in which political power is highly concentrated and centralized [and] . . . the regime typically governs through a political party." ^{xvi} The China Model challenges the Western assumption that authoritarianism and economic growth are mutually exclusive. It is a model that has allowed China to achieve multi-generational goals of power and wealth, as well as related goals of stability and legitimacy. ^{xvii}

Democratization, Modernization and an Emerging Middle Class

Despite the strength that China's authoritarian system has shown, it faces significant challenges. The 2012 purging of Bo Xilai and internal power struggles among party leaders was a sign of the regime's fragility. ^{xviii} China's growth coincided with the continuation of its authoritarian system. However, how long can this model last? One subset of individuals who perceive a democratic future are modernization theorists. Modernization theory asserts that economic development in authoritarian states results in an increasingly powerful middle class that, "develops interest in politics and places demands upon the regime." ^{xix} As they become well-off, their demands expand from material needs to a desire for political reform. The primary reason for this is that democracy affords them a greater ability to protect their property and individual rights from state encroachment. ^{xx} Increasing wealth produces factors that are conducive to democratization including the proliferation of mass media, higher rates of education, and urbanization. ^{xxi} These factors expose Chinese society to Western systems of governance, civil rights, and

interests beyond material considerations. In China, three decades of economic growth lifted 600 million citizens out of poverty^{xxii} and will likely produce a 2025 upper middle class composed of 520 million people.^{xxiii} Based on this theory, economic growth alone and an emerging middle class will pressure the CCP to pursue political liberalization. These demands may lead to democratic concessions which could trigger a stronger push towards democracy. In considering these factors, some scholars assert that, "China is moving closer to vindicating classical modernization theory . . ."^{xxiv}

Stagnation and Declining Economic Growth

Alternative perspectives on China's democratic future assert a similar prediction, but a different cause. Modernization theory fails to account for the democratizing effect of stagnation and economic decline. China's period of double-digit economic growth appears to be ending. The Economist Intelligence Unit reports that China's 2015 GDP growth will likely be 6.9%, while growth in 2016 will be 6.4%.^{xxv} These declining growth rates contrast greatly with prior average growth rates of 10% over three decades. China is likely to, "experience major economic downturns – just as all capitalist economies do."^{xxvi} Declining economic growth could have a greater liberalizing effect on Chinese authoritarianism than increasing economic growth. The core reason for this derives from the fact that since 1978, the CCP's legitimacy has been based primarily on, "the continual delivery of prosperity."^{xxvii} The ability of the CCP to increase living standards is a key determinant of how it is perceived by Chinese citizens. Although China's current growth rate remains significant relative to other advanced states, the declining rate may indicate a reduced capacity to use economic growth to maintain, "performance legitimacy."^{xxviii} If we combine this with the fact that younger Chinese citizens are more likely to perceive, "education, medical care, and decent housing as welfare entitlements,"^{xxix} the negative impact of declining growth on regime legitimacy is clear. Without a strong basis for its rule, the CCP's governance as well as the authoritarian system in general, may be subject to increased pressure for democratization.

The Role of the CCP and China's Authoritarian Resilience

Based on the evidence presented, China's economic trajectory, whether it be positive or negative, predicts a democratic future. These arguments fail to recognize that there exists mechanisms by which the CCP can address these democracy inducing factors. My argument does not assert that China will remain authoritarian, but that China's authoritarian regime has proven its ability to address challenges to its existence. Firstly, modernization theorists assume that the political interests of an emerging middle class are consistent across societies. They suggest that China's increasing prosperity and burgeoning middle class leads to democratization. However, this future isn't guaranteed. A growing middle class does not equate to a desire for greater democratic reforms. In fact, the middle class could calculate that, "further democratic concessions may actually threaten the stability of the regime and their newfound prosperity."^{xxx} This fear causes the middle class to, "ally with the authoritarian regime," and results in a potent anti-democratic middle class force.^{xxxi} The CCP has strategically focused on granting the middle class economic freedom at the expense of political freedom.^{xxxii} Middle class citizens are unlikely to desire democracy if doing so would reduce their ability to achieve prosperity.

Chinese authoritarianism has three characteristics indicative of its ability to address challenges to its continued existence: adaptability, incremental political reforms, and alternative sources of legitimacy.

In 2003, Andrew Nathan described China's political system as one of , "authoritarian resilience."^{xxxiii} He argued that regime institutionalization consisting of norm-bound succession politics, meritocratic elite promotion, institutional specialization, and the creation of avenues for political participation, allowed the CCP to adapt to emerging challenges.^{xxxiv} It should be noted that democratization and political reform are not necessarily the same concept. The CCP uses small political reforms to satiate social desire for liberalization, while maintaining control.

Firstly, China's authoritarian resilience focuses on, "institutional adaptability and responsiveness."^{xxxv} Scholars skeptical of a democratic transition highlight the ability of the CCP to adapt. Hongxia Chai and Xiongwei Song argue that China's recent 2012 reforms display an adaptive quality that strengthens, rather than threatens, the capacity to govern.^{xxxvi} This strengthening occurs through the, "selective devolution of power to civil society and local representative institutions."^{xxxvii} As an example, they refer to greater (yet still restricted) freedom for NGOs and a stronger role for business associations in regulating the economy. By permitting these groups to engage in beneficial activities (e.g. natural disaster relief), the central government maintains tight control^{xxxviii} while pragmatically adapting policies to address regime needs.

Secondly, in relation to adaptability, the CCP uses political reforms to address grievances and consolidate control. Xi Chen explains that gradual reform may be best, if rejection of reform, "seems likely to trigger a sudden regime collapse."^{xxxix} Chinese authoritarianism does not preclude political reforms. In fact, like other East Asian miracle economies, China's, "successful economic reform has been accompanied by parallel incremental political reforms."^{xl} These reforms are targeted in areas that do not pose a challenge to regime control. Mainstream scholars assert that the expansion of party membership, the implementation of rural elections, and the strengthening of intra-party democracy, augments the CCP's legitimacy.^{xli} Jiang Zemin's 2002 Three Represents policy expanded CCP membership to include emerging or "red" capitalists. This reform embodied the desire for greater inclusiveness, but was also a process of *co-optation* designed to address an emerging middle class that could oppose CCP control.^{xlii} As noted previously, the middle class forms the base of efforts to democratize. Under the guise of greater inclusivity, the CCP attempted to control a significant challenge to its survival.

A second political reform was the introduction of country-wide village elections in 1998. Direct and indirect elections for various offices represented a significant political change. Under this system, villagers are empowered to make their own decisions through the election of members, vice-chairman, and chairman of Villagers' Committees.^{xliii} Village elections are a compromise between the need to grant minimal political influence, while retaining CCP control. In an effort to, "maintain the CCP's politically dominant position . . ." the central party controls the election process.^{xliv} Village elections exposed 70% of the Chinese population (700-800 million Chinese living in the countryside), to the democratic process.^{xlv} Greater village autonomy cannot be equated with CCP desire to democratize the country.^{xlvi} Rather, the goal of greater autonomy was minimal reform. Village elections exposed 70% of the Chinese population (700-800 million Chinese living in the countryside), to the democratic process.^{xlvii}

Although the CCP has adapted to allow a greater role for civil society organizations and country-wide elections, it has not abandoned traditional tactics. Supporters of authoritarian resilience point to the strengthening of the CPC's Leninist control institutions including the Organisation Department, Ministry of State Security, and Ministry of Public Security.^{xlviii} Strengthening of these institutions increases the capacity of the state to manage and control political dissent and opposition. In spite of adaptation, there is a clear focus on retaining traditional features of China's authoritarian system..

Deriving Alternate Sources of Legitimacy

The final aspect of the CCP's efforts to strengthen its authoritarian system relates to the concept of legitimacy. Henry S. Rowen explains that the CCP's legitimacy rests on three pillars: social order, rapidly growing incomes, and the restoration of China's international prominence.^{xlix} In recent years, Beijing seems to be focused on the third aspect of legitimacy. Since 2009, Chinese diplomatic behaviour and rhetoric concerning territorial disputes in the South China Sea, "shift[ed] fairly sharply in a more hard-line direction . . ."^l Chinese leaders have increasingly relied on nationalism to augment declining political legitimacy. Gordon Chang has argued that for the CCP, "without prosperity, the only remaining basis of legitimacy is nationalism."^{li} Chinese behaviour internationally seems in part a response to increasingly problematic domestic issues and could be a function of Xi Jinping's 2013 Chinese Dream national rejuvenation campaign. In addition, the CCP has sought to improve its legitimacy through the implementation of meritocratic selection and norms-based processes. Promotions became increasingly based on technical savvy, administrative skills, and educational background, rather than personal loyalty.^{lii} When Jiang Zemin selected Politburo Standing Committee members in the early 2000s, he could only select Li Peng and Zhu Rongji, on each individuals technical and administrative performance over the previous two decades.^{liii} Merit-based selection has also extended to the civil service, establishing a degree of legitimacy in the eyes of Chinese citizens. Although the future effectiveness of legitimacy based on nationalism is questionable, in the present it may be sufficient to control desires for regime change. Merit-based legitimacy of appointments augments total regime legitimacy.

Conclusion

Chinese economic growth or decline is not the single determining factor for whether or not China democratizes. Rather, the likelihood of Chinese democratization depends on the ability of the CCP to pursue policies and reforms that address emerging challenges. Although the Chinese economy is growing at a lower level, it is highly likely that it will continue to experience substantial growth. Two emerging challenges will continue to plague the CCP and may catalyze regime transition if they are not adequately addressed. Firstly, rampant corruption threatens to reduce the CCP's legitimacy. As mentioned, the CCP has pursued merit-based promotions in various sectors of Chinese society. Corruption among party officials threatens the progress made in this area. A second issue that emerges from continued Chinese economic growth is income inequality. The gap between rich and poor as well as urban and rural communities, continues to widen. This is evident in the fact that China's Gini coefficient has exceeded 0.45 which indicates, "a very uneven distribution of income."^{liv} Unequal distribution of wealth could lead to the polarization of social classes and a revolt against what is likely to be perceived as an unfair system. China's authoritarian resilience, evident in its adaptability, incrementalism, and alternative sources of legitimacy provides the CCP regime with the tools to mitigate these threats.

However, a sudden shock or major blunder could trigger a rapid domino effect leading to political instability and crisis.^{iv} Critical mistakes or a failure to address emerging issues could catalyze a chain reaction of events that leads to a reversal of the belief that Chinese authoritarianism is resilient.

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