

WHAT DEMOCRACY MEANS IN CHINA AFTER 30 YEARS OF REFORM

ROUNDTABLE
BEFORE THE
CONGRESSIONAL-EXECUTIVE
COMMISSION ON CHINA
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FRIDAY, MAY 22, 2009

CONGRESSIONAL-EXECUTIVE
COMMISSION ON CHINA,
Washington, DC.

The roundtable was convened, pursuant to notice, at 10:33 a.m., in room 628, Dirksen Senate Office Building, Charlotte Oldham-Moore, Staff Director, presiding.

Also present: Douglas Grob, Cochairman's Senior Staff Member; Anna Brettell, Senior Advisor; and Toy Reid, Senior Research Associate.

OPENING STATEMENT OF CHARLOTTE OLDHAM-MOORE, STAFF DIRECTOR, CONGRESSIONAL-EXECUTIVE COMMISSION ON CHINA

Ms. OLDHAM-MOORE. Good morning. It's a pleasure to have all of you here, a lot of frequent attendees and some new ones, which is really lovely to have new faces in the crowd.

My name is Charlotte Oldham-Moore, and on behalf of Chairman Byron Dorgan, thank you for coming today to our, I think, fifth roundtable of the 111th Congress. Today we will be examining "What 'Democracy' Means in China After 30 Years of Reform."

I'm going to turn it over to my colleague, Doug Grob, and please begin.

STATEMENT OF DOUGLAS GROB, COCHAIRMAN'S SENIOR STAFF MEMBER, CONGRESSIONAL-EXECUTIVE COMMISSION ON CHINA

Mr. GROB. Thank you very much, and welcome, everybody. On behalf of Cochairman Sandy Levin, I would very much like to welcome you here today, and appreciate your attendance at today's event.

The topic of today's roundtable is democratic governance in China, an issue of considerable debate both in China and outside of China. Chinese leaders have said that China needs to improve its institutions of democracy. The question we ask today is: how do China's leaders define democracy, especially given China's one-party state, and, what are the democratic practices that China's leaders have instituted, or attempted to institute, in China in the last three decades, especially in recent years?

China's leaders describe China's political system as a "Chinese socialist political democracy" that includes "political consultation" and "elections" for local legislatures at the county level and below

and village-level committees. At the same time, China's leaders assert that China will never adopt Western-style democracy, nor a separation of powers system, free press, or extensive elections.

China's leaders uphold China's one-party system, and scholars and experts, both in China and outside of China, continue to utilize the concept of authoritarianism to describe China's political system. However, in recent years, some have described China's authoritarianism with various adjectives such as "soft," or "deliberative," or "resilient." So how are we to understand this variety of perspectives, and what are the implications, ultimately, for U.S. policy?

Those are the general questions we ask our distinguished panelists to address today from a number of different vantage points. Dr. Cheng Li will open with general remarks on the official Chinese conception of democracy and how it differs from the West, and then discuss in more detail so-called inner-party democracy. Dr. Melanie Manion will discuss local people's congresses' elections, which only take place at the level of counties and townships in China, and concepts of representation. She'll discuss the meaning of representative democracy in mainland China today. Dr. Liu Yawei will discuss developments in local village committee elections and their impact, and will provide commentary on the future prospects for electoral democracy in China. Dr. Bruce Dickson will speak about the relationship between economic and political reforms and the prospect that Chinese entrepreneurs may be agents of political change.

Before I turn it over to Professor Cheng Li, I'd like to introduce each of our panelists in greater detail. Cheng Li is Director of Research and Senior Fellow at the Brookings Institution's John L. Thornton China Center and the William R. Kenyon Professor of Government at Hamilton College. He's the author and editor of "Rediscovering China: Dynamics and Dilemmas of Reform," as well as the author of "China's Leaders: The Next Generation, Bridging Minds Across the Pacific: The Sino-U.S. Educational Exchange," and "China's Changing Political Landscape: Prospects for Democracy." He's also the principal editor of the Thornton Center Chinese Thinkers series published by the Brookings Institution Press, and we are truly honored to have you with us today.

Also to my left, Professor Melanie Manion, Professor of Political Science and Public Affairs at the University of Wisconsin-Madison. Professor Manion studied philosophy and political economy at Peking University in the late 1970s and was trained in Far Eastern studies at McGill University and the University of London, and earned her doctorate in political science at the University of Michigan. She is the recipient of numerous research awards, most recently from the National Science Foundation, the Fulbright Foundation, and the University of Wisconsin-Madison Graduate School. Her publications include work on the Chinese bureaucracy, grassroots democratization, and the political economy of corruption and good governance in China. Her current research examines the ongoing transformation from descriptive to substantive representation in Chinese local congresses, and we are very pleased to have you with us today.

Ms. OLDHAM-MOORE. That's very impressive. Okay. Off we go.

Mr. GROB. And to my right, Professor Yawei Liu is Director of the Carter Center's China Program. He's been a member of numerous Carter Center missions to China monitoring Chinese village, township, and county people's congress deputy elections from the period stretching from 1997 all the way up to 2006. He's written extensively on China's political developments and grassroots democracy. He's the founder and editor of *China Elections and Governance*, which can be accessed online at www.chinaelections.org and chinaelections.net. It's a Web site sponsored by the Carter Center on political and election issues in China from 2002 forward and it's an outstanding resource. Professor Liu taught American history at Georgia Perimeter College from 1996 to 2008. He earned his B.A. in English Literature from Xian Foreign Languages Institute in 1982, a Master's degree in Chinese History from the University of Hawaii, and a Ph.D. in American History from Emory University. We are really very privileged to have you with us today.

Mr. LIU. Thanks.

Mr. GROB. And finally, also to my right, Professor Bruce Dickson, is Professor of Political Science and International Affairs at the George Washington University. He earned his Ph.D. from the University of Michigan. His current research examines how economic reforms are changing the Chinese Communist Party's control over China's political system, its relations with society, and especially its relations with the emerging private sector. In short, he is looking at whether economic reforms are rejuvenating the party or weakening its authority. Professor Dickson is the author of several books, including "Wealth Into Power: The Communist Party's Embrace of China's Private Sector." He is also the author of "Red Capitalists in China: The Party, Private Entrepreneurs, and Prospects for Political Change." He is also the author of "Democratization in China and Taiwan: The Adaptability of Leninist Parties." So, we are extremely fortunate, Bruce, to have you with us today as well. This is a fantastic panel. I will not say anything further, and turn the floor over to Cheng Li for his remarks.

STATEMENT OF CHENG LI, DIRECTOR OF RESEARCH AND SENIOR FELLOW, FOREIGN POLICY, JOHN L. THORNTON CHINA CENTER, BROOKINGS INSTITUTION

Mr. LI. I would like to applaud the CECC for hosting this roundtable discussion on political changes in China. The conventional wisdom in the West is that since the 1989 Tiananmen incident, China has made progress only in the realm of the economy. Many China watchers believe that despite—or because of—China's economic transformation, the Communist regime has been able to resist genuine political reforms. This belief, however, overlooks several significant socio-political dynamics that are building momentum for further political openness. An understanding of these Chinese political dynamics and experiments is critically important for the United States, as such knowledge will help us formulate better policy options. If our vision is narrow, our options will be inadequate.

In the next 10 minutes, I would like to discuss three issues: the first one is a question that is frequently asked: Is the Chinese official conception of democracy similar to that of most people in the

world, especially those in the West? Second, I want to outline some new and far-reaching socio-political forces that can contribute to democratic development in China. And third, I argue that an evolution is taking place in the Chinese political system, especially regarding leadership politics.

First, is the Chinese official conception of democracy similar to that of most people in the West? The answer is not simple. Let me answer it by making some observations. Even those who are most optimistic about the potential democratization of China do not expect the country to develop a multi-party system in the near future. Chinese leaders and public intellectuals have every reason to argue that the People's Republic of China's [PRC] version of democracy will, and should, have its own unique features. After all, British democracy, Australian democracy, Japanese democracy, Indian democracy, and American democracy all differ from each other in some important ways.

Chinese leaders clearly have widely different views of what democracy is. On one hand, Chairman of the National People's Congress Wu Bangguo recently stated that the Chinese political system is democratic and the Chinese Communist Party [CCP] will never give up one-party rule. This kind of reference is what Andrew Nathan calls the "label of democracy for practices that are anything but."

On the other hand, Premier Wen Jiabao consistently advocates for the universal values of democracy. He has defined democracy in largely the same way as many in the West would. "When we talk about democracy," Premier Wen said, "We usually refer to the three most important components: elections, judicial independence, and supervision based on checks and balances."

Premier Wen's emphasis on universal values of democracy reflects new thinking in the liberal wing of the Chinese political establishment. He likely represents a minority view in the Chinese leadership, but like many other ideas in China during the past three decades, what begins as a minority view may gradually and eventually be accepted by the majority.

Now let me move to the second issue: new and far-reaching economic and socio-political forces in present-day China. Let me briefly mention three such forces, the first is the new and ever-growing middle class, the second is the commercialization and increasing diversity of the media, and the third is the rise of civil society groups and lawyers. These new players are better equipped to seek political participation than the Chinese citizens of 30 years ago.

Let me use the commercialization of the media as an example. I grew up in China during the Cultural Revolution. At that time, the whole country only had a couple of TV stations, a few radio stations, and a handful of newspapers. In the mid-1970s, most people in China believed that official media outlets, such as People's Daily, contained only lies. At the time people joked that the only thing published in the newspaper that could be believed was the date it was published! Even the weather forecasts were manipulated so that they would be in line with the political needs of the regime.

Today, things are quite different. There are over 2,000 newspapers, more than 9,000 magazines, about 300 radio stations, and

350 TV stations in the country. They, of course, do not all tell the same stories. Corruption, the lack of government accountability, and industrial and coal-mining accidents have been among the most frequent headlines in the country in recent years.

Now, my third and final point: Political dynamics in the Chinese leadership. China is a one-party state, but the leaders of this ruling party are not a monolithic group with the same values, outlooks, and policy preferences. I argue that the Chinese leadership today is structured by the checks and balances between two informal major coalitions or factions. I call it a “One Party, Two Coalitions” formula.

One coalition is called the “elitists” and the other the “populists.” These two camps represent two different socio-economic classes and different geographical regions. Elitists represent the interest of the coastal region—China’s “blue states”—entrepreneurs, the middle class, and foreign-educated Chinese nationals—known as the “sea turtles”—while the populists often voice the concerns of the inland region—China’s “red states”—and represent the interests of farmers, migrant workers, and the urban poor. The Chinese leaders call this new political dynamic “inner-Party democracy.” At present, this “One Party, Two Coalitions” practice is neither legitimate nor transparent—although many taxi drivers in Beijing are able to tell you which leader belongs to which faction. But this inner-Party competition will not remain stagnant. Its dynamic nature will probably inevitably make political lobbying somewhat more transparent, factional politics more institutionalized, and elections more genuine. In the long run, legitimate competition may be expanded so that citizens can seek representatives in the government, contributing to a Chinese-style democracy.

In conclusion, let me make it clear that the Chinese political system is still constrained by its one-party monopoly of power, lack of independent judiciary, and media censorship. The Chinese government has a poor record in human rights and religious freedom. Political participation through institutional means remains very limited. Yet, the ongoing political and intellectual discourse about democracy in the country, the existence of a middle class, commercialization of the media, the rise of civil society groups, the development of the legal profession, and checks and balances within the leadership are all important, contributing factors for democratic change in any society. In all these aspects, China is making significant progress.

Thank you very much.

[The prepared statement of Mr. Li appears in the appendix.]

STATEMENT OF MELANIE MANION, PROFESSOR OF PUBLIC AFFAIRS AND POLITICAL SCIENCE, UNIVERSITY OF WISCONSIN-MADISON

Ms. MANION. I’m going to be talking about the local congresses or local legislatures. I’ll call them congresses.

From the 1950s through the 1980s, American scholars and policymakers easily and appropriately dismissed these people’s congresses of elected representatives in mainland China as rubber stamps. In recent years, however, without challenging the Communist Party monopoly, the Chinese congresses have become sig-

nificant political players: they veto government reports, they quiz and dismiss officials, and they reject candidates selected by the Communist Party for leadership. The liveliest congresses are found not at the center of power in Beijing, nor in provincial capitals, but below in the cities, counties, and townships.

The new assertiveness we see in the local congresses is not a grassroots movement. It was set in motion by rules that were designed and promoted by authoritarian rulers in Beijing, so understanding what has and has not changed in these local congresses is a window on the officially acceptable meaning of representative democracy in mainland China today.

So my argument this morning, in the next 10 minutes, is that congressional empowerment exemplifies a difficult, risky, strategic, and partly successful Communist Party effort to strengthen authoritarianism by opening up politics to new players, giving them procedural status in the political game, and accepting losses in particular instances in order to win the bigger prize of authoritarian persistence.

It is a difficult effort. It's a difficult effort because a legacy of congressional irrelevance cannot be easily erased in the minds of ordinary voters and local party and government officials. It's a risky effort. It is a risky effort because credibility requires that the effort go beyond authoritarian cheap talk.

But the regime certainly does not want to encourage runaway democratization in the form of new democratic parties or too many independent candidates. It is a strategic effort. It is a strategic effort in the sense that it is designed not to promote liberal democracy, but to strengthen authoritarian rule with more responsive political institutions under the guardianship of a single Communist Party.

Finally, the effort is only partly successful. Local congress representatives do see themselves as substantive political players with electoral legitimacy, not the congressional puppets of the Maoist era. This is especially the case in congresses at lower levels. Popularly elected congress representatives speak and act the new language of voting districts, constituents, constituent interests. They help their constituents with private matters. They work to privatize local public goods, and they see this as their most important responsibility, in surveys we've conducted.

They see their second most important responsibility as electing government leaders. This is a quasi-parliamentary system. In electing government leaders, local congresses are not the simple stooges of local Communist Party committees as they were in the past. In nominating candidates for government leadership, the Communist Party committees can no longer treat the congresses as reliable voting machines.

When local Communist Party committees fail to take local interests into account in nominating their candidates for leadership, these Party committee candidates can, and do, lose elections. Again, this is especially the case in congresses at lower levels.

At the same time, and despite official voter turnout figures of over 90 percent, reliable survey evidence indicates that very high proportions of ordinary Chinese know little or nothing about local congress candidates on election day, say they didn't vote in the most recent congress election, and can recall nothing their congress

representatives have done in the past term. Most alarmingly for the Chinese authorities, these proportions have increased, not decreased, over the past 15 years.

In short, if local congress representatives now think and act as agents of their constituents, it is not because ordinary Chinese voters see themselves as principals. Put another way, if representative democracy is working, most ordinary Chinese do not yet see it that way.

To understand these different perspectives it is useful to understand what has and has not changed in the rules. Now, let me first summarize a few important unchanged features of Chinese representative democracy. First, direct electoral participation by ordinary Chinese is restricted to the lowest congress levels. Only township and county congresses are elected in popular elections. Above the county level, elections only involve congress insiders. Each congress is elected by the congress below it. This reflects an elitist notion of guardianship that is both Leninist and traditionally Chinese.

Second, congresses are large, unwieldy, they meet infrequently, and most representatives are amateurs with neither the time nor material resources for congressional work. The working congresses are the much smaller standing committees, but not all standing committee members at all levels work full-time for the congresses, and there are no standing committees at all at the lowest congress level. These large, amateur congresses reflect a Marxist view that only by continuing to work on the front line, at the grassroots, can representatives forge a meaningful relationship with their constituents.

Finally, and not least of all, a single Communist Party monopolizes political power. Competing political parties are banned. This is important in at least two ways. Communists numerically dominate all Chinese congresses at all levels. They make up about 65 percent of township congresses and about more than 70 percent of congresses above this level. So as a matter of organizational discipline, as a matter of Party discipline, the Communist Party should be able to impose its will on all Congresses.

A second consequence of Communist Party monopoly has to do with interest representation. Without competitive interest aggregation along Party lines, or any other observable lines, Party has no meaning as an organizing category for voters. Voters cannot sort out their representatives and assign, through votes in a popular election, credit or blame for governance outcomes. Put another way, the Communist Party monopoly strips representatives of labels that reflect policy orientations, and this places a truly impossible information burden on voters.

Let me turn now to what has changed. In the interest of time I am going to focus on the most fundamental set of rules, and that is congressional electoral reform, particularly this direct popular election of congresses at the township and county level.

In 1979, the first local Congress elections of the post-Mao era introduced three new electoral rules: elections must be contested; voting must be by secret ballot; and groups of ordinary voters may nominate candidates. Now, these rules were a radical departure from Maoist-era practices. They remain the basic organizing prin-

ciples of congress elections today. These and other electoral rules created new opportunities for ordinary Chinese and new challenges for the authorities.

For example, voter nomination. Voter nomination of candidates mobilizes ordinary Chinese to bring them into the electoral process at the very beginning, only to disappoint them even before election day, so any group of 10 voters may nominate a candidate. This is a really low threshold of support.

One result is a large number of voter-nominated candidates, tens, sometimes hundreds of candidates for two or three congress seats. Winners in congress elections must win a majority, not a plurality, of votes. So to produce a decisive election the rules set a ceiling of no more than twice the number of candidates on the ballot as congress seats. This means that, by default, the process of winnowing out many tens of candidates, called fermentation—rough translation from the Chinese—to choose a few candidates for the ballot has to eliminate a large number of voter nominees.

Most nominees are passive. They don't take the initiative to seek congressional office. There are a small proportion of voter nominees who are independent candidates who orchestrate their nomination by voters and actively seek office to promote individual or collective goals.

The law permits independent candidates, but there are plenty of ways for election committees to harass them. This harassment is routine. In addition, the election committees manage this pivotal process of winnowing out, and that is much criticized as a "black box." Election committees are also instructed to induce candidates—to induce congresses that satisfy certain electoral quotas—20 percent women, for example.

So to reduce that electoral uncertainty which is created by real contestation and secret ballots, this winnowing out process takes these quotas into consideration. Overall, we find that candidates who are nominated by the Party and who are nominated by Party-controlled organizations do better than voter nominees in the winnowing out process, and they also do better in the elections themselves. This creates a credibility problem. In the words of two preeminent Chinese congress scholars, "This situation disappoints voters, especially voters who nominate candidates, and leads to suspicion about the fairness of the elections."

From initial nomination of candidates to election day is a mere 15 days. Electoral campaigns are prohibited by law. With little time, without campaigns, without competitive Party labels, a high proportion of Chinese vote blindly.

In the late 1990s, some localities allowed election committees to arrange face-to-face meetings between the candidates and voters and they also organized de facto primary elections instead of the winnowing out process. The system did not implode with this modest local tinkering. Indeed, the political center responded. In 2004, the electoral law was revised to include these features.

Let me conclude. So I commented earlier that if representative democracy is working, most ordinary Chinese do not yet see it that way. What has and has not changed in the rules that govern congresses and congress elections goes some way toward explaining

this. Representative democracy in mainland China is not authoritarian, cheap talk.

At this point in time, however, it remains essentially a game of congress insiders. For them, what is most salient about elections is a new electoral uncertainty; with secret ballots and electoral contestation, they can lose. As winners, then, they have electoral legitimacy; representatives in popularly elected congresses think and act responsively as agents of their constituents. By contrast, ordinary Chinese pay attention to local congresses once every five years when they are immobilized to vote in elections that are not yet well-structured to generate their interest.

Thank you.

Ms. OLDHAM-MOORE. Thank you, Ms. Manion.

Dr. Liu, please.

[The prepared statement of Ms. Manion appears in the appendix.]

STATEMENT OF LIU YAWEI, DIRECTOR, CHINA PROGRAM, THE CARTER CENTER

Mr. LIU. I want to thank the CECC for inviting me to speak. The last time I spoke here was seven years ago on a subject I feel passionate about. I have a written statement which is outside, so I'm not going to read my statement. Reading it would be like Hu Jintao reading his political report to the National Party's Congress.

So what I'll do is tell you stories. I want to use the sound and fury of China's elections to enliven the discussion here, and then I will draw tentative conclusions from these stories. Toward the end, I will say something about where to go and what to see in terms of electoral democracy in China, and I will offer some suggestions for policymakers in the United States on what to do.

Stories now. In 2006—this is a personal story—I was in the office of the Ministry of Civil Affairs [MCA]. I was talking to an official. We work with them to observe village elections. Then he received a phone call from the county Party secretary of Qingxian. This is a county in Hebei Province. The Party secretary was literally crying like a baby into the phone of the MCA official.

I asked why was he crying? He said he was crying because he introduced what we call the Qingxian model, an effort to resolve the tension between popularly elected village committee chairs and the Party branch secretaries. So he came up with an idea. He said, the Party branch at the village level should be in charge of big things, village committees should be in charge of small things.

So the organization apparatus people asked him, what do you mean by "the Party branches are in charge of big things?" He said, "big things" means recruitment of Party members, ideological purity of the Party members, and small things means budgeting, decisionmaking, all the other things. So the organization apparatus officials immediately realized this is not the way to go, they want to toss him. That's why he cried.

The second story. The first story happened in 2006, the second story in 2007. This was April 20. There was an election in the village in Liaoning Province in the northeastern part of China. There was a total of 560 voters. The winner won the election by 307 votes. Later on, he found out the township government would not certify the election. After some investigation, he found out one vil-

lager reported that he engaged in vote buying. The villager said he received one pineapple and two bottles of liquor from him.

So he started the process of trying to clear his name, trying to get the township government to confirm his election. Six months passed, nothing happened, and he was so outraged that he went to the other villager's home who reported vote buying and killed all five members of the family, including the daughter of the person who just was about to graduate from a good university in China.

When he was interviewed by the reporters, he said this is not personal, this is political. He said he was trying to use the legal process to get the situation corrected. Nobody responded to him. When the reporters went to the village and talked to the other villagers, everyone was sympathetic with the murderer, not with the one who reported it, because apparently the township government didn't like him and therefore they didn't want to confirm him. The township government never looked into the charges against him.

The third story took place on November 4, 2008, election day here in the United States. On that day, in the Great Hall of the People, the Minister of Civil Affairs held a meeting to commemorate the 10th anniversary of the formal promulgation of the organic law of the villager committees—the law that mandated direct village elections. According to the minister, one of the accomplishments of villager self-government is that the law was going to be amended very soon. It was finally put on the legislative agenda of the National People's Congress. So toward the end of the year or early next year, this law was going to be amended. Now, the law was first passed on a provisional basis in 1986. Twelve years later, in 1998, the law finally became a real law in China. It's going to take another 12 to 13 years for the National People's Congress to amend the law.

The fourth story took place in December 2008, in my home province, Shaanxi. There was an election to be taking place the next day. There were two candidates. One candidate circulated a flyer saying, if elected, in the next three years he would guarantee that each villager's income would increase by 20,000. The other candidate was an entrepreneur.

On the election eve, when all dogs were barking in the village, everyone received a flyer from the entrepreneur candidate indicating that if he was elected he was going to give 20,000 Chinese dollars—which is equivalent of 3,300 U.S. dollars—to every eligible voter in the village the next day. He won the election by 30 votes. On the following day, as promised, he put the money into the bank accounts of all 700 voters. We're talking about 2 million U.S. dollars.

So there's a huge debate on whether this is vote buying. The money was distributed after the election was over. He didn't care whether he was voted by this voter or not, everyone was going to get 20,000 RMB.

The fifth story took place March 30 of this year. The murder story I mentioned earlier appeared in a news magazine run by the New China News Agency. Dr. Li Cheng talked about how liberal the Chinese media has become. So there was this very negative publicity on village elections. The next day, the Ministry of Civil Affairs worked with New China News Agency to file a wire story,

which I quoted in my written statement. This is a three-scholar dialogue on how good village elections are.

My sixth and final story is about a blog written by a professor from Renmin University—also known as People’s University—one of the best universities in China. In the blog, which was viewed by hundreds of thousands of Chinese net surfers, he basically said democratic elections in developing countries never work. They never deliver stability and prosperity. He had a long list of violence taking place in different countries in the world in the wake of national elections. He also talked about how violent Chinese village elections have become. He said democratic elections will only lead to murder, hatred, and resentment. He used Pakistan, Iraq, Haiti, and other countries as an example to declare that “we need to stop this great leap forward of elections in China.”

These are my stories so you can get the feel, the sound, and the fury.

Now, what conclusions can we draw from these stories? First, the Party apparatus organization, the [*zuzhibu*] apparatus is very resistant to the idea of allowing villagers to govern themselves. It seems to be an alien concept to them to let people govern themselves. I wrote in my written statement that these officials have to learn and to adapt. This is going to be a long process.

Second, the township government does have huge control of every election. By law, they’re not allowed to intervene, but if they don’t offer support, if they don’t deal with complaints, that is going to have huge ramifications for the villagers themselves.

Third, there is what I call the power elite, made up of officials and scholars who basically use these isolated cases of violence, vote buying, and electoral fraud to say that democratic elections Western-style will never work in China. We need to stop that.

Fourth, the absence of a good law is hampering democratic elections and the villagers’ self-governance at the grassroots level. Look at how long it took to amend the law. The organic law of villager committees does need articles and clauses to define what is vote buying and to clearly identify, if you violate the law, what kind of punishment is going to be assessed. Otherwise, this will always be what many Chinese legal scholars call a soft law. It’s not going to work.

Fifth, the Ministry of Civil Affairs—this is where many scholars say the true reform-oriented officials are—tries very hard to deepen the reform, but on the other side they have to deal with public relations. The story I tell you is that the media reporting of village elections have tended to be very negative in recent years, unlike in 1997 and 1998 when the law was finally amended, everyone was talking about village elections being a silent revolution that’s going to change China in a very fundamental way.

Finally, village elections are no longer a top priority of the government, particularly at the time of the economic downturn. Policies were made not to improve the quality of the elections but to see how to deliver public goods efficiently and effectively. They are about making services available to the urban and rural—particularly the rural—dwellers. They have to make people feel happy, because if the pursuit of happiness is getting taken care of, the legitimacy of the Party will remain intact. These are the tentative

conclusions we can draw about the current status of village elections in China.

Now, where to go from here? Melanie already mentioned, I think we're going to see, if there's going to be real, truthful, meaningful electoral democracy in China, we'll have to look at People's Congress deputies' elections at the township and county levels. Melanie already talked about how important the people's deputies can be so I won't elaborate on that.

What I will do is give a sense of scale. In terms of counties, where voters directly elect the county people's congress deputies there are 2,860. That's how many counties there are in China. In terms of townships, the number is 41,000. How many deputies are elected? About 3 to 4 million. Now, if these elections are real, if the elected deputies at this level can elect government leaders, then things will change in a very fundamental way. So if we're waiting for—the never-coming, long overdue electoral democracy, this is going to be it.

To see if there is real will and an action plan, the year we are going to watch is 2011–2012, because every five years is a new election cycle. So that's what we're going to see.

In terms of what can we do? Not much. Really, there's not much we can do. The U.S. Government should not tell the Chinese how to run elections, but there are things we can do. We acknowledge that China does have elections and we want to observe these elections. American leaders can give speeches. Before President Bush went to China in 2005, he delivered a Kyoto speech on November 18. He said the essence of democracy is universal. The paths, the roads to democracy are different, procedures of democracy are different. President Bush made that very clear. The Japanese, British, American, French all have different democracies. We should acknowledge that China is going to have a democracy maybe without a multi-party system, maybe without a lot of things that we are familiar with. So we need to ask about, we need to encourage, we need to acknowledge that there are elections.

As I mentioned earlier, the government should not tell the Chinese how to run elections, but the government should insist that NGOs—although this is also a sensitive issue—be given access in China. We've been working in China—together with the International Republican Institute—working in China on grassroots election—but we should tell them that these NGOs have been working in other developing countries, they do have technical expertise. They are not intervening; they are simply providing technical assistance.

We also need to try to tell the Chinese that the same kind of expertise can be offered in other areas other than elections. Rather than to simply say we want to offer support in the election area, we can offer support on e-government, we can offer support on access to information, we can offer support on building a vibrant civil society. I think that might be a better, and more productive approach. Thanks.

Ms. OLDHAM-MOORE. Okay. Thank you, Dr. Liu.

Dr. Bruce Dickson.

[The prepared statement of Mr. Liu appears in the appendix.]

STATEMENT OF BRUCE DICKSON, PROFESSOR OF POLITICAL SCIENCE AND INTERNATIONAL AFFAIRS, THE GEORGE WASHINGTON UNIVERSITY

Mr. DICKSON. I would like to begin by thanking the Commission for inviting me here, and thank all of you for showing up on the beginning of a holiday weekend to hear our comments.

From the start of the reform era in China over 30 years ago, it has generally been an assumption, mostly by foreign observers of China, that eventually political reform will have to be in parallel with economic development in China. This is sometimes based on the notions of modernization theory, that economic development leads to democracy.

In some cases, it is based on what has become known as the Washington consensus, that for economic development to be sustained and for a true capitalist economy to emerge it has to be combined with a minimal state and a democratic political system. But the Chinese example after these 30 years points to some of the flaws in these assumptions. What has become known as the Beijing consensus indicates that not only is authoritarian governance compatible with economic growth, in some cases it may be preferable. I am not proposing the truth of this statement myself, but it is a notion that can be heard coming from China now, and some foreign observers use China as an example of the benefits of authoritarian rule for rapid growth.

From the Chinese perspective, the Chinese Communist Party leaders are hoping that economic development in the country will not weaken its rule, just the opposite: they hope that rising living standards and ongoing economic modernization will create popular support in the country that will prolong its rule indefinitely.

One of the most consistent findings in research on contemporary China is that, much to our surprise when we look at China and see it riven with corruption, inequality, other types of governance failures, nevertheless there is a remarkably high level of support for the government in ways that are not often appreciated. The Communist Party has proven to be far more adaptable, far more durable and even more popular than the conventional wisdom would expect.

The notion that privatization will eventually lead to democratization of the country often assumes that the Communist Party is a passive actor in this process, but in fact it has been the main instigator of privatization which has led to the rapid development in the country. Its close embrace of the private sector has encouraged its development, and in many ways its success, over the years and decades of reform.

The rhetorical commitment to the private sector has increased in both the Party and the state constitutions in the country. The CCP has offered an elaborate ideological justification for promoting private entrepreneurship, and even integrating capitalists into the political system. Jiang Zemin's notion of the "Three Represents" was largely designed to legitimize this practice of incorporating capitalists into what remains of the Communist system in the country.

The Communist Party has encouraged its own members to go into business, not just former Party and government officials but also rank-and-file members, to "take the lead in getting rich"—a prominent slogan in the 1980s—and to actively be a part of the pri-

vate sector. It has also co-opted successful entrepreneurs into the Party. Those who are both Communist Party members and private entrepreneurs are often referred to as “red capitalists” to indicate this connection with the Party.

Whereas only about 6 percent of the population of the country belong to the Party, almost 40 percent of private entrepreneurs are also Party members. Most of them were in the Party before going into business, but about a third or so of them were co-opted afterward. This shows the growing integration at the individual level of entrepreneurs into the Party and Party members into the private sector.

There is also a growing number of institutional links between the Party and the private sector. Many of the business associations in the country are officially sanctioned, or at least closely supervised by, the Party. There is also an attempt to build Party organizations within private firms and this process has picked up since the time the “Three Represents” slogan was adopted into the Constitution. Building Party cells in private firms is not just a way of putting eyes and ears of the Party into the private sector. In many ways, these Party cells operate more as logistical support for the firms themselves. They support the business aspects of the enterprise more than the ideological training that usually you would expect Party cells to do.

The assumption that privatization will lead to democratization of the country also assumes that capitalists are inherently pro-democratic. This is largely based upon the European experience. Barrington Moore’s phrase “no bourgeois, no democracy” still seems to be influential in lots of people’s thinking, but the experience of late-developing countries in Asia and elsewhere indicates that capitalists are rarely at the front edge of political change, and democracy in particular. There is often much more cooperation between the state and business in developing countries than had been the case for the western European countries.

In China’s case in particular, many of the private entrepreneurs in the country have very close, shared ties with Party and government leaders. In some cases, this involves family ties: many sons and daughters of high-level officials have gone into business in the country, and often very successfully so. Other entrepreneurs have shared social and school ties or professional links with officials that create a common link with the state, and they share an interest in promoting rapid growth. The Communist Party has pursued rapid growth as one of its claims to legitimacy, and obviously the private sector supports that initiative.

So in China, as in other developing countries, the state and business are very closely intertwined. The shared identities and common interests create support for the status quo. Entrepreneurs in China have been the main beneficiaries of the Party’s economic reform policies and have little incentive to prefer democracy as an alternative regime in the country.

Whether in terms of their willingness to be integrated into the existing political system institutions—the local people’s congresses that Melanie Manion has talked about—or even village elections—as Liu Yawei has talked about—many entrepreneurs are actively involved in the political institutions that exist and have not tried

to form alternative parties or alternative organizations to try and challenge the status quo in the country.

What could cause that to change? So far, China's capitalists have not shown much indication at all of promoting for political change. But several factors might point them in a different direction. One would be a decline in the pro-business policies that the Communist Party is currently pursuing. With the economic downturn there's been a concern about what types of policies will be promoted. As Cheng Li mentioned earlier, there has been a populist strand of thinking among the very top leadership. Policies that are designed to redistribute wealth, to increase equality in the country, as opposed to pursuing rapid growth, may also cause capitalists to re-think their commitment to the status quo.

Oddly enough, the emergence of a true market economy would also loosen this link between entrepreneurs and the state. If they were less dependent on the state for access to capital, to bank loans, to exports, and so on, they would have less need to support the system as it is.

If there was a dramatic increase in corruption, that would also lead them to re-think their support for the regime. The concern for corruption is one of the factors that lead people to have less support for the status quo than would otherwise be the case.

Just let me end with two policy implications from this, neither of which are particularly novel, but I think still important. First of all, economic growth alone does not produce democracy, and therefore promoting prosperity in China will not guarantee political change there.

Second of all, capitalists in China and elsewhere are not necessarily democrats. Promoting privatization, therefore, will not guarantee democratization of the country. The same people who benefit from privatization seem to have no particular interest in and do not see any real benefit of a democratic alternative.

Last, even though my comments did not directly touch on this, a final implication for looking at China's future, in light of the experience of Russia and other post-Communist countries, is that the alternative to Communist rule in China is not necessarily a democratic regime.

Thank you.

[The prepared statement of Mr. Dickson appears in the appendix.]

Ms. OLDHAM-MOORE. Thank you, Dr. Dickson.

Now we're turning to the Q&A portion of this proceeding.

First, we're going to turn to Anna Brettell, who's our senior researcher, and was instrumental in putting this panel together, to ask the first question. Please, Anna.

Ms. BRETTELL. My question relates to transparency during inner-party, village, and people's congress elections. It is my understanding that there are few, if any, domestic or international groups that go out and conduct election monitoring, that might help to highlight and resolve some of the problems that we see in those elections.

Transparency is especially important in the inner-party elections, because there is still one-party rule in China and the Party organizations still reach down into society at all levels, so it's really in the interest of all Chinese citizens to know what's happening with

elections. I am wondering, how transparent are inner-party elections, and why isn't there more monitoring—election monitoring by individuals and groups that go out to the villages, townships, and counties around the country to help monitor elections?

Ms. OLDHAM-MOORE. Anna, do you want this directed at one person right now?

Ms. BRETTELL. No.

Ms. OLDHAM-MOORE. Okay. Great. Just brief responses, if you will, so we can go right back to the audience. Thank you.

Mr. LI. Shall I?

Ms. OLDHAM-MOORE. Yes, please.

Mr. LI. Well, first of all, as I said in my formal statement, there's a lack of transparency. But there are several things that I should also clarify. Procedures are actually already there in inner-party democracy. Several things: One is term limits. No leader should stay in power for more than two terms. Each term is five years. Second, the age requirement for retirement. In a way, it is really biased against the elder leaders, but at least it creates a kind of sense of fairness. For example, in the Central Committee, with a total of 371 people, no one was born before 1940. Everyone who was born in 1939 or earlier retired. There's no exception.

There is also fairness in terms of regional representation—each province has two full-member seats. The exceptions are Xinjiang or Tibet, they can have three seats. It is the Chinese-style affirmative action.

Also, there are regular elections in which there are more candidates than seats [*cha'e xuanju*] and about 7.5 percent or 12 percent on the ballot will be eliminated. Also, you do see the list of the alternates of the Central Committee, and their names are ranked according to how many votes they receive. Those in the bottom receiving the lowest number of votes are usually princelings, children of high-ranking officials or top leaders' bodyguards. Jiang Zemin's bodyguard, for example, got the lowest vote in a recent election.

This is actually quite transparent. If you look at the Chinese Xinhua news Web site, you can find these rankings of alternates by votes in the past two decades. But of course, we still don't know how the deal was cut. Largely it's the previous standing committee or Politburo that decided the next one.

But the interesting thing is, for the Party congress in 2007, and also the state council election in the National People's Congress last year, both top leadership lists were actually leaked out three or four weeks before they were announced. It turned out that these lists were completely correct. It's not because some in the media were really brilliant in predicting the appointments of these new leaders, or some scholars predicted the election of these leaders. It's just because the real lists were leaked out.

In that regard, it's still largely a political manipulation and lack of transparency. But at the same time, the procedures and rules were clear and deals were constantly cut, as a result of increasing transparency in a relative sense. Of course, if it really becomes transparent, China will become a democracy. It, of course, has not reached this stage yet, but you do see some sorts of important in-

formation available, some are not. That's the dynamic we're into right now.

Ms. OLDHAM-MOORE. Thank you.

Dr. Manion?

Ms. MANION. Yes. So you've touched mainly on the elections within the congress, sort of, I guess, the congress insider elections. Let me focus on the elections which involve the ordinary Chinese people. I want to say three things. One, is the elections themselves, the problems of transparency in the congress elections, mainly proxy voting and roving ballot boxes. These are especially common in the rural areas. There are rural areas where that is the most common mode of voting and that really opens the possibility for abuses. The Chinese know this. Roving ballot boxes—it's very difficult to get rid of these just to enable people to vote. Proxy voting. They're starting to try to have more regulation of this.

The second issue is not in the elections themselves, but it's in that winnowing out process, which is absolutely pivotal because this is where we're talking about who's on the ballot. That is a most untransparent process and that has been hugely criticized by Chinese scholars who tend to favor primary elections.

As I've said, primary elections is something that some localities have experimented with because they are much more transparent, it's choosing who's going to be on the ballot through a primary election, and that is something that's permitted in the most recent version of the electoral law. It's not yet widely practiced, however.

Let me say one final thing about this winnowing out process. In fact, it is not transparent. I mentioned the electoral quotas, and I used the example of women. We're talking about congresses as a movement from sort of this mirror of society to substantive representation. At the same time, the Chinese still have not abandoned a notion that congresses should still mirror society, that different groups in society should be reflected in the congresses.

So that very untransparent process is also used by election committees to try to stack the decks in favor of particular social groups on the ballot because they can't control who wins anymore, but they do have control over the ballot. So one of the interesting things is, it doesn't always mean government officials are on the ballot.

It can mean trying to find more women on the ballot. People in democratic parties are trying to find the ideal candidate, an intellectual woman, a well-educated woman who's in one of the eight satellite parties, you know, the democratic parties. Well, you're going to get on the ballot. So this is a very untransparent process, sometimes, to achieve these aims of having congresses that mirror society, whether or not they represent society's interests.

Ms. OLDHAM-MOORE. Thank you.

Would you like to—

Mr. LIU. Yes. I just want to make it very quick. Village elections are a lot more transparent than any other elections. The intra-party elections are the least transparent. Furthermore, Chinese are not terribly concerned about secrecy of the ballot. They are very transparent about—for example, we want 15 percent of women to serve at the county level of the people's congress, but how you get there is not transparent. So where we want them to be secret,

they're not secret. Where you want them to be transparent, they're not. The more competitive the elections, the more transparent it is.

Ms. OLDHAM-MOORE. Dr. Dickson? No? Okay.

So we're going to turn to the audience now.

This gentleman here.

Mr. MARTIN. I'm Michael Martin from the Congressional Research Service. In a couple of presentations you referred to a notion of Chinese-style democracy. If I may, in many ways, all of you who went on to then make presentations assumed that Western-style democracy is—

Ms. OLDHAM-MOORE. Excuse me. Can the folks in the back hear this?

VOICES. No.

Mr. MARTIN. Okay.

Ms. OLDHAM-MOORE. Thanks.

Mr. MARTIN. All right. Well, but then in many ways your presentations went on to assume a Western-style democracy, that is to say, that you had to have secret ballots and election process, and that democracy comes from a process of elections. However, you just talked about a different version, which is a democratic system, is one where everybody is represented in whatever official body, different segments of society are represented in an official body, that then makes power—makes decisions.

One could also argue that in Chinese tradition there's a notion of democracy or governance that comes from having representatives who are good governors, who effectively do what the people want no matter how they're selected. Then in addition, one other example of sort of a Chinese-style element of democracy was in the late 1970s and early 1980s. They experimented with the election of factory managers.

Ms. OLDHAM-MOORE. Okay. I know there's a question in here.

Mr. MARTIN. Okay.

Ms. OLDHAM-MOORE. Thank you.

Mr. MARTIN. I'm getting to it.

Ms. OLDHAM-MOORE. No worries.

Mr. MARTIN. Anyway, I'm wondering if you can talk a little bit about what you would see Chinese-style democracy or the Chinese leadership are seeing as Chinese-style democracy rather than comparing China to the degree to which they reflect our style of democracy.

Ms. OLDHAM-MOORE. Okay.

Mr. MARTIN. Do you see that they continue to see the legitimacy of their government based on good governance or on the process by which they're being selected?

Ms. OLDHAM-MOORE. Okay. Just one person for this question. Dr. Dickson, do you want to take it? Okay, Dr. Li. Yes, please.

Mr. LI. Well, again, I think that democracy, I believe, reflects a universal value. Of course, there are different variations among democracies. But the question for China at the moment is how to make the transition. What is the road map for China's democratic transformation? Again, very few Chinese will argue that China should have shock therapy and immediately adopt a multi-party system.

Second, from the Chinese leadership perspective, democratic reforms should have some procedures and priorities. They want to start with inner-party democracy first, and then general democracy, start with the rule of law first and then elections, start with low-level elections and gradually move up from village, to town, to county, to province, et cetera. This is their plan; whether it can work or not, we don't know. But that is what they emphasize as the Chinese style of democracy.

Again, ultimately, it's a universal value. Wen Jiabao used this definition of democracy, and it's a definition we also use: election, independence of the judiciary, and supervision with checks and balances, including media freedom. But again, it's the process. It's the transition period that is the most difficult part.

Twenty years ago we talked about Chinese-style market reform or socialism with Chinese characteristics. It's a name to refer to privatization. But now we found the Chinese economy quite similar to a market economy, but it also still maintains some kind of Chinese-ness. I do believe that China is already largely a market economy.

Ms. OLDHAM-MOORE. Thank you.

Yes, sir. please. Just stand and state your name, and project so the folks in the back can hear you.

AUDIENCE PARTICIPANT. Professor Dickson [off microphone] not necessarily lead to democracy, and this symbiotic relationship between the Chinese Party state and entrepreneurs is a very good example. I wonder when and whether the Party will—a less pro-business policy—possibility in this—see that this relationship becomes more entrenched—for instance, is it not at all possible to see entrepreneurs beginning to be admitted into the Central Committee, or even the Politburo?

Ms. OLDHAM-MOORE. Thank you.

Professor Dickson?

Mr. DICKSON. Because of what Cheng Li has referred to before as the bipartisanship within the Party, by the combination of both the elitist and populist factions, it would be very difficult for the Party to abandon its pro-growth policies, pro-market policies because you've got a very strongly entrenched group that's in favor of it. In fact, even with the populists in charge during this current generation of leadership, growth has gotten faster than it was when the elitists were in charge. So, both groups are committed to rapid growth, but the question is, how do you deal with some of the negative consequences that come from it?

Although private entrepreneurs are not represented in the Central Committee, much less the Politburo, there are some capitalists who are already in the Central Committee but they're largely heads of state-owned enterprises or what used to be state-owned enterprises but now have been reformed in different ways, but not by any definition private. So far, no private entrepreneur has made it even into the alternate list of the Central Committee, which indicates some resistance to having private entrepreneurs be represented at the very top of the political system. As long as you don't find people even on the alternate list, you'll never see them on the Politburo. I think when you see a truly private entrepreneur in the Politburo or appointed to a ministerial level position in the

government, that would be an indication that this system has fundamentally changed.

Ms. OLDHAM-MOORE. Dr. Li wants to add a quick point.

Mr. LI. Well, first, I disagree with your assumption about when China will adopt a less market-oriented stance—but in my view it's already happened during the past five or six years since Hu Jintao and Wen Jiabao came into power. They have adjusted Jiang Zemin's more market-friendly policy, so that now policy should restrain the market. There's less bank lending and land leasing.

You can see that the stock market buyers in Shanghai are not very happy with Hu Jintao and Wen Jiabao's policies. Particularly in the coastal private sector there was a concern about their macroeconomic control policy. In my view, actually, in the next few years you will see another shift back, particularly if Xi Jinping comes to power and especially after he consolidates his power. Now they want to accelerate Shanghai's growth. The first quarter of this year, in terms of the GDP growth, Shanghai was the very bottom, so the private sector there is already hurt, particularly with the macroeconomic control policy that started in 2004. It really hurt the private sector to a great extent.

Now, the second part of your question: when entrepreneurs will join the Politburo. I think I will rephrase that in a slightly different way. I think certainly the fifth generation will succeed Hu Jintao and Wen Jiabao in a few years. There's no major entrepreneurs in the fifth generation that will enter the Politburo. But elite politics in the following generation, if we may call, the sixth generation, will be a different game. Whether at that time the Chinese Communists will still be with us, I don't know.

But one thing is already clear. Look at the children of these fourth and fifth generations of leaders, none of them serves in the CCP political system. They are all in business, whether private sector, joint ventures, or state-owned enterprises. These are real entrepreneurs. Of course, they had political interests as well, when they become interested in political power, it will be a different game. So I think the answer to your question is, it will take about one and a half generations.

Ms. OLDHAM-MOORE. Thank you.

Mr. VEGAS. Well, thank you very much. Actually, I have a lot of questions.

My name is Joe Vegas and I'm from the American Federation of Teachers. I'm very interested in education, teachers, local elections, corruption at the local level, the results of the—low salaries of rural teachers in particular—and often they're not—I'm also interested in the education process and what impact that might have on democratization.

I think that Dr. Manion, you had mentioned that—I'm curious—differences between urban areas and rural areas—and differences on various levels of education. What I'm getting at is, will the improvement in the education system and increase in information and knowledge possibly create pressure on younger people for participation, rights, et cetera?

And second, Dr. Dickson, are there any forces of resistance that are beginning to emerge? I'm thinking about workers, for example, who are unemployed, farmers who lose their land and protest

movements that are challenging authoritarian rule, partly as a result of economics—massive transfer of—so sort of a—particularly since we're on the eve of Tiananmen, all of your presentations seem to lead one to believe that not much changed.

Ms. OLDHAM-MOORE. Okay.

Mr. VEGAS. —challenge at that time.

Ms. OLDHAM-MOORE. Great questions.

Dr. Manion? Then we'll go to Dr. Bruce Dickson.

Ms. MANION. First, let me start at the beginning—start at the end, rather, with “not much change is possible.” Listen carefully: I think we're all saying there's been a lot of change. If, by change, you mean grass roots, popular, rowdy—what the authorities would call rowdy disruptions, no. I mean, who knows? I was in Beijing on June 4, and believe me, at that time I thought the university students were the most boring, materialistic people. I was shocked when they engaged in the sorts of things on the street. So, we're very bad at predicting those sorts of things, right? But I think we're all talking about major change, major political change, which has been top down. Okay.

Now, let me get to your other questions: urban-rural differences. Very briefly, the particular survey—the best survey that I know of is political participation in Beijing and it's that one where I talked about, over time, can you remember anything your congress representative has done in the past five years.

This is a survey that is a wonderful, reliable, stratified probability sample, Beijing, the most politically active population in China: over time, a decrease in political interest. So that's an urban population in a highly—a highly politicized urban population in China, and over time interest in congresses has decreased.

Education. Generally we do see the same effects of education on political interest in China as we do elsewhere, which is the more highly educated, the more interested. Then the other thing in terms of urban-rural differences, one of the things that you are starting to see, I mentioned independent candidates. One of the things that you're starting to see in the urban areas are home owners committees, so the private home owners committees becoming more politically active. Indeed, some members of home owners committees have run for congresses and won.

Ms. OLDHAM-MOORE. Dr. Dickson, please?

Mr. DICKSON. Most of the research on popular protests in the country has shown that protesters are very careful to not question the policies themselves, but focus more on how they're implemented. So you don't question whether or not China should be pursuing a market economy, you instead focus on how local officials are engaging in corrupt practices to take advantage of that transition, through land grabs where farmers have their lands taken away and have been given just a pittance in compensation, and that land is then redeveloped as an industrial park or a commercial park of some kind. That is a very common cause of protest in the country.

Usually what people are demanding is not a roll-back of the policy, but just that they want fair compensation for their land, which is a very different type of demand from a call for national elections to overthrow the Party, that kind of thing. Protesters are very care-

ful not to engage in truly political or politicized issues, but focus more on bread-and-butter kinds of issues.

In a larger sense, there seems to be a notion that it's correct to move toward a market economy and move away from the central planning system, even with its variety of social and welfare benefits that went with it, so when people lose their jobs they often do not blame the policy, they blame the fact that their manager was corrupt, that they had bad luck to be working for this firm that went bankrupt, that they are working for a sleazy foreign capitalist who closed shop and left without paying them back wages, but they don't actually blame the policies themselves. So in that sense there isn't a rising amount of ferment in the country. Popular resentment is largely directed at local officials and local corruption and not at the policies themselves.

Ms. OLDHAM-MOORE. Okay. Dr. Li, very briefly.

Mr. LI. Just 20 seconds.

Ms. OLDHAM-MOORE. Yes.

Mr. LI. Well, if you think of democracy as an event, it certainly is not happening in China. China did not make a fundamental breakthrough for democracy. But if you think democracy is a process, I think it's happening. What I said earlier is really about political changes, not about continuity.

You talked about education. That's a very good question about the younger generations, the future generations. There's a documentary film called "Please Vote For Me." You can watch it on YouTube in half an hour, it was directed by a Chinese director. It's a story about nine-year-old kids in elementary school in Wuhan and their dirty tricks, political lobby, personality assassination, money bribery, and all kinds of practice for election that seem to be happening even in China's elementary schools. I think probably they will be really very much like us in the West in the future.

Ms. OLDHAM-MOORE. Thank you.

Toy Reid, you have the last question. Please begin.

Mr. REID. Thank you. Thank you to all the panelists for very insightful comments.

Since I have the last question, I guess I'll take the liberty to be a little provocative for the sake of discussion. I'm sitting here thinking that it's been 21 years, if my math is correct, since village elections were first introduced in China. Movement upward has largely stalled. In 2001, the CCP Central Committee said that direct elections at the township level were unconstitutional after some had tried to experiment.

Direct elections obviously haven't moved to municipal, provincial, or national levels. Since then, last year, some folks in Shenzhen, both in and out of the government, made some pretty bold proposals about trying to institute a special political zone where they could carry out democratic reforms, but the Guangdong Party secretary squelched that idea.

So my question is with the pace of political reform. I think we all agree that the transition should be gradual, just given the nature of China and its sheer size and complexity. But, is it right to accept that political reform can only come at such an extremely slow pace? To borrow terminology from the previous administration, could we be guilty of what was called the "soft bigotry of low

expectations,” when we implicitly suggest that the Chinese can’t do any better than this, so we should all just accept the need to be very patient?

Ms. OLDHAM-MOORE. Okay. Thank you. Anybody want to take that, “soft bigotry of low expectations?” Come on, I know we have several people who really want to talk on this point. Thank you.

Ms. MANION. I’m going to be thinking about soft bigotry of low expectations as I’m talking, so I’ll get to that last. But one thing I do want to say, and this is a particularly important comparison between village and congress elections and village councils and congresses.

While at the time or shortly after the village rule grassroots democratization, there were some pronouncements by Chinese leaders, and certainly much hope by foreign scholars, that this would trickle up. In fact, it is a system that is designed to trickle up only in the sense that it might be an education of the Chinese people in voting and democratization in that sense. Institutionally, there’s no trickle up there. Village elections—first of all, they’re not policy relevant. You’re electing an executive committee. These are tiny communities. This is not representative democracy.

So institutionally, the linkage is not there to trickle up. Village officials are not state officials, okay? They’re not on the payroll. This is actually why I started looking at the congresses, at this sort of middle level, because then you go look at the top level. The top level is very policy relevant, but there’s nothing happening, right? The pace is glacial up there.

So when you look at this middle level of congresses at the township, county, municipal and province, there is an institutional trickle up factor in the sense that, while I sort of dismissed it, I said, well, it’s all a game of congress insiders above the county level, the lower level congresses elect the higher level congresses, so county elects city, city elects provincial, provincial elects national. Right within that institutional structure you have the possibility of a real trickle up change in delegate composition, and that can be quite meaningful.

As it stands now, the lower level congresses are the most interesting and assertive—politically interesting. There’s a lot happening there because there are lower proportions of government officials, there are lower proportions of Communist Party members. Now, there is, institutionally, this possibility of trickle up just in that electoral process of delegate composition.

And do I think that delegate composition affects what happens in these congresses? Yes. I mean, you still need institutional change and we still see the slow pace of institutional change. But that delegate composition is something that contains within it the seeds of trickle up. That was never there. That was never there in the village elections.

Soft bigotry of low expectations. If we have expectations that are too high, I don’t know where that gets us. As a policy matter, do we push the Chinese to move farther and to move faster? I don’t think that sort of outside pressure has ever affected the pace of Chinese reform. In the end, I think what happens in China and the pace of what happens in China really depends on the Chinese themselves. So we might think about this as low expectations. I

don't know that our expectations are going to have any effect on the pace of change in China.

Ms. OLDHAM-MOORE. Okay. Anybody else?

Mr. LI. May I?

Ms. OLDHAM-MOORE. Of course you may.

Mr. LI. Well, I want to say, with a sense of humility, six or seven years ago when we talked about the Chinese economy, particularly at a time when China just joined the WTO, we thought the Chinese economy would collapse. There were some books about that, which certainly said that Chinese state-owned enterprises, particularly Chinese banks, state-owned banks, would collapse. But look at it this year. The world's top 10 banks, 4 of them are Chinese banks, including number 1, number 2, and number 3. Our gigantic banks like Citigroup and Bank of America could not even make it to the list.

There's strong cynicism in the West when it comes to China's political change. It sounds like nothing has happened. It sounds like the middle class or other developments such as the evolution of the legal system, the rise of lawyers have no impact whatsoever. It's too early to say that. I agree with you that China should find its own pace, its own priority, own procedure. Of course, we still need to be critical of the Chinese leadership for the human rights problems and the lack of media freedom, but at the same time we should also have tremendous respect for the Chinese people and Chinese leaders for their own way to find the path for a better and more democratic political future for China.

Ms. OLDHAM-MOORE. Okay. That will be our final note. Dr. Li, Dr. Manion, Dr. Liu, Dr. Dickson, thank you so much for coming today. Also, a big thank-you to Anna Brettell of our staff who put this really interesting event together. Please join us June 4 in this room at 2:15 p.m. for a full Commission hearing on Tiananmen Square demonstrations 20 years later.

Thank you.

[Whereupon, at 12:00 p.m. the roundtable was adjourned.]

APPENDIX

PREPARED STATEMENTS

PREPARED STATEMENT OF CHENG LI

MAY 22, 2009

FROM SELECTION TO ELECTION?
EXPERIMENTS IN THE RECRUITMENT OF CHINESE POLITICAL ELITES

Are elections playing an important role in Chinese politics today? The simple answer is no. Is China gradually moving from selection to election in the recruitment of political elites? That is a more difficult question to answer. The Chinese Communist Party (CCP) is certainly unwilling to give up its monopoly on political power. Chinese leaders continue to claim, explicitly rather than implicitly, that the CCP is entitled to make all of the country's most important personnel appointments. But since the late 1990s, especially in recent years, the Chinese authorities have experimented with some electoral methods in the selection and confirmation of Party and government officials at various levels of leadership. With a focus on both intra-Party elections and people's congress elections, this article offers a preliminary assessment of elections in China—their significance, limitations, and impact on the Chinese political process.

It is extremely unusual in China for candidates who are vying for elected posts to openly engage in campaigning, lobbying, public debates, personal attacks, and vote buying.¹ However, that is exactly what happened recently—not among political elites in Beijing but in a documentary film covering the election of student leaders at a primary school in Wuhan. In this newly released, award-winning film, *Please Vote for Me* (*Qing wei wo toupiao*), director Chen Weijun meticulously documented the entire two-week-long campaign and election process, featuring a trio of third-graders chosen by their teacher to run for the position of class monitor.² The film revealed the motivations, behaviors, and various kinds of “dirty tactics” used by schoolkids in campaigning. The children involved, of course, were heavily influenced by the adults around them.

The phenomena explored in this documentary film may or may not be indicative of the future trajectory of Chinese politics. It is also important to note that these dirty tactics do not necessarily bear any relevance to the behavioral patterns exhibited by the upcoming generation of Chinese elites. What this episode does show is that the idea of elections has gradually and quietly penetrated Chinese society, even directly affecting the lives of school children.

During the past decade, grassroots elections, or more precisely village elections, have regularly taken place in China's 680,000 villages.³ In addition, elections have occurred more regularly at high levels of leadership. The Chinese Communist Party (CCP) has adopted or consolidated some electoral methods to choose the members of the Central Committee and other high-ranking leaders. Under the official guidelines of the CCP Organization Department, major personnel appointments are now often decided by votes in various committees rather than solely by the committee's Party chief.⁴ In the past two years, the term “decision by vote” (*piaoju*), has frequently appeared in Chinese discourse on political and administrative reforms.

TAKING THE ELECTIONS IN CHINA SERIOUSLY

A potentially far-reaching development as regards the use of elections to select political leaders occurred recently in Shenzhen, a major city in the southern province of Guangdong. The city leaders announced that they would have a multi-candidate competition for the posts of mayor and vice mayor. In May 2008, the authorities in Shenzhen posted on the municipal government website a draft of the “Guidelines for Government Reforms in Shenzhen for the Short-Term Future.”⁵ The guidelines specified that delegates of the district or municipal people's congress in Shenzhen would elect heads of districts and bureaus through multi-candidate elections. As part of the process, all candidates would offer their statements of purpose and participate in public debates. According to these guidelines, within three years this same method will be applied to the election of mayor and vice mayor in Shenzhen, a city of 10 million people.⁶

The Chinese media have reported widely on the specifics of these guidelines, often stating that with this “political breakthrough,” Shenzhen will likely add to its status as China's first special economic zone the designation of the country's first special

political zone (*zhengzhi tequ*).⁷ At this point, Shenzhen has already initiated the process of conducting elections in accordance with the guidelines. In May 2008, the city elected the new Party secretary of Futian District and the head of the Shenzhen Municipal Office of High Technological Development, with two candidates vying for each post. In addition, several other heads of bureau-and district-level leadership in Shenzhen were elected, with two or three candidates competing for each position. Wang Yang, Politburo member and Party secretary of Guangdong, has been known for his push for political reforms and “thought emancipation” since he arrived in the province as Party chief in December 2007.⁸ Most recently, Wang called for more competition on the part of candidates and greater choices for voters in these elections in Shenzhen.⁹

It should be noted that the Chinese Communist Party is not interested in giving up its monopoly on political power to experiment with multiparty democratic competition. Chinese leaders continue to claim, explicitly rather than implicitly, that the CCP is entitled to decide on major personnel appointments within the government. The defining feature of the Chinese political system has been, and continues to be, its Leninist structure, in which the state operates as the executor of decisions made by the Party. Although from time to time some top Chinese leaders have called for greater separation between the Party and the state and for more political participation from the public and social groups, the main objective of Chinese authorities has been, and is, the consolidation and revitalization of the Party leadership rather than the revision of the Leninist party-state system. The new catchphrase of the Chinese leadership under Hu Jintao is “enhance the governing capacity of the ruling party.”

Huang Weiping, director of the Research Institute of Contemporary Chinese Politics at Shenzhen University, was involved in drafting the aforementioned guidelines on Shenzhen governmental reform. He recently offered a comprehensive explanation of the Chinese authorities’ position on the relationship between selection (*xuanba*) and election (*xuanju*). According to Huang, China is not going to replace selection with election in the choice of its political elites. As he noted, “selection is a principal system (*da zhidu*) while election is a periphery mechanism (*xiao zhidu*). The latter is supposed to supplement the former.”¹⁰ In his view, public participation in elections could make up for the deficiency or inadequacy in the purely Leninist personnel appointment system.

One should not, however, conclude too quickly that elections in present-day China are nothing but “political shows” to improve the image of the Chinese leadership. The Chinese leadership’s growing awareness of the need for elections is only partly driven by their concern for political legitimacy in this one-party state. The implementation of elections, one can argue, is a result of the transition in the Chinese political system from an all-powerful single leader, such as Mao or Deng, to a system of collective leadership, which has characterized both the Jiang and Hu eras. A review of the transformation of Chinese elite politics under these four top leaders is quite revealing.

Mao wielded enormous power as a godlike figure. His favorable words and personal endorsement were often the sole basis for the career advancement of many senior leaders. Deng Xiaoping, too, was a leader of monolithic proportions. Largely because of his legendary political career and his formidable patron-client ties, he was able to maintain his role as China’s paramount leader even when he did not hold any important leadership position following the Tiananmen incident. On the other hand, both Jiang Zemin and Hu Jintao are technocrats who lack the charisma and revolutionary credentials of Mao and Deng, but who have broad administrative experience and are good at coalition-building and political compromise. Thus, the selection of political elites under these two men has been based largely on factional balance of power and deal-cutting.

In general, the nature of collective leadership prevents the emergence of a new paramount leader and inhibits any single individual from completely controlling the political system. Consequently, the rules of the game in Chinese elite politics have changed; elections have increasingly become a new way for the CCP to attain the “mandate of heaven.” The desire of Hu Jintao and other top Chinese leaders for the mandate explains why, in June 2007, they conducted a straw poll among several hundred ministerial and provincial leaders as well as their superiors in an effort to “gauge their preferences for candidates for the next Politburo and its Standing Committee.”¹¹

More specifically, greater attention should be given to intra-Party elections and the elections of people’s congresses. As for intra-Party elections, one may reasonably assume that the greatest challenge to the rule of the CCP comes not from outside forces but from forces within the Party. In the era of collective leadership, factional tensions and competition will likely make intra-Party elections both increasingly transparent and dynamic.

The election of deputies of the people's congress at various levels of government is certainly not new in the People's Republic of China (PRC). But for a long time the Chinese public has been cynical about the role of the people's congresses. With a few exceptions, there has not been any real, open competition for the seats of the congress.¹² This, however, may start to change in the near future for two reasons. First, three decades of market reforms have not only brought forth a wealthy entrepreneurial elite group and an ever-growing Chinese middle class, but have also created many less fortunate and increasingly marginalized socioeconomic groups. These less fortunate classes are growing ever more aware of the importance of being represented in the decision-making circles, including those of people's congresses. Second, China confronts many daunting challenges, including economic disparity, employment pressure, environmental degradation, the lack of a social safety net, and growing tensions between the central and local governments. There is no easy solution to any of these problems, and Chinese leaders have different views and policy preferences for how to deal with them. In recent years, the people's congress has become one of the most important venues for policy debates. This trend will further enhance the public participation in, and demand for, more genuine and fair elections in the people's congress at various levels. Any serious effort to move toward competitive elections in China may release long-restrained social tensions and quickly undermine the CCP's ability to allocate social and economic resources.

The above observation makes clear that both intra-Party elections and the elections of the people's congress deserve substantial scholarly attention. The information about types, procedures, and results of these elections is valuable for China analysts. Such information may reveal some important tensions and trends in Chinese politics. Intra-Party democracy is, of course, not true democracy, but it may pave the way for a more fundamental change in the Chinese political system. In the absence of a broad-based and well-organized political opposition in the PRC, it is unlikely that the country will develop a multi-party political system in the near future. This fact actually makes the ongoing experiments such as intra-Party elections and competitive elections for the people's congress even more significant.

ASSESSING INTRA-PARTY ELECTIONS

According to the terminology employed by the Chinese authorities, intra-Party democracy refers to five types of elections: direct elections, indirect elections, multi-candidate elections, single-candidate elections, and preliminary elections.¹³

- A direct election (*zhijie xuanju*) is an election in which eligible members vote for their candidates directly.
- Indirect election (*jianjie xuanju*) refers to an election in which all eligible members first vote for their representatives or delegates, who will then later vote for candidates in the Party Congress.
- Multi-candidate election, or a "more candidates than seats election" (*cha'e xuanju*), refers to an election that has more candidates than the number of seats available. For example, if the Party authorities plan to form a 12-member party committee, they may place 15 names on the ballot. The three people who receive the lowest number of votes will not become members of the committee.
- Single-candidate election (*denge xuanju*) means that the number of candidates equals the number of seats. In other words, there is only one candidate on the ballot for that position. The candidate will be elected if he or she receives more than 50 percent of the votes. Some Chinese critics believe that the single-candidate election is, in fact, a selection or a confirmation of the appointments made by the Party authorities rather than a meaningful electoral competition.¹⁴
- Preliminary election (*yuxuan*) refers to an election in which eligible members first confirm the candidates on the ballot before casting their votes.

At certain levels of CCP leadership, only one of these different sorts of election methods is employed. At other levels, multiple methods may be used together. For example, direct elections are usually used in the grassroots party organizations such as village Party branches. The CCP members vote directly to elect the Party secretary and committee members of their Party branch. In 2008, about 2,000 town-level Party committees in the country also conducted direct elections.¹⁵ The other four kinds of elections are, in fact, all used in the National Congress of the CCP.

The National Congress of the CCP, which has convened once every five years since 1977, is the most important political convention in the country. There are two kinds of delegates: invited and regular. The 17th Party Congress held in 2007, for example, had a total number of 2,270 delegates, including 57 invited delegates and 2,213 regular delegates. These 57 invited delegates were mostly Party elders who can be considered China's equivalent to the "superdelegates" of the United States' major political parties. Like the regular delegates, they were eligible to vote. The

2,213 regular delegates came from 38 constituencies. These included representatives from China's 31 province-level administrations, a delegation of ethnic Taiwanese, one from the central departments of the Party, one from the ministries and commissions of the central government, one from the major state-owned enterprises, one comprised of representatives from China's large banks and other financial institutions, and delegations from the People's Liberation Army (PLA) and People's Armed Police. All 38 constituencies went through multi-candidate elections in forming their delegations, with the CCP Organization Department requiring that there be at least 15 percent more candidates on the ballots than the number of delegates making up the representative body headed to the congress.¹⁶ This was 5 percent more than was the case at the 16th Party Congress in 2002.¹⁷

The National Congress of the CCP elects the Central Committee (CC). In theory, the Central Committee then elects the Politburo, the Politburo Standing Committee (PBSC), and the general secretary of the Party. In practice, the members of these peak organs of the Party have always guided the selection of members to the lower-ranking leadership bodies, including the Central Committee, which in turn "approves" the slate of candidates for the Politburo and the PBSC. Thus, the notion that the Central Committee "elects" the Politburo is something of a fiction. The members of these decision-making bodies are generally selected by either the previous PBSC or some heavyweight political figures. Outgoing PBSC members often ensure that their proteges will have seats in the next Politburo or PBSC as part of a deal in exchange for their own retirement. For example, it was widely reported in the Hong Kong and overseas media that Zeng Qinghong was willing to vacate his seat on the 17th PBSC in order to let his three proteges (Xi Jinping, Zhou Yongkang, and He Guoqiang) obtain membership in this supreme leadership body.

It would be wrong, however, to assert that there is no intra-party competition for Central Committee seats. Since the 13th National Congress of the CCP in 1982, Chinese authorities have adopted *cha'e xuanju* for the election to the Central Committee. The 2002 Party Congress had 5.1 percent more candidates than available full membership seats and 5.7 percent more candidates for alternate membership seats.¹⁸ In the 2007 Party Congress, the delegates voted to elect 204 full members from the total number of 221 candidates (8.3 percent more) on the ballot. As for alternate members, the delegates voted to elect 167 alternates from the total number of 183 candidates (9.6 percent more) on the ballot.¹⁹

Prior to these "more candidates than seats" elections, the CCP Organization Department also holds a preliminary election in each and every delegation during the Party Congress to confirm these two lists of candidates—one for full members and the other for alternates. If some candidates favored by the top leadership or designated Politburo members received a very low number of votes during the preliminary election in a given delegation, the top leaders would make an effort to persuade delegates in the delegation to change their minds before the formal election. In a way, this preliminary election not only helps prevent "big surprises" in the result of later elections, but also serves as a Chinese-style lobbying to ensure that those candidates favored by top leaders ultimately emerge victorious from the multi-candidate elections.

Despite efforts by the CCP authorities to control the results of these elections, delegates to the Party Congress sometimes decide to vote against the "Party line." As a result, some candidates earmarked by top authorities to take on important positions do not get elected to the CC. For example, during the 13th Party Congress, Deng Liqun, a conservative hardliner and 12th Politburo member, lost a bid for reelection to the 13th CC.²⁰ Xiao Yang, former Party secretary of Chongqing, who was reportedly chosen by Deng Xiaoping and other veteran leaders to be a Politburo member on the 14th CC, did not even get enough votes for full membership on the CC. The strongest evidence of opposition to nepotism in the election of CC members is that a number of princelings (children of high-ranking officials) on the ballot for the CC did not get elected despite (or perhaps because of) their privileged family backgrounds. In the 15th Party Congress, for example, several princelings, including Chen Yuan, Wang Jun, and Bo Xilai, were among the 5 percent of candidates who were defeated. This despite the fact that all of their fathers had served as vice-premiers.

Complete information about who failed to be elected in these "more candidates than seats" elections is not made available to the public, but it is interesting to see the list of elected alternate members who received the lowest number of votes in the CC elections. According to CCP norms, the list of all of the full members of the CC is ordered by the number of strokes in the Chinese characters of their names, but the list of the alternate members is arranged in accordance with the number of votes they received in elections. Table 1 shows the alternate members who re-

ceived the lowest number of votes in the Central Committee elections of the CCP from 1982 to 2008. All of them have very strong patron-client ties with top leaders.

TABLE 1—THE PATRON-CLIENT BACKGROUNDS OF THOSE ALTERNATE MEMBERS WHO RECEIVED THE LOWEST NUMBER OF VOTES IN THE ELECTIONS OF THE 12TH THROUGH 17TH CCP CENTRAL COMMITTEES (1982–2007)

| Party Congress | Total number of alternate members | Alternate member with lowest number of votes | Patron-Client background | Position when elected | Highest position attained |
|-------------------------|-----------------------------------|--|---|--|---|
| 17th (2007) .. | 167 | Jia Ting'an | Personal assistant to Jiang Zemin. | Director, General Office of the Central Military Commission. | Deputy Director, PLA Political Department. |
| 16th (2002) .. | 158 | You Xigui | Bodyguard to Jiang Zemin | Director of the CCP Central Guard Bureau. | Deputy Director, General Office of the CCP Central Committee. |
| 15th (1997) .. | 151 | Xi Jinping | Son of Xi Zhongxun (Vice-Premier), personal assistant to Geng Biao (Minister of Defense). | Deputy Party Secretary of Fujian Province. | Standing Member of Politburo, Vice President of PRC. |
| 14th (1992) .. | 130 | Xiao Yang | Protege of Deng Xiaoping | Party Secretary of Chongqing. | Governor of Sichuan Province. |
| 13th (1987) .. | 110 | Huang Ju | Chief of Staff to Jiang Zemin | Deputy Party Secretary of Shanghai. | Standing Member of Politburo, Executive Vice-Premier. |
| 12th (1982) .. | 138 | Wang Dongxing .. | Bodyguard to Mao Zedong | Vice President of the Central Party School. | Vice Chairman, CCP Central Committee. |

Sources and Notes: The CCP Organization Department and the Research Office of the History of the Chinese Communist Party, comp., *Zhongguo gongchandang lijie zhongyang weiyuan dacidian, 1921–2003* [Who's Who of the Members of the Chinese Communist Party's Central Committees, 1921–2003] (Beijing: Zhonggong dangshi chubanshe, 2004). For the 17th Central Committee, see www.xinhuanet.com.

Jia Ting'an, the alternate member who received the lowest number of votes in the 17th Party Congress, was a longtime personal assistant to Jiang Zemin. In the previous Party congress, the alternate member with the poorest score was You Xigui, Jiang Zemin's bodyguard. Xi Jinping, now the leading candidate to succeed Hu Jintao in the next Party congress, received the lowest number of votes among the 151 alternate members elected to the 15th Party Congress in 1997. Xi was not only the product of a high-ranking official family, but also served as personal assistant to former Minister of Defense Geng Biao. As mentioned earlier, Xiao Yang, a protege of Deng Xiaoping, did not receive enough votes for a full membership seat at the 14th Party Congress election. He was then placed on the ballot for an alternate membership seat. Although he was eventually elected as an alternate member, Xiao embarrassingly received the lowest number of votes among those elected. The alternate member elected to the 13th CC with the lowest number of votes was Huang Ju, a prominent member of the so-called Shanghai Gang who later obtained a seat on the PBSC. Huang served as the chief of staff for Jiang Zemin when Jiang was the Party boss in Shanghai. The 12th Party Congress did not adopt the "more candidates than seats" election process. Thus, all candidates on the ballot were elected. In that election, Wang Dongxing, former bodyguard to Mao and former vice chairman of the CCP Central Committee, was at the very bottom of the list of alternate members in number of votes received.

Some other leaders with strong patron-client ties were among the 10 elected alternate members who received the lowest number of votes in recent Party congresses. They included princelings such as Deng Pufang, Wang Qishan, Lou Jiwei, and Qiao Zonghuai. Jiang Zemin's proteges Huang Liman and Xiong Guangkai and Hu Jintao's chief of staff, Ling Jihua, also scored very poorly in these elections. The results of all these elections seem to suggest that princeling backgrounds and strong patron-client ties, which likely helped accelerate political advancement early in the proteges' careers, may have become a political liability for them as they rose to the

national leadership. Some princelings, however, later improved their popularity in elections by demonstrating their leadership capacity and good performance. For example, Wang Qishan took the post of acting mayor of Beijing in the peak of the Severe Acute Respiratory Syndrome (SARS) epidemic in 2003. His effective leadership during the crisis earned him the reputation as the “chief of the fire brigade.” In the Beijing municipal congress meeting in 2004, Wang was confirmed mayor of Beijing with 742 “yes” votes and only one “no” vote from the delegates.²¹

Intra-Party elections are, of course, often subject to political manipulation by the top leaders. For CCP members and delegates, the choices in the various kinds of intra-Party elections are still very limited. The fact that delegates to the Party congress often use their limited voting power to exercise “democratic rights” to block the election of leaders with strong nepotistic advantages may make the CCP authorities more cautious about democratic experiments. From the perspective of the CCP leadership, China’s political reforms should be incremental and manageable in scale. Nevertheless, the Chinese authorities claim that there will be an ever-increasing number of candidates in future elections to the CC. Such a method may even apply to the formation of the Politburo in the near future. According to the Chinese leadership, these intra-Party elections are important components of political reforms designed to gradually make China’s party-state system more transparent, competitive, and representative.

RETHINKING THE ELECTION OF THE PEOPLE’S CONGRESS

Elections in present-day China are not administratively neutral. The CCP strictly controls both the election organizations and the election process. Party chiefs at various levels of the administration often concurrently serve as chairmen of the election committees. There are, however, three separate organizational systems in charge of elections in the country, namely: the CCP organization departments in various levels of the Party committees, the people’s congresses; and civil affairs departments in various levels of government.²² A comparison of the three shows that the election system of the people’s congress is more institutionalized and more transparent than the CCP organization and civil affairs departments.

The five levels of the administration of the PRC—township, county, municipal, provincial, and national—all have their own people’s congresses. Delegates to the people’s congress are all supposed to be elected—via direct election for township-level and indirect election for the county-level and above.²³ As for the National People’s Congress (NPC), its delegates are allocated according to the population of a given province. The province with the smallest population is guaranteed at least 15 delegates. Special administrative regions such as Hong Kong and Macau have their quotas of delegates, as does the PLA. Based on the 1995 census, every 880,000 people in a given rural administrative unit, and every 220,000 people in an urban area select one delegate to the NPC. In recent years, some public intellectuals and local officials, especially delegates from the rural areas, have been criticizing this bias in favor of urban areas.²⁴ In the elections for the delegates to the 11th NPC, some electoral districts—for example, the Zichuan District in Shandong’s Zibo City—abolished the urban-rural differentiation. This was called one of the 10 biggest breakthroughs in the constitutional development of the PRC in 2007.²⁵ Since that time, some other counties and cities have begun to follow the lead of Zichuan District in their own local elections.²⁶

Like the National Congress of the CCP, the National People’s Congress selects new leadership every five years at a meeting usually held in the spring of the year following the Party congress. The 11th NPC, which was formed in March 2008, consisted of 2,987 delegates. The 11th NPC also adopted the “more candidates than seats” electoral process in choosing the members of the Standing Committee (a total of 161 seats). There were 7 percent more candidates (a total of 173) on the ballot than there were seats.²⁷ In theory, NPC delegates are not only supposed to elect the members of their congress’s Standing Committee, but are also entitled to elect the president and vice president of the PRC, the chairman of the Central Military Commission (CMC), the chief justice of the Supreme People’s Court, and the chief of the Supreme People’s Procuratorate. They are also empowered to approve the premier as well as the other members of the State Council and CMC. In reality, however, all these candidates are nominated by the NPC Presidium (*zhuxituan*), which simply passes on the list of nominees designated for appointment by the Central Committee of the CCP to the NPC. None of these leadership positions is chosen through multi-candidate elections.

An interesting phenomenon is that the delegates of the NPC are now often voting against some top leaders in the confirmation process, voicing their dissent about political nepotism or favoritism by certain senior leaders or factions. For example, the

“Shanghai Gang,” the leaders who advanced their careers from Shanghai largely due to their patron-client ties with Jiang, usually scored very poorly in these elections.

Table 2 shows the results of the elections of the top two leaders of five national institutions elected at the 10th NPC and Chinese People’s Political Consultative Conference (CPPCC) held in 2003. Jiang Zemin and his proteges are indicated in boldface. Their scores are not nearly as impressive as those of their counterparts. While Hu Jintao lost only seven votes (four “no” votes and three abstentions) out of 2,944 valid votes at the 10th NPC for the confirmation of his presidency, Jiang received 98 “no” votes and 122 abstentions out of 2,946 valid votes in the confirmation of his chairmanship of the Central Military Commission. Zeng Qinghong received only 87.5 percent of “yes” votes—out of 2,945 valid votes, there were 177 “no” votes and 190 abstentions. Other longtime proteges of Jiang suffered similar humiliation, including Executive Vice Premier Huang Ju, who received an embarrassingly low number of votes in his confirmation as vice-premier of the State Council, and Jia Qinglin, who won only 88.5 percent of the votes for his position in the CPPCC election. Among the 29 ministers elected to the 10th NPC, Governor of the People’s Bank Zhou Xiaochuan, who was known for his strong patron-client ties with Jiang, received the lowest number of votes.²⁸ The overwhelming support for Hu Jintao and Wen Jiabao as evident in the vote counts at the 10th NPC explains why they have been able to make remarkable socioeconomic policy changes, downplaying Jiang’s elitist approach in favor of their own populist agenda.²⁹

TABLE 2—VOTE COUNTS OF THE TWO TOP LEADERS IN THE FIVE NATIONAL INSTITUTIONS IN THE 10TH NPC & CPPCC ELECTIONS (2003)

| Power Institution | No. 1 Leader | Yes vote (percent) | No. 2 leader | Yes vote (percent) |
|---|--------------------------|--------------------|----------------------------|--------------------|
| PRC Presidency | Hu Jintao | 99.8 | Zeng Qinghong | 87.5 |
| State Central Military Commission | Jiang Zemin | 92.5 | Hu Jintao | 99.7 |
| State Council | Wen Jiabao | 99.3 | Huang Ju | 91.8 |
| NPC | Wu Bangguo | 98.9 | Wang Zhaoguo | 99.2 |
| CPPCC | Jia Qinglin | 88.5 | Wang Zhongyu | 98.3 |

Note: The names of Jiang Zemin and his proteges appear in boldface.

Source: Originally viewed at <http://www.bbs.xilubbs.com>. Also see Cheng Li, “The ‘New Deal’: Politics and Policies of the Hu Administration,” *Journal of Asian and African Studies*, vol. 38, nos. 4–5 (December 2003): 329–346.

Table 3 shows the vote counts for the chairman, vice chairmen, and general secretary who were elected at the 11th NPC in March 2008. Hua Jianmin and Chen Zhili, two prominent members of the Shanghai Gang, received the highest numbers of “no” and “abstention” votes. In contrast, two vice chairmen with ethnic minority backgrounds, Uyunqing (a Mongolian) and Ismail Tiliwaldi (a Uighur), received the highest numbers of “yes” votes. Among these 15 vice chairmen, six were not members of the CCP. These leaders represent the so-called democratic parties (*minzhu dangpai*) in the PRC and they also received relatively higher numbers of “yes” votes.³⁰ These “democratic parties” are, of course, all too small to compete with, or challenge, the CCP in any meaningful way. As of 2007, the membership numbers of these parties ranged from 2,100 (the Taiwan Democratic Self-Government League) to 181,000 (the China Democratic League). Their representation in the NPC is largely symbolic. Nevertheless, it is important to note that an increasing number of candidates who are not CCP members have recently participated in the people’s congress elections. In 2003, there were only about 100 candidates for the position of delegate at people’s congresses who were not designated by the local authorities. In 2007, the number of such candidates increased to almost 10,000.³¹

TABLE 3—VOTE COUNTS FOR THE CHAIRMAN, VICE CHAIRMEN, AND GENERAL SECRETARY ELECTED IN THE 11TH NATIONAL PEOPLE’S CONGRESS (2008)

| NPC Position | Name | Background | CCP | Total votes | For | Against | Abstain |
|----------------|------------------|--|-----|-------------|-------|---------|---------|
| Chairman | Wu Bangguo | CCP, member of Politburo Standing Committee. | Yes | 2,966 | 2,948 | 9 | 9 |

TABLE 3—VOTE COUNTS FOR THE CHAIRMAN, VICE CHAIRMEN, AND GENERAL SECRETARY ELECTED IN THE 11TH NATIONAL PEOPLE'S CONGRESS (2008)—CONTINUED

| NPC Position | Name | Background | CCP | Total votes | For | Against | Abstain |
|----------------------|-----------------------|--|-------|-------------|-------|---------|---------|
| Vice chairman | Wang Zhaoguo | CCP, Politburo member; chairman, All-China Federation of Trade Unions. | Yes | 2,964 | 2,947 | 11 | 6 |
| Vice chairman | Lu Yongxiang | CCP, president of China's Academy of Sciences. | Yes | 2,964 | 2,940 | 11 | 13 |
| Vice chairman | Uyunqing | CCP, former governor of Neimenggu (Mongolia). | Yes | 2,964 | 2,956 | 5 | 3 |
| Vice chairman | Han Qide | Chairman, Jiusha Society; chairman, China Association of Scientists. | No .. | 2,964 | 2,950 | 9 | 5 |
| Vice chairman | Hua Jianmin | CCP, former State Councilor, member of the Shanghai Gang. | Yes | 2,964 | 2,901 | 48 | 15 |
| Vice chairman | Chen Zhili | CCP, former State Councilor, member of the Shanghai Gang. | Yes | 2,964 | 2,816 | 112 | 36 |
| Vice chairman | Zhou Tienong | Chairman, Revolutionary Committee of the Chinese Nationalist Party. | No .. | 2,964 | 2,934 | 20 | 10 |
| Vice chairman | Li Jianguo | CCP, former personal assistant to Li Ruihuan. | Yes | 2,964 | 2,911 | 39 | 14 |
| Vice chairman | Ismail Tiliwaldi | CCP, former governor of Xinjiang | Yes | 2,964 | 2,957 | 5 | 2 |
| Vice chairman | Jiang Shusheng ... | Chairman, China Democratic League | No .. | 2,964 | 2,948 | 11 | 5 |
| Vice chairman | Chen Changzhi | Chairman, China National Democratic Construction Association. | No .. | 2,964 | 2,941 | 13 | 10 |
| Vice chairman | Yan Junqi | Chairman, China Association for Promoting Democracy. | No .. | 2,964 | 2,945 | 11 | 8 |
| Vice chairman | Sang Weiguo | Chairman, Chinese Peasants' and Workers' Democratic Party. | No .. | 2,964 | 2,935 | 18 | 11 |
| General secretary .. | Li Jianguo | See above | Yes | 2,965 | 2,932 | 25 | 8 |

Source: www.chinesenewsnet.com, 15 March 2008.

Jiang Zemin's proteges fared as poorly in the election at the 11th NPC as they did in those at the 10th, again receiving the lowest number of votes in the confirmation of ministers of the State Council. It was reported in the Hong Kong and overseas media that, of the total of 2,946 valid votes, Minister of Education Zhou Ji had 384 "no" votes and Minister of Railways Liu Zhijun had 211 "no" votes. State Councilor Ma Kai also received 117 "no" votes. Their poor vote counts might be due partly to the fact that all three were known as Jiang's proteges, and partly to the fact that the delegates were concerned about China's educational problems as well as some serious train accidents that had recently occurred.³² Although these vote counts usually do not block the confirmation of the candidates, they might jeopardize some political leaders' chance for further promotion. For example, the strong opposition to Ma Kai's promotion expressed by the delegates and standing committee members of the NPC was widely believed to be the reason he later failed to gain a Politburo membership seat.³³ Consequently, he was not considered for a vice-premiership.

The growing importance of the people's congress in the confirmation process has convinced some Chinese officials to try political lobbying. For example, in 2007, Li Junqu, assistant governor of Hebei Province, bribed several delegates of the provincial people's congress in order to be nominated and confirmed for the post of vice governor.³⁴ Similarly, Li Tangtang, vice governor of Shaanxi Province, urged eight

friends or colleagues of his to make phone calls and send text messages to 50 officials, asking them to vote for him. Although Li Tangtang did not bribe anyone, his lobbying activities were still considered illegal under CCP regulations. During the past two years, the CCP Organization Department uncovered 121 similar cases of political lobbying or other “wrongdoings” among officials at the county level or above.³⁵

FINAL THOUGHTS

Intra-party democracy is, of course, not real democracy. In terms of electoral competition for selecting state leaders, China still has a long way to go. Yet, the recent political experiments in both the CCP leadership and the people’s congresses are unlikely to be a static phenomenon. Political lobbying and negative campaigns, which are now officially prohibited, will probably develop in the future given the introduction of limited political competition. Elections to the Central Committee are also likely to become more competitive as time passes. Over time, Chinese politicians will become more and more familiar with the new “rules of the game” in elite politics. As a result, the country may soon witness an even more dynamic phase in the evolution of Chinese politics. At the same time, the people of China may begin to ask why only the Party elites, and not the public at large, have the opportunity to enjoy “democracy.” They will likely call for more genuine and fair elections to select local government leaders, especially the delegates to the people’s congresses. To a certain extent, this process has already begun, and will undoubtedly have a profound impact on state-society relations in the country.

It is still too early to conclude that China is in the midst of a historic transition from selection to election in the recruitment of political elites. The Chinese political system is still predominantly a Leninist party state in which the CCP monopolizes all the most important posts in the government. Yet, the formats, procedures, and results of these limited and partially controlled elections are enormously valuable to our understanding of Chinese politics today. They not only reveal the factional tensions and behavioral patterns of the CCP leaders, but are also indicative of the policy orientation, public opinions, and political choices of the leaders in this rapidly changing country.

NOTES

¹The author is indebted to Yinsheng Li for his research assistance. The author also thanks Sally Carman and Robert O’Brien for suggesting ways in which to clarify the article.

²This documentary film has been widely viewed on YouTube. See <http://www.youtube.com/watch?v=-Jkajj-51tU>.

³See <http://www.ccdtr.org/index.php/docs/41>.

⁴The CCP Organization Department, “Dangzheng lingdao ganbu xuanba renyong gongzuo tiaoli” [The regulations of selection and appointment of the Party and government leaders], 2002. See <http://news.xinhuanet.com/ziliao/2003-01/18/content-695422.htm>. For the updated Q & A made by the CCP Organization Department in 2005, see <http://www.mot.gov.cn/zizhan/siju/renlaosi/zhengceguiding/lingdaoganbu-GL/kaoheyurenmin/200709/t20070920-401063.html>.

⁵Shu Taifeng, “Shenzhen Zhenggai toudi wenlu” [Experiments of political reforms in Shenzhen], *Liaowang dongfang zhokan* (Oriental Outlook Weekly), <http://news.sohu.com/20080707/n257998881.shtml>.

⁶Shenzhen’s total registered population is about 3 million, but the real number of residents including migrant workers totals 10 million. Some members of the provincial People’s Congress recently argued that every resident in Shenzhen above the legal age for voting should be entitled to vote, not just the registered residents. *Nanfeng dushi bao* (Southern Metropolitan Daily), 13 August 2008; see <http://news.southcn.com/gdnews/nanyuedadi/content/2008-08/13/content-4535126.htm>.

⁷See Liu Xiaojing, “Shenzhen ni tuixing shizhang cha’e xuanju waimei jianyi sheli zhengzhi tequ” [Shenzhen plans to select its mayor through a multi-candidate election: Foreign media suggest that the city become a special political zone]. *Guoji xianqu daobao* (International Herald), 20 June 2008, <http://news.sohu.com/20080620/n257623652.shtml>.

⁸See Cheng Li, “Hu’s Southern Expedition: Changing Leadership in Guangdong,” *China Leadership Monitor* 24 (Spring 2008).

⁹Shu Taifeng, “Shenzhen Zhenggai toudi wenlu.”

¹⁰Quoted in Shu Taifeng, “Shenzhen Zhenggai toudi wenlu.”

¹¹John L. Thornton, “Long Time Coming: The Prospects for Democracy in China.” *Foreign Affairs*, vol. 87, no. 1 (January/February 2008).

¹²One exception was the widely noticed election for the delegates for the Haidian District People’s Congress in the early 1980s. See <http://www.66wen.com/03fx/shehuixue/shehuigongzuo/20061109/28740.html>.

¹³See <http://news.xinhuanet.com/ziliao/2007-10/08/content-6843377-6.htm>.

¹⁴Cai Xia, “Dangnei minzhu tansuo yu wenti” [Inner-Party democracy: Experiments and problems], <http://www.world-china.org/newsdetail.asp?newsid=2167>.

¹⁵Ibid.

¹⁶See <http://news.xinhuanet.com/politics/2006-11/12/content-5319132.htm>.

¹⁷See <http://news.xinhuanet.com/newscenter/2007-08/03/content-6470512.htm>.

¹⁸ See <http://news.eastday.com/c/shiqida/u1a3177599.html>.

¹⁹ See <http://news.xinhuanet.com/newscenter/2007-10/21/content-6918611-4.htm>.

²⁰ Deng Liqun discussed this episode in his memoir, *Shi'erge Chunqiu: Deng Liqun zishu* [12 Years: Deng Liqun's Account]. Hong Kong: Dafeng chubanshe, 2006.

²¹ *Xinjing bao* (New Beijing daily), 23 February 2004, p. 1.

²² i Fan, "Jianli gongzheng xuanju zhidu de zhongyao yihuan: Zhongguo xuanju zuzhi jigou de gaige" [A key in the establishment of a fair election system: The reform of China's election organizations]. *Beijing yu fenxi* (Backgrounds and Analysis), no. 152 (August 2008): 1.

²³ For details of the People's Congress elections at various levels, see <http://news.xinhuanet.com/ziliao/2003-08/22/content-1039490.htm>.

²⁴ For example, see Mo Jihong, "Zhubu jianli geng pingdeng de renda daibiao xuanju zhidu" [Gradually establishing a more fair and competitive election system for deputies of the people's congress]. <http://www.world-china.org/newsdetail.asp?newsid=2070>.

²⁵ See <http://news.sohu.com/20080317/n255736788.shtml>.

²⁶ *Ibid.*

²⁷ In the 10th NPC, there were 5 percent more candidates on the ballot than the number of seats up for election. See <http://news.sohu.com/20080317/n255736788.shtml>.

²⁸ In the total of 2,935 valid votes, Zhou received 163 "no" votes and 49 "abstention" votes.

²⁹ For a more detailed discussion of policy changes from the Jiang administration to the Hu-Wen administration, see Barry Naughton, "China's Left Tilt: Pendulum Swing or Midcourse Correction?" in Cheng Li, ed., *China's Changing Political Landscape: Prospects for Democracy*. Washington DC: Brookings Institution Press, 2008, pp. 142–158.

³⁰ The Chinese authorities often claim that the PRC has eight other political parties, which are often collectively referred to as "democratic parties." These are: the Revolutionary Committee of the Chinese Nationalist Party, the China Democratic League, the China National Democratic Construction Association, the China Association for Promoting Democracy, the Chinese Peasants' and Workers' Democratic Party, the China Zhi Gong Dang, the Jiu San Society, and the Taiwan Democratic Self-Government League.

³¹ See <http://www.world-china.org/newsdetail.asp?newsid=2021>.

³² *Shijie ribao* (World Journal), 18 March 2008, p. A12.

³³ This was based on the author's interviews in Beijing in 2007 and 2008.

³⁴ See <http://www.stnn.cc/ed-china/200712/t20071218-694717.html>.

³⁵ See <http://news.sina.com.cn/c/2007-02-05/152012234762.shtml>.

PREPARED STATEMENT OF MELANIE MANION

MAY 22, 2009

From the 1950s through the 1980s, American scholars and policy makers easily and appropriately dismissed the "people's congresses" of elected legislative representatives in mainland China as "rubber stamps." Yet, in recent years, without challenging the communist party monopoly, the Chinese congresses have become significant political players. They veto government reports, they quiz and dismiss officials, and they reject candidates selected by the communist party for leadership. The liveliest congresses are found not at the center of power in Beijing nor in provincial capitals, but below—in the cities, counties, and townships.

The new assertiveness of local congresses is not a grassroots movement. It was set in motion by rules designed and promoted by authoritarian rulers in Beijing. Understanding what has (and has not) changed in these local congresses is a window on the "officially acceptable" meaning of representative democracy in mainland China today.

My argument this morning is that congressional empowerment exemplifies a difficult, risky, strategic, and partly successful communist party effort to strengthen authoritarianism by opening up politics to new players, giving them procedural status in the political game, and accepting losses in particular instances in order to win the bigger prize of authoritarian persistence. It is a difficult effort because a legacy of congressional irrelevance cannot be easily erased in the minds of ordinary voters and local party and government officials. It is a risky effort because credibility requires that the effort go beyond authoritarian "cheap talk"—but the regime certainly does not want to encourage runaway democratization in the form of new democratic parties or too many "independent candidates." It is a strategic effort in the sense that it is designed not to promote liberal democracy but to strengthen authoritarian rule with more responsive political institutions under the guardianship of a single communist party.

Finally, the effort is only partly successful. Local congress representatives see themselves as substantive political players with electoral legitimacy, not the congressional puppets of the Maoist era. This is especially the case in congresses at lower levels. Popularly elected congress representatives speak and act the new language of voting districts, constituents, and constituent interests. They help constituents with private matters and work to provide local public goods. They see this as their most important responsibility. They see their second most important responsibility as electing government leaders, in this quasi-parliamentary system. In electing

government leaders, local congresses are not the simple stooges of local communist party committees, as they were in the past. In nominating candidates for government leadership, communist party committees can no longer treat the congresses as reliable voting machines. When local communist party committees fail to take local interests into account in nominating their candidates for leadership, these party committee candidates can and do lose. Again, this is especially the case in congresses at lower levels.

At the same time and despite official voter turnout figures of over 90 percent, reliable survey evidence indicates that very high proportions of ordinary Chinese know little or nothing about local congress candidates on election day, say they didn't vote in the most recent congress election, and can recall nothing their congress representatives have done in the past term. Most alarmingly for the Chinese authorities, these proportions have increased, not decreased, over the past fifteen years. In short, if local congress representatives now think and act as agents of their constituents, it is not because ordinary Chinese voters see themselves as principals. Put another way, if representative democracy is working, most ordinary Chinese do not yet see it that way.

To understand these different perspectives, it is useful to understand what has and has not changed in the rules.

Let me first summarize a few important unchanged features of Chinese representative democracy. First, direct electoral participation by ordinary Chinese is restricted to the lowest congress levels. Only township and county congresses are elected in popular elections. Above the county level, elections only involve congress insiders: each congress is elected by the congress below it. This reflects an elitist notion of guardianship that is both Leninist and traditionally Chinese. Second, congresses are large and unwieldy, they meet infrequently, and most representatives are amateurs with neither the time nor material resources for congressional work. The working congresses are the much smaller standing committees—but not all standing committee members at all levels work full time for the congresses, and there are no standing committees at the lowest congress level. Large amateur congresses reflect a Marxist view that only by continuing to work on the front line at the grassroots can representatives forge a meaningful relationship with their constituents. Finally and not least of all, a single communist party monopolizes political power. Competing political parties are banned, as are inner-party factions. This is important in at least two ways. Communists numerically dominate all Chinese congresses at all levels: they make up about 65 percent of township congresses and about 70 percent of congresses above this level. As a matter of organizational discipline, the communist party should be able to impose its will on all congresses. A second consequence of communist party monopoly has to do with interest representation. Without competitive interest aggregation along party (or any other) lines, “party” has no meaning as an organizing category for voters. Voters cannot sort out representatives and assign, through votes in popular elections, credit or blame for governance outcomes. Put another way, the communist party monopoly strips representatives of labels that reflect policy orientations. This places a truly impossible information burden on voters.

Let me turn now to what has changed. In the interests of time, I focus on the most fundamental set of rules: congressional electoral reform, particularly direct popular elections of congresses at lower levels. In 1979, the first local congress elections of the post-Mao era introduced three new electoral rules: elections must be contested, voting must be by secret ballot, and groups of ordinary voters may nominate candidates. These rules are a radical departure from Maoist-era practices, and they remain the basic organizing principles of congress elections today. These and other electoral rules created new opportunities for ordinary Chinese and new challenges for the authorities.

For example, voter nomination of candidates mobilizes ordinary Chinese to bring them into the electoral process at the very beginning—only to disappoint them, even before election day. Any group of ten voters may nominate a candidate. This is a low threshold of support. One result is a large number of voter-nominated candidates—tens, sometimes even hundreds of candidates for two or three congress seats. Winners in congress elections must win a majority (not plurality) of votes. To produce a decisive election, the rules set a ceiling of no more than twice the number of candidates on the ballot as congress seats. By default, the process of winnowing out many tens of candidates to choose a few candidates for the ballot must eliminate a large number of voter nominees. Most nominees are passive: they do not take the initiative to seek congressional office. Only small proportions of voter nominees are “independent candidates,” who orchestrate their nomination by voters and actively seek office to promote individual or collective goals.

The law permits independent candidates, but there are plenty of ways for election committees to harass them—and this harassment is routine in many localities. In addition, the election committees manage the pivotal winnowing out process, which is much criticized as a “black box.” Election committees are also instructed to induce congresses that satisfy certain electoral quotas—20 percent women, for example. To reduce electoral uncertainty created by contestation, the winnowing out process takes these quotas into consideration. Overall, candidates nominated by the party and party-controlled organizations do better than voter nominees in this process and they also do better in the elections. This creates a credibility problem. In the words of two pre-eminent Chinese congress scholars: “This situation disappoints voters, [especially] voters who nominate candidates, and leads to suspicion about the fairness of the elections.”

From initial nomination of candidates to election day is a mere 15 days. Electoral campaigns are prohibited by law. With little time and without campaigns or competitive party labels, a high proportion of Chinese vote blindly. In the late 1990s, some localities allowed election committees to arrange face-to-face meetings between candidates and voters and organized de facto primary elections. The system did not implode with this modest local tinkering. Indeed, the political center responded: in 2004 the electoral law was revised to include these features.

Let me conclude. I commented earlier that if representative democracy is working, most ordinary Chinese do not yet see it that way. What has and has not changed in the rules that govern congresses and congress elections goes some way toward explaining this.

Representative democracy in mainland China is not authoritarian “cheap talk.” At this point in time, however, it remains essentially a game of congress insiders. For them, what is most salient about elections is a new electoral uncertainty: with secret ballots and electoral contestation, they can lose. As winners, then, they have electoral legitimacy. Representatives in popularly elected congresses think and act as agents of their constituents. By contrast, ordinary Chinese pay attention to local congresses once every five years, when they are mobilized to vote in elections that are not yet well structured to generate their interest.

PREPARED STATEMENT OF YAWEI LIU

MAY 22, 2009

OLD AND NEW ASSESSMENTS

On April 1, 2009, the New China News Agency filed a wire story featuring a conversation among three prominent Chinese scholars on the current status of village elections in China. According to these scholars, a fair evaluation of the 20-year-old practice can be summarized by the following:

- (1) China’s rural residents have acquired a much keener sense of democracy, rule of law and individual rights;
- (2) The electoral procedures have become more standardized. The best indicator of this is the wide use of secret ballot booths on election day;
- (3) These elections have become more competitive and open;
- (4) Voter participation has become more rational;
- (5) The election outcome is largely positive with those elected being technically capable, market savvy and qualified to lead villagers to a more prosperous life;
- (6) The decisionmaking and daily administration of village affairs have become more democratic with the creation of villager representative assemblies and adoption of village charters;
- (7) The relationship between rural residents and the Party/state has significantly improved as a result of these elections.

About seven years ago, on July 8, 2002, I spoke at the Roundtable organized by CECC on village elections in China and offered the following assessment on the status of village elections:

- (1) Elections have provided a safety valve for hundreds of millions of Chinese peasants who are angry and confused as their lives are often subject to constant exploitation and pressure;
- (2) They have introduced legal election procedures into a culture that has never entertained open and free elections;
- (3) They have cultivated a new system of values, a much-needed sense of political ownership and rights awareness among the Chinese peasants that do not have any leverage in bargaining with the heavy-handed government.

In addition to the above, I also tentatively described three potential effects of village elections: (1) direct village elections are a right accorded to the least educated and most conservative group of Chinese society and other groups might demand the same right; (2) free and open choice was made possible by free nomination and secret balloting and the same set of procedures might be used by the personnel apparatus at higher levels of the Chinese government in promotion; and (3) village elections offered a neat blueprint for the vast and populous Chinese nation to slowly move up the electoral ladder and fulfill what Deng Xiaoping once pledged: China would have free, direct national elections in 50 years.

If one compares the assessments of village elections by the scholars and mine that were separated by seven years, there is no significant difference. In other words, there is not much more to add in terms of defining the status of village elections in China. While I outlined the potential impact of village elections on China's overall political landscape seven years ago, Chinese scholars have refrained from touching on this subject in 2009. Looking back, how do I assess what I said then?

In the early 2000s, many citizens in Beijing, Shenzhen and other cities demanded their full right to vote and to get elected. The demand came in outbursts and was termed by many as the election storm but it did not go very far. Neither was it warmly received by the government. We may attribute this to a few factors:

(1) The growing middle class in China seems to enjoy the way of life they have achieved through economic reforms. They may be concerned that any new changes will either cause a backlash or trigger a challenge to the status quo. When Jackie Chan mentioned that the Chinese people need to be "controlled" (*guanqilai*) at the recent Bo'ao Forum, he was warmly applauded by the audience, which was comprised of members of China's business and political elite.

(2) Direct elections were increasingly linked by the Chinese power apparatus and academic elite to an evil conspiracy orchestrated by the West, headed by the United States. These elites charged that elections are not a tool China needs to combat corruption and enhance good governance; rather, elections are a wedge used by Western nations envious of China's growth to stop China from becoming a strong and harmonious power.

(3) Without changes in the existing laws and regulations, any attempt to elevate direct elections to other levels of government can easily be deemed illegal or unconstitutional.

The real impact of village elections lies in the area of wide application of their procedures either directly or indirectly at high levels of the government. It should be emphasized that village election procedures are usually not adopted wholesale because doing so would violate existing laws. Rather, it is the idea of a more open nomination process, a more competitive way of selecting preliminary candidates, and a more transparent means of choosing the right person among multiple candidates that has been used at the township, county and even higher levels of the government and the Party.

These new and innovative experiments in selecting government and Party officials are bold and popular but there are also inherent problems. First, they are isolated and there have been no efforts to turn such successful pilots into a policy that would be widely adopted. Second, they are designed to expand choice, but all the new procedures adopted have to fall within the constraints of existing laws. As a result, the procedures are complex, elaborate and even cumbersome, making it very difficult and costly to implement. Lastly, many officials have to take political risks to introduce these measures and the fear of offending higher level officials runs deep.

When it comes to the final scenario of China becoming a democracy, vibrant village elections are still seen as a first step. This was the vision of Peng Zhen, chairman of the Standing Committee of the NPC under whose watch the Organic Law of the Villager Committees was adopted on a provisional basis in 1987. This is the vision of Wen Jiabao, who has repeatedly told foreign visitors that grassroots elections in China will eventually move up to the higher echelons of the government. This was also the hope of many people both inside and outside China. Many felt the hope had become reality when Suining City officials organized the direct election of the magistrate in Buyun Township on the last day of 1998. The hope was somewhat dashed when Buyun did not become China's political Xiaogang and the fear of a Color Revolution sweeping through China since 2005 has swept away what seemed to be the logical next step for a planned democracy to eventually take shape in China.

THE DECLINING RELEVANCE OF CHINA'S VILLAGE ELECTIONS

At the May 2002 roundtable, I said that village committee elections became so popular that they caused negative reactions from groups who saw these elections

as a threat to the status quo. "There is a systematic and almost conspiratorial effort to label village elections as a source of evil that is

- (1) undermining the Party's leadership in rural areas, affecting rural stability,
- (2) turning the rural economy upside down, and
- (3) helping clan and other old forms of power to control and grow in the countryside."

These charges against village elections have only increased in intensity and scale in recent years with more reports of cases of violence associated with elections, vote buying and four types of people seizing control of village elections. The four types of people are "the rich," "the strong," "the evil" and "the patriarch (clan leader)" respectively. Many scholars argue that village elections are very violent and very corrupt, indicating that as a trial of adopting Western-style democracy, they are a complete fiasco and are not suitable to the Chinese situation at all.

These accusations are irrational and despicable attacks on the capability and readiness of the Chinese farmers who are keen in participating in these elections. They are indicative of a strong political elite within the Party/state apparatus and their academic supporters that are bent on preventing the introduction of meaningful political reform through defining direct elections as something totally alien to Chinese culture, severely damaging to all developing countries, and utterly impossible to implement in a country with such a large and unruly population.

Regardless of how misleading these criticisms are, village elections are indeed becoming less relevant to the lives of Chinese farmers. There are several underlying causes. First, the young, educated and informed farmers are working in the cities. They are unable to run for village committee seats and to personally participate in these elections. Second, with the abolition of rural taxes and fees in recent years, a highly charged election has disappeared. The authority of the village committee is also being eroded as a result. Its relationship with the township government has become less substantial. Third, the Chinese government has opened the door for land reform, allowing farmers to enter into joint ventures, using their land rights as shares. It seems a new kind of election is emerging in areas that are moving fast on land reform, namely the election of board members of the joint venture. Fourth, there is a shift at the top level of the Chinese government from institutionalizing village self-government to finding ways to increase farmers' income. This shift is even more urgent when the economy enters into a downturn and when farmers' lack of access to education, healthcare and unemployment benefits not only decreases domestic consumption but creates fertile soil for social unrest and mass incidents.

There is a consensus at the top not to introduce direct elections at higher levels of the government. A large number of scholars have declared that direct elections are a unique Western intellectual idea that cannot be transferred to China. The Party is not even yielding its personnel selection power at the village level to direct election methods. Efforts at directly selecting township magistrates have been strictly forbidden since 2001. Within this political context, village elections will continue in years to come. Last year, 18 provinces held direct village elections, involving 400 million rural voters. However, these elections are limited to villages alone. Their impact on rural governance is limited. They will not and cannot be a driving force for China's political reform.

WILL THERE BE ELECTORAL DEMOCRACY WITH CHINESE CHARACTERISTICS?

Chinese leaders have openly declared that a multi-party system is not good, that a system of checks and balances are contrary to the supremacy of the Chinese Communist Party, and that Western style democracy does not fit China's unique circumstances. Chinese scholars are divided. Those on the left either say China has already enshrined a unique system of democracy that was able to deliver a brilliant response to a disastrous earthquake and host an unprecedentedly successful Olympic Games or that the blind faith in using elections to combat corruption and improve governance is a dangerous superstition. Scholars leaning toward the right are likely to argue that it is counterproductive to denounce Western-style democracy. The focus should be on making China's democracy a working and executable model. Many suggest that political reform won't take place unless there is judicial independence, transparency and measurable governance in China. Others advocate freedom of the press and freedom of speech as the prerequisite for eventual democratization. These scholars tend to neglect the importance of elections.

A small group of scholars, notably Cai Dingjian of the China University of Political Science and Law and Jia Xijin of Tsinghua University, believe that choice and accountability are not possible without free and fair elections. Jia Xijin recently wrote that China does not have to introduce direct elections of government leaders but should cut the number of people's deputies at all levels and make their elections

direct and competitive. According to her recommendation, China's National People's Congress (NPC) should reduce its number of "Congressmen" and "Congresswomen" from the current 2,987 to about 750, with a minimum of two coming from each of China's 334 cities. Election of NPC deputies must be direct. Elected NPC deputies must be professional and paid representatives with staff support. They will subsequently take their job seriously and do a good job in electing state leaders, supreme court justices and top law enforcers, approving budgets, supervising expenditures and endorsing national level policies.

Jia Xijin's proposal is bold and feasible but it is probably just a vision at this time. To get the Party to give up airtight control at the national level immediately with no conditions is unthinkable if you look at how difficult it is for the Party to give popularly elected village committees total control over their own affairs. For a political entity that has always held power, to be held accountable by another entity popularly elected requires a learning process. The Party has to learn how to subject itself to the wishes and whims of the people's representatives. It is not going to be an easy adjustment. Furthermore, it will take time for the Party-state leaders, scholars and China's middle class to believe that having people's representatives as masters of the Party will not lead to chaos and instability. This process can proceed without changing any laws and creating new institutions. This requires the process of making direct elections of people's representatives at the township/town and county/district levels as competitive and transparent as village elections.

Every five years, all eligible voters in China, possibly numbering 900 million, are supposed to directly elect representatives for people's congresses at the town/township and county/district levels. These elected people's representatives will then elect government leaders, approve budgets and endorse policy at their respective levels and also elect people's representatives to higher levels. Unless these elections are free of manipulation and these elected deputies have real power, capable people will not run for these positions and voters are not going to be interested in voting in these elections.

It takes vision, courage and time to make these elections meaningful. Making these elections open does not mean introducing Western style democracy. These are elections in which the Communist Party can field its candidates without blocking other organizations from society at large from having their candidates compete. Those elected will elect government leaders. They are not members of the mob; they are well informed, well-placed and well-connected. In order to ensure that the Party cannot interfere with these elections and that those who choose to interfere will be punished, existing laws need to be amended, new laws drafted and new institutions created.

If China's leaders are unwilling or cannot incorporate the procedures of village elections to direct elections of local people's representatives and accept this gradual and indirect electoral democracy, we will have to consider that China might be able to defy universally recognized developmental models and create a new political system that will sustain economic growth, check government abuse, reduce corruption and inefficiency, protect people's pursuit of happiness, and create a harmonious state that loves all, hates none and poses no threat to the outside world. This would be a daring new system, and an emerging substitute to the Washington Consensus.

PREPARED STATEMENT OF BRUCE J. DICKSON

MAY 22, 2009

WHO CONSENTS TO THE "BEIJING CONSENSUS?"
CRONY COMMUNISM IN CHINA

After three decades of economic reform in China, many observers expect that political change will be the inevitable consequence of ongoing economic development. However, China's current combination of a vibrant economy and Leninist political institutions runs contrary to the "Washington consensus," which asserts that state intervention is not conducive to economic development, and that economic freedoms require political liberties associated with democracy to flourish. This neo-liberal model has been the cornerstone of international aid and lending programs for the past two decades. However, China offers an alternative arrangement that may be appealing to a variety of developing countries. The "Beijing consensus" suggests that rapid economic development requires active leadership by political elites committed to growth and that authoritarian rule is necessary to sustain these pro-growth policies and limit demands for greater equity and social welfare. The "Beijing consensus" therefore is antithetical to the "Washington consensus" and has so far de-

fied the logic that economic development inevitably leads to political change. Rather than conform to neo-liberal orthodoxy or predictions of regime change, China's leaders are committed to promoting economic growth by integrating wealth and power.

The expectation that economic reform in general and privatization in particular is leading to democratization in China is based on two assumptions. First, the CCP is a passive actor, unaware of the social changes that are accompanying economic modernization and unable to adapt itself to these new circumstances. Second, China's capitalists are inherently pro-democratic. Both of these assumptions are faulty, and the predictions based on them equally shaky.

Rather than a passive actor, the CCP has been the primary agent of economic and social change, and has been to be far more adaptable than most observers have anticipated.¹ In the course of promoting its policies of economic reform and opening (*gaige kaifang*), it has actively embraced the private sector in a variety of ways.² Throughout the reform period, its support for the private sector has grown significantly. Rhetorically, it has pledged to "support, encourage and guide" the private sector.³ This pledge—with increasingly strong language—has been a part of the Chinese constitution since 1988. In addition, it amended the state constitution in 2004 to protect private property, and enacted a property rights law in 2007 to codify this commitment. Ideologically, the CCP has evolved from seeing private entrepreneurs as a potential threat to its existence to embracing them as a key source of support. In 1989, soon after the violent end of popular demonstrations in Tiananmen Square and throughout the country, the CCP banned the recruitment of capitalists into the CCP, viewing them as using "illegal methods to seek huge profits and thereby create great social disparity and contribute to discontent among the public."⁴ But during the 1990s and to the present, the CCP came to see the private sector as the main source of new economic growth, job creation, and tax revenue. Rather than viewing private entrepreneurs as class enemies, the CCP embraced them as partners. In Jiang Zemin's theory of the "Three Represents," entrepreneurs were elevated to the first of the groups the CCP claimed to represent. With this justification, the CCP has not only encouraged its members to go into the private sector, it has co-opted private entrepreneurs into the party. Institutionally, the CCP has created a variety of links with the private sector, including a dense variety of business associations (some affiliated with the CCP, others organized by capitalists themselves). These allow the CCP to monitor the private sector, and also allow entrepreneurs to interact with and even lobby the government. A second type of institutional link is the network of party organizations that have been created in private firms. This is one of the CCP's traditional means of linking itself to society, and has been an increasingly common occurrence in the private sector over the past decade.

One of the more remarkable aspects of China's privatization has been that the rapid expansion of the private sector and the accompanying political support for it has come without discernible pressure from the capitalists themselves. The CCP has initiated economic reforms that have benefited the private sector, but did so as a means of boosting economic development and standards of living in general, not to satisfy the specific interests of China's capitalists.

Expectations that privatization will lead to democratization are also based on the assumption that China's capitalists naturally hold pro-democratic beliefs and would prefer a more democratic polity than the current regime. This assumption is derived by the European experience, where urban capitalists were the primary agents of democratic change. In Barrington Moore's famous hypothesis, "no bourgeois, no democracy": where the urban bourgeoisie in Europe sought political rights and rep-

¹Recent scholarship on the adaptability of the CCP includes Andrew Nathan, "Authoritarian Resilience," *Journal of Democracy*, vol. 14, no. 1 (January 2003), pp. 6–17; Kjeld Erik Brodsgaard and Zheng Yongnian, eds., *Bringing the Party Back In: How China Is Governed* (Singapore: Eastern Universities Press, 2004); Cheng Li, "The New Bipartisanship within the Chinese Communist Party," *Orbis*, vol. 49, no. 3 (summer 2005), pp. 387–400; and David Shambaugh, *China's Communist Party: Atrophy and Adaptation* (Berkeley and Washington, DC: University of California Press and Woodrow Wilson Center Press, 2008).

²The discussion that follows is based on the more detailed analysis in *Wealth into Power: The Communist Party's Embrace of China's Private Sector* (New York: Cambridge University Press, 2008). Related coverage of these issues can be found in Kellee Tsai, *Capitalism without Democracy: The Private Sector in Contemporary China* (Ithaca: Cornell University Press, 2007), and Yasheng Huang, *Capitalism with Chinese Characteristics: Entrepreneurship and the State* (New York: Cambridge University Press, 2008).

³This new policy was announced in the communiqué of Fifth Plenum of the 15th Central Committee of the CCP; see *Xinhua*, October 11, 2000.

⁴Guowuyuan, "Guanyu dali jiaqiang chengxiang geti gongshanghu he siying qiye shuishouzhengguan gongzuo de jue ding," *Guowuyuan Gongbao* no. 16 (September 20, 1989), pp. 626–629; quoted in Susan H. Whiting, *Power and Wealth in Rural China: The Political Economy of Institutional Change* (New York: Cambridge University Press, 2001), p. 137.

representative institutions in order to protest their economic interests, democracy gradually emerged; but in the absence of a dominant class of urban property owners, the consequence was authoritarian regimes, either fascist or communist.⁵ This observation influenced subsequent thinking: capitalists would tend to seek democratic institutions to protect their economic interests. But in late developing countries, there has been far more cooperation between the state and big business than was the case in the early developers in Europe.⁶ Capitalists do not always need to demand democracy to defend their interests; instead, they develop cooperative relations with the state in order to achieve the same goal. This cooperation is in part based on shared interests of promoting economic development. But it is also based in part on shared identities: political and economic elites often have family ties and come from similar social and professional backgrounds.

In China as in other developing countries, the state and business are closely intertwined. Their shared identities and common interests create support for the political status quo. China's entrepreneurs have been the main beneficiaries of the CCP's economic reform policies and have little incentive to prefer democracy as an alternative regime. Political change would introduce political uncertainty that could easily be detrimental to their economic interests. They could lose their preferential access to officials and consequently find that the current pro-growth policies would be replaced by more populist policies that benefit society at large but negatively impact the capitalists' potential for growth and profits. Rather than be locked in a confrontational relationship with the state that requires democratic institutions to resolve, China's capitalists and party and government officials have developed a stable set of relationships that I refer to as "crony communism." Like the more familiar and more common "crony capitalism," crony communism in China is based on the cozy and often corrupt relationship that exists between business and the state. But the way this cozy relationship has developed and evolved is distinctive in China. In the sections below, I will elaborate on the nature of crony communism in China, explain its dynamics, and assess its implications.

CCP DOMINATED

The first and most basic element of crony communism is that it is dominated by the CCP. In a political system in which the CCP enjoys a monopoly on political organization, this comes as little surprise. But just as the CCP is the central actor in most aspects of politics in China, it is also the center of crony communism.

First of all, as noted above, the CCP initiated economic reforms on its own initiative and without pressure from capitalists. Indeed, at the beginning of the post-Mao reform era, capitalists were for all intents and purposes non-existent in China. The CCP's economic reforms provided a space for the private sector to grow, and over time it became increasingly important, providing most of the new economic growth, jobs, and tax revenue. But most key elements of economic reform—such as the two-track pricing system, the gradual abandonment of central planning, and the restructuring of state-owned enterprises—were initiated by the CCP to produce growth and dynamism into the economy. They were not the consequence of pressure from non-state interest groups.

The main beneficiaries of economic reform have also been CCP members, both local officials and "red capitalists," private entrepreneurs who are also CCP members. Many red capitalists were already in the CCP before going into business (a group I refer to as *xiahai* capitalists, following the Chinese expression for joining the private sector). They responded to Deng Xiaoping's call to "take the lead in getting rich," a slogan that implicitly recognized that some individuals and some regions of the country would prosper before the rest. The people who were best positioned to get rich first were those who were well connected to the state, either as local officials, SOE managers, or rank and file party members. They used those connections to open their businesses, obtain capital and foreign investment, and gain access to domestic and foreign markets. In this sense, they were able to turn their political power into personal wealth. Other entrepreneurs were co-opted into the part, turning their wealth into power. Regardless of whether they were in the party before going into business or were co-opted afterward, red capitalists have distinct

⁵ Barrington Moore, *Social Origins Of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World* (Boston: Beacon Press, 1966).

⁶ Dietrich Rueschemeyer, Evelyn Huber Stephens, and John D. Stephens, *Capitalist Development and Democracy* (Chicago: University of Chicago Press, 1992); Peter Evans, *Embedded Autonomy: States and Industrial Transformation*, Princeton: Princeton University Press, 1995; Meredith Woo-Cumings, ed., *The Developmental State* (Ithaca: Cornell University Press, 1999); Eva Bellin, "Contingent Democrats: Industrialists, Labor, and Democratization in Late-Developing Countries," *World Politics*, vol. 52, no. 2 (January 2000), pp. 175–205.

advantages in business: they tend to operate the largest and most profitable firms (see table 1). Most private entrepreneurs acknowledge that red capitalists have advantages in business, although as the CCP's commitment to the private sector as a whole has grown over time, those advantages may have become less pronounced (see table 2). The protection of private property, development of the legal system, especially concerning business law, and the greater integration of China into the global economy has made capitalists less dependent on the state. Never the less, the smaller scale of firms owned by non-CCP members suggests there remain limits on the expansion and operation of those who are not communist cronies.

Not only do CCP members benefit tremendously from the privatization of the economy, so do their sons and daughters. Whereas the children of first and second generation leaders often followed their fathers into the party, government, and military, children of third and fourth generation leaders have all gone into business (or in the cases of the daughters of Hu Jintao and Wen Jiabao, married prominent businessmen). An internal report (allegedly from the Central Party School) indicated that 90% of China's ultra-wealthy (those with personal fortunes worth over 100 million yuan) are the children of high ranking officials.⁷ This is an extreme example, but in a larger sense the concentration of wealth in the hands of the people who are politically well-connected is the essence of crony communism. At the same time, public knowledge that the primary beneficiaries of China's rapid economic growth are political insiders threatens to delegitimize the ongoing economic reforms. Not only has rapid growth created growing inequality, but economic wealth and political power are controlled by the same groups of privileged elites.

DECENTRALIZED

A second characteristic of crony communism in China is that it is decentralized. Much of the collusion between party and government officials and capitalists occurs at the local level. Unlike the practice of crony capitalism in Southeast Asia, crony communism in China is not dominated by a ruling family or central leaders.⁸ Instead, it involves officials at all levels of the political hierarchy.

The close ties between state and the private sector in China is in part driven by the imperative of producing economic growth. Growth rates are one of the "hard targets" that local officials have to meet in order to be promoted.⁹ This gives them an incentive to cooperate with the private sector, which is the primary source of economic growth. Local officials control approvals of most projects, whether selling off state and collectively owned enterprises or transferring land use rights to developers. This control has given rise to a variety of corrupt transactions. Many firms have been privatized in sweetheart deals in which the local officials sell the firms and their assets at a fraction of their true value, instantly enriching the cronies who buy the firms and the officials who receive bribes and kickbacks for their part in the transaction.¹⁰ In other cases, capitalists provide favors for the family members of local officials as a tacit part of their bargain. They may provide jobs to the children and spouses of officials, pay tuition for private school or even foreign education, and even buy cars or houses for them. Local officials may also have business dealings of their own, either directly owning or operating firms or indirectly involvement in firms owned by family and friends. The incentive for local officials to support the private sector is therefore not just due to a desire for professional advancement, it is also based on immediate material gain.

The benefits of crony communism are enjoyed by officials at all levels of the political hierarchy. Most of the allegations of corruption involve officials at the county level and below. With the exception of a few high profile corruption cases (such as Chen Liangyu and Beijing vice mayor Liu Zhihua), the CCP has mostly targeted lower level officials for punishment. Although most observers believe that this improperly discounts the corrupt behavior of provincial and central level officials, it also acknowledges that officials at all levels are profiting from China's economic de-

⁷Reported in Hong Kong's Singdao Daily on October 19, 2006, available at <http://financenews.sina.com/ausdaily/000-000-107-105/202/2006-10-19/1509124173.shtml>.

⁸Paul D. Hutchcroft, "Oligarchs and Cronies in the Philippine State: The Politics of Patrimonial Plunder," *World Politics*, vol. 43, no. 3 (April 1991), pp. 414-50; David C. Kang, *Crony Capitalism: Corruption and Development in South Korea and the Philippines* (New York: Cambridge University Press, 2002); Richard Robison and Vedi Hediz, *Reorganising Power in Indonesia: The Politics of Oligarchy in an Age of Markets* (London: RoutledgeCurzon, 2004).

⁹Kevin J. O'Brien and Lianjiang Li, "Selective Policy Implementation in Rural China," *Comparative Politics*, vol. 31, no. 2 (January 1999), pp. 167-186.

¹⁰X.L. Ding, "The Illicit Asset Stripping of Chinese State Firms," *China Journal*, no. 43 (January 2000); Yan Sun, *Corruption and Market in Contemporary China* (Ithaca: Cornell University Press, 2004); Melanie Manion, *Corruption by Design: Building Clean Government in Mainland China and Hong Kong* (Cambridge: Harvard University Press, 2005).

velopment. Put differently, the benefits of crony communism are quite decentralized. The authority to approve projects is not controlled by a handful of top leaders. As a result, officials at all levels have both the incentive and the means to cooperate with the private sector with both legitimate and corrupt interactions.

DIFFUSE

A different aspect of crony communism is based on the structure of China's political economy. Unlike in post-communist Russia, where wealth was concentrated in the hands of a few politically well-connected individuals who became known as "oligarchs,"¹¹ China's privatization has not resulted in a similar concentration of wealth. Instead, China's private sector is characterized by a predominance of small and medium scale enterprises. On the one hand, this means that the beneficiaries of economic reform in general and privatization in particular have been widespread. On the other hand, it also means that collective action among capitalists is difficult because their numbers are so large. Firms do engage in extensive lobbying, but primarily over business-related issues, such as setting industrial standards, but not over broader public policy issues.¹²

On a larger scale, there has been no collective action among private business to promote political change. In 1989, a few prominent capitalists (in particular Wan Runnan of Beijing's Stone Group) and many *getihu* (individual owners of very small scale enterprises) offered material support to protestors in Tiananmen Square, but they were the exception not the rule. Most private entrepreneurs were opposed to the goals of the demonstrators, fearing they would disrupt political stability.¹³ After 1989, many of the students who participated in the protest movement maintained their political ideals but chose to pursue them more quietly and indirectly, for example, by providing financial support for academic conferences, research centers, and publications regarding political reform, rule of law, and constitutional government. But again, these pro-democratic capitalists have been in the minority: in a recent survey of private entrepreneurs, only 25 percent engaged in these kinds of activities.¹⁴ The main trend has been for China's capitalists to either support the status quo or remain apolitical. In the absence of more effective organizations, China's capitalists have difficulty engaging in collective action outside the scope of their business activities. The diffuse nature of China's political economy, in particular the large number of small and medium scale enterprises, makes collective action additionally difficult, consequently adding more stability to the crony communist system.

EXPANSIVE

Crony communism is also expansive: the number of red capitalists has continued to grow. In 1993, only about 13 percent of private entrepreneurs were party members; by 2007, that figure almost tripled, to 38 percent (see figure 1). This increase occurred for two separate reasons. First, most of the increase in the number of red capitalists has been the result of party members who went into the private sector and the privatization of SOEs. These types of entrepreneurs were already well integrated into the state before going into private business. According to my surveys of relatively large scale firms, red capitalists who were already in the CCP before joining the private sector (i.e., *xiahai* entrepreneurs) have become the largest group of private entrepreneurs (see table 3).

The second source of growth among red capitalists has come through co-optation. Although the recruitment of private entrepreneurs into the CCP was banned after the 1989 demonstrations, Jiang Zemin's "Three Represents" speech in 2001 legitimized the practice.¹⁵ Initially, the lifting of the ban was expected to lead to a surge of new red capitalists, but that did not happen. In part, this outcome was due to the reluctance of local officials to enthusiastically implement the new policy, showing that many in the party continue to resist the inclusion of capitalists into the communist political system; in part also, the lackluster response was due to the cap-

¹¹ Joel S. Hellman, "Winners Take All: The Politics of Partial Reform in Postcommunist Transitions," *World Politics*, vol. 50, no. 2 (January 1998), pp. 203–234; David E. Hoffman, *The Oligarchs: Wealth and Power in the New Russia* (New York: Public Affairs, 2003).

¹² Scott Kennedy, *The Business of Lobbying In China* (Cambridge: Harvard University Press, 2005).

¹³ David L. Wank, *Commodifying Communism: Business, Trust, and Politics in a Chinese City* (New York: Cambridge University Press, 1999).

¹⁴ Jie Chen and Bruce J. Dickson, "Allies of the State: Democratic Support and Regime Support among China's Private Entrepreneurs," *China Quarterly* (December 2008).

¹⁵ For the debate over the propriety of including capitalists into the CCP, see Bruce J. Dickson, *Red Capitalists in China: The Party, Private Entrepreneurs, and Prospects for Political Change* (New York: Cambridge University Press, 2003), pp. 98–107.

italists themselves. Many felt that the CCP's support for the private sector had become so pronounced that they could benefit from that support without having to incur the costs of time and inconvenience that party membership entails. Never the less, the number of co-opted red capitalists grew steadily, if slowly, in the years after Jiang's "Three Represents" speech.

In co-opting capitalists, the CCP uses a "grasp the large, release the small" strategy similar to its approach to reforming SOEs: in terms of recruiting private entrepreneurs, the CCP focuses on the largest firms. Co-opted red capitalists on average operate larger firms than non-party members, but not as large as *xiahai* capitalists. Similarly, large firms are more likely to be focus of building new party organizations and recruiting new members from among workers. In integrating capitalists into the political system, the CCP clearly prefers economic elites over small scale operators.

Why do China's capitalists want to join the CCP? In business as in other careers, there is a glass ceiling for those who are not in party. This gives economically and politically ambitious entrepreneurs an incentive to join. According to local officials, the main reason capitalists seek to join the CCP is that they have political aspirations. The CCP directly controls nominations for local people's congresses and appointments to local people's political consultative conferences, and indirectly it also controls candidacy in village elections. In other words, access to China's political institutions is supply driven, not demand driven.¹⁶ One indicator of this is the breakdown of capitalists in these local institutions. Over time, a greater percentage of people's congress members and village candidates have become *xiahai* red capitalists, whereas the percentage of co-opted and non-red capitalists dropped (see table 4). There are two reasons for this change in distribution. First, the CCP has developed a more systematic strategy for nominations (especially for people's congress elections), and favors the most politically reliable capitalists for these political posts. Second, the benefits of holding village office are quickly maximized and capitalists express less interest in being reelected. Capitalists other than *xiahai* red capitalists may have decided that official village duties are detrimental to business operations, or that other types of political activities are more useful. In both these ways, the CCP's strategy has been to provide political access to those within the crony communist system and to prevent non-cronies from using these official institutions to pursue a political agenda.

Still, a good number of capitalists are not party members and do not want to join the CCP. Many claim that party membership does not matter, that with the CCP's support for the private sector, the benefits of its reform and opening policies are available to all capitalists. In other cases, they claim that they are not qualified for party membership, and they are generally correct: most are over 35 and have less than a high school education, two key criteria for new recruits. For others, the lack of interest in party membership is due to political alienation: those who see the CCP as corrupt, monolithic, and unwilling to grant enough freedom to its members express no interest in joining it.

In contrast, local officials provide different reasons for why many capitalists do not want to join the CCP. First of all, they want to avoid the CCP's scrutiny of their business practices. According to local officials, red capitalists are more law abiding and more honest in paying their taxes. Put differently, they may be under more pressure from the CCP to fulfill their obligations, whereas non-CCP capitalists are less likely to be monitored or caught. In addition, red capitalists are also under more pressure to contribute to charity. Capitalists who do not belong to the CCP, who do not belong to the official business associations (such as the All-China Federation of Industry and Commerce and the Private Enterprise Association), and who do not have party organizations in their firms are less likely to make charitable contributions. Charity work is seen as a key part of party building and the work of business associations, and they definitely target their own members.

In short, party membership is seen by some as detrimental because it imposes new demands on their busy schedules and on their conduct, and by others as a stepping stone to other forms of political participation but not something desirable for its own sake. Crony communism may be an expansive system, but it does not appeal to all capitalists.

¹⁶For an alternative argument, namely that capitalists are motivated to become members of local people's congresses and political consultative conferences in order to strengthen the rule of law and protect that property rights, see Hongbin Li, Lingsheng Meng, and Junsen Zhang, "Why Do Entrepreneurs Enter Politics? Evidence from China," *Economic Inquiry*, vol. 44, no. 3 (July 2006), pp. 559–578.

PATERNALISTIC

A related aspect of crony communism is that it is paternalistic. Local officials see party building as not only essential for the party's relationship with the private sector, but also necessary to improve the management abilities and business acumen of private firms. The CCP has given more attention to basic party building in recent years, not just in the recruitment of capitalists into the party but also in creating party organizations in private firms and recruiting workers who are employed there (see table 5). Party organizations in private enterprises do not simply lead political study among party members who work there, more importantly they focus on business issues, such as enhancing quality control and imbuing corporate culture. Officials generally have a low regard for the business acumen of most entrepreneurs in their communities, and see it as their responsibility to make them more efficient and competitive. This viewpoint may be self-serving, but it is not altogether off the mark. The private sector in China is relatively new, and most entrepreneurs did not grow up in the family business or have other relevant experience before going into business. Additional training and attention to basic issues of business management would presumably benefit many of them.

Another aspect of the CCP's paternalism is the opening of party schools to private entrepreneurs. The Central Party School began offering classes for private entrepreneurs in April 2000, and by 2006 over 10,000 entrepreneurs from around the country had attended.¹⁷ Local party schools also began holding similar kinds of classes. While these party school classes included some degree of political education, for the most part they are similar to programs offered by business schools and concentrate on marketing, human resources, accounting, and other practical management issues. In addition, attending the party school allows entrepreneurs to build connections with other officials; this is also a central appeal to the officials who attend other classes at party schools.

SYMBIOTIC

The purpose of CCP's party building activities are not just to monitor and control private sector, thereby preventing a political challenge, equally importantly they are designed to facilitate cooperation between CCP and private sector on their shared goal of promoting economic growth. As a result, another aspect of crony communism is that it is symbiotic. The cozy relationship between the party and the private sector is mutually beneficial. Both benefit from promoting economic development and privatization. For that reason, private entrepreneurs share similar values with party and government officials on a variety of policy issues. For example, not only are most entrepreneurs and officials satisfied with the pace of economic reform, they have become increasingly satisfied over the years, with nearly 70 percent of both groups believing the pace of reform is "about right" (see table 6).

A more telling example of shared viewpoints concerns the tradeoff between the goals of economic growth and political stability. Promoting growth has been the top priority of the post-Mao period, but has come at the expense of political stability. The number of local protests increased from 32,000 in 1999 to 87,000 in 2005. Many of these protests were the unintended consequences of rapid growth: farmers whose fields were taken away in illegal and corrupt land seizures, workers who were not paid or forced to work in unsafe conditions, laid off and retired workers who did not get the cash payments and insurance protection they were promised, urban residents who were forced to move to make room for new development, and so on. This threat to stability led China's leaders to more pro-actively address the causes of popular dissatisfaction, as well as to respond quickly when protests did break out.¹⁸ This concern for political order is also reflected in the views of entrepreneurs and officials. With the exception of county-level cadres, most entrepreneurs and local officials put more emphasis on preserving order than on promoting growth. Even among county-level officials, there was a sharp drop over time in the percent who favored growth, although still a majority (see table 7). This shared viewpoint is based on different but complementary interests. For entrepreneurs, political unrest threatens the stability that is most beneficial to their operations. For township and village officials, the main responsibility for maintaining order is theirs. For county officials, economic growth is their main priority, but their commitment to growth has more recently been tempered by the rise of popular protests.

¹⁷South China Morning Post, April 26, 2006.

¹⁸Bruce J. Dickson, "Beijing's Ambivalent Reformers," *Current History*, vol. 103, no. 674 (September 2004), pp. 249–255.

SELF-PERPETUATING

These characteristics of crony communism in China make it self-perpetuating. As the central actor in the political system, the CCP has a clear incentive in maintaining its political monopoly and protecting its cronies. Local officials enjoy a large share of the benefits from the cozy relationship between the state and business, and should be expected to maintain it. The expansive nature of crony communism gives the opportunity for others to be included, and lowers the incentive for them to challenge it. The structure of China's political economy, with its predominance of small and medium scale enterprises, also reduces the likelihood of collective action: the large number of small actors inhibits effective collective action. Above all, the shared interests of the key actors—the private entrepreneurs and party and government officials—also create a strong incentive to maintain a relationship that has proven to be so mutually beneficial.

POTENTIAL FOR CHANGE

Although I have argued that crony communism is likely to remain self-perpetuating, what would cause this to change? First of all, because the capitalists' support for the status quo is largely based on material interests, a decline in the pro-business policies of the CCP would prompt a reconsideration of the capitalists' relationship with the state. This does not seem likely under current circumstances (especially the international economic crisis that began in 2008), but new leaders or dramatic change in the political environment within China could lead to a change of policy that would be detrimental to business interests.

Second, an increase in the populist policies of the current leaders might also undermine crony communism. The central leaders under Hu Jintao and Wen Jiabao have moderated the pro-growth strategy pursued under Jiang Zemin. They have tried to foster a more balanced pattern of growth so that inland and western provinces do not feel left out of China's modernization. They have attempted to reduce regional inequalities with income subsidies and the elimination of rural taxes. They have adopted labor laws and environmental policies to ameliorate some of the externalities of rapid growth. While adopting these populist measures, they have also maintained the imperative of rapid growth and reliance on the private sector. If the current balance between the elitist strategy of development designed to sustain rapid growth and the populist policies designed to improve equity were to tip in the favor of populism, and therefore the incentives for growth were curtailed, the capitalists would be less likely to lend their unqualified support.

Third, the more a true market economy emerges, the less dependent capitalists will be on the state for their success; accordingly, the less likely they would be to support the status quo.¹⁹ Even now, this process is slowly underway. Private firms are more able to get loans from state banks, even though this is still highly restricted. Stronger legal protection for property rights makes political protection less salient, and while property rights are still weakly and unevenly enforced, the trend has been toward more rather than less protection. The state still tightly controls the ability of Chinese firms to list on domestic and foreign stock exchanges, although this control has loosened of late. As firms become more responsible for their own profitability, and less dependent on favors from the state, the less incentive they will have to nurture the cozy ties with party and government officials that are now required for firms to be successful.

Fourth, and conversely, a dramatic increase in corruption could also temper the political support of China's capitalists. Much of the rampant corruption in the reform era has been fueled by the business activities of private entrepreneurs, many of whom reportedly set aside a certain portion of a project's cost for bribes and gifts.²⁰ So long as corruption remains limit and accepted as a routine cost of doing business, crony communism is likely to endure. But if the demands of officials become predatory, the political support among capitalists is likely to diminish. Indeed, the experience of other countries suggests that growing dissatisfaction with corrupt officials can cause capitalists to shift their political support away from the incumbent regime.²¹ Such a development is not inconceivable in China.

Finally, crony communism could become the victim of its own success. There are a variety of consequences of privatization that could trigger more intense public resentment. The relationship between the state and business is inherently corrupt, and while this level of corruption is seemingly acceptable to most capitalists, it is

¹⁹ Bellin, "Contingent Democrats."

²⁰ Sun, *Corruption and Market in Contemporary China*.

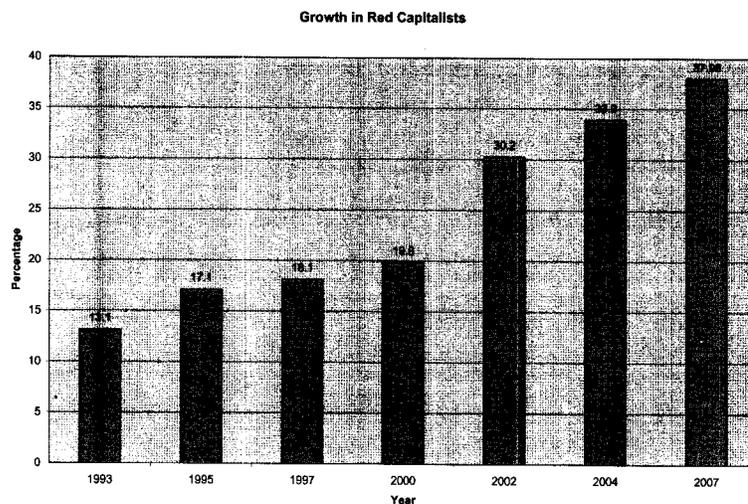
²¹ Stephan Haggard and Robert Kaufman, *The Political Economy of Democratic Transitions* (Princeton: Princeton University Press, 1995).

a cause of tremendous dissatisfaction among the public at large. The rapid growth of China's economy has also been accompanied by growing inequality. To the extent that the public comes to perceive that China's nouveau riche have attained their prosperity through political ties and not through entrepreneurship and hard work, they will become less willing to accept the unequal distribution of wealth. The growing number of protests against corruption, land grabs, and other aspects of economic development has to date remained very localized and specific, but the potential for more systemic challenges is not out of the question. This would signal the decay of public support for the propriety of the ongoing policies of economic reform and openness, posing an exogenous threat to crony communism.

CONCLUSION

The CCP has defied predictions that economic reform will lead ultimately to political change. Its economic reforms have unfolded without overt pressure from the people who have benefited the most: the private entrepreneurs. The strong pro-growth and pro-business policies pursued by the CCP over the past three decades of reform have led to the integration of wealth and power in a manner best described as crony communism. This is a key part of the success of the so-called "Beijing consensus"—not just that the state is committed to growth, but that it has willing partners in the private sector. Rather than be a threat to the CCP, private entrepreneurs have become a key source of political support. Moreover, by providing the jobs, growth and tax revenue that the state needs, they are also indirectly a source of the CCP's popular support and legitimacy. Although the CCP no longer pursues the Marxist goals of a communist utopia and the withering away of the state, it still is a distinctly Leninist party, aggressively enforcing its monopoly on political organization and selectively incorporating new elites into it. Despite the anomaly of capitalists in a communist party, the growing integration of economic and political elites will continue.

Figure 1: Growth in Red Capitalists, 1993-2007



Values for 1993-2004 come from surveys organized by the All-China Federation of Industry and Commerce; data available from the Universities Service Center of the Chinese University of Hong Kong; value for 2007 comes from Jie Chen and Bruce J. Dickson, "Allies of the State: Democratic Support and Regime Support among China's Private Entrepreneurs," *China Quarterly* (December 2008).

TABLE 1—SIZE OF FIRMS OWNED BY CCP MEMBERS AND NON-CCP MEMBERS

| | 1999 | 2005 |
|------------------------------------|------|------|
| Annual sales (million RMB): | | |
| All entrepreneurs | 3.5 | 12.5 |
| <i>Xiahai</i> entrepreneurs | 5.3 | 18.6 |
| Co-opted entrepreneurs | 3.4 | 13.6 |
| Want to join CCP | 3.1 | 7.2 |
| Do not want to join CCP | 2.6 | 8.5 |
| Number of workers: | | |
| All entrepreneurs | 41.8 | 74.4 |
| <i>Xiahai</i> entrepreneurs | 75.4 | 95.5 |
| Co-opted entrepreneurs | 38.6 | 91.4 |
| Want to join CCP | 27.5 | 55.5 |
| Do not want to join CCP | 28.9 | 54.5 |
| Fixed Assets (million RMB): | | |
| All entrepreneurs | 2.3 | 7.0 |
| <i>Xiahai</i> entrepreneurs | 4.3 | 10.3 |
| Co-opted entrepreneurs | 2.1 | 6.7 |
| Want to join CCP | 1.7 | 4.5 |
| Do not want to join CCP | 1.6 | 5.0 |

Source: Original survey data.

TABLE 2—DO CCP MEMBERS HAVE ADVANTAGES IN BUSINESS?
(Percent Who Agree)

| | 1999 | 2005 |
|-----------------------------------|------|------|
| <i>Xiahai</i> entrepreneurs | 37.3 | 57.1 |
| Co-opted entrepreneurs | 51.5 | 56.6 |
| Want to join CCP | 59.0 | 58.2 |
| Do not want to join CCP | 32.9 | 26.7 |

Source: Original survey data.

TABLE 3—PRIVATE ENTREPRENEURS RELATIONSHIP WITH CCP
(Percentages)

| | 1999 | 2005 |
|--------------------------------|------|------|
| <i>Xiahai</i> Red Capitalists | 25.1 | 34.1 |
| Co-opted Red Capitalists | 13.1 | 15.9 |
| Want to join CCP | 28.2 | 24.9 |
| Don't Want to Join CCP | 33.5 | 25.1 |

Source: Original survey data.

TABLE 4—PRIVATE ENTREPRENEURS IN POLITICAL POSTS

(Percentages)

| | 1999 | 2005 |
|---|------|------|
| Local People's Congress: | | |
| All Entrepreneurs | 11.3 | 10.5 |
| <i>Xiahai</i> entrepreneurs | 19.1 | 18.0 |
| Co-opted entrepreneurs | 24.6 | 15.5 |
| Want to join CCP | 5.1 | 3.0 |
| Don't want to join CCP | 5.6 | 4.5 |
| Village Chief or Representative Council: | | |
| All Entrepreneurs | 16.1 | 13.7 |
| <i>Xiahai</i> entrepreneurs | 22.8 | 20.2 |
| Co-opted entrepreneurs | 40.6 | 21.4 |
| Want to join CCP | 10.7 | 10.3 |
| Don't want to join CCP | 6.2 | 3.4 |

Source: Original survey data.

TABLE 5—PARTY BUILDING IN THE PRIVATE SECTOR, 1999 AND 2005

| | 1999 | 2005 |
|---|------|------|
| Firms with party organizations (percent): | | |
| All Entrepreneurs | 18.4 | 28.9 |
| <i>Xiahai</i> entrepreneurs | 33.1 | 46.3 |
| Co-opted entrepreneurs | 38.5 | 44.1 |
| Want to join CCP | 10.0 | 15.7 |
| Do not want to join CCP | 7.5 | 10.2 |
| Firms whose workers have joined CCP in recent years (percent): | | |
| All Entrepreneurs | 24.7 | 39.5 |
| <i>Xiahai</i> entrepreneurs | 36.3 | 55.7 |
| Co-opted entrepreneurs | 37.5 | 57.0 |
| Want to join CCP | 20.7 | 32.1 |
| Do not want to join CCP | 15.3 | 14.4 |

Source: Original survey data.

TABLE 6—SATISFACTION WITH THE PACE OF REFORM IN CHINA

(Percentages)

| | Entrepreneurs | | Cadres | |
|------------------------------------|---------------|------|--------|------|
| | 1999 | 2005 | 1999 | 2005 |
| Pace of economic reform is: | | | | |
| Too fast | 9.7 | 12.5 | 8.9 | 9.4 |
| About right | 58.9 | 70.3 | 60.6 | 68.2 |
| Too slow | 31.4 | 17.2 | 30.5 | 22.4 |

Source: Original survey data.

TABLE 7—PREFERENCE FOR GROWTH OVER STABILITY AMONG CADRES AND ENTREPRENEURS

(Percentages for those who prefer growth over stability as top goal)

| | 1999 | 2005 |
|-----------------------------------|------|------|
| All Entrepreneurs | 41.7 | 44.6 |
| <i>Xiahai</i> entrepreneurs | 39.1 | 42.9 |
| Co-opted entrepreneurs | 29.9 | 47.3 |

TABLE 7—PREFERENCE FOR GROWTH OVER STABILITY AMONG CADRES AND
ENTREPRENEURS—CONTINUED

(Percentages for those who prefer growth over stability as top goal)

| | 1999 | 2005 |
|-------------------------------|------|------|
| Want to join CCP | 42.1 | 42.1 |
| Don't want to join CCP | 47.9 | 47.5 |
| All Cadres | 60.6 | 49.1 |
| County cadres | 76.2 | 59.3 |
| Township/village cadres | 39.6 | 41.6 |

Source: Original survey data.

