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Beijing’s Ambivalent Reformers

BRUCE J. DICKSON

China’s leaders have been exceedingly cautious about embarking on extensive political reforms, and not without good reason. There is no guarantee that reform efforts will succeed, or that China will be better or more easily governed as a consequence of reform. There is certainly no guarantee that the Chinese Communist Party will survive as the ruling party if it initiates fundamental reform of the political system.

The leadership is acutely aware that even good intentions can have disastrous consequences: when Soviet Communist Party leader Mikhail Gorbachev launched his reforms in the Soviet Union, he did not envision the collapse and dissolution of his country, and yet that was the result. Even though the immediate causes of the Soviet collapse are not as salient in China (economic stagnation, separatism, populist leaders, Gorbachev himself), the country’s leaders are concerned that political reform could lead to the same fate. With few examples of authoritarian parties sponsoring democratization and surviving as the ruling parties of their countries, the Chinese Communist Party is still searching for a suitable role model to emulate.

What kinds of reforms are necessary to keep the party in power, and what reforms would jeopardize its tenure? These are questions that bedevil the current “fourth generation” of leaders just as they did their predecessors. Both Deng Xiaoping and Jiang Zemin, leaders of the second and third generations, respectively (Chairman Mao, of course, was the first generation leader) believed that economic modernization had to precede political change, and took

the Soviet collapse as a cautionary tale. The current leadership, symbolized by party General Secretary Hu Jintao and Prime Minister Wen Jiabao, has not made its full intentions clear, but it has not yet shown any inclination to experiment with bold political reforms.

Even though China has not experienced the kinds of democratization that most observers have in mind when they look for signs of political reform, the party has implemented various modest reforms in recent years. Some are designed to allow the party to implement its policy agenda more efficiently. Others aim to make it more responsive to a changing society, or at least appear so. All are designed to perpetuate the Communist Party’s rule, not necessarily to make China more democratic.

ADAPTING THE PARTY TO THE NEW AGENDA

At the beginning of the post-Mao period, Deng Xiaoping and other reformers recognized that their goal of modernizing China’s economy with “reform and opening” (*gaige kaifang*) policies could be undermined both by remnant Maoists, who did not support their policies, and by veteran cadres, who were not qualified to carry out reform even if they supported it. For their economic reforms to be successful, therefore, they changed the party’s policies regarding recruiting of new members and appointments of officials. After removing the Maoists from their posts and easing the veteran cadres into retirement, they transformed the composition of the cadre corps and rank-and-file membership.

At all levels, party members and officials have become on average younger and better educated. To make the Communist Party younger, leaders assured that roughly two-thirds of new recruits each year were no older than 35. To prevent local officials from remaining in office indefinitely, the party

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instituted a two-term limit on all posts and required officials to retire once they reached a certain age and were not promoted (65 for provincial-level officials, younger for lower levels of the bureaucracy).

The emphasis on education is even more apparent. Whereas less than 13 percent of party members had a high school or better education in the late 1970s, by the time of the sixteenth party congress in November 2002, the figure had risen to 53 percent. Within the central committee—which comprises the party's top 150 to 200 leaders—the proportion of those with a college degree rose from 55 percent in 1982 to 99 percent in 2002. Improvements in the education qualifications of local officials from the provincial to the county level were even more dramatic: in 1981, only 16 percent had a college education; 20 years later in 2001, 88 percent did.

The current generation of leaders is often referred to as “technocrats,” meaning they hold bureaucratic posts and have technical backgrounds in the sciences and engineering. As Li Cheng has noted in the *China Leadership Monitor*, all nine members of the Politburo's standing committee, the very top

elite of the party, are technocrats, as are eight of the ten members of the State Council, China's cabinet. Below this top level, however, the growing dominance of technocrats has abated. According to Li, the proportion of technocrats on the central committee dropped from 52 percent at the fifteenth party congress in 1997 to 46 percent at the sixteenth party congress in 2002. Similarly, among provincial party secretaries and governors, the proportion of technocrats has declined from about 75 percent in 1997 to only 42 percent in 2003. Moreover, *none* of the provincial leaders appointed after March 2003 (the likely candidates for the fifth generation of leaders) are engineers. For this younger generation of leaders, educational backgrounds in economics, the social sciences, humanities, and the law are increasingly common.

While it is dangerous to infer political preferences from academic backgrounds, this change in the composition of local leaders is a trend worth following. Many observers have predicted that the technocratic background of fourth generation leaders makes them more disposed to practical problem solving than bold experimentation. But the next generation of leaders comes from very different for-

mative experiences. They have different educational backgrounds, have had greater exposure to international influences, and have enjoyed deeper experience in local administration. They may be more inclined to not just make the political system work more efficiently but to change it to make it more responsive to societal demands.

For these leaders, the key political event was not the Cultural Revolution (they are too young to have had their careers affected by those tumultuous years between 1966 and 1976 as previous generations of leaders did) but the popular demonstrations of 1989. The challenge facing the party is not to undo the mistakes of the Maoist period or to achieve rapid economic growth, but to prepare the political system for the consequences of modernization. How the party addresses this challenge will largely determine whether China will become more democratic, and more important, how

systemic change may come about.

The best example of the party's change in recruitment strategy is the proportion of workers and farmers in the party. In 1994, they comprised 63 percent

of all party members; by the end of 2003 their proportion had dropped to 44 percent in a party that had grown to over 68 million members. In less than 10 years, these representatives of the proletarian vanguard had become a minority in the Chinese Communist Party. The party now focuses on educational credentials and professional accomplishments in its recruitment strategy. Increasingly, that has meant turning to the urban entrepreneurial and technological elites.

These changes in the composition of the rank-and-file party members, local officials, and top leaders were designed specifically to promote economic reform. In this regard, the party reform was certainly successful. Over the past 25 years, China's economy has grown by 8 percent annually, lifting per capita income from \$190 in 1978 to \$960 (according to the World Bank, using current dollars) and shifting the bulk of economic activity from agriculture to industry, commerce, and services, and from the state sector to the nonpublic sector. Rapid economic change has also led to the emergence of new social groups, and the party has switched from excluding them from the political arena to actively incorporating them. It has co-opted these new elites

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by recruiting them into the party, appointing them to official posts, and creating corporatist-style organizations to integrate state and society.

THE RISE OF THE RED CAPITALISTS

In August 1989, soon after the end of popular demonstrations in Tiananmen Square and elsewhere, the Communist Party imposed a ban on recruiting private entrepreneurs into the organization. Party leaders were concerned that the economic interests of businessmen conflicted with the political interests of the party. This was not just Marxist paranoia: several prominent businessmen publicly supported the Tiananmen demonstrators and later fled the country to avoid arrest. Although the ban remained in place for more than 10 years, it was not very successful in keeping entrepreneurs out of the party. As I noted in my recent book, *Red Capitalists in China: The Party, Private Entrepreneurs, and Prospects for Political Change*, local officials had an incentive to reach out to entrepreneurs even if central leaders disapproved. Creating economic growth is now a key criterion for career advancement, and throughout the 1990s most economic growth and job creation came from the private sector.

Because of this, local officials in some communities—but by no means all—began to recruit successful entrepreneurs into the party despite the formal ban. The percentage of private entrepreneurs who belonged to the party—a group known as “red capitalists”—grew from around 13 percent in 1993 to more than 20 percent in 2000. Not all were new party members, however; most red capitalists had been members before going into business, but about one-third were co-opted after becoming successful businessmen. Orthodox Marxists harshly criticized the emergence of red capitalists and warned that it would spell the demise of the Chinese Communist Party.

As the economic clout of the private sector has grown, the political roles filled by private entrepreneurs have also increased. In addition to being members of the party, many entrepreneurs also belong to local party committees, the major decision-making bodies in China, further integrating them into the political system. At the sixteenth party congress in November 2002, entrepreneurs were among the delegates for the first time, although none were named to the central committee. When China's legislature, the National People's Congress, met in spring 2003, 55 entrepreneurs were selected as deputies. Entrepreneurs have been asked to serve in local legislatures in even larger numbers: over 17

percent of entrepreneurs belong to local people's congresses, and 35 percent belong to local people's political consultative conferences, a body designed to allow discussion between the party and other local elites. Many have been candidates in village elections, and most of the successful candidates are also party members, showing the party's desire to keep all political participation under its control.

In addition to bringing new social strata into the political arena, the party has also developed institutional ties with a variety of new social organizations. These groups are designed to be the party's bridge to society, allowing it to monitor what is occurring without directly controlling all aspects of daily life. China has tens of thousands of civic and professional organizations and hundreds of thousands of nonprofit organizations, such as private schools, medical clinics, job-training centers, and community groups, that provide a variety of social welfare services.

This vast number of organizations may create the foundations of a fully developed civil society, but at present they do not enjoy the kind of autonomy normally expected to be found in the groups that compose a civil society. All organizations must be formally registered and approved, and have a sponsoring governmental organization. They are also not supposed to compete with each other for members or for governmental approval. Where more than one similar group exists in a community, they may be pressured to merge or disband. These restrictions on social organizations suggest a corporatist logic to state-society relations, with controls over which organizations can exist and what kinds of activities they can engage in.

At the same time, many of these new groups are unlike the Communist Party's traditional “mass organizations,” such as the All-China Federation of Trade Unions, which are seen by their nominal members as tools of the state rather than representing members' interests. Many professional organizations are not simply transmission belts for the party line, but instead are able to provide tangible benefits for their members. As Scott Kennedy shows in his forthcoming *The Business of Lobbying in China*, a variety of business associations have sprung up, often industry-specific, organized from the bottom up, and active at lobbying the state and in some cases unilaterally setting industry standards and regulations. These associations are more autonomous, more assertive, and less interested in simply representing the state's interests. This may complicate the party's strategy of creating new insti-

tutional links to monitor and control the private sector, but at present these business associations limit their activities to issues within their sphere and are not involved in larger public policy issues.

That behavior remains the key to success for both individuals and organizations: do not stray into political matters, and do not challenge the Communist Party's monopoly on political power. While much has changed in China in recent years, this basic political rule has not. Yet most of these new organizations are more inclined to succeed within the existing boundaries than try to change them. This also is a function of civil society: not just to challenge the state, but to find ways of working with the state to pursue common interests. Most writing on contemporary China focuses largely on the conflictual nature of civil society, but the potential for cooperation is just as important and certainly more prevalent today.

COURTING NEW ELITES

As economic development created a more complex society, with new social strata that did not fit neatly into old class categories, third generation leader Jiang Zemin and his colleagues recognized that they relied on these new elites to maintain rapid economic growth and could not continue excluding them from the party. Beginning in early 2000 and culminating in his speech on the eightieth anniversary of the Chinese Communist Party's founding on July 1, 2001, Jiang laid out a new definition of the party's relationship with society, which became known as "the important thinking of the Three Represents." According to this formulation, the party no longer represented only farmers and workers, its traditional base of support, but now also incorporated, first, the advanced productive forces (referring to entrepreneurs, professionals, high-tech specialists, and other urban elites); second, the most advanced modern culture; and third, the interests of the vast majority of the Chinese people.

This was a very inclusive definition of the party's role, and while often ridiculed as an empty slogan, it indicates a serious effort to update the party's relationship with a changing society. It acknowledged that what brought the party to power in 1949 was substantially different from what the party faces in the twenty-first century. If the party's guiding ideology no longer fit China's economic and social conditions, then the ideology needed to be updated—but not abandoned altogether. The party still goes to great lengths to show how its ideology remains consistent with its Marxist origins, even if

China's few remaining ideologues believe the party has already abandoned its traditions and betrayed its revolutionary goals.

After Jiang's Party Day speech in 2001, in which he recommended lifting the ban on recruiting entrepreneurs and other new social strata into the party, and after the sixteenth party congress in 2002, when the "Three Represents" was added to the party constitution, large numbers of these "advanced productive forces" were expected to join the party. That did not happen, but it is not clear why. It may have been that local officials were not enthusiastic about this new policy and resisted implementing it. While some local leaders had ignored the ban on recruiting private entrepreneurs into the party, other leaders adamantly believed that capitalists did not belong in the Communist Party.

After the "Three Represents" became official party doctrine, a small number of cities was chosen to experiment with recruiting members from among these new urban elites. The public media did not report on the results of these experiments, indicating little progress was made. The party's organization department issued new directives on recruiting private entrepreneurs in 2003, but the message was ambiguous. Local party committees were advised not to be so eager to recruit new members that they lowered the standards for party membership, nor so strict that they did not let in any. Without clearer guidelines, the adoption of the "Three Represents" slogan was not fully integrated into the party's recruitment strategy.

However, the lack of progress may have been due to declining interest among private entrepreneurs themselves in joining the party. The number of red capitalists has continued to grow in 2003—up to 30 percent of entrepreneurs were party members—but most of the growth has come not from new recruitment, but from the privatization of state-owned enterprises. As these enterprises were converted into private firms, their former managers, almost all of whom were party members, became owners of private firms, automatically becoming red capitalists. Other entrepreneurs, however, seem to have lost interest in joining the party. Some claimed that they did not want to belong to a party that seems increasingly corrupt. Others did not want to be subject to party scrutiny of their business practices.

In a more general sense, party membership has become less valuable for many entrepreneurs. When the party was more ambivalent about the private sector, membership was useful for promoting business interests, such as securing loans, finding

new investors, limiting outside competition, and above all protecting them from predatory actions of local officials. Reports of the confiscation of private property and financial assets remain common, showing that many local officials are more concerned with profiting from the private sector than promoting it. As the party's commitment to the private sector grew, and the interests of businessmen became better protected in party policy as well as laws and regulations, party membership became a less valuable commodity for private entrepreneurs. Still, the slowdown in co-opting entrepreneurs into the party—which seemed to be the main motivation behind the “Three Represents” in the first place—remains something of a mystery.

Even so, in the years after 1978, the party has steadily become younger, better educated, more professionally experienced, and more diverse as the farmers and workers, the traditional mainstays of the party, have been replaced by entrepreneurs, high-tech specialists, managers, and other new social strata. These changes have reinforced the commitment of party members and officials to the “reform and opening” policies. As a result, party adaptation has been generally successful by one measure: the changes have allowed the party to pursue its new goals more efficiently. However, a more challenging test of the party's adaptability is whether it is responsive to the changing wants and needs of society, and here the results have been more ambiguous.

RESTORING BALANCE

Under the leadership of Jiang Zemin, the Communist Party had a distinctly elitist orientation, emphasizing the first of the “Three Represents”: the advanced productive forces, which are primarily the urban entrepreneurial and technological elites. In recent years, private entrepreneurs in particular have become more assertive in seeking political and legal protection of their economic interests, and the party has been very responsive to their interests. To further symbolize the party's commitment to the private economy, in November 2003 it decided to revise the state constitution to protect private property and to promote the interests of the private sector.

This increasingly close relationship between the party and the private sector has created the widespread perception that the benefits of economic

growth are being monopolized by a small segment of the population while the rest of the Chinese people are being left behind. Many Chinese now believe that economic success is based on personal connections with party and government officials, not individual initiative or quality work. As people come to believe that the benefits of the economic reform policies are unfairly distributed, the legitimacy of the party's policy of letting some get rich first is jeopardized.

In response to this perception, the new leadership of General Secretary Hu and Prime Minister Wen has shifted the focus away from the elitist orientation of the Jiang era to the third of the “Three Represents”: the interests of the vast majority of the Chinese people. Hu and Wen, along with many others, concluded that the pendulum had swung too far in recent years, favoring the elites over the gen-

eral population. They now want to create a new image for themselves and the party. This can be seen in Hu's speech on Party Day in 2003. Like Jiang just two years earlier, Hu concen-

trated exclusively on the “Three Represents.” But whereas Jiang had emphasized the advanced productive forces, Hu mentioned the new social strata only once in passing. Instead, he focused on the “fundamental interests of the vast majority of the people,” a phrase he repeated 13 times. In doing so, he was not rejecting an important symbol of the Jiang era, but he was reinterpreting it to signal a shift in priorities.

Hu and Wen have done more than simply speak on behalf of the majority. They have also shown their support—or at least their sympathy—for the disadvantaged in their public appearances and activities. During the 2003 Chinese New Year, Wen visited and shared a meal with miners. During the 2003 SARS crisis, Hu and Wen visited SARS patients in hospitals. They fired the minister of public health and the mayor of Beijing for covering up the extent of the epidemic. On World AIDS Day in December 2003, Wen visited and shook hands with HIV/AIDS patients, the first top leader to recognize China's AIDS crisis. In January 2004, the Communist Party issued a new policy directive on improving rural conditions that included policies aimed at alleviating income inequality. The Hu-Wen team has also tried to alleviate regional inequalities by promoting

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development in the northeast rustbelt and the less developed western provinces. This effort was begun under Jiang but expanded under Hu and Wen. Experiments with local elections, also started under Jiang, have continued with the fourth generation. In recent years, there have been elections for party secretaries, township leaders, urban neighborhood committees, and other positions.

MIXED SIGNALS

Along with hints of change came signs of the enduring features of the political system. The doctor who exposed the SARS cover-up and became a national hero, Jiang Yanyong, was taken into custody by military officials in June 2004 and held for six weeks for advocating a reassessment of the official verdict on the 1989 Tiananmen demonstrations. Although the extent of the AIDS crisis has been gradually but not yet fully acknowledged, HIV/AIDS victims still rarely get the treatment they need and official culpability in the spread of the virus has yet to be admitted, much less punished. AIDS activists, most notably Wan Yanhai, have been harassed and imprisoned, and reporters who have tried to expose the policies of local governments that allowed the virus to spread have been fired and their stories suppressed. Residents of “AIDS villages” in rural Henan, where the AIDS virus has spread widely through blood donations that use unsanitary practices, have been beaten, arrested, and had their homes destroyed for seeking medicine and financial assistance from higher levels of government, for meeting with journalists to publicize their plight, or for attempting to gain the attention of investigating groups visiting China from the World Health Organization.

Efforts by top leaders to compensate the disadvantaged continue to be hampered by the failure of local leaders to act on new initiatives. For example, Wen may order local leaders to pay IOU's and unpaid wages to specific individuals in specific cases when they come to his attention, but similar cases that do not get singled out are rarely addressed. Local governments are themselves often starved of cash and cannot be as generous and proactive in identifying and addressing the many injustices that exist in their jurisdictions. And candidates in local elections are still either Communist Party members or independents; no new political parties have been allowed to form, and there has not even been official discussion of such a possibility. Efforts to create the China Democracy Party went for naught, as petitions to register the party were denied and the

activists who were behind the effort were arrested and sentenced to jail terms of more than 10 years.

At the same time, Hu and Wen seem determined to shift away from the elitist orientation within the party. There is now frequent media coverage of Politburo meetings. Hu reported on the work of the Politburo to the most recent central committee meeting in fall 2003, and lower-level party committees are also expected to give regular reports to the bodies that formally elected them. Hu also canceled the annual meetings in the resort city of Beidaihe, which have traditionally been held each August to decide major policy and personnel issues. Because they are more informal than Politburo meetings and central committee plenums, they have been frequently used by senior party leaders to influence decision making, even after these officials have formally retired from office. The decision to cancel the meetings gives greater emphasis to the formal meetings in Beijing, and may curtail the informal influence of retired elders.

These changes are designed to promote the transparency and accountability of top-level decision making and to give greater weight to formal processes over informal politics. While the party has described these changes as improving inner party democracy, a dubious claim to be sure, they should at least be recognized as creating greater institutionalization in the Chinese system, which by itself would be a generally positive trend.

But these changes occur within clear limits. Reports on Politburo meetings reveal little beyond the topic under discussion and the theme of Hu's remarks to the group. Work reports by themselves do not provide for much accountability, and in any event the central committee only “elected” the Politburo after top leaders agreed among themselves who would belong to it. And media coverage of the November 2003 central committee plenum highlighted again the party's secretive nature. Although the media reported that the central committee had approved major constitutional revisions, they did not report on the content of those revisions. Speeches were given by top leaders, but the texts of the reports—including Hu's report on the work of the Politburo—were not published.

These mixed signals are the result of several factors. First is the leadership's ambivalence about pursuing any one course exclusively, with the danger that concessions to some individuals or groups may be used as a precedent for others to make claims against the state, or might raise expectations that more expansive political reforms are being consid-

ered. Second is the fragmented nature of political authority in China. Not all actions are the result of coherent decisions by unified leaders; they are also the result of different parts of the state taking actions that other parts of the state, and other leaders, may be unaware of or even oppose. Third is the consequence of political decentralization. Policies announced in Beijing are not immediately or even inevitably implemented by local governments. Finally, the transition from the third to the fourth generation of leaders is still incomplete. Jiang retains his post as chairman of the Central Military Commission, the Communist Party's top body for military matters, and continues to intervene in domestic and foreign policies—he was reportedly behind the detention of Dr. Jiang (no relation). Hu and Wen, perhaps recognizing that time is on their side, have not directly challenged Jiang's interventions even when they run contrary to the new leaders' preferred direction. Which of these causes is behind each zig and zag is often difficult to determine by outside observers and even by the victims and beneficiaries of these steps and missteps within China.

BENEVOLENT LENINISTS?

While many no longer believe Marxism remains a relevant doctrine in contemporary China, there is no doubt that Leninism remains the guiding influence in the political system. There is still no organized opposition of any kind, and no public lobbying for policy change is visible outside the economic realm. But for those who do not choose to challenge the Communist state—and this involves the vast majority—the party is increasingly less pervasive and less intrusive. This is not to suggest that the party is seen as legitimate, much less popular. But it points to a fact that is often overlooked in most criticisms of China: although freedoms of all kinds are sharply delimited, and not well protected by law, it is nevertheless true that the degree of mobility, expression of ideas, and access to information is increasing, not contracting. When compared to the freedoms enjoyed, even taken for granted, by citizens of democratic countries, this progress seems halting and minuscule. But when compared against China's own past, the changes are dramatic.

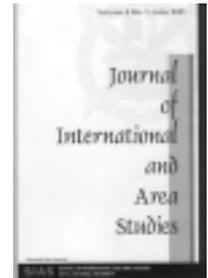
Whether they will be sufficient to forestall popular demands for more significant change, and to prolong the Communist Party's tenure as China's ruling party, remains a key question in Chinese politics. In short, it is still not clear if we are seeing a more benevolent form of authoritarianism or signs of more significant political reform yet to come. ■

Journal of International and Area Studies

Edited at the Institute of International Affairs,
Graduate School of International Studies,
Seoul National University
Published by the Seoul National University Press
Supported by the Korea Research Foundation

EDITOR
Geun Lee,
Seoul National University

*"JIAS aims at improving
interdisciplinary discourses
on international and
Asian affairs"*



Volume 11, 2004 (2 issues)
Personal Rate \$32, Institutional Rate \$64
ISSN 1226-8550

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