

## A New Upsurge in Political Reform? Maybe

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At the 17<sup>th</sup> Party Congress a call was issued for continuing political reform, particularly at the grass roots. This appeal has been quickly followed by an important new book by the Central Party School that lays out a cautious but important blueprint for political changes over the next 15 years. This article focuses in particular on an important reform in one county in Sichuan Province both because it may well have informed the thinking that went into the Party School report and because it raises important questions that remain unanswered both in the report and in the materials available on this county's reforms.

Taking up the theme of inner-Party democracy, General Secretary Hu Jintao told the 17<sup>th</sup> Party Congress in October, "We will spread the practice in which candidates for leading positions in primary party organizations are recommended both by party members and the public in an open manner and by the party organization at the next higher level, gradually extend direct election of leading members in primary party organizations to more places, and explore various ways to expand inner-party democracy at the primary level."<sup>1</sup> This and similar statements, which go beyond declarations in past Party congresses, raise hope that political reform, if not democratization, is forcing its way onto the political agenda.

Not long after the end of the Party congress, the Central Party School press published a book on a program for political reform extending over the next 15 years. Edited by Zhou Tianyong, the deputy head of research at the Party School, Wang Changjiang, head of the party-building section at the Central Party School, and Wang Anling, director of research in Wuxi government, the book presents the latest thinking about the need for and direction of political reform. A preface by Li Junru, vice president of the Central Party School, emphasizes the increased concern in recent years for political reform.<sup>2</sup>

As a general program, the book is perhaps necessarily short on details, but it presents the need for political reform with some precision. Although we often hear the argument that China has done well economically without carrying out political reform, this book argues that beginning in the 1990s, as market reforms deepened, the interests of individuals and government departments became increasingly integrated, with the result that corruption has followed, economic policies are distorted, and the people—particularly the poor—are increasingly unhappy.<sup>3</sup> The book is by no means a cry for radical reform. Indeed, it calls for a cautious and controlled process of reform—modeled after the incremental process of economic reform—that will allow the government to rein

in any threatening signs of disorder. But it does call for rule of law, a greater role for NGOs, an acceptance of the role of religion in society, a greater role for the People's Congresses at various levels, and a balancing of power. In short, it calls for a program of reform that would substantially change the current political institutions.

Perhaps the most interesting chapter is that by Wang Changjiang, who writes about reform of the Chinese Communist Party (CCP). In this chapter, as elsewhere in the book and in the case study to be examined below, the issue of legitimacy is addressed quite prominently. Wang notes explicitly that the Party cannot assume that its legitimacy will remain intact forever just because it attained power in the past,<sup>4</sup> and, indeed, one reason to rule in accordance with law is that doing so will substantially increase the legitimacy of the Party. One of the key discussions in the Party reform literature revolves around the meaning of the "Party controls the cadres" (*dang guan ganbu*), one of the central tenets of democratic centralism in all Leninist systems.

Historically this basic principle has been interpreted to mean that the Party has absolute authority to appoint officials at different levels. This authority has been central to the Party's ability to control the polity, but it has also been the source of the political dysfunctions in the system. In practice, this principle has meant that cadres must follow their superiors, which has meant the cultivation of personal relations (not the "comradely relations" that are supposed to prevail in Leninist organizations), which has, in turn, meant that people get promoted for personal loyalty, not competence. It also means that their loyalty is always focused on the higher level rather than the people they are governing. Too frequently these relationships are tainted by corruption, which is integral to the personnel system even as it is corrosive of regime legitimacy. This tight network of personnel arrangements has also meant that it is very difficult to open up the decision-making process even a little. If personnel choices are discussed in even a somewhat larger circle than the very few (often two or three people) who make these decisions, then it opens up the system to lobbying of a divisive sort. Keeping personnel decisions tightly controlled has been a way to contain potential political conflict.

Wang, however, interprets "the Party controls the cadres" in a very different fashion. Noting that state power belongs to the people (according to the PRC constitution), Wang wants to make cadres responsible to the people. In order to do this, he says, what must be emphasized is not the personnel decisions themselves, but rather the process by which personnel decisions are made. What Wang argues for is the Party presenting capable candidates to the public, introducing those candidates, and trying to persuade the people that those candidates are qualified—but, leaving the choice, in the end, to the people. As he puts it, "the Party can use all sorts of means to influence the people's decisions, but it cannot make decisions for the people."<sup>5</sup> For Wang, this rethinking of the principle that the Party controls the cadres means that the Party can and should put up more than one candidate for the people to choose between. Whenever the Party puts up a number of candidates equal to the number of positions, the people ridicule the Party, asking why the Party cannot generate more talent than this.<sup>6</sup>

## Pingchang County

The locale that seems to have witnessed the farthest-reaching reforms in cadre selection is Pingchang County, a very rural, mountainous district in northeast Sichuan Province, indeed, right in the heart of the old Sichuan-Shaanxi revolutionary base area. One of three counties administratively under the control of Bazhong city, Pingchang occupies 2,229 square kilometers and has a population of 970,000—83 percent of which is agricultural. Some 24 percent of the county's population—192,318—live below the poverty line, with an average annual income of less than 930 yuan; of these, 110,021 people live below the absolute poverty line of 665 yuan per year.<sup>7</sup> The expense of medical care was one reason for the poverty. Over 40 percent of those in poverty had become poor because of medical costs.<sup>8</sup> In 2002, the county was listed as a key area in state anti-poverty work.

Like a lot of rural counties, Pingchang was administratively bloated and consequently in debt. There were originally 61 towns and townships in the county, with 504 villages. The authorized personnel (*bianzhi*) of the various townships was 1,093, but there were also some 2,000 people working in service organizations (*shiye danwei*) and another 2760 temporary workers. As Liu Qianxiang, the county Party secretary put it, there was a great deal of pressure to create employment opportunities in service organizations. As a result, debts piled up. The average debt of each town or township was over 90 million yuan, but some had accumulated debts of over 200 million yuan.<sup>9</sup> Many of these debts were owed to local residents; indeed, some 150,000 local residents were owed money by the local townships. This strange relationship between local governments in debt and local residents holding those debts raised at least two problems. On the one hand, as it became more apparent that debts were not going to be repaid, leading township cadres began to fear for their safety. Indeed, some debt holders turned violent, smashing the offices of the local Party and government.<sup>10</sup> On the other hand, debt holders were worried that if the county carried out reforms, they would never get paid.

These problems took a severe turn for the worse when the state started implementing its rural policies to abolish agricultural taxes and miscellaneous fees: Total town and township income fell from 1.4 billion yuan to only 30 million yuan,<sup>11</sup> provoking severe fiscal crisis.

Fiscal crisis was certainly the main reason for Pingchang's undertaking extensive reforms, but there were also other reasons, reasons common to many other places in China. With the introduction of village-level democracy, village heads were elected by the people, giving them greater standing with the villagers than the Party secretaries, who were appointed. Moreover, with the marketization of the economy, the local Party organization could not do much for the peasants (remember that this is a poor rural county, so collective funds were small), and the peasants simply didn't pay much attention to the local cadres. To the extent that peasants and cadres interacted, it was apparently an unpleasant interaction. No figures are given for rural protests or for petitions, but there are many references to the tense relations between cadres and peasants. Perhaps a third of town and township budgets were spent on entertainment

costs,<sup>12</sup> something that easily angers local populations. Finally, it is also clear that not only did the local Party leadership have little standing with the local population, it was also estranged from local Party members. Local Party members derived no benefit from belonging to the Party, and many felt that it had become a burden to pay Party dues. In short, Pingchang was a typical county in which the local Party organization was weak and ineffective. Legitimacy was perilous.

## Undertaking Reform

It appears that the initial impetus for reform came from Zheng Kaibing, head of the Organization Department in Pingchang County. In 2001, as end-of-term elections were coming, Zheng suggested that it was necessary to make the selection of town and township Party secretaries more democratic and transparent.<sup>13</sup> There are no specific provisions in the Party Charter as to whether “public recommendation and direct election” (*gongtui zhixuan*) is allowed or not, so the county reported up to the next level Organization Department. They waited but got no response (such inaction is often the equivalent of silent approval).<sup>14</sup>

So in 2001, Pingchang County carried out an experiment with public recommendation and direct election in Lingshan township. *Liaowang Dongfang* called this “the first experiment with public recommendation and direct election in the history of the CCP.”<sup>15</sup> In July 2002, the Bazhong Party committee transferred Liu Qianxiang to Pingchang County as Party secretary. In October he decided that towns and townships should continue public recommendation and direct election, and accordingly decided that cadres could go up or down and decided to carry out a readjustment of administrative boundaries.<sup>16</sup>

Redistricting was critical to getting the personnel situation under control. Prior to redistricting, Pingchang had 10 area work committees (*qu gongwei*), 13 offices (*banshichu*), 61 townships and towns, and 504 villages. Each township and town had over 20 offices to match the county government’s organization.<sup>17</sup> It was these offices that hired the 2,700 temporary workers, at a cost of 38.6 million yuan per year.<sup>18</sup> This cost added 49.4 yuan to each peasant’s burden—almost exactly equal to the amount eliminated by the elimination of agricultural taxes.

In October 2002, redistricting proceeded. The 10 work committees—which were at an administrative level between the county and the townships and towns—were all eliminated, as were the 13 offices. The 61 townships and towns were combined into 27 towns (mostly by merging the townships [*xiang*] into the towns [*zhen*]), and the 504 villages were reduced to 416. As a result, 122 township or town Party and government “number ones” (*yibashou*) were reduced to 54; deputy section (*ke*)-level cadres were reduced from 421 to 181, and 2,506 people in service organizations were separated (*fenliu*). The systems (*xitong*) most affected were the financial and the animal husbandry—the former was reduced from 304 people to only 57, while the latter was reduced from 742 to only 93.<sup>19</sup> The results were particularly apparent in Pima town.

Formerly this town existed as five townships and towns under two districts. After being merged, the number of villages was reduced from 216 to 124, the number of township cadres were reduced from 99 to 38, and the number of village cadres reduced from 425 to 145.<sup>20</sup>

Whereas prior to the reform, there had been one official for every 225 people, afterward there was only one official for every 416 people, and, as a result, the annual individual tax burden fell from an average of 162.8 yuan to 24.3 yuan. Entertainment costs reduced by 3 to 4 million yuan a year.<sup>21</sup>

## Public Recommendation and Direct Election

In January 2004, following up on the demand in the 16th Party Congress report to “reform and perfect the election system within the Party and develop inner-Party democracy,” Pingchang County extended the practice of public recommendation and direct election to one-third of its townships and towns. Altogether, nine townships and towns elected nine Party secretaries, 28 deputy Party secretaries, and 81 Party committee members under this system. The Xinhua News agency hailed this experiment as “the first large scale inner-party direct election in the history of our Party; it is also Sichuan province’s most advanced and largest experiment with direct elections.”<sup>22</sup> In late 2004 and early 2005 the experiment was extended through direct election of Party leadership groups in all 490 villages throughout the county. Subsequently the Party leadership in all 53 of the county-level departments and in enterprises was subjected to direct elections, generating 256 members of these Party groups.<sup>23</sup>

The process of these public recommendations and direct elections differed dramatically from past practices. The recommendation of candidates took place at a meeting of all Party members of a given township or town. Representatives of the public were allowed to attend and participate in the selection of candidates, though these non-Party people could not exceed 30 percent of the number of Party members in the area (unfortunately, the materials available do not say how these representatives were chosen; perhaps they were the heads of the various “small group” [*xiaozu*] in the villages). Potential candidates were required to give speeches and answer questions, after which everyone voted by means of secret ballot. This produced a pool of potential candidates whose qualifications were checked by the election commission. Afterward, there was another vote, again by secret ballot, that generated the list of formal candidates. It was required that there be two candidates for Party secretary as well as a greater number of candidates than positions for deputy Party secretary.

Voting took place in separate rounds, and only Party members could vote (though the representatives of the public were allowed to stay and observe the procedures). The first round was for the Party secretary, and the loser in that election would then join the pool of candidates for deputy Party secretary. The second round of voting was then for deputy Party secretary. Most townships have three deputy Party secretaries, so there would be at least four candidates. Again, any candidates who failed in this round of voting were

allowed to compete for a position on the Party committee. Unfortunately, the materials available do not make it clear whether there were more candidates than positions for committee members; there may have been a temptation to have an equal number of candidates and positions at this level so that egos would not be overly bruised. But, even if that were the case, all candidates would have had to go through a public selection process, deliver campaign speeches, and be voted on by the entire body of Party members.

Liu Qianxiang claimed that this procedure produced four innovations. First, and no doubt most important, this public recommendation and direct election changes the traditional cadre appointment system, allowing Party members to directly elect the Party leaders. Second, the electoral procedures are different. Instead of having indirect elections at different levels, public recommendation and direct election allows for open elections across levels. Thus, all Party members at and below the township level were able to participate in the elections. Third, instead of having just a few people “elect” Party leaders, the new system allows the majority of Party members to elect leaders. Finally, the concept of the Party managing cadres is changed. Instead of the Organization Department playing the critical role, all Party members evaluate and appoint cadres.<sup>24</sup>

## Conclusion

The materials currently available on Pingchang County are not very specific about the reasons for this county undertaking these reforms; there are obviously many poor rural counties with conditions similar to those of Pingchang. As noted above, the initial impetus appears to have come from the Party Organization Department in Pingchang County. We are also told that Zeng Qinghong, the Politburo member in charge of Party affairs, and He Guoqiang, head of the Organization Department, supported these reforms, but we are not told when they supported them. It was obviously important that both Bazhong Municipality (which did not openly express a view) and the Party secretary of Pingchang County, Liu Qianxiang, supported these reforms; they did not just bubble up from below.

The materials available that describe this implementation of democratic reforms from above do not address the question of resistance. We are told that over 3,000 people lost their rice bowls in these reforms, and many of them were leading cadres. Such people, who benefit from the old system, are precisely the type who normally block this sort of reform, and one has to assume that the support from higher levels was important in overcoming resistance. There is also the question of those who had lent money to the township and county—over 150,000 people! In Li Changping’s book, *I speak the truth to the Premier*, he similarly tells of his county borrowing funds.<sup>25</sup> In that case, funds were lent primarily by cadres and criminal elements who received high interest. We are not told if the lending patterns in Pingchang were the same, but if there was any similarity then it bespeaks a tight-knit in-group that was benefiting from a pattern of lending at exorbitant interest rates. This may explain the determination of higher levels to carry out

radical reforms to break up these networks. This observation, of course, can only be speculation, in the absence of more complete materials.

The Pingchang County reforms may well have influenced the writing of *The 15-year assault*; it certainly provided an important experiment in revising the concept of the “Party controlling the cadres,” which carried over into *The 15-year assault*. But it is precisely this experience that suggests some of the difficulties China is facing with political reform. In Zhou Tianyong’s chapter in *The 15-year assault*, he calls for a rationalization of the political structure, including especially the elimination of the township level of government (townships could, perhaps, be replaced by offices (*paigou chu*) directly dispatched by county governments. This sort of reform, which would make the division of tax revenues under China’s reformed tax system easier and more rational, would eliminate a large number of unnecessary personnel, and in this sense matches the redistricting and personnel reductions carried out in Pingchang. But it does not address the legitimacy issues or the need to introduce electoral mechanisms in the Party (or beyond) that Wang Changjiang addresses or that were carried out in Pingchang County. This suggests very different criteria being discussed in China’s thinking about political reform—Can an administrative reform that makes government more efficient, less corrupt, and more responsive suffice, or are more fundamental reforms addressing the issue of legitimacy and the need for elections (even if limited in scope) necessary?

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## Notes

<sup>1</sup> “Full Text of Report Delivered by Hu Jintao at 17<sup>th</sup> Party Congress,” CCTV, 15 October 2007, trans. Open Source Center, CPP20071015035002.

<sup>2</sup> Zhou Yongtian, Wang Changjiang, and Wang Anling, eds., *15 nian gongjian: 2006–2020 nian Zhongguo Zhengzhi tizhi gaige yanjiu baogao* [The 15-year assault: A research report on China’s political reform, 2006–2020] (Beijing: Zhongyang dangxiao chubanshe, 2007).

<sup>3</sup> *Ibid.*, pp. 29–30. My copy of this book is in electronic format, so pages numbers are unlikely to match those of the printed version.

<sup>4</sup> *Ibid.*, p. 111.

<sup>5</sup> *Ibid.*, p. 125.

<sup>6</sup> *Ibid.*, p. 127.

<sup>7</sup> Li Jiajie, “‘Gongtui zhixuan’ yu ‘deng e xuanju’ bijia” [Comparing “public recommendation and direct election” with “elections with candidates equaling positions”], in Wang Changjiang, ed., *Dangnei minzhu zhiudu chuangxin: yige jiceng dangwe banzi “gongtui zhixuan” de anli yanjiu* [Systemic innovation in inner-party democracy: A case study in a grass-roots party committee’s “public recommendation and direct election”] (Beijing: Zhongyang bianyiju chubanshe, 2007), p. 107.

<sup>8</sup> Li Jiajie, “‘Gongtui zhixuan’ yu ‘deng e xuanju’ bijia,” p. 109.

<sup>9</sup> Zhou Hongyun, “Sichuan sheng pingchangxian xiangzhen gaige qingkuang jiqi sikao” [Thoughts on the situation of township and town reform in Pingchang County, Sichuan Province], in Li Jiajie, “‘Gongtui zhixuan’ yu ‘deng e xuanju’ bijia,” p. 25.

<sup>10</sup> Li Jiajie, “‘Gongtui zhixuan’ yu ‘deng e xuanju’ bijia,” p. 112.

<sup>11</sup> Zhou Hongyun, “Sichuan sheng pingchangxian xiangzhen gaige qingkuang jiqi sikao,” p. 25.

<sup>12</sup> *Ibid.*, p. 111.

<sup>13</sup> Li Jiajie, “‘Gongtui zhixuan’ yu ‘deng e xuanju’ bijia,” p. 113.

<sup>14</sup> *Ibid.*

<sup>15</sup> Zhou Hongyun, “Sichuan sheng Pingchang xian xiangzhen gaige qingkuang jiqi sikao,” p. 17.

<sup>16</sup> Li Jiajie, “‘Gongtui zhixuan’ yu ‘deng e xuanju’ bijia,” p. 113.

<sup>17</sup> *Ibid.*, p. 114.

<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> Ibid., p. 115.

<sup>22</sup> Zhou Hongyun, “*Sichuan sheng Pingchang xian xiangzhen gaige qingkuang jiqi sikao*,” p. 17.

<sup>23</sup> Ibid.

<sup>24</sup> Liu Qianxiang, “*Minzhu yu xinren, jiedu Pingchangxian gongtui zhixuan xiangzhen dangwei banzi*” [Democracy and trust: Understanding Pingchang County’s public recommendation and direct election of township party committees], pp. 43–44.

<sup>25</sup> Li Changping, *Wo xiang zongli shuo shihua* [I speak the truth to the premier] (Beijing: Guangming ribao chubanshe, 2002).