Social Issues Move to Center Stage

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For the past two decades, economic reform or, more precisely, economic growth has lain at the center of China's thinking about politics. Conservatives like Chen Yun hoped to avoid social and political challenges by confining economic reform within a "birdcage"; reformers like Deng Xiaoping hoped to outrun and defuse social and economic cleavages by developing the economy rapidly. In contemporary China, there is no escaping the fact that reform has created winners and losers, and that conclusion is forcing social issues to the center of political consciousness. Some believe that it is already too late to effectively address these issues, while others see them as forcing a process of political reform. For the moment, political elites are giving few indications of their specific intentions for political reform but are nevertheless setting a tone and a framework that provide space for such issues. Although the 16th Party Congress will be important for many reasons, it seems likely that whatever leadership arrangements are made, the pace of political reform will increase. Whether it will increase sufficiently is more difficult to answer.

In contrast to the periods immediately preceding the 13th (1987), 14th (1992), and 15th (1997) Party Congresses, there has been little specific focus on ideological themes in the buildup to this year's 16th Party Congress. Prior to the 13th Party Congress there was much focus on "political reform," whereas the themes of building a "socialist market economy" and "ruling the country through law" were emphasized prior to the 14th and 15th Party Congresses, respectively. The major ideological initiative prior to this year's 16th Party Congress came last year with Jiang Zemin's July 1 speech on the occasion of the eightieth anniversary of the founding of the Chinese Communist Party (CCP). That speech touted such themes as absorbing newly emerging social strata (e.g., private entrepreneurs) into the party and institutionalizing state-society relations through consolidation of the CCP's position as a "ruling party" (as opposed to a "revolutionary party"), but it proved highly controversial within the party.[1] As a result, the party has not focused on such themes in the buildup to the 16th Party Congress, and scattered reports suggest that few "capitalists" have been admitted to the party in the months since Jiang's speech. So with only about three months to go before the convening of the 16th Party Congress, it is not clear to what extent such themes will be emphasized in the key political report, or whether (or how) they will be written into any revisions of the party constitution.

On May 31, Jiang Zemin gave a speech at the Central Party School, which is widely believed to have adumbrated the themes of the political report to be presented at the congress this fall. The occasion was the graduation of the provincial and bureau-level cadres attending the school this past year, the same occasion on which Jiang, in 1997, gave a major address criticizing the "left," telling his audience, "[t]here is no way out if we study Marxism in isolation and separate and set it against vivid development in real life" as a prelude to the 15th Party Congress.[2] This year's talk was not so pointed, but it frequently invoked the theme of "keeping up with the times" (*yushi jujin*), and Jiang was

quoted as declaring that "if the affairs of the party and state are not to stagnate, then first and foremost theory cannot stagnate." Jiang also affirmed the need to "actively and stably promote political structural reform" and create a "socialist political civilization" (but he resolutely rejected adopting Western-style multiparty democracy). In addition, he reaffirmed a formulation from last year's July 1 talk, declaring that the CCP is the vanguard of the proletariat and is "at the same time the vanguard of the Chinese people and the nationalities of China." This expression is an obvious compromise between the CCP's traditional declaration that the party is the vanguard of the proletariat and Jiang's evident desire to shift the focus to the party's leadership of all the people (to "represent the fundamental interests of the broad masses of the people," as Jiang's concept of the "three represents" puts it).[3]

The tone of Jiang's May 31 speech suggests that, while Jiang's three represents will be featured in the political report and probably written into the party constitution (and subsequently the state constitution the following spring), the political report will be strong on upbeat rhetoric and weak on specifics. This approach is no doubt meant to defuse tensions emanating from Jiang's July 1 speech last year and allow a greater display of party unity this fall, but it suggests two other factors as well. On the one hand, given disagreements within the party and uncertainties as to how local society would react to a greater and more specific commitment to political reform (including such things as admitting private entrepreneurs and holding direct elections at the township level), the CCP leadership seems content at the moment to set a tone that will allow limited and controlled experiments to continue at the local level before trying to sum up these experiences and endorse specific policy initiatives. This stance reflects the caution of the current leadership, but also suggests that political reform will be allowed to continue on a limited basis. On the other hand, the apparent lack of ideological initiatives likely to be made this year reflects the difficult bargaining over personnel issues going on in Beijing. Recent rumors (actually renewed rumors) that Jiang intends to stay on for another term as general secretary will probably turn out to be another bargaining ploy, but recent interviews in Beijing suggest that well informed people take the rumors seriously. Thus, on the eve of the leadership's annual retreat to the seaside compound at Beidaihe, it appears that many leadership issues remain undecided (something that is likely to continue right up to the eve of the congress).

The most important leadership issue involves how much power Jiang Zemin will be allowed to retain and which forms he will be allowed to use to exercise it. Jiang appears determined to retain ultimate authority, either through the retention of key offices or the placement of personal protégés in critical positions. This apparent determination raises the potentially dangerous scenario that formal political power and formal or informal military power will be divided, a situation reminiscent of the one that contributed to the Tiananmen tragedy 13 years ago.

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If there is a sense in Beijing at the moment of simply waiting until the outcome of the 16th Party Congress is known, there is nevertheless a belief that social issues that

have been put off or neglected are becoming more central to China's political evolution--for better or worse--over the coming years. Some believe that the social cleavages that have emerged in recent years will enervate reform, leading China along a developmental path similar to that in Latin America, i.e., highly inegalitarian and authoritarian (before the recent wave of democratization). In contrast, others believe that the same social changes leave China no choice but to undertake political reform, though no one is predicting rapid democratization.

The Pessimists. One pessimist with regard to China's future is He Qinglian, the former *Shenzhen Legal News* journalist who can perhaps be credited with opening discussion of sociopolitical trends with her path-breaking 1998 book, *The Pitfalls of Modernization*. In that work, she argues that money and power became so intertwined in China that both the economic and political systems were hopelessly corrupted and incapable of generating change. In a more recent article--one that elicited criticism of her ideas in China--she explores the rising income gap in China, blaming it on the corruption of government cadres. Most recently, in an article written for the Princeton-based Chinese-language journal *Modern China Studies*, He argues that China has contracted the "Latin America malady," by which she means a corrupt alliance of government and business, a near bankruptcy of the rural economy, an explosion of organized crime, a widening increase in the gap between the rich and poor, and finally a collaboration between domestic government and economic interests on the one hand and foreign business interests on the other--an affliction that will only be worsened by China's entry into the World Trade Organization (WTO).[4] This last point evokes Peter Evans' famous discussion of the "triple alliance" among foreign investment, domestic business elites, and government officials that Evans believed sustained authoritarian rule in Brazil in the 1960s and 1970s.[5]

Another person who has argued along similar lines in Yu Shicun, the former managing editor of *Strategy and Management* and currently a researcher for the *Strategy and Management* Research Association. Yu argues that some intellectual elites in the People's Republic of China (PRC) have deceived themselves into believing that as long as economic development continues, China will inevitably develop a modern political system and democracy. Conversely, Yu believes that much of the momentum of reform has slowed and, worse, that intellectual attitudes are reverting to their well-worn state-centric course. In contrast to the 1980s and early 1990s, when many intellectuals "jumped into the sea" of commerce, in recent years the space for individuals to create enterprises has narrowed while the government has increased professors' salaries and invited entrepreneurs to join the party; the result is that the "magnetic field" surrounding government has increasingly pulled in intellectuals, reinforcing their tendency toward dependence.[6]

Yet another scholar who has recently portrayed Chinese society in harsh terms is Qinghua University sociologist Sun Liping. Being pessimistic is nothing new to Sun, who authored one of the most compelling and discouraging portraits of contemporary Chinese society in 1980. In that article, he and others argued that Chinese society was not developing a middle class--as he hoped that it would for reasons of both political and

social stability--but rather that the middle class, such as it was, was being squeezed between a more powerful and wealthier upper class and a much larger poor class.[7] Writing in the recent issue of *Strategy and Management*, Sun updates this argument, saying that China is developing a "fractured" society rather than a pluralistic society. Looking at the large-scale layoffs of recent years and the unwillingness of government authorities to integrate rural migrants into the cities, Sun argues that a rather substantial part of the population is simply being cast off (*taotai*) and left outside of industrial and urban society. Sun, too, worries that WTO participation will exacerbate this process. More to the point, he worries that unless the state makes more efforts to integrate these social groups into society, the seeds of social turmoil will be planted.[8]

The Optimists. Although other intellectuals share the pessimists' sense that the dramatic changes to China's society have become the single most pressing issue in contemporary China, they are more optimistic that these social tensions will propel the sorts of political change that can meet the challenge. One should perhaps call these people cautiously optimistic or simply advocates of change rather than optimistic, because there is a profound sense across the intellectual spectrum that China faces a very difficult period of sociopolitical change in which institutional reforms will come slowly and unevenly, while expressions of discontent from laid-off workers and dissatisfied peasants will continue. Nevertheless, in contrast to Sun Liping's dark image of a fractured society, the China envisioned by these people holds the potential for pluralism and political reform.

One prominent example of such thinking is the lead article in the same issue of *Strategy and Management* that published Sun Liping's analysis. This article, written by the apparently pseudonymous Wan He, largely touts Chinese Academy of Social Sciences (CASS) sociologist Lu Xueyi's recent book, *Research Report on Social Strata in Contemporary China*. Lu's book, apparently written in part to support Jiang Zemin's efforts to dampen notions of class struggle and to broaden the social basis of CCP rule, has proven very controversial and was criticized by conservative scholars at the CASS and elsewhere. It is controversial in part because the very title of the book uses the term "strata" rather than the more orthodox Marxist term "classes" and because it depicts the social elite of society as the managerial stratum in combination with a newly emerged technocratic stratum and private entrepreneurs. In contrast, the workers and peasants are seen as in decline.[9] Disregarding these controversial aspects of Lu's book, Wan argues that Lu's work lays the foundation for turning attention from an exclusive emphasis on economic growth toward a more inclusive social policy that would give play to all social groups. Pointedly, he cites a 1988 article in which Zheng Bijian, the just-retired vice president of the Central Party School, argued that interest groups can be the key to resolving "contradictions among the people." Acceptance of interests and interest groups, Wan implies, is the key to re-establishing the legitimacy of the government.[10]

Similarly, in the same issue, Huang Renzong, professor at Beijing University, argues that political reform has become a necessity for many of the reasons that the pessimists point out: vested interests have gained too much power, corruption has become endemic (he cites Qinghua University economist Hu Angang's estimate that

corruption costs China roughly 13-17 percent of its annual gross domestic product), and "political assets"--such as the influence of ideology and the effective use of power--are being lost (*liu shi*). But he also argues that for many people basic economic goals have been achieved, and that their desires have thus turned to political participation. He also believes that the Asian financial crisis made clear that the combination of authoritarian politics and market economics often said to characterize the Asian model of development is no longer feasible. Finally, he makes clear his belief that only democratic governance can bring about effective governance; rule of law in the absence of democracy makes no sense.[11]

Another example of advocacy of political reform comes from Wang Guixiu, a liberal theorist at the Central Party School, who has argued that the party needs to make a clearer distinction between cadres who are appointed and those who are elected and to vigorously expand the democratic selection of elected cadres. For instance, all leading government officials (including the premier, vice premier, and state councilors) are formally elected by the people's congress at the appropriate level. Wang proposes that institutions be strengthened so that these legislative votes indeed represent the desires of the voters and not simply those of the leaders. Even for appointed party cadres, Wang argues, there need to be much better regulations governing testing and recruitment of cadres.[12]

Similarly, Cao Siyuan, the scholar most famous for his early and tenacious advocacy of bankruptcy regulations, has recently turned his attention to political reform. A collection of his essays, most dating from the late 1980s but some of quite recent vintage, has been published under the title *Wuli qiankun* (Seeking order in the fog).[13] Elsewhere he has offered his usual frank criticisms of the political system and suggested that a balance-of-power system be set up within the CCP, separating the powers of decision, execution, and inspection. Such a system, he argues, would prevent errors--such as Mao Zedong's Cultural Revolution.[14]

Also suggesting that there is a somewhat more open atmosphere for books about political reform is the recent publication of Huang Weiping's *Research Report on Contemporary China's Political Reform*, vol. 1. Huang, a professor at Shenzhen University, has brought together a number of articles discussing the need for political reform. Huang's advocacy of political reform is certainly moderate in keeping with the tenor of the day, but it is also substantial in that he believes political reform to be necessary to meet the challenges of a changing society and world.[15]

Implementation

As this brief review of recent writings suggests, there is a much greater sense in Beijing these days that political reform is becoming a more urgent challenge. There is also growing evidence that a wide range of experiments of various sorts are taking place across the country to address the nearly endemic problems of corruption, relieve the often tense relations between cadres and the population, and improve the efficiency and

professionalism of government. Because the CCP is not yet willing to contemplate broader-range democratic initiatives, much of the focus of these reforms has been on so-called "inner-party democracy" and the effort to improve the personnel system. Although critics will no doubt dismiss such efforts as falling short of China's needs, it nevertheless seems apparent that a wide-ranging effort is underway to improve governance.

Efforts to open up the personnel selection process might be traced to the mid-1980s when such places as Ningbo, Shenzhen, and Guangxi began to implement a combination of recommendation by both the organization department and the masses and enhanced testing and examination. In 1992, the Central Organization Department transmitted a report on Jilin province's effort to promote recommendation and testing in the selection of deputy office (*ting*) level cadres. In 1996, the Central Organization Department transmitted Jilin's provisional regulations governing the open recommendation and testing of "leading cadres." In 1998, Vice President Hu Jintao called for gradually increasing the open selection of cadres and increasing the participation of the masses. In 2000, Zeng Qinghong, head of the Central Organization Department, called for vigorously expanding the scope of open selection of leading cadres.[16]

These efforts have by no means been an unqualified success, as the number of critical comments appearing in party-building journals makes clear. Leading cadres still manipulate selection results, cadres who want to be promoted still "campaign" for votes (*lapiao*), and corruption continues to be a problem. Nevertheless, the very continuation of such problems has prompted further-reaching reforms in some areas. Two recent examples are as follows.

Yuetang administrative village (*xiang*--an administrative village is at the same administrative level as a *zhen*, or township, and encompasses several villages) in Putian municipality in Fujian province carried out an experiment to select CCP cadres in a more open and democratic fashion. Under this "three recommendations, two tests, and one selection" system, those who wanted to compete for an administrative position had to submit their names; one position (not specified) attracted 66 applicants. Their credentials were checked not only by a special party committee, but also by the discipline inspection, family planning, comprehensive, and other party departments. Then the candidates took a test written by the provincial organization department. After this test, candidates were "recommended" by secret ballot by leading cadres, regular cadres, and representatives of the masses. The names of the top five candidates for each position, based on their written exams, were made public for a seven-day comment period. Then, based on comments and the results of the recommendation process, the organization department at the level above Yuetang administrative village selected two nominees per position. The final decision was made by vote of the party committee at the level above Yuetang administrative village.[17] Although by no means a democratic process in the Western sense, this experiment suggests considerable pressure to open up not only elective processes for some government officials (such as village heads), but also intraparty promotions, even at levels above that of the village.

As a second example, Guangdong province in southeast China recently announced that all officials selected to be the "number one" official of municipalities and prefectures in the province would be determined by a secret ballot vote of the whole provincial party committee. The system will subsequently be extended down to the county and administrative village (*xiang*) level. This method was adopted in reaction to the buying and selling of administrative offices in Zhanjiang municipality. Although this new process is intended to open up the appointment process, the report noted that there were lots of problems that still need to be dealt with, including the nomination process.[18]

Globalization and Political Reform

Unlike those we have labeled pessimists above, those who are relatively optimistic about the possibilities of political reform see WTO and the process of globalization more generally as forcing China to either carry out political reform or suffer the consequences of an inefficient system. For instance, Chen Qingtai, the deputy director of the State Council development research center, has argued that globalization is as much a governmental challenge as an economic challenge. Globalization means that markets and investment environments are competing against each other, so increasingly it is the government's job to improve the market and investment environments. That means, among other things, breaking the old habits of the planned economy, such as direct interference in the operation of state-owned enterprises, strengthening the rule of law, protecting property rights, and so forth. In short, Chen sees globalization and WTO as a significant force for changing the role of government in China.[19]

Similarly, a group in the Shanghai party organization argues that competition in a globalizing world is changing from one of labor costs and control over resources to one of intellectual resources and production management. In short, it "is in fact a competition of globalized human capital." The implication for China--for both the party and the state--is that it is going to have to become a lot better at recruiting, retaining, and deploying people. Training will have to become more pluralistic and be subject to market conditions, and that means that education and training institutes will have to have greater independence.[20]

Other writers similarly emphasize that globalization means the Chinese government will have to strengthen the rule of law, reform the role of the party so that it operates within the scope of the law (a change that, if actually implemented, would fundamentally change the Leninist nature of the CCP), standardize government actions, and work harder to eliminate corruption.[21]

These challenges are not insignificant. One article cites recent statistics that show that China is losing ground in terms of international competitiveness; in 2000, China dropped three places in international competitiveness standings to 35th place.[22] It is to this sort of external pressure that many reformers are currently looking for reignition of reform momentum.

Conclusion

At first glance, there may seem to be a strange juxtaposition between this notion of the potential for reform and the broad, formulaic language used by Jiang Zemin in his May 31 speech. Nevertheless, when taken in combination with his speech on the 80th anniversary of the founding of the party last summer, it appears that the party now has the ideological room to begin to introduce some measure of political reform. Indeed, it is apparent that both the Central Organization Department, despite its reputation for caution, and local party committees have been looking--and continue to look--at ways to open up, regularize, and democratize the selection of party cadres. Although it is too early to say that this development heralds fundamental change, it is clear that a considerable amount of thinking and experimentation are going on. Once the 16th Party Congress concludes, perhaps regardless of the specific personnel arrangements decided upon, the pace of political reform is likely to increase.

The combination of social change (fragmentation), globalization, and generational change is driving this process. Pessimists point to the social cleavages that have formed and the interlocking interests that support the status quo, but optimists argue that social tension, emerging social interests, and international pressures make the status quo untenable. Yet, even the most optimistic of writers make clear that the depth and complexity of social problems and interest politics will make any quick or easy solution to China's problems impossible.

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Notes

[1] Joseph Fewsmith, "Rethinking the Role of the CCP: Explicating Jiang Zemin's Party Anniversary Speech," *China Leadership Monitor* 2 (December 2001).
[2] Jiang Zemin,…[full citation?].
[3] *Renmin ribao*, June 1, 2002, p. 1.
[4] He Qinglian, "Zhongguo gaige de de yu shi" (The successes and failures of China's reforms), *Dangdai Zhongguo yanjiu* (*Modern China Studies*) 9, no. 1 (spring 2002): 2-24. Several other articles by He Qinglian can be found in English translation on the web site of the U.S.-China Commission (http://www.uscc.gov/works.htm).
[5] Peter B. Evans, *Dependent Development: The Alliance of Multinational, State, and Local Capital in Brazil* (Princeton, NJ: Princeton University Press, 1979).
[6] Yu Shicun, "Dangqian Zhongguo de xianzhuang ji jingying de taidu yu xuanze" (The situation in contemporary China and the attitude and choices of elites), *Dangdai Zhongguo yanjiu* 9, no. 1 (spring 2001): 25-40.
[7] "Zhongguo shehui jiegou zhuanxing de zhongjinqi qushi yu yinhuan" (Trends and hidden shoals in the transformation of China's social structure in the near and mid-term), *Zhanlue yu guanli* 5 (1998): 1-17.
[8] Sun Liping, "Women zai kaishi miandui yige duanlie de shehui?" (Are we starting to face a fragmented society?), *Strategy and Management* 2 (2002): 9-15.
[9] Lu Xueyi, ed., *Dangdai Zhongguo shehui jieceng yanjiu baogao* (Research report on social strata in contemporary China) (Beijing: Shehui kexue wenxian chubanshe, 2001).
[10] Wan He, "Liyi jituan, gaige lujing yu hefaxing wenti" (Interest groups, the path of reform, and the question of legitimacy), *Zhanlue yu guanli* 2 (2002): 1-8.

[11] Huang Renzong, "Zhongguo de zhengzhi tizhi gaigeguan" (China's political reform "pass"), *Zhanlue yu guanli* 2 (2002): 72-82.
[12] Wang Guixiu, "'Neiguan ganbu' yuanze tanxi" (An examination of the principle of "internally governing cadres"), *Neibu canyue* 7 (February 22, 2002): 11-17.
[13] Cao Siyuan, *Wuli qiankun: Yige Zhongguo gongmin de jingji guanzhao* (Seeking order in the fog: The economic reflections of a Chinese citizen) (Beijing: Zhongguo gongren chubanshe, 2002).
[14] Cao Siyuan, "Cong dang de lingdao tizhi shang jianli quanli zhiyue jizhi de shexiang" (A framework for establishing a balance of power mechanism within the party's leadership system), *Lilun dongtai* 1558 (March 30, 2002): 20-24.
[15] Huang Weiping, *Dangdai Zhongguo zhengzhi yanjiu baogao, I* (Beijing: Shehui kexue wenxian chubanshe, 2002).
[16] Zhao Hongjun, "Quanguo gedi gongkai xuanba lingdao ganbu gongzuo qingkuang zongshu" (A summary of the work of open selection of leading cadres in areas throughout the country), *Dangjian yanjiu* 1-2 (2001): 18-21.
[17] Shi Wen, "Putian shi shixing 'santui liangkao yixuan' xuanba xiangzhen lingdaobanzi chengyuan" (Putian municipality implemented on a trail basis the "three recommendation, two examination, and one selection" system to select members of the leading group of administrative villages and townships), *Dangjian yanjiu neican* 11 (2001): 8-9.
[18] Tong Dahuan, "Yijuezhi minzhu yu piaojuezhi minzhu" (The resolution system democracy and the voting system democracy), *Gaige neican* 10 (2002): 17-19.
[19] Chen Qingtai, "Jingji quanqiuhua xia de zhengfu gaige" (Reform of the government under economic globalization), *Neibu canyue* 10 (March 15, 2002): 2-6.
[20] Shanghai shi dangjian yanjiuhui ketizu, "Zhongshi jiaru WTO dui ganbu renshi gongzuo de tiaozhan" (Pay attention to the challenge WTO poses to cadre and personnel work), *Dangjian yanjiu neican* 11 (2001): 5-7.
[21] See, for instance, Wei Luo, "Jiaru WTO dui dangde lingdao fangshi he huodong fangshi de yingxiang" (The influence of joining the WTO on the leadership method and activity method of the CCP), *Dangjian yanjiu neican* 3 (2002): 1-3; Liu Yongyan, "Jingji quanqiuhua tiaojian xia de zhengfu zhineng zhuanbian" (The change in governmental functions under the condition of economic globalization) [citation information?]; and "Zhengfu ruhe yingfu dui WTO dailai de tiaozhan" (How the government should respond to the challenges brought about by WTO), *Lilun dongtai* 1550 (January 10, 2002).
[22] Lu Zhiqiang, "Jingji quanqiuhua yu Zhongguo" (Economic globalization and China), *Zhonggong zhongyang dangxiao xuebao* 5, no. 1 (February 2001): 4-10.