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Political Governance in China

On October 1, 1949, Mao Zedong, chairman of the Chinese Communist Party (CCP), stood atop Tiananmen Square in Beijing to announce the formation of the People's Republic of China (PRC). At the dawn of a new era, he proudly proclaimed that “the Chinese people have stood up.” Flanked by his top CCP associates such as Zhu De, Zhou Enlai, and Liu Shaoqi, Mao was confident that the new China would bring back long lost pride and honor after more than a century of humiliation.

Turning that rhetoric into reality, however, was a daunting task. Decades of political instability from revolutions, civil wars, and the Japanese invasion had devastated the economy. Agricultural and industrial production had fallen significantly amid hyperinflation and rising unemployment. The economy was almost exclusively agricultural, with limited industrialization in pockets of northeastern and eastern China. There were also great disparities between regions and social groups. The preexisting governing apparatus was plagued by inefficiency and rampant corruption. Thus, mobilizing grassroots support, consolidating political power, building governing institutions, revitalizing economic growth, and maintaining law and order had to be accomplished all in tandem. Additionally, the new regime would need to overcome the diplomatic isolation in the context of the emerging Cold War and secure foreign trade and investment in an increasingly hostile environment.

The Chinese leaders initially were successful in establishing governing structures and stabilizing the economy. As time went on, policy debates over the path to development escalated into bloody power struggles between top leaders and threw the country into near-paralysis by the mid-1970s. Beginning in the late 1970s, a series of reforms that combined elements of market economy with political authoritarianism gradually steered the country toward greater stability and economic success. Sustained economic growth has attracted foreign investments to China, significantly improved the standard of living, and made the country an integral part of the global economy. In 2010, China overtook Japan and became the second largest economy in the world. Has it found the right formula for governing? Will its governance structure be sustainable? Is it possible to have economic freedom with limited political freedom? This chapter will review the PRC's history of political governance,

the evolution of its governing principles and institutions, its policy swings and adaptations, and its achievements and challenges.

FROM THE SOVIET MODEL TO MAO'S RADICALIZED POLITICS: 1949–1977

Building the Governance Foundation

Governance Structure: A Party-State. Following the Communist takeover, the vision of the CCP leadership was clear: to bring together the fractured society and to speed up economic recovery. To that end, it is essential to develop an effective administrative apparatus that could maintain order and promote economic growth. The CCP, as a revolutionary organization that specialized in guerrilla warfare in remote rural areas, now needed to be transformed into a governing body to manage national commerce and economy in urban centers and industrial complexes. What should be the blueprints for political integration and social reconstruction? What should be the model of political governance and economic development? And what role should the CCP play in the governance structure?

From the beginning, the PRC adopted the Soviet governance structure of a party-state—including a tight relationship between the party and the government, with the CCP playing the dominant leadership role. The CCP is regarded as the sole source of all political power in China and has the exclusive right to control all other political organizations.

The highly centralized party-state structure was deemed most appropriate for China for both governance and development purposes. Through economic planning and resource allocation on a national scale, the model could effectively mobilize resources for rapid industrialization and modernization, while overcoming the resistance of regionalism from powerful local party bosses in order to balance regional disparities.

The CCP's supremacy over other state institutions such as the State Council (the executive branch on the government side) and the National People's Congress (the legislative branch) is achieved through structural design and personnel appointment. At each administrative level (i.e., the national, provincial, prefectural, county, and township), the party and the government are structured in a parallel yet joined manner. The party is pervasively embedded in the fabric of governance to ensure compliance with party directives; it is present in all government units (including ministries), the military, factories, schools, enterprises, and so on.

Additionally, the party controls personnel decisions through a *nomenklatura* system—a list of positions to be filled by party appointment. Key officials in the party and government are appointed and dismissed by the party, and the party secretary implanted in the government unit often enjoys greater power and authority than the formal head of the unit.

Within the CCP, the National Party Congress (PC) ostensibly holds the highest power. The PC elects the Central Committee, which acts on its behalf to manage party affairs until its next session. In reality, at the top of the structure is the Politburo of the CCP. Power can be further consolidated in the hands of a single preeminent leader (such as Mao Zedong) or a group of leaders in the Politburo Standing Committee (PSC).

International Environment. The international environment also played a role in facilitating the Sino-Soviet alliance. At the end of World War II, the U.S.-Soviet rivalry intensified. The Soviet Union's support of international Communist movements heightened the United States' fear of Communist takeover in Europe and elsewhere. In March 1947, in a speech to a joint session of Congress, President Harry S. Truman declared that the United States would provide political, military, and economic assistance to all democratic nations to forestall Communist domination. The announcement was a de facto declaration of the Cold War. The Berlin blockade of 1948–1949 and the creation of NATO in April 1949 by the United States highlighted the rising tension of the Cold War.

The loss of the Chinese mainland to the Communists in October 1949, despite the considerable military aid from the United States in support of Chiang Kai-shek and the Nationalists during the Chinese Civil War, was a huge diplomatic blow to the United States, putting pressure on the Truman administration to draw the line of containment in Asia. The PRC was viewed as an aggressor in a Moscow-orchestrated attempt to spread communism and was excluded from participation in any international or diplomatic forums outside of the Communist bloc. After the outbreak of the Korean War in June 1950, the United States imposed a total trade embargo on China. In the face of hostility from the West, the PRC adopted the policy of “leaning to one side” to learn from the Soviets in the initial period of consolidation and reconstruction.

The signing of the Sino-Soviet Treaty of Friendship, Alliance, and Mutual Assistance in February 1950 formalized the alliance between China and the Soviet Union. With the assistance of loans and technical support from the Soviet Union, Soviet policies and institutions became an integral part of the new Chinese regime.

Governance Process: Collective Leadership. During the revolution era, the CCP followed a decentralized decision-making structure and granted substantial autonomy to party units at local levels due to the need of guerrilla warfare. In 1948, in anticipation of the military victory over the Nationalists, and with the aim to reduce the power grip of local party chiefs, Mao and the CCP leadership called to strengthen the CCP party committee system on the basis of “collective leadership.” The principle instructed that important problems be discussed collectively in party committees at all levels before decisions were made and that resolution of important issues would not be left to individuals. The practice of collective leadership was built on the organizing principles of

the “mass line” proposed by Mao, and the “democratic centralism” proposed by Lenin.

Democratic centralism was embraced by all Communist parties as a means to achieve unity in action while having free discussions. In reality, centralism trumps democratic discussions, allowing the Communist party leadership to dominate all other party-state organizations. The principle nevertheless emphasizes the important process of consultation and investigation for party leaders.

Mao’s “mass line” (i.e., “from the masses, to the masses”) depicts an ideal form of political communication between the CCP and its constituencies. Party officials and leaders are expected to seek ideas based on the needs and demands of the ordinary people (from the masses) and then translate them into practical policies and plans that can be embraced by the people (to the masses). The broad discussions and consultations with all the constituents also illustrate the democratic element of Lenin’s democratic centralism.

Based on this principle, the 1956 Eighth Party Congress reinstated the PSC, which had not been in session since the 1945 Seventh Party Congress. The six-member PSC, presided over by Mao as chairman of the party, brought together the heads of the party, government, and military hierarchies for collective decision making. Subsequently, in 1958, the CCP Central Committee and the State Council supplanted the structure by establishing “leading small groups” in the following areas: financial and economic, political and legal, foreign affairs, science, and cultural and education. Each of these small groups would bring together principal government ministries in their respective policy sector and report directly to the Secretariat.

Elite Politics. Under the collective leadership, how did political actors express ideas, interests, or grievances within the one-party structure behind the façade of unity? In the absence of legitimate means to do so, political actors naturally colluded to form factions to promote favorable policies and defend their own interests. Personal ties within the faction helped provide mutual support to advance political career and power, as well as protect against political uncertainty and abrupt changes that were often associated with a political system deficient in transparency and accountability.

Formed by the mixture of institutional, geographic, and generational factors, CCP factions usually cut across formal organizational structures and belonged to the realm of informal politics. Operated behind closed doors and hidden in code-word exchanges, faction politics was usually shielded from public eyes until members of a faction were removed from office or publicly denounced. Newspaper commentaries and policy speeches were often the venues for such political attack, delivering an early sign of faction conflict.

Scholars have used different models to analyze CCP politics under Mao. The first is the Policy Choice Model (Barnett 1974) that explains elite conflicts based on differing policy preferences resulting from different ideological stances, which shape the perspectives on how problems are defined and

solved. The second model is the Power Struggle Model (MacFarquhar 1974). This approach argues that CCP elite conflicts are feuds over power and status, resulting in the resolution of policy debates or personality clashes through political power struggle. A third model is the Bureaucratic Model (Lieberthal and Oksenberg 1988), explaining conflict and policy outcomes based on the bureaucratic interest and institutional structure of policy making. Because authority is fragmented internally among various divisions and geographically through the center and provinces, political actors articulate interests through bureaucratic institutions and engage in protracted bargaining processes to seek consensus. While these models provide valuable analytical tools for our understanding of faction politics, it is possible that these explanations are not mutually exclusive, and something of each motivates faction leaders and their followers.

On one hand, factions operating under the principle of collective leadership serve as competing interest groups to perform checks and balances for policy discussions, avoiding calamitous mistakes. On the other hand, challenges from dissenting factions might be viewed as destabilizing or even treasonous when infighting intensifies. Legitimate policy and ideological differences might be viewed as pretexts for a power struggle, hence undermining the credibility of policy debates in the public realm.

Establishing the New Order through Socialist Transformation

Land Reforms. As a revolutionary regime, the CCP promised to end social injustice and economic exploitation, but it took different approaches in the countryside and the cities in the early stages of the postrevolutionary transition. Relatively familiar with the rural environment, the CCP took a bolder approach right away in the countryside to eliminate “class enemies” and solidify its power. In traditional Chinese society at the time of the Communist takeover, most of the lands were controlled by a small number of landlords; nearly 90 percent of the people lived in rural villages, with two-thirds of them owning less than 20 percent of the land. Landless tenants paid exorbitant rents to landlords, sometimes up to 60 percent of their production. Prior to its final victory in October 1949, the CCP had implemented land reform in areas under its control and redistributed landlords’ property to the peasants. It then expanded the program through the newly created Peasants’ Associations. Using “struggle meetings” and “people’s tribunals” to prosecute (and, oftentimes, to execute) landlords, local CCP cadres confiscated and transferred lands from landlords to farmers. The success in land reforms created a new interest pattern and solidified the CCP’s political control in rural China. While execution of as many as 800,000 landlords and “counterrevolutionaries” demonstrated to the rural masses that the Party was now the source of political authority, breaking up land ownership into small lots for individual holdings provided new incentives for farmers to increase agricultural production and stimulate economic gains.

Urban Transformation. In the cities, the CCP proceeded more carefully to encourage cooperation of the urban middle classes to ensure economic recovery and political stability. The government took over private businesses and industrial enterprises but compensated the owners based on a percentage of the total value. It left smaller businesses of urban handicrafts and small enterprises in private hands for a few more years before merging them into cooperatives. By the mid-1950s, urban private enterprises were either state-owned or state-private jointly owned.

At the same time, the CCP gradually tightened social control through mass campaigns, mobilizing people to engage in thought reform. The 1951 “Three Anti-Movement” (anticorruption, antiwaste, and antibureaucracy) targeted primarily the bureaucrats and officials considered “politically unreliable” due to prior association with the Nationalist regime or alleged betrayal of revolutionary ideals. In 1952, another round of mass campaigns, the “Five Anti-Movement” (against bribery, tax evasion, fraud, theft of government property, and theft of state secrets), was launched. A large number of industrialists and business owners were put through humiliating public trials with massive fines and taxes that they could not pay. In the end, the government took over their businesses, paving the way for the First Five-Year Plan (1953–1957, though announced in 1955).

While the CCP seemingly fulfilled its promises to the peasants who brought it to power, a close analysis of the PRC’s economic policy in Chapter 3 reveals that urban centers and industrial sectors were the true beneficiaries of the government’s growth strategy. Private land ownership in the countryside was only transitory; it soon gave way to the socialist push by the Communist party-state.

From the Soviet Model to the Maoist Model

Sources of Conflicts: Ideas or Interests? As observed by Harding (1981), there were at least three distinct sources of theories on how China should be governed in the aftermath of the revolution: the Chinese bureaucratic history and tradition, the practices of the Soviet model, and the experience of the CCP during the revolutionary years in administering their rural bases. These sources, however, could not yield a clear, coherent set of governance principles, and policy debates over appropriate governance structure have persisted from the 1950s to the present day. Questions continue to emerge about the governing role of the CCP and its relations with nonparty elements such as state administrative units and the civil society. Should the CCP exercise complete control and domination over nonparty elements in the political sphere, or should nonparty entities enjoy greater autonomy? Furthermore, questions arise in economic decision making about the role of directive planning versus market incentives and the responsibility of the central government versus local government. Competing ideas and institutions at different stages of the PRC political history have provided different answers to these questions.

Since the mid-1950s, the three sources gradually evolved into a clash between the revolutionary camp and the bureaucratic apparatus, depicted as

a conflict between “Red” versus “Expert.” Red represented the die-hard ideologues and revolutionaries who firmly believed in the Communist doctrines and were skillful in mobilizing the masses. They showed little interest in technical knowledge or administrative expertise; instead, they strongly emphasized the commitment to ideological purity and revolutionary fervor through purges, class struggles, and political education campaigns, until the total defeat of the “class enemies.”

In contrast, Expert represented those who were better educated and well trained in their technical areas, such as scientists, technicians, teachers, managers, intellectuals, and bureaucrats. They were less interested in revolutionary slogans and emphasized the importance of efficiency and economic rationality in planning and management.

Moving in the direction of Redness meant mobilizing people and arousing their revolutionary enthusiasm through continuous political campaigns and struggles. Expertness represented reliance on technical expertise and scientific knowledge and, if necessary, bending some ideological restrictions for market mechanism and economic regularity in order to achieve economic growth and development.

The ideological difference between Red and Expert began to reflect tensions between rural Communist cadres and urban intellectuals and the gap between Mao’s development concept based on China’s huge, indigenous human resources and the Soviet development model based on capital input.

What was described by Mao as “two-line struggle” between Red and Expert could have been more than policy debates over governance models or development strategies. It could also have been a pretext for political maneuvering and power struggle between opposing factions at the top leadership in an opaque system with little transparency. Political rhetoric, nevertheless, provides a valuable window to observe and analyze the political dynamics in PRC.

Transition to the Maoist Model. With financial and technical assistance from Moscow, the PRC’s First Five-Year Plan (1953–1957) brought some positive results. Nevertheless, the CCP leadership was concerned. Economically, the growth was skewed between sectors; namely, heavy industries had expanded far more rapidly than agriculture. This raised the question about the sustainability of the Soviet development model, for if the trend continued, stagnant growth in agriculture and a dwindling supply of raw materials would limit expansion of the manufacturing sector. Furthermore, Soviet financial assistance, though modest, had been instrumental for the initial spurt of China’s economic recovery and growth. Short on investment capital, China could hardly continue this mode of capital-intensive production on its own.

Politically, Mao also questioned the industry-centered, planning-based Soviet development model. In his mind, centralized, bureaucratic-driven programs propelled by modern technology and technical expertise would elevate the status of the technocrats and the intellectuals and promote elitist and “bourgeois” attitudes at the expense of the original purpose of the proletarian

revolution. For Mao, running the country according to the Soviet model would direct the attention to routinized and bureaucratized economic affairs and away from the ideological and political emphasis that had defined the party in its old revolutionary days. Convinced that a true revolutionary ought to guard against the creeping influence of the capitalist class and be vigilant of the loss of revolutionary zeal, Mao began to hatch plans to abandon the Soviet model and press on with class struggle to protect the integrity of the revolution.

After the uprisings of 1956 in Eastern European Communist states in Poland and Hungary, the CCP encouraged the people to express their opinions about the party and its policies in the Hundred Flowers Campaign (1956), with the slogan “Let a hundred flowers bloom and a hundred schools of thought contend.” Yet the CCP leadership was ultimately unprepared for the harsh, extensive criticisms it elicited. Many intellectuals came forward with opinions that were highly critical of the party and its policies. The experience confirmed Mao’s suspicion of “expert” and convinced him that class struggle was absolutely necessary to eliminate the exploitative bourgeois attitudes of the capitalist class. The Hundred Flowers Campaign turned into the Anti-Rightist Campaign (1957–1959), in which an estimated four hundred thousand “Rightists,” many of them intellectuals who had played an important role in education, science, and engineering, were imprisoned or sent to labor camp for reform and rehabilitation. The Anti-Rightist Campaign effectively silenced all the critics and marked the beginning of radicalized politics. For the next 20 years, a series of political campaigns and rectification movements were launched to identify and cleanse the “bad” elements of the society.

In retrospect, Mao’s move in the direction of “Redness” starting in the late 1950s was more than a reversal in merely economic policy; this had profound implications for PRC’s political institutions and mode of governance. Through the process, Mao consolidated his power and transformed the PRC’s political and economic system in accordance with his revolution scheme. The increasing extremism and violence in those political campaigns ripped apart political leadership and governance structures, taking the entire country onto a path of turmoil and disorder.

The Great Leap Forward. To lessen China’s reliance on Soviet expertise and assistance and to wrestle policy-making power from economic technocrats, Mao advocated a growth model based on his concept of “mass movement,” using China’s most abundant resource—its people. The Great Leap Forward (GLF), launched in 1958, represented Mao’s attempt to leap dramatically forward to achieve not only economic development but a Communist utopia. However, with no concrete plans or clearly defined objectives, the GLF was, at best, a set of uncoordinated policies based on principles of self-reliance and mass mobilization, driven by the belief that political enthusiasm and a spirit of teamwork were more important than skills, knowledge, and planning.

For Mao, the key to a successful revolution was to stimulate human spirit. He believed that people’s passion and energy, once released, would overcome

any limitation and hardship. The same philosophy was applied to economic growth: rather than relying on capital input, inspiration of political activism and enthusiasm, along with changes in labor force utilization, would be sufficient to enhance economic productivity.

Agricultural collectivization was an integral part of Mao's development strategy, as seen in the establishment of people's communes to promote political governance and economic production. The new economic institutions, however, created serious dislocations in both agriculture and industry (Chapter 3). At the same time, the Sino-Soviet alliance fell apart (Chapter 4), leading to the abrupt withdrawal of Soviet economic and military assistance in 1959. The combination of the GLF and the Soviet withdrawal set the stage for additional economic hardship.

At an enlarged Politburo session at Lushan in July 1959, veteran CCP leaders such as Defense Minister Marshal Peng Dehuai voiced concerns about the GLF. But Mao threatened to lead the farmers in a new revolution against the government if GLF and communes were overturned. The Politburo yielded to Mao's wish. Months later, Peng and other prominent critics of Mao were purged as "anti-Party cliques," and Lin Biao was appointed to succeed Peng as the Defense Minister. Eagerly embracing Mao's policies, Lin intensified political education and ideological indoctrination in the military, deprioritizing professional training and technical expertise. Furthermore, Lin's staff compiled Mao's quotations in a "Little Red Book," which subsequently became the Red Guard's Bible during the Cultural Revolution.

Peng's purge ran counter to the CCP tradition of collective leadership that encouraged candid discussions in party committees and collectively made decisions. This signaled a shift in party politics and future decision making.

The economic situation worsened after the renewed mandate of the GLF. For reasons discussed in Chapter 3, grain production plummeted from 200 million tons (1958) to 143.5 million tons (1960), causing a famine with estimated deaths of 25 to 50 million people (Grasso, Corrin, and Kort 1991). Shortages of food and raw materials further affected industrial production and the life of urban workers.

The catastrophe of the GLF eventually strengthened the position of Liu Shaoqi (president of the PRC) and Deng Xiaoping (vice premier and general secretary of the CCP); they forged a collective leadership to curb Mao's influence. While Mao remained the CCP chairman, Deng was responsible for the daily operation of the CCP Central Committee Secretariat. As pragmatists, Liu and Deng restored greater central control over industrial planning and management. They introduced a series of moderate policies to reverse the damage caused by the GLF. Plans for rural industrialization were scaled back, and agricultural production decisions were transferred from communes to lower units and, even in some cases, families. Material incentives were reinstated to encourage productivity. Farmers were allowed to keep the harvest from their private lots to themselves, while workers could receive bonuses for superior performance.

For Mao, these measures represented corrupt, capitalist efforts to achieve economic growth at the expense of socioeconomic equality and Communist ideals, the basis of the Chinese revolution. He sought, unsuccessfully, to reverse these policies at the Tenth Plenum of the Central Committee in September 1962.

Policy differences between Mao and Liu/Deng began to spill over into other areas such as education, cultural policy, and the party apparatus. For Mao, the education system as it existed in the mid-1960s was still a “class-based” institution. College students were mainly the children of party cadres and the urban middle class; farmers and workers were significantly underrepresented. Arts and literature continued to promote capitalist values without recognizing the struggle of workers, farmers, and soldiers. In Mao’s mind, these problems indicated that government leadership had been held by those “taking the capitalist road.”

For Mao, state bureaucracy, reflecting the entrenched vestige of the corrupt and elitist forces of the past, had to be removed to eliminate the values and practices of the old societies. As Mao tried to centralize power to maintain control without bureaucratization, what he did was essentially substitute state bureaucrats with party bureaucrats. Thus, the role of the CCP changed from setting broad, general directions for the state’s programs in accordance with party values and goals to making detailed plans and policies for the state and overseeing their implementation. Party officials simultaneously held administrative or managerial posts and intervened on the basis of political expediency with no respect for expert opinions. The fusion of these roles and functions made the CCP a supervisor, an enforcer, and a decision maker, cementing its absolute leadership power over the state.

The Radicalization of Politics. To halt the capitalist revival and to regain control over the progress of revolution, Mao launched the Cultural Revolution in 1966. To preempt Mao’s move, Liu and Deng had tried to convene a special Central Committee Plenum in June 1966, but the attempt was blocked by Lin and the military. With Lin’s support, Maoists excluded more than half of the regular Central Committee members to convene their own Plenum (the Eleventh Plenum of the Central Committee) in August 1966 to demote Liu and name Lin the vice chairman. The focus of the Cultural Revolution was expanded from educational and cultural sectors to virtually all the political and economic organizations in China. By the mid-1960s, PRC developed a new organizational trinity where party, state, and the military were intertwined in the leadership structure and evolved into a form of totalitarian control (Schurmann 1968).

During the Cultural Revolution, the Central Cultural Revolution Small Group bypassed the party Secretariat and, to a large extent, the Politburo, and made final decisions on behalf of the party-state. Political ideology permeated all aspects of the Chinese people’s everyday life; newspapers and periodicals were full of quotations from Mao, Marx, and Lenin, indoctrinating the importance of continuous class struggle and “proletarian dictatorship” against

alleged enemies, both internal and external. Through endless political campaigns, mass movements, self-criticisms, and purges, continuous revolution centered on class struggle aimed to ensure the integrity of the revolutionary spirit.

Mao heightened the level of popular participation and mass mobilization in the Cultural Revolution. Millions of youths, the Red Guards, responded to Mao's call to cleanse the party and government of "counterrevolutionary" elements. They mobilized to supervise, criticize and, if necessary, dismiss leaders and officials at schools, universities, factories, enterprises, party organizations, and government offices without regard for laws or regulations. Persecuting and torturing hundreds of thousands of people, the Red Guards searched houses, confiscated properties, and ransacked government buildings. Their attacks on the governance structures and institutions, whether formal or informal, were relentless, leading to the destruction of the bureaucratic apparatus and the paralysis of the government system. Rival groups of the Red Guards, some backed by the officials under attack, battled with one another in violent clashes in major cities all over China, destroying books, properties, and cultural artifacts. Streets turned into battlegrounds between contending factions, throwing the country into extreme violence and chaos and severely damaging the national economy.

In January 1967, Mao ordered the military to intervene to restore order. The military seized the opportunity to fill the leadership vacuum and became another power contender. It established revolutionary committees to replace the party committees at all levels of governing structures. In early 1967, Mao engineered the removal of Liu and Deng from the Politburo in a close vote, and in the summer of 1968, he disbanded the Red Guards. Liu was stripped of all his offices and arrested in the fall of 1968, dying in prison in late 1969.

Now firmly in control, Mao convened the Ninth Party Congress in April 1969 to select Lin as "Comrade Mao's close comrade-in-arms and successor." A large number of members of the Politburo, the Central Committee, and provincial leadership were replaced. The new Politburo appointments consisted of three contending factions: the Maoists (the radical leftists), the military under Lin, and the surviving elements of the state bureaucracy under premier Zhou Enlai.

Jiang Qing, Mao's fourth wife, led the Maoists. She, along with her protégés Wang Hongwen, Zhang Chunqiao, and Yao Wenyuan, were members of the Cultural Revolution Committee. Collectively, they were known as the "Gang of Four."

To check the rapid rise of the military, Mao joined forces with Zhou in restoring the CCP as the primary political institution. Mao and Zhou presented a draft of the new Constitution in 1970 that would eliminate the office of the chairman of the PRC, a title formerly held by Liu and now coveted by Lin. In 1971, Lin and supporters attempted to flee to Russia after a failed coup, but the plane crashed in Mongolia. Lin's death and Mao's deteriorating health served to strengthen Zhou's position. He was able to gradually restore rational

economic policies and, with Mao's consent, rehabilitate party officials purged during the Cultural Revolution. Deng resumed his post as vice premier in 1973.

With failing health and now caught between Jiang's group and the restored state bureaucratic leaders, Mao designated Hua Guofeng as his successor. Hua was a compromise, as he lacked a following in either group. In January 1976, Zhou passed away. Zhou's death emboldened Jiang's group to attack Deng. In April 1976, on a traditional Chinese holiday in memory of the ancestors (i.e., *Qingming*), crowds gathered in Tiananmen Square to lay memorial wreaths to Zhou. Knowing that the move was a subtle protest over the Maoist policies, Jiang's group ordered the dispersion of the mourners, causing violent reactions from the crowds. Blaming Deng as the mastermind behind the incident, the Gang of Four removed Deng from all leadership positions and organized a national campaign against him. In September 1976, Mao died and was succeeded by Hua. Within a month, Hua arrested the Gang of Four. However, their trial was not held until November 1980.

The Cultural Revolution set the PRC back for decades through its ensuing violence and destruction. Political instability caused stagnation in economic growth and industrial production. Agricultural production could barely keep up with population growth. The political and economic conditions placed the CCP in a serious legitimacy crisis.

INITIAL PHASE OF THE POST-MAO REFORMS: 1978–1992

In July 1977, the Central Committee restored the 73-year-old Deng to his former posts. The reformers gradually consolidated their power to undertake a major shift in policy, endorsed by the watershed Third Plenum of the Eleventh Central Committee in December 1978. In an attempt to regain public trust in the CCP's ability to lead, Deng and the reformers laid the ideological foundation of the reform era, dropping Mao's priority of waging class struggle and revolutionary warfare and redirecting the nation toward "socialist modernization." The goal was to build a "modern agriculture, industry, science and technology, and national defense" (or four "modernizations") by the year 2000.

Economic and Political Reforms

Economic modernization began with a more decentralized economic system to allow for greater local autonomy and marketization. In the countryside, selective decollectivization of agriculture was implemented, leading to significant increases in grain output. Subsequently, sustained economic development in rural areas spurred the growth of the township and village enterprises, creating employment opportunities for nearly 100 million people in the countryside.

In the urban areas, reforms centered on price reform and granting greater autonomy to economic enterprises. Pricing control was loosened to allow

adjustments based on market forces of supply and demand. Economic decision making regarding industrial production and management was gradually decentralized, turning over the power to enterprises or subnational units. Additionally, the leadership adopted the “open door” policy to encourage foreign trade and investment. As a result of these reforms, China began to experience sustained high growth rates starting in 1978, which has translated to an increase in personal income and improvements in standard of living.

In light of the fact that many reform measures ran counter to socialist theories and principles, how was it possible for the reform faction to overcome resistance from the leftists or supporters of the Soviet model? The broad consensus shared by the senior leadership was to affirm the CCP’s monopolistic power and authority, notwithstanding changes in economic policies. As declared by Deng in 1982, the CCP would practice “socialism with Chinese characteristics” as it pursued modernization. Economic growth and development were framed as a means to build political support to strengthen the legitimacy of the party and advance socialism. As discussed in Chapter 3, economic reforms were marked by gradual and cautious steps, reflecting compromises between central planning and market forces.

Concurrent political reforms were driven by the concern for efficiency in order to build up state capacity and to facilitate economic development. Reform efforts could be summarized by twin goals of “institutionalization” and “legalization” (Horsley 2010). To prevent the recurrence of the Cultural Revolution that destroyed the legal foundation of political authority, the Third Plenum of the Eleventh Central Committee sought to protect the integrity of the political and legal institutions deemed critical for economic and social modernization. Economic growth required a competent administrative state with well-trained bureaucrats and experts shielded from undue political interference.

The first step toward institutionalization was to restore and restructure political organizations and institutions of the party and the state. The totalitarian party-state system built by Mao had to be rebalanced to maintain the proper role of the party and the state. While recognizing the importance of maintaining party leadership, Deng called for a clearer distinction of the responsibilities between the party and the state to grant greater operational autonomy to the government. Thus, the 1982 Constitution affirmed the leadership of the CCP but restored a system of government to uphold the socialist legal system. A civil service system was gradually established to recruit professional appointees to the government through meritocratic exam, while the party retained control over political appointees.

Under Mao, the regularly scheduled Party and People’s Congresses were convened rather sporadically. For example, the Eighth Party Congress was convened in 1956, but the Ninth was in 1969, and the Tenth 1973. There were no People’s Congresses from 1965 to 1974 during the Cultural Revolution. Since the early 1980s, the regular convening of the National Party Congresses and National People’s Congresses according to the party charter and state Constitution (every five years) has contributed to the continuity and stability of Chinese politics.

Legalization reflected the reformers' desire to "rule *by* law." The concept was meant to address the problem of "rule of man" that characterized Mao's era. As the law is viewed by the state as an instrument to regulate the public, the public would be expected to obey and comply with the law, and no organization or individual would be above the law. The 1982 Constitution reflected this concept, stipulating that no one, including the state, the military, and all political parties, was above the law and the Constitution. Nevertheless, that goal remains elusive in practice.

To encourage the promotion of younger and more educated cadres to replace old revolutionaries in leadership transition, Deng instituted term limits and a retirement system for the party and state posts. Up until then, the PRC had no formalized rules to deal with political succession. Political leaders, including the general secretary of the CCP, the president of the state, the premier, and other important officials, were allowed to serve, at most, two five-year terms in office (i.e., 10 years). Term limits not only helped prevent the reemergence of a dictator but also facilitated healthy leadership turnovers to accommodate generational changes. Deng also enforced retirement of a whole generation of veteran leaders who were over a certain age limit. To ease their concerns of losing power and prestige, Deng established the Party Central Advisory Commission in 1982 to provide a formal channel for senior party leaders to influence policy making. To set an example for other old revolutionaries, Deng ceded all formal power in 1989 and relinquished all informal influence in 1994.

Elite Politics

Despite the goal to institutionalize rules and norms, the Chinese leadership system throughout the 1980s and the early 1990s remained highly personalistic. The locus of power did not necessarily correspond to the formal organizational structure; rather, informal factors such as the pre-1949 revolutionary background, the post-1949 political activism, and personal connections—not necessarily official positions—became the real source of power. Deng never occupied the formal top positions in either the party or the government; he preferred to leave those posts to his loyal lieutenants. The fact that he was the "paramount leader" and the most powerful individual in China for two decades in the post-Mao era without a top position speaks volumes about the importance of informal politics in PRC.

There were differences in how factions and elite politics operated between Mao and Deng. Under Mao, factions were defined by ideological terms and personal ties. Faction members were exceptionally loyal in a fierce political competition of "win all or lose all." Under Deng, conflict was handled with greater civility, and factions were organized primarily around policy lines and bureaucratic interests rather than ideology (Dittmer 2003).

Deng did not have the enormous power and authority enjoyed by Mao. Although he was first among equals, he maintained careful balance by

consulting, and often making compromise with, other key leaders such as Chen Yun, Bo Yibo, and Li Xiannian.

Early tensions centered on the official evaluation of Mao's legacy. Members of the reform wing wanted to repudiate Mao, whereas conservatives wanted to uphold Mao's legacy. As a compromise, the resolution adopted by the Sixth Plenum of the Eleventh Central Committee on June 27, 1981, acknowledged the "gross mistakes" Mao made during the Cultural Revolution but concluded that "his contributions to the Chinese revolution far outweigh his mistakes. His merits are primary and his errors secondary."

Subsequently, policy differences emerged between the progrowth group, led by Deng, and the pro stability group, led by Chen Yun and Peng Zhēng. Chen joined forces with Deng in the historic Third Plenum of the Eleventh Central Committee in November-December 1978 to wrestle control from the Maoists, but his views of economic policies were different from Deng's.

Deng's pragmatism could be seen from his expressions of "seeking truth from facts" and "It doesn't matter whether the cat is black or white, as long as it catches mice." In his mind, result and performance, not preconceived ideological notions, should guide action. Chen, however, supported orthodox planned economies. He was concerned about the loosening controls over the economy and the excessive reliance on market mechanism. Peng, a Politburo member and the chair of the National People's Congress (NPC), also preferred a command economy and was critical of the use of capitalist measures. Chen and Peng had the support of the economic bureaucrats, who naturally resisted the trend toward marketization, for it took away their power to plan and control.

A Setback to Reforms

By the mid-1980s, problems began to emerge in economic and political realms. While reforms brought new economic opportunities, not everyone benefited equally from the policies. Decentralized control and marketization led to a rise in unemployment and inflation, while corruption and growing crime along with economic dislocation created social instability. In 1986, student demonstrations broke out in a number of cities, in protest of inflation, official corruption, and government control. The conservatives blamed Hu Yaobang, the general secretary of the CCP and Deng's protégé, for being too sympathetic to students and intellectuals, allowing them to spread "bourgeois liberalism," a code word for Western values. In January 1987, Hu was abruptly dismissed and was replaced by Premier Zhao Ziyang, another Deng supporter. Li Peng succeeded Zhao as premier.

Hu had become a symbol of reforms, and his death in April 1989 drew thousands of mourning students to the streets in Beijing. From April to June, students, workers, and ordinary citizens joined together in demonstrations in cities throughout China, protesting against a multitude of issues, including inflation, job insecurity, official corruption, and lack of political freedom and participation. By mid-May, an estimated 1.2 million people gathered at Tiananmen Square.

The Chinese leadership was divided over how best to handle it. Zhao advocated compromising with students in order to resolve the situation peacefully, whereas other conservative hardliners, including Premier Li, supported suppression by force. Ultimately, the latter course prevailed. Martial law was declared, and soldiers and tanks moved into the city and cleared the Square on June 4, 1989, leading to considerable loss of life. Zhao was dismissed and put on house arrest until his death in 2005. Jiang Zemin, then party secretary in Shanghai, replaced Zhao as the general secretary of the CCP. Jiang was promoted for firm but decisive action that prevented bloodshed in similar protests in Shanghai.

Afterward, the PRC went through a few years of political oppression and economic retrenchment. The crackdown of the Tiananmen demonstrations significantly damaged Deng's reputation, but he survived the crisis and was able to hold the balance between the conservatives and the moderates. A few months after the Tiananmen crackdown, he stepped down from the chairmanship of the Central Military Commission (CMC) and promoted Jiang Zemin into the post. The strategic purpose of the move was to pave the way for the takeover of the third-generation leadership, with Jiang at its core. In addition to his positions as general secretary of the CCP and chair of the CMC, Jiang became president of the PRC in 1993, the first time that the three positions were held by the same person.

The Push for Further Reforms

The CCP leadership faced grave challenges in the aftermath of the Tiananmen Square incident. Western governments and media denounced China's actions; the United States and the European Union imposed an arms embargo on the PRC. Later in 1989, the Soviet satellite states in Eastern Europe collapsed, followed by the implosion of the Communist Party of the Soviet Union in 1990. Under isolation and with a strong sense of urgency, the CCP leadership undertook considerable analysis and introspection to search for a formula to survive the post-Soviet world (Shambaugh 2008). Not giving up its supreme position as a single ruling party anytime soon, the CCP, however, was willing to adapt and change. While there was no set course of action, the general aim was to enhance the legitimacy of the regime through economic growth and nationalism. It also worked to enhance the capacity of the party and the state to be more responsive to the grievances and demands of the people while balancing various societal contradictions.

To further solidify the proreform forces, Deng in 1992 went on a "southern tour" to visit cities such as Shenzhen and Shanghai where economic openings had produced economic growth. He launched broad criticisms against conservative leaders, paving the way for a change in the political atmosphere for the 14th Party Congress later that year with a call for the creation of a "socialist market economy" in the Congress's political report. Deng further engineered the ouster of a group of conservative leaders to ensure a smooth power

transition to Jiang. In 1992, when Deng fully retired from politics at the 14th National Party Congress, he dissolved the Party Central Advisory Commission, which was one of the platforms leading to the downfall of the two general secretaries, Hu Yaobang and Zhao Ziyang. By outliving his opponents (with Chen Yun passing in April 1995 and Deng two years later in February 1997), Deng sealed the deal for future reforms. Ironically, while his reforms stressed the importance of institutionalization, Deng operated outside the bounds of formal institutions to maintain the course of reforms.

POLITICAL GOVERNANCE IN THE REFORM ERA: 1992–PRESENT

In the post-Deng era, the basis of power came from political leaders' education, experience, performance, and, most importantly, positions. They worked their way up the bureaucratic ladder step by step as technocrats or party generalists. Their strengths were in planning, managing, and problem solving. As China's economic reforms widened and deepened, would they have the political skills and governing ability to lead the PRC to meet internal and external challenges?

Politics under Jiang Zemin

Coming into power at the time of grave uncertainty in the post-Tiananmen crackdown, Jiang Zemin (general secretary 1989–2002, PRC president 1993–2003, chair of CMC 1989–2004) attempted to both extend and redefine Dengism in political and economic realms. Under Mao, the legitimacy of the regime came from revolution and ideology. In the reform era, economic performance became the basis of legitimacy. Jiang continued the path of economic reforms, introducing greater marketization in commodity and labor markets, downsizing smaller state-owned enterprises (SOEs), and encouraging private entrepreneurship. In 1997, during the 15th Party Congress, Jiang declared the party's general task to be "economic development." Under Jiang, the Chinese economy became more open to the outside world in trade and investment, culminating with its entry into the World Trade Organization (WTO) in 2001. In 2002 (the 16th Party Congress), Jiang refined the goal as to "build a moderately prosperous society" by 2021, the party's 100th founding anniversary.

Economic development was accomplished under the close watch of the central government, which exerted its authority over personnel selection and management to promote sustained growth. Economic performance became an important criterion in the promotion of provincial officials (Chen, Li, and Zhou 2005; Maskin, Qian, and Xu 2000). Under the policy of "grasping the big; letting go of the small," the central government privatized the smaller, less efficient SOEs but retained control over the large SOEs in strategic areas such as defense, electricity, petroleum, and telecommunications, thus maintaining

monopolies over the “commanding heights” of the economy. Premier Zhu Rongji undertook administrative and tax reforms to enhance the fiscal capability of the central government. Under Jiang’s watch, the PRC grew to be a major economic power.

Politically, Jiang continued Deng’s institutionalization effort by applying the two-term limit to the premiership and other senior government posts. In 1997, he introduced the rule of retirement-at-70 for members of the Politburo Standing Committee (PSC), except the general secretary. While the rule was used to sideline his rival Qiao Shi, it helped eliminate lifelong tenure for senior leaders. Unlike in Deng’s era, informal gatherings of retired officials were no longer the final authority in decision making. Decisions were made through formal party, government, or military bodies.

The policy to separate the party and the state was modified. Jiang strengthened the role of the leading small groups (LSGs), personally chairing the ones concerning Taiwan affairs, foreign affairs, and national security, to expand his reign. Some of these LSGs were ad hoc, others permanent, and they brought together relevant units from the party and the government for consultation and coordination before final decisions were made by the PSC. Decision making thus became more consultative and consensual. It recognized the bureaucratic pluralism in the party-state structure, while minimizing individualistic tendencies.

Jiang also made some progress in inner-party democracy within the CCP. A series of rules and regulations were implemented to make elections and selections of party cadres more competitive. Members of standing committees at various levels were required to report their work to the plenary sessions of party organizations for accountability purposes.

As the Chinese economy became more vibrant and diverse after more than two decades of reform and opening, Jiang realized that the CCP needed to expand beyond the traditional base of workers and farmers and embrace the entrepreneurial forces that are critical to China’s economic growth. Thus, he proposed the idea of “three represents,” to make the CCP a representative of “the advanced productive forces in society,” “the advanced modern culture,” and “the interests of the vast majority of the people.” Formally incorporated into the party charter in 2002, the principle of “three represents” intended to draw professionals and entrepreneurs into the party to expand its ruling capacity.

While Jiang found it necessary to be ideologically flexible and pragmatic, he continued to view liberalism and constitutional democracy as subversive Western plots. Viewing political stability as the top priority, Jiang’s regime began to shield the Chinese Internet behind a “great firewall” to censor and filter the information flow. Fearful of the rise of any organized political rivals, it created more legal barriers for social and civil organizations to register and banned the Falun Gong, a religious group that it deemed as “spreading superstition.” Jiang was also unwilling to extend village elections to the level of townships or counties.

Although formal rules and structures gained traction under Jiang, there was still room for political patronage. To expand his circle of support, he systematically promoted former aides and associates from Shanghai, collectively known as the “Shanghai faction/cliue,” that was instrumental in ensuring that the agenda of reforms and opening could remain intact. During Jiang’s era, the membership of the PSC expanded from five to seven, and then to nine, for the purpose of having more of his loyalists on the committee to retain his influence. When transitioning out of the office, Jiang undercut the idea of institutionalization by holding onto the position of chairman of the Central Military Commission for two more years.

Politics under Hu Jintao

When Deng assisted Jiang for leadership transition in 1992, he also appointed Hu Jintao (general secretary 2002–2012, president 2003–2013, chair of CMC 2004–2012) to the PSC as Jiang’s successor. Following in the footsteps of former General Secretary Hu Yaobang, Hu Jintao was promoted through the system of the Communist Youth League. While Jiang came from Shanghai, the affluent commercial center of the coastal region that had benefited from reform and opening, Hu’s career was mostly based in the poor, interior regions. Experiencing firsthand the realities of poverty and hardship in an unbalanced economic development, Hu and his associates put greater emphasis on social justice, the root issue of most political and social contentions.

Unbalanced Growth. Since the economic reform in 1978, sustained economic growth has brought enormous improvement to the standard of living for most Chinese, lifting 500 million people out of poverty. Yet the cost of China’s growth model has also become apparent. Relentless pursuit of economic development came with the price of corruption, resource depletion, environmental and ecological destruction, and increasing income disparities. Social grievances and dissatisfaction became widespread, as the public began to voice concerns for food safety, clean air, and affordable housing. While economic growth has been an importance source of political legitimacy for the CCP in the reform era, the unbalanced and unsustainable growth has begun to undermine its legitimacy.

The 2008 Beijing Olympics illustrated both the achievements and problems of the Chinese growth model. On the one hand, the Olympics was a long-awaited opportunity for China to showcase its economic success. The “Bird’s Nest” stadium, the “Water Cube” aquatic center, and Beijing Airport’s Terminal 3 were iconic displays of China’s economic and technological prowess. Designed by some of the most renowned architects in the world, these buildings symbolized a new China with wealth and a global vision.

However, fast-paced economic growth with unbridled greed stripped the state of its ability to enforce regulations and legal rules, which was evident in two events. The extraordinary efforts undertaken by the Chinese state before

the games to combat Beijing's smog and improve its air quality, such as closing factories for weeks and adopting an odd-even road rule for automobiles based on the license plate, revealed a significant cost of economic development—environmental degradation. Additionally, days before the opening of the Olympics, Fonterra, a New Zealand-based dairy firm and the joint venture partner of China's dairy giant Sanlu Group, learned that Sanlu's powdered-milk product had been contaminated with melamine, a toxic chemical commonly used in producing plastics. According to Fonterra, it was unsuccessful in pressing Sanlu for an immediate recall, and the top executives of Sanlu, appointed by the Hebei party committee, tried to cover up the scandal particularly during the Olympics. It was not until a month later, after the news broke, that Sanlu finally issued a massive recall of its infant formula. By that time, the melamine-laced milk product had sickened more than 56,000 infants and young children, and four babies had died from kidney failure by the end of September.

The incident shook public confidence in food safety. More important, it illustrated a bigger problem—fast economic growth with unbridled greed had overtaken the state's ability to enforce rules and regulations.

Fully aware of the rise of social tensions and discontents, Hu intended to shift governance focus from economic development to economic distribution. He proposed a “scientific development” approach to building up a “harmonious society.” The term *scientific* referred to a better way of economic development that intended to redirect economic activities from a sheer pursuit of higher GDP to a more sustainable path with broader support.

To address regional imbalance, Hu and premier Wen Jiabao in early 2004 had begun to redirect the macroeconomic resources to less developed western and northeastern regions. With the call to “build a new Socialist countryside,” the government nearly doubled its spending between 2004 and 2007 in rural areas to improve infrastructure, education, and health care. Agricultural taxes were formally abolished in 2006 to ease farmers' burden. Yet, despite the leadership's intention to change the development paradigm and promote social justice, the situation deteriorated under Hu's watch. While China overtook Japan in 2010 as the second largest economy, the governing institutions effective in promoting prosperity and stability were unable to rebalance the growth. The income gap between the “haves” and “have-nots” widened in the 2000s. The richest 10 percent of families had 65 times the income of the poorest 10 percent (Wu 2011).

Corruption and Social Discontent. Amid the widening income gap, the public's perception that wealth is accumulated not by talent or hard work but by corruption and abuse of power fueled greater distrust and discontent. Huge amounts of government revenues and state assets remained in the hands of the powerful party-state apparatus and those with good connections. The asset value of national SOEs tripled from 2002 to 2009, highlighting a trend in which wealth had been diverted from citizens and the private sector to the

government (Wu 2011). The 2008 global financial crisis further exacerbated the trend, as massive 4-trillion-RMB (\$586 billion) stimulus funds were channeled to SOEs for growth stimulation to counter the economic downturn. The growing weight of the state sector runs against the marketization effort of the post-1978 reforms and provides enormous opportunities to government-affiliated elites to become wealthy and corrupt.

Illegal or arbitrary actions of local officials were another source of social discontent. Uncompensated transfer of land, mismanagement of construction projects, a dubious procurement process, and poor interpretation and implementation of government regulations were examples of power abuse by officials, contributing to people's grievances toward governance.

The sharp increase in social protests was an indicator of the rising social tension. The statistics of mass incidents (*qunti shijian*, i.e., strikes, riots, or demonstrations) showed increased frequency and higher levels of violence throughout the 2000s. Over 180,000 mass incidents were recorded in 2010, more than double the number reported in 2006 (Zheng 2012). These incidents were instigated by a broad range of issues, from corruption to environmental pollution to ethnic conflicts. Unlike in the past when the incidents were mostly limited to small towns and rural areas, the protests have taken place in major cities, where collective actions can be organized through social media and microblogs (*weibo*, the Chinese version of Twitter).

Governance Approach. The Hu regime reacted to social discontent with a two-prong approach. On the one hand, the government increased its budget to build a coercive apparatus that would respond to "emergency incidents" through a nationwide "social management" system that connects police, People's Armed Police (PAP), and the People's Liberation Army (PLA) with offices at county and city district levels. In 2002, the central government's spending on domestic security was 135 billion RMB. In 2013, the public security budget rose to 769 billion RMB, exceeding China's announced defense budget of 720 billion RMB (Fewsmith 2013). The numbers revealed that the political leadership was quite concerned about its internal threats.

On the other hand, the Chinese authorities began to establish channels for policy consultation and deliberation. As the 2008 global financial crisis rendered the prospect for sustained economic growth less certain, Hu and Wen attempted to regain legitimacy by opening up informal channels for citizens to participate in policy deliberation. Whereas Western democracies formulate policies through electoral procedures and representative politics to meet the interests and demands of the people, the Chinese party-state sought to respond to popular demands through consultative and deliberative mechanisms.

Technology was applied to governance in a similar manner. Using the e-government approach, the party-state expanded consultations beyond the traditional face-to-face meetings to include online bulletin boards and chat rooms for informal bargaining. Online comment sections maintained by the administrative and legislative branches were created for the general public

to provide feedback on the drafts of laws and regulations. Tools such as citizen input boxes, online petitions, online opinion polls, and Q&A with officials became regular features on government websites.

Nevertheless, there was another side to the party-state's cyber presence. Recognizing the popular use of microblogs to discuss politics and news, public security agencies and offices were actively engaged in those spheres (Noesselt 2014). A large number of Internet police and monitors were deployed at all levels of the party-state to take part in an extensive censorship program (King, Pan, and Roberts 2013). The purpose of censorship was not necessarily tracking and eliminating the postings that were critical of the party-state. On occasion, comments on social problems and bureaucratic mismanagement were allowed to be posted and circulated; when these postings attracted widespread attention or angry reaction by netizens, the government took swift action to address the issues. Microblogs have therefore served as transmission belt to connect the party-state and society by offering a new platform for the general public to address their grievances. Government censorship instead focuses mostly on the mobilization potential of the postings. Comments that have the potential to generate collective action such as protests or public gatherings are more likely to be censored, regardless of their contents.

However, to engage the public via digital channels has proved only partially effective. In 2012, Japan's move to nationalize the disputed Diaoyu/Senkaku Islands in the East China Sea triggered massive, and sometimes violent, protests and demonstrations against Japan across the PRC. Yet the demonstrations were more than nationalist outbursts. Many protesters used the opportunities to voice their true concerns, carrying banners and signs calling for democracy, anticorruption, food safety, and economic equality. The events revealed a society full of anger and frustration.

Elite Politics. The Hu regime took no action on political reforms. Amid the rising social unrest, the economic dominance of the SOEs, and the widespread influence of social media, Premier Wen repeatedly called for political reforms, including separation of the party from the state and expanding democracy through elections. However, another member, Wu Bangguo, chairman of the Standing Committee of the NPC, proposed five "no's" to resist any genuine political reforms. Others on the PSC, including Hu, did not side with either member. It was clear that the leadership was fragile and divided. The collective leadership in the PSC functioned with very little coordination between its nine members (Zheng 2012). While each member was responsible for a specific policy domain, they could veto each other. The checks and balances among them created policy paralysis, leading to ultimate failure to exercise leadership over major economic, social, and political issues.

Growing income inequality ignited the debate between Maoism and Dengism. Maoists blamed China's social problems on the market reforms undertaken by Deng. Refuting privatization and globalization, they called for a return to the socialist economy dominated by the state sector with strengthened party

leadership. Bo Xilai (son of Bo Yibo, a major figure in the Chinese revolution) was a proponent of Maoism. As a charismatic Politburo member and party chief in the city of Chongqing, he used Mao's tactics of mass mobilization and political campaigning to promote the so-called Chongqing model that imposed law and order to crack down on corruption while emphasizing government leadership in social and economic development.

Hu never visited Chongqing to show support of the Chongqing model. Instead, he visited Guangdong province to show his support of the role of the market in leading development, a Dengist model.

In 2012, Bo's wife Gu Kailai was arrested in a murder case involving a British businessman. Bo himself was accused of being responsible for power abuse during the anticorruption campaign in Chongqing and was sentenced to life imprisonment in September 2013.

When stepping down from the office in 2012, Hu did not hold on to any other position. The size of the PSC was changed again (from nine to seven), to streamline the policymaking process.

Politics under Xi Jinping

Xi Jinping was chosen as Hu's successor in the 17th Party Congress (2007) by members of the Central Committee and retired party leaders. Xi is one of the "princelings" (children of high-ranking officials); his father, Xi Zhongxun, was a Communist revolutionary and one of the founding fathers of the PRC. When Xi took over the party and the military in 2012, the common perception was that he would be severely limited by Jiang's and Hu's factions. However, Xi has proven otherwise by successfully consolidating his power and is en route to becoming the most powerful leader of China since Mao.

Two examples illustrate his power status. First, his name was written into the CCP charter in 2017, and the PRC Constitution in 2018: "Xi Jinping Thought for the new era of Socialism with Chinese characteristics." The direct mention of his name elevates him to a status similar to Mao's and Deng's; while Jiang and Hu had their doctrines of "three represents" and "scientific outlook of development" mentioned in the Constitution and party charter, their names were not preserved. Xi's vision to build a "modern Socialist country" by the PRC's 100th anniversary in 2049 in the "new era of Socialism with Chinese characteristics" will provide an ideological framework to guide the party agenda for the next three decades.

Second, the constitutional revision of 2018 eliminated the two five-year term limits on the posts of PRC president and vice president. Analysts debated over the implication of the change. Some noted the ceremonial role of the position and argued that the revision merely brings the top state position in line with that of the party (i.e., general secretary) and the military (i.e., chair of the CMC)—none of which have term limits. Others believed that the step was primarily to extend Xi's tenure beyond 2022. Whatever the reason may be, the move clearly stood against the once-popular idea to institutionalize leadership

transition in the reform era. Presidential term limits, in a way, formed the constitutional basis for Jiang and Hu to serve only two terms as the party leader. The abolition of the term limit removes the only constitutional constraint for the top leadership. Reversing a trend engrained in the reform era demonstrates Xi's powerful leadership.

Why was Xi able to consolidate power so swiftly? As a proud member of the CCP revolutionary tradition, he had reached back to Mao's legacy to reinvoke the idea of a "mass line," reminding party officials to better understand, represent, and prioritize the wishes of the people. To ensure that the entire party follows its economic and political line, he launched a major "rectification campaign" in June 2013 to combat "four devils": corruption, bureaucratic behavior, hedonism, and extravagance. The campaign, called "Mass Line Education and Practice Activities," reflected Mao's style, asking the cadres to be moral role models and be closer to the masses through self-purification, self-reformation, self-criticism, and self-education.

Anticorruption Campaign. Associated with the campaign is an unprecedented anticorruption drive that reaches far and wide to bring the cadres and armed forces under stricter control. The central leadership dispatched inspection groups to all provinces and organizations to investigate corrupt behaviors within the elite. Since its inception, over 200 senior officers and executives of state-owned enterprises have been investigated. Many have been arrested and indicted, including four senior national leaders: Zhou Yongkang (PSC member in charge of the security apparatus), Guo Boxiong and Xu Caihou (both Politburo members and vice chairs of the CMC), and Ling Jihua (Central Secretariat member and Hu's confidant).

Although some may question whether this is a true anticorruption campaign or an old-style power struggle to consolidate Xi's power, it seems that the breadth of the campaign has carried beyond factional enemies. It, in fact, reflects Xi's deep concern for the party's governance capacity, as the party's reputation in recent years has been damaged by corruption and lax practices.

Political Agenda. Restoring public confidence in the CCP is only the first step toward ensuring continued party rule and maintaining its preeminent position over the state and the society. Xi revealed an ambitious reform agenda in 2013, outlining a 60-point decision with 300 reforms in seven policy sectors—economy, ecology, law, culture and media, social management, military, and party—all to be completed by 2021, the centennial anniversary of the CCP. A Leading Small Group for Comprehensively Deepening Reform was established in 2014 to coordinate implementation of the reforms.

He reaffirmed the importance of Marxism as a guide for action and rejected the influence of "Western ideas and theories," such as constitutional democracy and universal values. Instead, he promoted traditional Chinese culture through selective interpretation of Confucianism to bolster the claim of "Socialism with Chinese characteristics."

He believes that the CCP can offer the best leadership to the state and society, with little need for external oversight or checks from nonparty organizations. For Xi, complete loyalty to the CCP is expected of not only party members but all other members of society. Control over new social media and nongovernmental organizations (NGOs) was tightened. New rules were issued to impose greater restrictions upon lawyers and law firms deemed disruptive or threatening to national security, primarily targeting “rights protection” lawyers who advocated rights for citizens. Under the Xi regime, many lawyers and human rights activists have been arrested and indicted for subversion of state power.

Xi also inserted himself in virtually all policy spheres. He has taken over as head of a number of leading small groups, including foreign affairs, Taiwan affairs, cyber security and information, economics and finance, and “comprehensive deepening of reform.”

Even with tight control, social unrest continues. A particularly notable development involved retired PLA soldiers. Several thousand of them surrounded the PLA headquarters building in Beijing in 2016, protesting economic hardship and insufficient retirement payment.

Economic Agenda. While the anticorruption drive broke down vested interest groups, economic restructuring is a long-term and multifaceted project. It was clearly understood by Xi and Premier Li Keqiang that the easy phase of economic development is coming to an end. The old growth model that relied on labor-intensive exports and state-led investment could not continue to generate growth. The PRC is in need of new growth drivers, including shifting from exports to domestic consumption, and upgrading to higher end products and industries to minimize the environmental impacts of the pollution-heavy industries in coal, steel, and other traditional sectors.

Who should lead the charge in economic transition, the market or the state? It seems that Xi and Li emphasized both. On the one hand, they stressed the important role of the market in allocating resources, creating social wealth, and sustaining economic development. Thus, they argued for setting utilities prices such as water, gas, electricity, and telecommunications through the market mechanism.

On the other hand, Xi and Li would like to maintain state engagement in economic development to retain control over key sectors of domestic economy through SOEs, similar to the economic model of Japan and South Korea. Under Xi, the state plays a more active role in Chinese overseas investment. To be more integrated into regional economic cooperation, the PRC has taken the lead in the establishment of the Asian Infrastructure Investment Bank (AIIB) to finance infrastructure construction such as overland railroads, highways, ports, and pipelines. The Belt and Road Initiative (BRI) proposed by Xi since 2013 intends to connect China to the Eurasian continent and Southeast Asia through trade expansion and infrastructure construction. Calling on countries along the original Silk Road (i.e., countries in Central Asia, West Asia, the Middle East, and Europe) and the “21st Century Maritime Silk Road” (i.e.,

Southeast Asia, Oceania, and North Africa) to participate in the BRI, Xi tries to achieve economic policy coordination for smooth movement of goods, people, and capital along the longest economic corridor. There are also definite domestic economic calculations behind the BRI, as Chinese authorities seek to spur economic growth in its less developed western region, reduce regional imbalance, and strengthen political stability against separatist movements.

As the strongest political leader since Mao, Xi is well positioned to implement his political and economic agendas. It remains to be seen whether he can translate his power into effective governance to solve the political and economic dilemmas faced by the PRC in accordance with his vision.

GOVERNING INSTITUTIONS

The PRC Constitution

In 1948, eight minor political parties sanctioned by the CCP, collectively known as “democratic parties,” pledged support to the CCP’s leadership. Together, they adopted the Common Program as a provisional constitution on September 29, 1949, two days before the formation of the PRC. The Common Program provided the guiding principles and fundamental laws as the new revolutionary leadership consolidated its power and authority.

The PRC’s first formal constitution was promulgated in 1954. It drew heavily on the constitutional tradition of the former Soviet Union with strong emphasis on the socialist principles. Unlike the federal system adopted in the Soviet model, it established a unitary system in which the central government had the exclusive power to change or revoke any decisions by provincial or local governments deemed inappropriate.

On paper, the 1954 Constitution survived for 20 years. In reality, political and legal orders based on the 1954 Constitution ended at the beginning of the Cultural Revolution in 1966. The radicalism manifested in the Cultural Revolution found its way into the next two state Constitutions, the 1975 and 1978 Constitutions, emphasizing class struggle under the proletarian dictatorship.

The current Constitution, enacted in 1982, adopts many of the principles of the 1954 Constitution as it reestablishes political order through reforms in the aftermath of the Cultural Revolution. Subsequent amendments took place in 1988, 1993, 1999, 2004, and 2018. The continuation of the 1982 Constitution reflects the effort to stabilize and institutionalize the political and constitutional order in the reform era. Over the years, as reforms deepen and widen, it gradually incorporates the support and endorsement of a market economy, rule of law, nonpublic ownership, and protection of human rights. The 2018 amendments, besides the abolition of the two five-year term limits on the posts of PRC president and vice president, reaffirmed that “the leadership of the CCP is the most essential characteristic of socialism with Chinese characteristics.”

The Chinese Communist Party

The Structure and Organization of the CCP. The CCP dominates state and society in China and maintains a permanent monopoly of power. As of the end of 2018, it had approximately 90.6 million members, making it the largest political party in the world. The published data indicate that about 27 percent of them are women, and more than 48 percent of the members hold a college degree or higher. Occupation distribution shows that the CCP is broadly based, drawing members from all walks of life. The party consists of the most outstanding and accomplished members of society. In the eyes of its critics, however, people increasingly join the party to further personal careers, rather than “to serve the people.”

The CCP is organized hierarchically. According to the CCP charter (a separate document from the Constitution of the PRC), the highest leading bodies of the party are the National Party Congress (PC) and the Central Committee it elects. But the organizational chart of the CCP does not always reflect the true locus of power. Since the CCP was formed in 1921, 19 PCs have been convened (the last one being in 2017). With the gathering of more than 2,000 party delegates from all over the country, PC meetings are major events attracting national media and societal attention. Very little debate and deliberation occur during PC sessions. They perform mostly public relations functions for party leaders to review their past achievements and chart the course for the future. Party leaders use the occasion to set a general tone and direction for policies and provide official formulation on ongoing debates. A comparison of the language used in a series of political reports issued by the PC frequently provides an indication as to how the official view evolves.

Another function performed by the PC is to elect the Central Committee, which acts on behalf of the PC to manage party affairs until its next session. PC delegates usually receive a recommended list for the Central Committee membership from the party authority and have only marginal influence on the outcome of the election. Since 1987, the CCP has adopted a more competitive procedure for the elections to have more candidates than seats. As a result, some candidates favored by top leaders could in fact lose the election.

The Central Committee consists of approximately 350 members (full and alternate) who represent the top elites in the CCP, generally of four backgrounds: central party apparatus, the state systems, provincial leaders, and the military. Women and minorities are usually underrepresented; only 10 percent of the members of the 19th Central Committee are women, and 11 percent are minorities.

Meeting once or twice a year, the Central Committee is charged with electing the Politburo, its Standing Committee, and the general secretary—a group of leaders with real political clout in China. Lieberthal (1995) aptly observed the reverse relationship between the size of the political body in China and its political power: “In theory, the larger the body, the more powerful it is. In reality, the opposite is true—the smallest committee is the most important structure.”

The seven members of the PSC are the most powerful leaders in China; each member has executive responsibility for a particular area of policy.

The actual functions or powers of the Politburo have never been clearly defined in the party charter, which merely states that the Politburo carries out the work of the Central Committee when it is not in session. The Politburo contains two dozen or so members, with careful balance in backgrounds between the party and the state, as well as between the central administration and provincial leadership to prevent any institutional bloc from dominating others. Members of the Politburo deliberate over major policies and personnel decisions in closed-door sessions. Occasionally, there are leaked reports on division between the Politburo members, but the decision making is normally based on consensus.

Analysis of the backgrounds of the Politburo members reflects an interesting trend that matches the path of modernization and development in China. Prior to the 1978 reforms, the CCP leadership came primarily from the backgrounds of farmers and soldiers. During the 1990s and early 2000s, the leadership composition changed, with 60 percent to 70 percent of the Politburo members having some technical expertise, especially in the fields of science and engineering. The rise of the technocrats reflects their role in and contribution to China's economic growth and development. In recent years, degree patterns have become more diverse, with more in humanities and social sciences than technical fields (Li 2013; Miller 2018). It remains to be seen whether this diversity in education and occupational background will interject different dynamics in decision making and whether it will shift policy priority from economic development to legal and judicial development.

The supremacy of the CCP leadership is not just mentioned in the state Constitution; it is also manifested in political practice as well. For example, the leadership transition in the post-Mao era follows a two-stage pattern that implies the pivotal role of the CCP. The transition of the political leadership first takes place when the PC meets in the fall to appoint top-level posts in the CCP. The composition and ranking of the members of the Politburo and its Standing Committee in the CCP then give indications as to what the top posts in the PRC state would look like when the NPC meets the following spring to confirm the leadership of the state. The sequence has strong symbolism in affirming the party leadership over the government.

The Central Military Commission. The Central Military Commission (CMC) is the key organization in charge of overseeing the Chinese armed forces. It exists as a dual organization in both the party and the government, overlapping entirely in membership and function. The CMC is the highest command authority for military operations, and the highest military policy-making body for military affairs, directly supervising the PRC Ministry of National Defense. The chairman of the CMC is the commander in chief of the People's Liberation Army and always a top party leader. Deng held the position from 1977 to 1989. Since then, Jiang, Hu, and Xi have held the position to oversee the military.

In the past, the CMC exercised leadership through four departments: staff, political affairs, logistics, and armaments. Under Xi's military reform, the CMC has undertaken major restructuring to streamline the command structure to directly oversee the military services and theaters of operations. Along the lines of Xi's anticorruption campaigns, three agencies (i.e., the Disciplinary Inspection Commission, the Politics and Law Commission, and the Office of the Auditing Administration) report directly to the CMC and enhance its ability to ensure accountability in the military.

The National Government

National People's Congress. Government authority, ostensibly belonging to the people, is exercised by the people through the NPC at the top and people's congresses at the provincial, county, and township levels. These congresses are the legislative branch of the government and are empowered to supervise the work of the "people's governments," the executive branch.

The NPC, the "highest organ of state power," is a unicameral legislature with three thousand members serving a five-year term. It performs functions usually reserved for a parliament, such as law making, budget approval, and oversight of law enforcement. The NPC meets once a year for about two weeks. Given its immense size, only a handful of full plenary meetings are convened to approve reports. Most of the time, delegates are divided into working groups, according to regions, to discuss matters of national concerns. Although in recent years there have been more delegates casting dissenting votes that contradict the party line, it is clearly not a democratic or deliberative body.

Compared with legislatures of other countries, the NPC has some unique power such as amending the PRC Constitution and electing the PRC president and vice president. The presidency of the PRC is mainly a ceremonial position; its duties include meeting with other heads of state, awarding state honors, and receiving the credentials of foreign ambassadors. In the early stage of reforms, the office was held by leaders of high party rank, such as Li Xiannian, president from 1983 to 1988, and Yang Shangkun, 1988–1993. As China's international profile grows, the diplomatic functions performed by the office become increasingly important.

When the NPC is not in session, the Standing Committee of the NPC serves as its executive body. It, too, performs some unique functions such as interpreting the Constitution and enforcing martial law in the event of domestic disturbances.

In the reform era as China strives to develop its economy, lawmaking becomes increasingly important. To attract foreign investors, it is necessary to develop a sound legal system to protect property rights, enforce contracts, and resolve conflicts. Thus, the NPC is gaining more autonomy and greater stature as demands for quality laws and regulations increase. Its growing reliance on public hearings, subject matter experts, and written public input indicates the trend to make the legislative process more transparent and participatory (Horsley 2010).

Delegates of people's congresses are elected through direct or indirect elections. At the township- and district-level, delegates are directly elected by their constituencies. For congresses above the district level (i.e., county/municipal, provincial, and national), they are elected indirectly by the congresses one level below. In the reform era, these elections have become competitive (i.e., the number of candidates may be 20 percent to 50 percent more than the number of positions available) and are decided by secret ballots.

By law, independent candidates (i.e., those not nominated by the party-state) are eligible to run in direct elections. In reality, the party-state has tightened the rule to discourage such practice (Yung Sun 2013). For indirect elections, the party-state plays an active role in managing the electoral process and vetting candidates. Prior to elections, it would carefully determine the demographic makeup of the congress, distribute quotas to each of the social groups, and recommend candidates accordingly (Y. Sun 2014). In recent years, the party-state makes efforts to recruit entrepreneurs, managers, technical professionals, and leaders of civic associations as candidates.

State Council. The State Council is the highest executive body and the chief administrative authority of the Chinese government. It consists of the premier, vice premier, state councilors, and ministers in charge of ministries and commissions. The premier is appointed and removed by the PRC president, with the approval of the NPC.

The structure and configuration of the State Council's ministries and commissions have gone through several rounds of changes. The purpose of these administrative reforms was threefold (Burns 1993, 2003; Yeo 2009). First, they aimed to streamline or downsize government agencies, partly for budget reasons to reduce government financial burden and partly for functional rationalization to eliminate duplication. In the late 1980s, the State Council had more than 40 ministries and commissions; it has since decreased into the range of the 20s. While units appear to have reduced or positions eliminated, the excess administrative staffers usually were not dismissed but transferred to service units (*shiye danwei*) affiliated with government agencies, such as research institutes, economic enterprises, schools, or hospitals. Despite the downsizing efforts, the total number of employment in core organs and service units has grown consistently (Ang 2012). Public employment remains an important source of political patronage, used as a tool to maintain political support and social stability.

Second, the reforms sought to adjust the function and scope of government to meet the needs of an increasingly marketized economy. Agencies responsible for allocating human resources or approving production quotas were no longer necessary in the new economic system, whereas those in charge of taxation, audits, industry, commerce, and statistics needed to be strengthened and expanded.

Third, the reforms tried to enhance the quality and education attainment of government personnel. Policies were implemented to instill a competitive

process in personnel selection, impose a mandatory retirement age to replace the older generalists with younger technocrats, and improve salary scales to boost morale and enhance performance (Burns 2004). The Civil Service Law of 2006 aimed to formalize the categorization of civil servants in the public sector.

THE STATE–CIVIL SOCIETY RELATIONS

Civil society, in the standard definition, refers to self-governing nongovernmental and nonprofit organizations that are formed voluntarily by their members. Different theoretical lenses have been used to describe the relationship between the state and the civil society organizations (CSOs) in China. Some emphasized the dominance of the state in controlling and regulating social organizations (Pearson 1997; Ru and Ortolano 2008). Others (Frolic 1997; He 1997) focus on the efforts of the social actors in confronting the state to expand their autonomy. Still others (Shieh 2009) argue that it is a relationship too complex and dynamic to fit into any single pattern, because the interactions between the state and civil organizations may vary, depending on the functions and roles of the CSOs and the state's perception of the benefits and threats they may pose.

Civil Society Organizations in the Pre-Reform Era

The 1949 Communist takeover resulted in strict control of civil society. Under the party-state structure, private and civilian interests were supposedly subsumed under the public and state interests. CSOs were regarded as antagonistic to the party-state, despite the fact that citizens were supposed to have freedom of association according to the Constitution.

Mao's "mass-line" idea, however, opened some doors for mass organizations. Although the mass-line model assumed direct communication between the party and the grass roots, mass organizations and professional associations were subsequently developed as intermediaries or transmission belts to mediate these contacts. For example, the All-China Women's Federation, All-China Federation of Trade Unions, and Communist Youth League were assigned the function of representing the interest of women, workers, and youth, respectively (Wu and Chan 2012). Before 1978, there were only about 100 national social organizations in China (Zheng 2010). Almost all social organizations were funded by the party-state and were subordinate to its governance structure.

Civil Society Organizations in the Reform Era

Proliferation of the CSOs. Economic reforms since 1978 brought fundamental changes to the structure of the society and encouraged the development of CSOs. As private entrepreneurs actively participated in the national economy,

professional associations, chambers of commerce, and trade organizations began to emerge. By 1989, the total number of national CSOs reached 1,600. They served as new intermediaries to bridge the party-state and the increasingly diversified economic and social interests. At this stage, no single government ministry was responsible for regulating civil society organizations. Nearly every public agency could approve and take charge of certain types of organizations under this decentralized regulatory environment.

In the aftermath of the 1989 Tiananmen crackdown, CSOs, particularly independent student unions and trade unions, were perceived as a threat. The fear was that CSOs would be cover for groups engaged in political activities and cause social unrest. To tighten its control over CSOs, the party-state instituted a “dual supervision” model in 1989.

Supervision of the CSOs. According to the 1989 Regulation on the Registration and Management of Social Organizations, a CSO first needed to be sponsored by an “administrative supervising unit” (*yewu zhuguan danwei*), such as a government agency, a state-owned enterprise, or a public institution (e.g., a university), before it could file for registration with the Ministry of Civil Affairs or a local civil affairs department. Under this rule, the party-state placed CSOs under the supervision of both the civil affairs departments and the administrative supervising units (i.e., the “dual supervision”) to ensure political and social stability. Furthermore, the 1989 Regulation established the “noncompetition” principle, allowing only one organization in the same category for the same administrative region. For example, if an environmental protection association already existed in Beijing, then no other environmental group would be approved. In many cases, government-sponsored organizations could easily take up the entire quota, leaving little space for voluntary-based organizations to register.

The 1989 Regulation on the Registration and Management of Social Organizations was amended in 1998 to incorporate the CSOs more closely into the party-state structure (Saich 2000). The 1998 Regulation specified in greater detail the role of the supervising units. The supervising unit would be held responsible for the organization’s actions and needed to guarantee that the social organization would not engage in illegal or antigovernment activities. Under normal circumstances, a government agency would have very little incentive to sponsor a CSO. Furthermore, a CSO with nationwide membership was prohibited from establishing regional branches so that no horizontal, cross-regional alliances could be formed.

In 2016, a new Foreign Nongovernmental Organization Management Law tightened the registration process for foreign nongovernmental organizations (Wong 2016). Foreign groups would be required not only to find an administrative supervising unit but also to register with the local public security bureau (i.e., the police), which became authorized to scrutinize all aspects of their operations, including finances. The transfer of registration from civil affairs to the public security departments reflects the broader effort under Xi to limit Western influences on Chinese society.

While the party-state is unwilling to lose control over the CSOs, it also recognizes the value of their services and contributions. For example, in the wake of the devastating magnitude-7.9 earthquake in Sichuan province in 2008, it was the CSOs that actively and effectively mobilized volunteers and donors and coordinated relief work. Their ability to identify social needs and to mobilize resources to meet needs demonstrated the growing capacity of grassroots-based activism and volunteerism in China (Shieh and Deng 2011; Teets 2009). The social services and relief provided by some of the CSOs for the poor and the elderly contribute greatly to social stability, particularly as the Chinese society is rapidly aging with widening income gaps.

Thus, the Chinese party-state has devised a pragmatic approach of “graduated control” (*fenlei guanzhi*) to deal with the CSOs (Kang and Han 2008; Wu and Chan 2012). Based on their purpose, source of funding, and operational scale, the party-state would exercise differentiated levels of control over the CSOs. For example, it maintains minimal supervision over the organizations that deliver social services to the poor, the elderly, and children, particularly if they operate at the local community level. In fact, they could even be eligible for government funding, acting as a service arm of the administration. Nevertheless, the level of surveillance is heightened over the CSOs that advocate for rights of marginalized groups such as migrant workers, AIDS patients, and dislocated urban residents, as they may work with lawyers, social workers, and medical professionals for technical support, thus increasing the risk of social mobilization and collective action. The government would monitor their activities more closely if they received funding from overseas entities. Finally, the CSOs engaged in democracy movements, ethnic separatism, and human rights promotion draw the closest scrutiny from the security apparatus and face harsh, vigorous crackdowns because of their capability to organize collective action to challenge the party-state.

Responses from the CSOs. How effective is this supervision system? It appears that the system is effective in discouraging the registration of the CSOs but not as effective in deterring the growth of CSOs or the development of civil society (Howell 2007; Shieh 2009).

Given the restrictive rules regarding registration, a growing number of the CSOs decided not to register with the government. They found it more convenient to register as business organizations or to simply operate illegally outside the system. Currently, there are more than 400,000 associations registered with the Ministry of Civil Affairs. Estimates of unregistered CSOs range from a few hundred thousand to over two million.

Many of them found alternative, creative ways to circumvent registration barriers. They may establish partnerships with existing organizations or embed themselves as research groups or project centers. The widespread use of the Internet and social media provides flexible platforms for social organizations to form loose networks without relying on conventional structures.

Chinese CSOs are not passive actors when dealing with state supervision or intervention. While they may not enjoy as much autonomy as their counterparts in the West, they continue to have social space to pursue their goals. In fact, the pursuit of organizational autonomy has rarely been the goal of the Chinese CSOs, for it could minimize their influence and effectiveness. For them, activism embedded in the state structure is a preferred approach. They would deliberately blur the line between themselves and the state so that they can influence policies from within (Salmenkari 2014).

Evidence has shown that the relationship between state and civil society is dynamic and reciprocal (Salmenkari 2013; Wu and Chan 2012). The Chinese CSOs tend to seek direct access to the state and use personal contacts and networks to gain official support. Rather than acting as an independent watchdog to investigate cases on their own, they would report the problems and violations to the government and resolve the issues through official intervention. An important strategy for the Chinese CSOs to gain influence is to provide information and research to the state. In so doing, they could interject new perspectives in policy making. While the state is undoubtedly the stronger party, resistance or contestation from CSOs could reshape the process of the state-society interactions.

VILLAGE ELECTIONS

The Origin of the Village Elections

After communes were dissolved in the reform era, some villagers began to experiment with various forms of self-government such as village committees to manage public works, maintain public security, and restrain corrupt and abusive officials who acted as “local emperors.”

Village committees were recognized in the 1982 Constitution as self-governing bodies. Members of the village committee, however, were generally appointed by the township government. In the late 1980s, as local officials began to arbitrarily impose higher taxes or levies on farmers to make up for the lost revenue from decollectivization, many farmers retaliated with violence, such as arson, vandalism, and even killing of local cadres. Village elections were seen as a solution to ease farmers’ grievances and reduce the “tax riots.” The partial devolution of policy-making power was meant to preserve social stability and political order by curbing power abuse by local officials and reducing local rebellions.

The passage of the 1987 Organic Law of the Village Committees (Experimental) introduced the direct election of the chairman, deputy chairman, and members of the village committees on a trial basis. The idea of direct elections encountered strong opposition from the more conservative elements of the CCP. Its chief proponent, Peng Zhen, then chairman of the Standing Committee of the NPC, made a forceful argument that direct elections of the village

committees would allow farmers to be the masters of their own affairs. Learning and practicing socialist democracy is consistent with the mass-line policy of the CCP, according to Peng.

Although the electoral process was initially met with strong skepticism from farmers, it gradually became an institutionalized practice in rural China. Elections were introduced in a top-down manner by provincial governments. Once the provincial government decided to hold village elections, all villages in the province would implement the decision within a few years. Villages had very little say in the timing of introduction of elections.

The 1998 Organic Law of Village Committees further consolidated the development of grassroots democracy. The law stipulated that competitive elections be held every three years and that candidate nominations be open to all villagers.

Rural Democracy

How do we assess the grassroots democracy? Are the elections meaningful, or are they pro forma? Do they make a difference for the governance structure and policy implementation? Will democratic elections spread upward from the village to the township, county, provincial, or even national level?

Given that some 60 percent of the Chinese population lives in the rural areas and that regular, direct elections occur only at the village level in China, implications of this kind of grassroots democracy have attracted a lot of interest. Many studies noted the positive effects of the elections. Although village elections were introduced primarily for the purpose of social stability, not for a commitment to democracy, the practices are becoming more than “window-dressing” activities. From the angle of democratic procedures, Chinese village elections represent limited but genuine contestation for offices (O’Brien and Han 2009; X. Sun 2014). The elections are generally competitive, for the number of candidates must exceed the number of open seats. For most places, balloting is conducted by members of an independent election committee selected by village assemblies, or assembly representatives, to ensure that the election is fair and open.

For the substantive benefits, direct elections have helped limit corruption, while enhancing accountability and transparency in village governance (Jakobson 2004; Kennedy, Rozelle, and Shi 2004; Manion 2006; Martinez-Bravo et al. 2011). Elected village officials are viewed as more accountable to villagers than appointed cadres, as regular elections have made them more aware of their public image. The possibility of being ousted from office serves to reduce corruption and arbitrary use of authority at the grassroots level. The introduction of direct elections has also enhanced public goods and services, as funding for irrigation systems and schools tends to increase as a result of election.

These positive developments notwithstanding, conflicts between villagers and village committees in Taishu Village (in the Panyu District of the Guangzhou City, 2005) and Wukan Village (in Lufeng County, Guangdong province, 2011)

revealed that elections have not necessarily eliminated corruption. In both cases, officials sold community farmland to outside developers without properly compensating the villagers.

Questions remain as to whether elected village officials have real power. The distribution of power between the village committee and the village party committee is not always clear, creating tension between the elected village committee and the party branch in the same village. Some party members, inspired by the electoral practice, have demanded direct election of the village party secretary by party members, but these have remained isolated cases. Article 3 of the Organic Law of Village Committees (1998) affirms the party committee's "core role in leadership" in the village. Thus, the appointed party secretary, members of the village party committee, and party leaders at the township could exercise *de facto* control over village affairs and subvert the electoral process.

Finally, the prospect of democratic spillover beyond the village level remains doubtful. Between 1998 and 2004, a handful of isolated experiments were initiated by some local officials to elect magistrates at the township level that, by law, should be elected by the township people's congresses. The CCP leadership reacted negatively to these innovative attempts, declaring them "unconstitutional." But it took no further action to annul the election results or punish the officials.

From the viewpoint of the party-state, township-level elections would have elevated political activities to a much higher level than in villages. Campaigns could attract large-scale gatherings, and campaign organizations connecting multiple villages may lead to the formation of political groups or even political parties that are forbidden by law (Jakobson 2004).

After a series of regime changes in the former Soviet Union and the Balkans during the early 2000s (i.e., the so-called color revolution), the party-state began to tighten its control over these "experiments." The CCP leadership continues to harbor distrust of the concepts of election and democracy, viewing them as part of Western conspiracies to change China's political system, rather than as an indigenous effort to deepen reforms (Liu 2010).

Research has shown that, besides changing policy outcomes at the local level, grassroots democracy has affected villagers' political attitudes. Villagers' experience with fair and free elections have increased their trust in local government and their support for democracy (X. Sun 2014). Competitive elections project an image of trustworthiness for the government, which could increase regime popularity and diffuse social discontent. Thus, the party-state is in a dilemma. Its fear of elections in fact could be counterproductive as it seeks to achieve broader legitimacy.

DISCUSSION QUESTIONS

1. The CCP plays a dominant role in the PRC's governance structure. Describe the characteristics of the party-state structure, and explain how the CCP interacts with other government organs and societal groups.
2. The PRC replaced the Soviet development model with the Maoist model in the mid-1950s. How did the Maoist model differ from the Soviet model? What were the reasons for the change? What impact did it have on the Chinese economy in the late 1950s?
3. Unbalanced growth and official corruption have led to social discontent in China. How did the Chinese government under Hu Jintao handle these issues? After Xi Jinping took over, what has he done to address these issues?
4. The CSOs have grown in China in the reform era. How are they managed and supervised by the government? How do the CSOs respond to government policies?
5. Why did the PRC promote village elections? Evaluate their effects on political governance and discuss whether elections at the village level spill over to other administrative levels.