

China Needs a ‘Democratizing Deng’

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WILL CHINA BECOME DEMOCRATIC?

This is one of the 21st century’s biggest political questions. Below, we argue that international, domestic, diplomatic, and economic factors make a transition to democracy both possible and conducive to Chinese national interests. However, it will also be risky, and it is by no means sure that China will get leaders who accept these risks. There may be pressure from below. There may also be initiatives from above. At any rate, there will be opposition from conservatives within the Chinese Communist Party (CCP). Moreover, the Soviet Union’s collapse in 1991 is seen by many Chinese as a proof of how difficult it can be to control the direction and extent of democratic reform once unleashed. On the other hand, China’s position today does not resemble the Soviet Union at the end of the 1980s. Neither are the factors that might prevent China’s leaders from perceiving their national interest, any more invincible than the factors that could have blocked Deng Xiaoping’s market reforms in 1978. There is no way to know what the Chinese future will bring. We can only make qualified guesses – and come up with helpful proposals. We claim here that the long term advantages of initiating democratic reforms will outweigh the dangers. How likely is it that China will democratize? How could it happen? This article concludes that the most viable and

peaceful way for China to democratize is through *top-down* reform. China needs a new courageous Deng Xiaoping – this time a ‘Democratizing Deng’.

THE MIDDLE CLASS ARGUMENT

China today is communist in name only. In reality it is an *authoritarian development state*, just as Germany was under Bismarck, and South Korea and Taiwan used to be until the mid-1980s. The growing contradictions between a capitalist market economy and an anachronistic communist ideology have led several scholars to argue that China no longer can postpone political change. Modernization theorists often argue that when authoritarian states experience rapid economic growth, this expands and enriches the middle class, which then demands a say in public affairs. The result then is democracy. A kind of law – or mechanism – is implied, leading from economic growth to democracy. This mechanism has produced the democratization of countries such as South Korea and Taiwan, and should long since have produced a fully democratic Brunei, Kuwait and Singapore. The extremely rapid economic growth that China has experienced since 1979 has created one of the world’s largest middle classes. Accordingly, China’s middle class will not for long tolerate the rule of an authoritarian communist party, but exert mounting pressure for democratic political reform. There are several reasons both for questioning this argument in general, and for doubting that it will work in the Chinese case.

First, middle classes are far from always reliable democrats. 20th century fascism in Europe was not perhaps mainly a middle class phenomenon, but huge sections of the middle classes took part in the calls for strong leaders and supported the abolishment of democracy. More recently, in Singapore and also in some of the Gulf states (whose prosperity depends on oil) the middle classes have been remarkably prepared to accept authoritarian rule as long as the political leaders are seen to accommodate their economic interests. On its much grander

scale, the Chinese middle class may also continue to tolerate the authoritarian political system as long as it delivers sufficient status and increasing standards of living.

Second, although the Chinese middle class is big, it is not – as in Japan – big enough to dominate national politics if there is universal suffrage. The vast majority of Chinese are still peasants, and most of them do not live in the prosperous coastal regions. Just like in India, a Chinese democratic system based on universal suffrage will allow the peasants to punish such political leaders who lean too heavily towards the propertied classes. Moreover, the attitude towards peasants among many educated Chinese is not less disdainful than that of the Indian Brahmins. As long as the vast majority of the Chinese are peasants, it is not evident that the middle class will push for a genuine electoral democracy on the national level.

Third, the Chinese middle class is heavily concentrated in the coastal cities and provinces, and in the big cities along the major rivers. They may easily be more interested in municipal, district, and provincial governance than in the politics of the central government. If the middle class in the Special Autonomous Region Hong Kong (where it *is* numerically dominant) succeeds in getting the blessing of the central government for instituting an autonomous island of local democracy, then this might inspire demands for local democracy in other Chinese cities and special zones, rather than on the all-Chinese level. For these reasons it is difficult to have faith in the ability of the middle class in China to fulfill the expectations of the most simplistic modernization theorists.

THE NATIONAL INTEREST ARGUMENT

We would like, instead, to argue that the Chinese Communist Party at present has an historical opportunity to promote top down political reform, and that this will be favorable to China's national interest. We define China's national interest to be the preservation of domestic order, sustained economic development, maintaining good relations with major powers,

enhancement of its access to markets, resources, and investments, improved international and diplomatic status, and the defence against external threats and preservation of sovereignty and territorial integrity.

Our argument is that the prospect of fulfilling these interests, or goals, will be enhanced by China's democratization. The most promising force for political reform may accordingly be the growing number of nationally concerned Chinese intellectuals, civil servants and policy makers in the media, the universities, and the various branches of the state, many of whom are members of the Communist Party.

Communist ideology will not in itself prevent democratization. When Marxism-Leninism Mao Zedong thought did not prevent the introduction of a capitalist market economy, why should it then prevent the introduction of electoral democracy? In several other former Marxist countries the communist parties have successfully campaigned for electoral support, and remained loyal to democratic constitutions. There is no reason why a Leninist and Maoist legacy should prevent reform of the political system in China. The challenges facing Chinese leaders today are no more insurmountable than those facing Deng Xiaoping at the Third Plenum of the Eleventh Central Committee meeting in 1978 when he started the difficult task of pulling China out of the Cultural Revolution. If China undertakes democratic political reforms, its leaders will embrace democracy in the same way they have embraced the market. We recognize, of course, that there will be enormous difficulties during the transition period. We also recognize that there will be opposition from conservatives within the party. They will attempt to undermine any serious reform effort. A transition will require enormous courage and political skill. We shall not therefore dare to predict that it will happen. The combination of courage and skill is rare in politics. It is always safer for leaders to desist from, or postpone, reform. Still we insist that the leaders in Beijing are facing a great

opportunity. If they succeed, either quickly or systematically, in introducing a political system based on free and fair elections, this will bring great benefits to their nation.

THE OPPORTUNITY

As the older generation of Communist leaders, with its legacy of revolutionary struggle, fight for national unification, and Soviet education is replaced by a new generation with its historical memories rooted in the reform era of Deng Xiaoping, China has a window of opportunity to democratize. Today China enjoys its most benign external environment since the 18th century, and by contrast to the situation then, the Chinese are today involved in intense and intensifying interaction with the wider world. In the period from the Opium and Taiping wars of the mid-19th century to the withdrawal of Chinese troops from Vietnam in 1979, China experienced a number of internal and external wars. Since 1979 it has enjoyed peace. This is an often neglected factor behind the amazing Chinese economic performance over the last 25 years. In the wider world, this same period has seen what Samuel Huntington has called 'the third wave' of democratization. China is now surrounded by electoral democracies, has learnt to interact with regimes based on elections, independent judiciaries, and division of power, and has become an active member of many regional and global multilateral organizations. In China itself there has been considerable movement in the direction of the 'rule of law', although much remains to be done.

During the first half of the 1990s there was much talk in the United States, and also in the countries surrounding China, of a rising 'China threat'. The prudent character of China's foreign policy since then, and the fact that the USA, under George W. Bush, became so heavily embroiled in Central Asia and the Middle East, reduced the talk about the 'China threat', and allowed Beijing to increase its regional influence in East Asia without any conflict. As the gravity of American containment has shifted from the 'China threat' to the 'war on

terrorism,' with the United States diverting its strategic and military resources to regions far from China's 'sphere of influence,' China can feel relatively comfortable with its security situation. American power has been waxed into the oil in the Middle East and constrained by the Iraqi insurgency, revealing the vulnerability of the American global hegemony.

The new Chinese slogan 'peaceful rise' does not perhaps fully reassure the other East Asian countries, but today almost all of them treat China as a presumably benign partner – and serious economic competitor – rather than as a potential military threat. China has obtained all of this without being democratic, but its authoritarian political system continues to impede the growth of its regional influence. Rather than believe that it can continue to rise peacefully without democracy, it would be wise of the Chinese leadership to use its favorable position to enter a process of democratization, and thus consolidate what has been won. Economic growth will never continue unpunctuated. It would therefore be wise to use the opportunity to democratize while China still has rapid economic growth. Once there is an economic downturn, the Chinese leaders will have fewer options. The fallout from a recession or depression would increase the likelihood of internal conflict, and also reduce the current enthusiasm in foreign banks, companies and governments to give loans and make investments in the Chinese economy.

THE BENEFITS

Permissive economic, social, and international factors create conditions favourable to democratization, however, only political leaders willing to take the risk of democracy make it possible. In other words, for democracy to come into being, Chinese leaders have to recognize the valuable impact such a transition will have on their own national interests. The proceeding sections identify the benefits to be derived from becoming democratic. In short, a transition to democracy is most likely to enhance the legitimacy of China's leaders, consolidate domestic

stability and China's economic development, improve China's prestige and diplomatic status, advance China's relations with Taiwan, and be advantageous to Sino-American relations.

The foundation of the Chinese Communist Party's popular support has been an amalgam of nationalism and socialism. The two were grafted onto each other in the Party's anti-Japanese struggle and also in its later conflicts with the United States and the Soviet Union. The irony of China's history for the last seventy years and Mao's determination that China 'will no longer be a nation subject to insult and humiliation,' is that it is nationalist sentiments and capitalist market reforms, not communism or revolution that have provided the two bedrocks for China's reappearance among the great powers. Continued advancement along this path depends on the farsightedness of Chinese leaders and their ability to consolidate and capitalize on new trends. Economic growth is now probably the prime requirement for regime stability in China. The escalating forces of globalization and international interdependence have brought China to a stage where further delay in democratization would likely carry great costs in lacking economic growth as well as in social injustice and the potential for social instability. A regime with an electoral mandate will stand a much greater chance of surviving economic difficulties.

Corruption is endemic in societies with high economic growth and a closed political system. And corruption can have devastating effects on the domestic legitimacy of a regime. The only effective remedy against corruption is to have an independent judiciary, a well paid professional police force, and a system where the political leaders are accountable to an electorate with independent access to information through free media.

Economic growth has created numerous conflicts of interest between provinces, regions, sectors, and population groups. The party and state authorities on various levels will find it increasingly difficult to manage and mediate these conflicts, which would be much less

threatening if they could be played out in the open through public debate, transparent political processes, and in some cases be left to independent courts for decision.

Inward foreign direct investment in China has played a significant role in the country's impressive economic growth, and has been rising consistently. According to the most recent OECD report published on 28 June 2004, China actually overtook the USA in 2003 as the largest recipient in the world of FDI, attracting \$53 billion USD. The main motivations behind these large investments are the size of the Chinese market and the fact that the Chinese economy has been growing persistently for a long period of time. However, many foreign companies have lost money on their Chinese investments, and many have blamed this on a lack of transparency and legal protection. If there were to be an economic downturn, then the FDI figures might simply tumble. China could at least partly secure itself against such a fallout by introducing a more transparent and competitive system of governance.

Chinese scientists and businessmen have made enormous progress in the last two decades, but this has required a rapidly expanding network of contacts to the most creative institutions of invention and higher learning in North America, Europe, and Japan. If the Chinese are aiming for the top, they need to create a culture of courage and invention. Such a culture of creativity in research & development (R&D) is incompatible with an authoritarian system. The French scholar Jean-Philippe B ja argues in a recent book, *  la recherche d'une ombre chinoise*, that China is moving directly from communism to a new kind of post-democratic authoritarianism, with no true intellectuals daring to speak out against the regime. Instead the educated elite are co-opted into the system as specialists and advisors to the top decision-makers. As long as they limit themselves to providing advice, and do not criticize the authorities in public, they are allowed to speak their mind freely. Only very few dare to be real dissidents. B ja provides an accurate description of the climate that developed after Tiananmen 1989, but he is wrong to think that this is a sustainable system that can overcome

the craving for freedom and democracy. It is rather more likely that the relative freedom currently enjoyed by the Chinese advisors and specialists is preparing them for the public role they are going to play once democratic reforms are instituted. ?

Since 1993 China has become a net importer of oil and it needs to import increasing quantities to sustain economic growth. By democratizing, China can become a member of the OECD and participate in multilateral market stabilizing organizations such as the International Energy Agency (IEA) in ensuring preferentially low oil prices and securing reliable supply among oil consuming nations. This will be essential for China's energy security, which can hardly be ensured in any other way.

Through trade and investments, China has become increasingly interconnected with its Asian neighbors and made considerable inroads to enhance its regional impact. With its participation and initiatives in multilateral organizations, China is building a reputation as a 'responsible power' and eludes antagonistic reactions to its increasing strength and influence. China's sophisticated diplomatic performance has served its soft power and improved its diplomatic status and prestige. However, to obtain its ultimate goal of replacing the US-centered system of bilateral alliances with a multipolar security architecture in which China plays a prominent role, a greater boost of its political image is necessary. There would be no better way to obtain this than to democratize.

Taiwan's successful democratization process has recently provided the justificatory foundations for growing Taiwanese impulses towards independence. China consistently insists that it will take all necessary steps to prevent Taiwanese independence. A military confrontation would have catastrophic implications for China's modernization program and potentially risk war with the United States. A democratic transformation on the mainland would provide good arguments to those Taiwanese politicians who want to retain the island's historic links with mainland China, would make it less compelling for the Taiwanese to seek

independence, and would deprive the protagonists of such independence of one of their best arguments vis-à-vis Europe, Japan, and the United States.

Over the next few decades, Sino-American relations will compete with Euro-American relations for the position as the world's most significant bilateral relationship. China's successful penetration of the American market and its enormous dollar earnings have led China and the USA to depend financially on each other. There are, however, also serious conflicts of interest. If the dominant political faction in the USA were to seek a confrontation with China, then China's lack of democracy and respect for human rights would be its most persuasive argument. If China were to become democratic, then it would be more difficult for the executive and the legislative branch of government to gain popular support among Americans, as well as among its allies, for policies aimed to contain or restrain China. For its part, China will continue to rely on the successful development of the US economy both directly as China's third most important market (after the EU and Japan), and indirectly because of the enormous impact the US economy has on the global economy as a whole. For a long time, the US has been running a trade deficit vis-à-vis China. It rose by more than twenty percent in 2003 to a record \$124 billion, by far the most asymmetrical of all US trade relationships. Thus, there are strong voices in Washington calling for what the *U.S.–China Economic and Security Review Commission's* annual report to Congress, June 15, 2004 called an 'urgent attention and course correction' to these 'negative implications for US long-term economic and national security interests.' Moreover, as the eminent British historian Neill Ferguson points out in his recent *Colossus: The Price of America's Empire*, the American 'debtor empire' depends on China continuing to channel its surplus savings into the US economy. Otherwise the US would not be able to run its enormous fiscal deficits, and could not live up to its Medicare obligations to its own citizens. By making a transition to

democracy, China could develop a hedging strategy to pre-empt potential conflicts with the US.

In principle, the present Chinese regime remains committed to Marxism-Leninism, but the communist ideology has lost any hold on the Chinese public. The regime in Beijing has not produced any new ideology to replace communism, but relies for its legitimacy on Chinese patriotism and the country's economic performance. In such a situation it would be wise to institute reforms that would make it possible for all kinds of social, religious, ethnic, and political groups to identify with, or tolerate, the state. A turn towards democracy thus constitutes a valuable option for Chinese leaders facing the dangers of social upheaval, economic setbacks, succession problems, and political fragmentation or collapse. What Chou Yangsun and Andrew J. Nathan remarked in 1987, at a time when Taiwan seemed to be moving towards democracy, is no less valid for mainland China today: Democratic accountability offers the best chance of improving a regime's ability to legitimate its power, control social conflicts, improve the economy and consolidate political change.

THE DIFFICULTIES

There is no doubt that once the Chinese have managed to carry out the transition to a system with free elections and respect for human rights, this will be of great benefit to China as a nation. The difficulty resides in the transition period. Experience suggests, said Alexis de Tocqueville in his study of the French l'Ancien Régime, 'that the most dangerous moment for an evil government is usually when it begins to reform itself'. This would seem to have been confirmed by statistically oriented peace research. The finding is that whereas consolidated democracies and consolidated authoritarian systems have relatively few internal armed conflicts, semi-democracies and states in transition from one system to another are much more often ravaged by social conflict and civil war. Change, no matter in which direction is

more likely to generate violent conflict than a stable condition, regardless of whether it is based on repression and injustice. Clearly it will be dangerous for China to democratize. Yet the most recent transitions to democracy in East Asia are encouraging (South Korea, Taiwan, Mongolia, and Indonesia).

The transition that has done most to discourage the Chinese from entering the road to democracy is no doubt that of the Soviet Union. The Chinese communists do not want to go down the path of their former Soviet comrades. Beijing's fixation with national unity is embodied in a fear of a domino theory whereby political reforms might spark off independence movements in Tibet, Xinjiang, and Inner Mongolia. Further, the communist leaders have no interest in seeing the achievements of their Party being thrown at the dustbin of history. However, the USSR analogy is actually irrelevant. The ethnic Han enjoy a far more dominant position in China than the Russians did in the Soviet Union. And constitutionally China is not a union of republics that can easily be dissolved. It is a unitary state, where sovereignty is grounded in the people as a whole, and the constitution of 1982 explicitly prohibits 'any acts that undermine the unity of the nationalities or instigate their secession'. The state is divided into provinces and autonomous regions, prefectures and counties. But their so-called autonomy is not based on any local sovereignty, it is a status granted by the state at its discretion. Even though minority groups total more than a hundred million people in today's China, the likelihood that China will break up along ethnic lines is small and negligible in any other area than Tibet, Xinjiang and Inner Mongolia. In comparison with that of Gorbachev's Soviet Union, the Chinese economy is also in an infinitely much better shape. China's military expenditure is considerably less than the Soviet Union's, and China is not constrained by having to control 'spheres of influence', engaging in superpower rivalry, or providing military support to friendly regimes and liberation movements in Africa, Latin America and the Middle East. Thus China stands a much better

chance of carrying out a successful transition than the Soviet Union did when Gorbachev assumed power in 1985.

Some would say that democracy goes against China's traditional culture, and that China builds on Confucian or 'Asian values'. This argument has also been used by proponents of the authoritarian regimes in Myanmar, Vietnam and Laos, the semi-democratic Malaysia and Singapore, as well as the previous regime in Indonesia. The attempt to establish a regional ideology around 'Asian values' suffered greatly from the Asian crisis of 1997-98, and the successful democratization of Indonesia. The idea that democracy is incompatible with Chinese culture can be easily dismissed. China has a long tradition of representative assemblies, and has had democracy movements for well over a hundred years. Taiwan's Chinese culture has embraced democracy. Why should Confucianism or Shintoism be compatible with democracy in South Korea, Japan and Taiwan, but not in North Korea, China, and Vietnam?

A more tangible difficulty, which may certainly discourage China's leaders from entering the democratic path, is the risk that the Communist Party will be voted out of office and lose power. Even such a highly popular leader as Daniel Ortega lost the Nicaraguan elections in 1990, and despite a strong showing he was unable to return to power both in 1996 and 2001. The communists in Russia stood no chance of gaining an electoral majority when Boris Yeltsin left the party and mobilized a national constituency of his own. Golkar did not manage to hang on to power in Indonesia after 1998. Taiwan's appointed leader Lee Teng-hui did win his country's first free presidential elections in 1996, thus forming a model of a successful transition to democracy managed from above. But then the Guomintang was split, and the opposition leader won in 1999. This reduced the value of the Taiwanese model from a mainland Chinese point of view. There is no reason to conceal that it is difficult for a party who for many years has enjoyed a monopoly of power to win majority support in the

population once people are free to make their own choice. Still it is not impossible. It is also quite likely, as has happened elsewhere, that today's Chinese Communist Party will form a pool from which political leaders with different programs may emerge to form different alliances or groups competing with each other in elections. Thus the future leaders of China are likely anyhow to come from the current party's ranks. It is also noteworthy that in a whole range of former communist countries, the communist parties have survived, managed to reform themselves, and mobilize considerable support in elections, in a few places even majorities.

What is clear is that if the communist leaders in Beijing were to realize that it is in China's interest to democratize, then they would have to initiate the process themselves rather than wait for a mounting pressure from below.

THE TOP-DOWN APPROACH

Why do we recommend a top-down approach? Because the way a democratic transition is handled has a tremendous impact on the legitimacy of the future regime. If the Chinese communists do not dare to institute democracy on the central level, but allow experiments with grassroots democracy to be expanded upwards to the township, country, prefecture and province levels, then local governments will gain in legitimacy, and the central government will lose its influence. This would reduce the ability of Beijing to impose its will on the local administrations, enhance conflict among the provinces over access to resources, and make it difficult for the central government to extract a surplus from the richest regions and redistribute them to the less fortunate regions internally. It could also impede the ability of the central government to manage resources in a sustainable way, and undertake measures to protect China's environment.

The decision in 2004 to prevent any further movement toward fully representative government through direct elections and universal suffrage in Hong Kong has sparked off considerable public protest, and has caught much negative attention abroad. There are strong indications that the ‘one country, two systems’ framework is obsolete and being undermined. If the leaders in Beijing do not now counter the growing dissatisfaction by making bold moves of their own, they may end up standing against the tide of history. The effect may then be to localize political power in China and make the central leadership depend more strongly on its capacity for repression.

The best way to go about democratization is therefore to start at the top. The first challenge will be to democratize the Party internally, allow more genuine political processes, debates, and contested votes in the People’s Congress to be open to public scrutiny. After revitalizing the decision-making process, the party, and the government, free and fair elections with alternative candidates for either the People’s Congress, the Presidency or both, can be initiated.

As Samuel P. Huntington pointed out in his classic *Political Order in Changing Societies*, the ‘way of the reformer is hard.’ He or she faces a more daunting and complex challenge than the revolutionary. While the revolutionary may simplify and polarize, the reformer always must fight a two front war against conservatives and progressives at the same time. The work of the reformer necessitates a sophisticated manipulation of social forces, ‘aiming at some change but not total change, gradual change but not conclusive change.’ Consequently, Huntington concludes that reform requires a much higher order of *political skill* than a revolution. Reform is rare if only because the political talents necessary to make it a reality are rare. A successful revolutionary need not be a master politician; a successful reformer always is.

Deng Xiaoping was first a revolutionary, and later successfully reformed the very system he had contributed to setting up in the first place. He was a master politician. China needs a 'new Deng'. He will have to follow a different approach from the one pursued twenty years ago. At the time, Deng could unleash forces from below by removing obstacles and just signaling his permissions and admonishments from above. Deng himself and the other Party veterans did not themselves need to learn how to operate a market economy. They could leave that to foreign investors and local entrepreneurs. China's democratization cannot in the same way be left in the hands of others. You can ask people to get rich, and in an entrepreneurial culture they will follow up spontaneously. You cannot just ask them to be democratic. In order for China to evolve peacefully into a democracy, while keeping the huge country intact, the top leaders must learn to practice democracy themselves.