

# The NPC System and Its Evolution: From Nomenklatura to Selectorate

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*In this paper, we discuss and analyze how the system of the National People's Congress (NPC) of the People's Republic of China has changed, and how the changes have enabled candidates to have limited competition in the NPC system and more say in Chinese politics. The system has been affected by two significant factors. The first is changes in electoral law, including the introduction of direct elections at the county level and differential voting at all levels. The second is the improvement of the authority of the NPC and its Standing Committee. We argue that although Liao Gai-long's major ideas concerning reform of the congress system were not adopted, they have redirected reformers toward more promising avenues, including making sessions more meaningful and strengthening legislative committees. We believe that the extension of limited competitive elections is a logical development, and it is thus reasonable to expect an enlargement of differential voting and, as most hope, direct elections.*

**Keywords:** NPC; nomenklatura; selectorate; differential voting; proposed candidate

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Transition to a market economy and democracy is an interesting and important phenomenon in both the economic and political spheres. The dramatic economic changes in China during the past two decades have

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had a profound impact on the nature of its politics, and it seems inevitable that political reform will take place in order to further aid the economic transition. Even PRC Premier Li Peng, who has been seen as a conservative hard-liner, has recently stressed the importance of political reform, and admitted that China's progress in this area has lagged far behind economic development.<sup>1</sup>

Why has Li Peng suddenly become a reform enthusiast after being silent on this issue for a decade? One reason, presumably, is that according to Chinese political custom, Li Peng will be the next chairman of the National People's Congress (NPC), which according to the PRC's constitution, is the highest organ in the country. Its main function is to symbolize the regime's legitimacy and its popular base, rather than charting the country's political course, the latter being the function of the Chinese Communist Party (CCP). As such, the NPC as a symbol of democracy and the rule of law has naturally become the focus of political reform, and its designated chairman has thus become a logical propagator of political reform.

Post-Mao reforms in the state structure have further strengthened the consultative and legislative role of the NPC as a vehicle of Chinese political reform. The changes in its electoral system illustrate China's evolution in politics; however, its popular legislative elections for people's congresses and people's political consultative conferences are widely regarded by Chinese and foreign observers as a showcase of democratic oversight.<sup>2</sup> The NPC electoral system which produces representatives is very different from those used in other countries, so different that when the psephologists classify the world's electoral systems, they do not know what to put in the column for China.<sup>3</sup> China's electoral laws have stopped short of fully enfranchising China's citizens. Before 1979, all members of the people's congresses were chosen by a "nomenklatura," or Soviet-style, appointment

<sup>1</sup>*People's Daily*, August 27, 1997, 6; *Lianhe Zaobao* (Singapore), November 12, 1997, 6.

<sup>2</sup>Everyone knows that these elections are stage-managed by the CCP committees. The Chinese see their system as unambiguously hierarchical, with the CCP clearly in charge: the party decides on the direction (*huishou*), the people's congress votes (*jushou*), the government executes (*dongshou*), and the people's consultative conference claps (*paishou*).

<sup>3</sup>Andrew Reynolds et al., *International IDEA Handbook of Electoral System Design* (Stockholm: International IDEA, 1997).

system. The party's authority over the government was primarily based on its authority to appoint and promote government officials, which was called "nomenklatura" power in the Soviet Union. The term "nomenklatura" in Latin refers to a system of names used to indicate the taxonomic position of an individual organism, and is used in political science to define the appointment systems in communist countries. Nomenklatura, according to Bohdan Harasymiw, is a list of positions arranged in order of seniority, including a description of the duties of each office. Its political importance comes from the fact that the party's nomenklatura—and it alone—contains important leading positions in all organizations of social life.<sup>4</sup> This system was and is an effective instrument for the CCP to control China's political, economic, and cultural institutions, through appointing and dismissing cadres and making the appropriate personnel changes for the regime.

Since the promulgation of the 1979 electoral law, a "selectorate" system has progressively replaced nomenklatura, making the NPC more authoritative and effective and partially shedding its image of being a "rubber stamp." The notion of a selectorate originates from Emmanuel Joseph Sieyès, a French thinker who together with Montesquieu and Rousseau inspired the French Revolution.<sup>5</sup> It was then adopted by Susan Shirk, who applied the term to the Chinese cadre system.<sup>6</sup> It is not difficult to understand that the main difference between nomenklatura and selectorate is that the latter entails a certain degree of "choice" on the part of the electors, and compromise between voters and list-makers. If the Soviet nomenklatura and democratic elections are placed at the two extremes, China's selectorate is somewhere in between. Furthermore, the selectorate criteria used in China have been changed from the obsession with ideology to some

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<sup>4</sup>Bohdan Harasymiw, "Nomenklatura: The Soviet Communist Party's Leadership Recruitment System," *Canadian Journal of Political Science* 2, no. 4 (December 1969): 494. Also see John P. Burns, ed., *The Communist Party's Nomenklatura System* (New York and London: M.E. Sharpe, 1989).

<sup>5</sup>Using a traditional notion of mandate, Sieyès thought that elections stopped involving a delegation and switched to "selection." See Marcel Prelot, *Histoire des idées politiques* (History of political ideas), 9th edition (Paris: Dalloz, 1980), 436.

<sup>6</sup>Susan L. Shirk, *The Political Logic of Economic Reform in China* (Berkeley, Los Angeles, and Oxford: University of California Press, 1993), 86.

kinds of merit as well as professional requirements.

In this paper, we will discuss and analyze how the NPC electoral system has changed from the early nomenklatura to today's selectorate, and how the changes have enabled candidates to have limited competition in NPC and local people's congress elections, as well as more say in Chinese politics. We stress the importance of the extension of direct elections from town and township to county-level people's congresses, as well as the introduction of differential voting, and argue that although the major ideas of the "Gengshen Reforms" concerning reform of the congress system were not adopted, they have redirected reformers toward more promising avenues, such as making the sessions more meaningful and strengthening legislative committees. We believe that the extension of limited competitive elections is a logical development, and it is thus reasonable to expect a wider use of democratic practices, such as the enlargement of differential voting and, as most hope, direct elections.

### **Two Electoral Laws: From Nomenklatura to Selectorate**

The electoral system is a political instrument by which representative democracy is implemented in society. If an election is a procedure to choose power-holders, it is also an indicator of public spirit and movements of opinion, as pointed out by René Rémond.<sup>7</sup> Electoral participation can be a significant signpost for the qualitative relationship between society and politics, but since free and direct elections do not exist in the PRC as far as the national assembly is concerned, elections cannot convincingly reflect the nature of the relationship between society and politics. Nevertheless, the evolution of the PRC's electoral laws suggests the direction of political development.

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<sup>7</sup>Réne Rémond, "L'apport des historiens aux études électorales" (Historians' report on electoral studies), in *Explication du Vote* (Explanation of vote) (Paris: Presses de la nationale des sciences politiques, 1985), 38.

*The 1953 Electoral Law*

The PRC worked out its first electoral law in 1953, and in the same year, direct elections were held at the basic level for town and township people's representative conferences. Based on this, the people's congresses of each administrative level were formed by the indirect election of their counterparts directly below them, leading to the convening of the First NPC in September 1954. The first state constitution was adopted with the establishment of a central government on the basis of people's congresses, and defined, like the Supreme Soviet in the Soviet Union, as the highest power apparatus of the regime.

From 1954 to the Anti-Rightist campaign in 1957, serious efforts were made by the CCP leadership to develop a working legal system and standardize administrative procedures. Soon, however, the Great Leap Forward brought important changes. Decentralization and CCP assertiveness weakened central state organs, while the birth of the people's communes in 1958 created new patterns of local administration. As a result, elections for the NPC and local people's congresses could not be held regularly; although the organization of the NPC had not been disbanded, it had fallen into disuse. For example, the Second Five-Year Plan began in 1958, but was never proposed to the NPC and its Standing Committee, which were not even convened to discuss let alone approve the budgets of 1961 and 1962. The Second and Third NPC met to hear the annual reports of the State Council, the Supreme Court, and the Supreme Procuratorate, but only the members of the Standing Committee were informed. Thus, since that time the NPC has been nicknamed a "rubber stamp."<sup>8</sup>

The 1953 electoral law was characterized by two revolutionary features. The first concerned class struggle: for instance, the voting rights of the landlord "elements" as well as "counterrevolutionaries" labelled by the authorities in accordance with the needs of class struggle were taken away. The second was that a certain number of military representatives in the congresses were guaranteed by relevant stipulations.

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<sup>8</sup>Research Center of the NPC Standing Committee Office, *Renmin daibiao zhidu luncong* (On the people's representative system) (Beijing: Minzhu yu fazhi chubanshe, 1991), 68.

In spite of these pitfalls, the CCP regime was serious in working out a legal framework in order to form local legal bodies and the NPC system. The presidium of the NPC Standing Committee and the composition of NPC members can be taken as evidence of these efforts. For example, Liu Shaoqi, who ranked number two in the hierarchy of the party as well as the state, was the chairman of the First NPC. The CCP also worked together with other political parties and independents within the framework, with the intention to enlist the cooperation of other democratic forces, which by and large had a significant role to play in the PRC's early years. The democratic parties and nonpartisans accounted for 45.6, 42.2, and 45.2 percent of the total members in the First, Second, and Third NPC from 1954 to 1964, respectively (see table 1). Chinese scholars consider the period 1954-56 as the years in which a healthy development of the people's congress system signalled steady progress in lawmaking.<sup>9</sup>

#### *The 1979 Electoral Law and Its Amendments*

The second electoral law was completed in 1979. Even though it still retained some legacies of the Great Leap and the Cultural Revolution such as the commune system, it was a big step forward in institutionalizing democratic and legislative procedure.

Direct elections for deputies of the town and township people's representative conferences had been held intermittently before 1979. Party committees using organization departments controlled nomination lists and election committees at corresponding levels, and all candidates ran unopposed—the number of candidates equalled the number of positions, for an "equal-candidate" election (*deng'e xuanju*). A single list of candidates ensured balance, and it was alleged that this nomenklatura practice had prevented prestigious party members from losing most of their seats. For the sake of economic development, the CCP had first decentralized the nomenklatura power over personnel selection in 1957. The 1979 electoral law marked the second time that the CCP decentralized this personnel

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<sup>9</sup>Ibid., 65; Wu Jialin, "Some Questions Concerning Socialist Democracy," *Beijing Review*, June 15, 1979, 11-12.

**Table 1**  
**Composition of the National People's Congress**

Term	1st (1954)	2nd (1959)	3rd (1964)	4th (1975)	5th (1978)	6th (1983)	7th (1988)	8th (1993)
Total deputies	1,226	1,226	3,040	2,885	3,479	2,978	2,970	2,979
Of which:								
CCP members	668 (54.5%)	708 (57.7%)	1,667 (54.8%)	2,217 (76.3%)	2,545 (72.2%)	1,861 (62.5%)	1,986 (66.8%)	2,036 (68.4%)
Democratic parties	274 (22.4%)	284 (23.2%)	565 (18.6%)	109 (3.7%)	311 (8.9%)	543 (18.2%)	540 (18.2%)	573 (19.2%)
Non-partisans	284 (23.2%)	234 (19.0%)	808 (26.6%)					
Ethnic minorities	150 (12.2%)	150 (12.2%)	300 (9.9%)	270 (9.4%)	381 (10.9%)	404 (13.6%)	445 (15.0%)	439 (14.8%)
Term (years)	4	4	4	5	5	5	5	5
Real terms	4Y+7m	5Y+8m	10	3Y+1m	5Y+3m	4Y+10m	5	5

Sources: Liao Gailong, Zhao Baoxu, and Du Qinglin, eds., *Dangdai Zhongguo zhengzhi dashidian 1949-1990* (Encyclopedia of major political events in contemporary China 1949-90) (Changchun: Jilin wenshi chubanshe, 1991), 192-93; and Pu Xingzu, *Zhonghua renmin gongheguo zhengzhi zhidu* (Political system of the PRC) (Hong Kong: Sanlian chubanshe, 1995), 30-31.

appointment system, due to the need to recruit elites from wider social ranks in order to develop the economy, and consolidate the legitimacy of the CCP leadership after it had been seriously damaged by the Cultural Revolution.

Comparing the 1979 electoral law with that of 1953, we see the significance in the former's ideological "desalination" and the introduction of some democratic elements. Indeed, ideology was less emphasized, as can be seen from the deletion of landlord "elements" and "counterrevolutionaries" from the law, as well as relevant clauses regarding military representatives in local congresses.<sup>10</sup> It took an important step away from the nomenklatura system toward a contested, popular election of leaders, introducing direct elections for county people's congresses and thus providing the opportunity for voters at all levels to choose among candidates.

The democratic elements introduced in the new electoral law can be summed up as follows:

1. Direct elections for selecting representatives are extended from the town and township level to the county level (Art. 2);
2. Individual voters are allowed to propose candidates, and only three signatures are required for a candidate (Art. 26);
3. Differential voting (*cha'e xuanju*)<sup>11</sup> is stipulated: the number of candidates shall be 50-100 percent more than the number of posts in direct elections (county level and below), and 20-50 percent more in the indirect elections for congresses at higher levels (Art. 27);

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<sup>10</sup>To date, there has been a lack of comment or analysis on this "minor" change in China's politics. The author thinks that the change was a meaningful sign that the CCP intended to transform itself from a revolutionary party into a modern ruling party, starting from "demilitarizing" local people's congresses.

<sup>11</sup>It is impossible to find a corresponding term in English to interpret *cha'e xuanju*, a very Chinese phenomenon. It means there might be more than one candidate to compete for a post, but the candidates cannot be more than a certain number which is stipulated in the relevant clauses. Such an electoral method is different from previous *deng'e xuanju*, which features an equal number of candidates and posts. We terminologize *cha'e xuanju* as differential voting here, as electors can vote differently for different candidates in *cha'e xuanju*.



4. Various political forces (*ge dangpai*), organizations, and voters are permitted to conduct "campaigns" ("propaganda" was the word used in the law) for their candidates in whatever fashion they wish before polling day (Art. 30).

In 1979, at the Second Session of the Fifth NPC, the new law that extended direct elections to the county level was passed. It provided that direct elections would also be applied to urban areas, since county-level units included autonomous counties, cities without district division, and districts of metropolises.<sup>12</sup> Voters were now allowed to propose any eligible candidate for direct elections at the county level, which also made it possible for different social strata to be represented at this level. According to the widely circulated *Wan Yan Shu*, a rising private sector is becoming the foundation for emerging bourgeoisie. There are currently more than 5,400 private entrepreneurs in county-level congresses, representing the interests of the growing business layer that is forming the core of China's future middle class.<sup>13</sup>

An amendment in 1982 also improved electoral procedure and techniques, as voter registration and the division of constituencies were detailed and systematized. For instance, the relevant stipulations outline the method of voter registration for migrants. However, a minor change to the 1979 electoral law is worth noting in that the permission for various forms of "campaigns" was abolished. The official explanation of this change was that "various methods of campaigning" could easily be misunderstood and cause confusion in practice.<sup>14</sup> The fact is that unpleasant surprises in the 1980-81 county-level direct elections, wherein non-Marxist candidates

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<sup>12</sup>On direct elections for people's congress at the county level, see Song Bing, "Direct Elections in China," *IEAPE Background Brief*, no. 51 (October 19, 1992).

<sup>13</sup>*Wan Yan Shu* (anonymous author) was believed to be the work of Deng Liqun, the famous leftist, or one of his associates. It was in effect a petition or protest in which the author cited corruption of cadres, erosion of the status of the working class, the rise of the "exploiting" class, and so on, as the consequences of the reform and opening-up policies. The author appealed for a stop to capitalist tendencies and a return to the classical Marxist-Leninist line. See *Yazhou zhoukan* (Asiaweek) (Hong Kong), January 14, 1996.

<sup>14</sup>Xi Zhongxun, "Explanation of Four Legislative Proposals," *People's Daily*, December 16, 1982, 3.

also took part, precipitated restrictions on campaigning. The revised electoral law prescribes that candidates be introduced by others at nominating meetings rather than "publicizing" themselves through various methods, which is certainly a backlash against the 1979 law.

The 1986 amendment of the electoral law also made some technical changes. Besides the nominated candidates proposed by the political parties, the voters were allowed to propose candidates, each of which had to be seconded by at least ten voters, instead of three as in the 1979 law. Moreover, the range of "differential voting" was further modified, with the number of candidates narrowed from 50-100 percent more than the posts to 30-100 percent for direct elections.

The amendment also employed for the first time the term "political parties" (Art. 26), instead of "the Chinese Communist Party and the other democratic parties." It seems that the CCP has thus begun to consider itself "equal" to the other parties. However, the terminological change remains meaningless while the constitution still stipulates that the CCP, with cooperation of the other parties, is the leading force in China.

The introduction of differential voting in the people's congress system has been more meaningful than the differential range itself, as it gives candidates a strong hint that even though the name list of candidates is created using nomenklatura, the voters formally have the last say in the final election (selection). Consequently, representatives are more conscious of being responsible to their "constituents" in the process of being elected through the competition of differential voting.<sup>15</sup> In the nomenklatura system, being named as a representative means to be rewarded.<sup>16</sup> In the selectorate system,

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<sup>15</sup>According to the report, all representatives of the Seventh NPC experienced differential voting in their provincial people's congresses for the first time. It was claimed in a report "Representatives Enter the Great Hall of the People . . ." (*People's Daily*, March 26, 1988) that the emergence of differential voting had not only changed the voting pattern itself, but also significantly produced a new generation of people's representatives; although it is not necessarily true that those elected are the brightest, they cannot be those with scandalous behavior. The daily quoted a "member of parliament," the deputy party secretary of Hebei province, as stating: "Compared with the past, I feel much more honored, for I am elected by differential voting." Two members from Hubei also said they felt more responsibility to their constituents since they had been elected by them.

<sup>16</sup>Yang Xilan is a good example illustrating what it means to be a NPC member as a reward. Yang was the captain of the famous Chinese female volleyball team, and was selected to

apart from the sentiment of honor, there is something new: competition and responsibility.

In brief, the evolution from a nomenklatura to a selectorate system is due to two factors in the legislative sense: the extension of direct elections to people's congresses at the county level, and the introduction of differential voting in the electoral law. Both allow voters to have an alternate "choice," either in direct elections or in indirect elections, no matter how the choice is limited.

### **Liao Gailong's Proposal of 1980: A Democratic Congress System Instead of a Selectorate**

Under the present regime, one thing is clear: ordinary citizens are excluded from the political game. They cannot influence the actions of party and government officials except by the rarely used means of mass protest, as the rules of communist political competition prohibit party politicians from mobilizing social support.<sup>17</sup> Politics is thus a sort of exclusive profession only for party members or officialdom. There is no open competition for the positions of NPC representatives, which is one of the main reasons why the NPC has been regarded as a rubber stamp of the party center since its second term.

However, Deng Xiaoping and his associates have used the NPC as a new mode of institutionalized legitimacy since 1978. To deflect challenges and provide alternatives to autonomy, they have tried to build up the NPC as a non-party organization composed of socially prestigious individuals who have expressed support for party policy and worked for its implementation. By allowing social and economic elites to meet high cadres and ex-

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the Seventh NPC. She thought her membership was a reward and an honor, and felt pity that because of her time spent in intense training, she could neither know nor report her constituents' opinions to the NPC. See Yang Mingqing, *Zhongguo da xuanju* (Great elections in China) (Changsha: Hunan wenyi chubanshe, 1989), 82.

<sup>17</sup>To date, it is not uncommon to see a "silent sit-in" in protest at local governmental buildings. The *raison d'être* can be various: asking for a job, protesting some kind of policy, and so on.

press their opinions, the party was seeking to show that it could incorporate a range of interests, broaden the united front to include all loyal citizens, and secure institutionalized legitimacy.<sup>18</sup>

Just one year after the 1979 electoral law was put in force, Liao Gailong, a highly regarded party historian and a research fellow of the Policy Research Office of the CCP Central Committee Secretariat, made a strong plea for radical democratic institutional reform in a speech delivered at a Central Party School forum in October 1980.<sup>19</sup> Coming just months after Deng Xiaoping's Politburo speech on the same theme, Liao contributed to the debate among senior party leaders over their evaluation of the Cultural Revolution and Mao Zedong's role in it, advocating substantial changes in China's national and local political institutions in order to implement procedural democracy. In his political reform proposal, the main points concerning the NPC system were as follows:

- The NPC should be reduced in size. The current size of 3,400 to 3,500 deputies is too large to be effective and democratic (the Fifth NPC of 1978-83 had 3,479 representatives). The number of members should not be too few, either. An adequate size would be 1,000, with which it would be more convenient to convene the congress, or convene it frequently, or to let it last for longer periods of time. Such a reduction would thus be conducive to expanding democracy.
- The NPC should be divided into two houses, just as the congresses of many countries are divided into an upper house and a lower house. One suggestion was that one house could be called the House of Regional Representatives, whose members would represent various localities. The other could be called the House of Social Representatives, whose members would represent the in-

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<sup>18</sup>He Baogang, "Legitimation and Democratization in a Transitional China," *Journal of Communist Studies and Transition Politics* 12, no. 3 (September 1996): 315-42.

<sup>19</sup>For the English translation of Liao Gailong's speech, titled "Historical Experiences and Our Road of Development," see *Issues & Studies* 17, no. 10 (October 1981): 65-94; no. 11 (November 1981): 81-110; no. 12 (December 1981): 79-104.

terests of various social strata and various enterprises. These two houses would jointly exercise legislative power and the power of creating various systems, supervise the government's work, and hold the highest state power. The two houses would thus impose constraints on each other.

- A system of powerful standing committees should be set up. Both houses must have their standing bodies, which should be simple in structure as well as capable and vigorous.
- Various kinds of special committees, i.e., economic, financial, and labor committees, should be formed in both houses. The special committees should employ scholars, experts, and consultants, and organize various brain trusts.
- Representatives should be rejuvenated, especially members of the standing committees. Liao envisioned standing committee members as young, healthy, and capable of working eight hours a day. Aside from visiting localities for investigation work, they would discuss problems at meetings, perform legislative duties and various planning tasks, and make comparisons between China and foreign countries, thus helping ensure the people's interests.

Such a congress system would facilitate the consideration of various localities and various nationalities' interests, as well as ease the contradictions among people of various occupations and social strata. The people's congress would thus become an authoritative and effective organ of power in carrying out the work of lawmaking and supervising the government.

Liao Gailong's "Gengshen Reforms"—1980 is a year of "Gengshen" according to the Chinese calendar—are still very advanced compared to the current political institutional situation in China. Liao was perhaps too optimistic that his proposal could be accepted, although the scars of the Cultural Revolution were still deep and fresh enough for the party to seriously consider implementing proposals that had appeared to be radical when suggested by the "democratic movement" from 1979 to 1980, or that previously had been condemned as "bourgeois." However, bicameralism unsurprisingly met opposition on theoretical, historical, and practical grounds. Some noted that bicameral legislature was the product of capital-

ism and had arisen as a concession to the landed nobility in nations where revolutions were incomplete and in federal, multi-state systems. Some pointed out China's two thousand-year history as a unified, multinational state and declared it inappropriate to use two chambers to resolve the problem of too many deputies or improve representation.<sup>20</sup>

In brief, Liao's package for reforming the congress system was too advanced and sweeping for Communist China's leaders at the time. Mao's theory of contradictions stated that there were only differences among people, differences of perspective, differences of mental labor and physical labor, and so on, rather than conflicts among people and among regions. The Chinese, especially the CCP, had been indoctrinated with such a theory for decades. It is thus understandable that Liao's proposal, which was based on the conflicts of regions and of different social strata (the cornerstone of the British parliamentary system) could not be accepted by the CCP leaders. The party leaders felt that too rapid democratic reforms would cause another bout of chaos and impair the legitimacy they were trying so hard to rebuild. As Deng Xiaoping's "four cardinal principles" were loudly stressed, some of the bolder democratic proposals were shelved. A bicameral system or reduction of the NPC's size has not come to pass. Furthermore, compared with the NPC under the nomenklatura system, the NPC under the selectorate system was already not as easy for the party to completely control, while the deputies had become more conscious of political competition and responsibility. The reduction of the NPC's size would further embolden the deputies to actively speak at the assembly or hold discussions, thus further diminishing the party's control of the NPC. After three years of debate, the issue thus lost its prominence and support. In effect, China lost an opportunity to create an authoritative and effective legislature to push forward a "new people's democracy" as Mao proclaimed in 1949. Nevertheless, Liao's proposal was not fruitless. The 1982 amendment stipulated strengthening the role and power of the NPC's Standing

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<sup>20</sup>There were heated discussions on NPC size and bicameralism in 1980 after Liao Gailong delivered his speech in the Central Party School. Kevin O'Brien sums up the discussion in his *Reform Without Liberalization* (Cambridge: Cambridge University Press, 1990), 137-40.

Committee and establishing various special committees to reinforce the NPC's legislative status and power.

### **More Choice and More Say**

Since the promulgation of the 1979 electoral law, limited competitive elections have been practiced. For example, Deng Xiaoping was shown casting his vote in deputy elections to a local people's congress in Beijing's Xicheng district in 1990 and 1993. His appearances served the purpose of emphasizing the importance of elections, which have legitimized the status of local leaders.

In 1988, elections for provincial congresses were held and 2,970 NPC representatives were elected. In these elections, the political parties nominated 3,286 out of 3,872 candidates, while provincial representatives proposed the remaining 586, or 15 percent. However, after consultation, discussion, and selection, the number of proposed candidates was scaled down. Among 3,549 finalists, the proposed candidates numbered only 22, or 0.6 percent. Differential voting was used in elections for all provincial people's congresses and for the members and vice-chairmen of provincial standing committees.<sup>21</sup> This was the first time that electors had their say in candidate nomination and a choice among candidates in NPC elections. Furthermore, in the elections for provincial leaders, the chairmen of twelve provincial people's congresses, the governors of eight provinces, the chiefs of provincial courts in fifteen provinces, and the chief procurators of eleven provinces were all elected by differential voting. Some of them were initially proposed as candidates by representatives and then elected. According to statistics from twenty-seven provinces (Hainan, Inner Mongolia, and Tibet were not included), 105 out of the 646 candidates competing for provincial leadership were proposed by provincial members of people's

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<sup>21</sup>Zhou Xiucui and Xu Wenyan, eds., *Zhongguo gaige quanshu 1978-1991: Nongcun gaige juan, chengshi gaige juan, zhengzhi tizhi gaige juan* (Encyclopedia of reform in China, 1978-91: Rural reform, urban reform, political system reform) (Dalian: Dalian chubanshe, 1992), part 3:53-55.

congresses. This was also the first time that representatives had been partially given the right to propose and choose leaders by differential voting, marking the staging of a selectorate system. Overall, 1988 witnessed the significant progress of political reform.

From 1988 to 1993, progress toward democracy in the NPC was not interrupted in the shadow of the 1989 Tiananmen Incident. In the Eighth NPC elections in 1993, the methods of proposing candidates by electors and differential voting remained.<sup>22</sup> On the basis of differential voting for provincial vice-governors in 1988, some provinces extended the system to governor elections, such as in Guizhou province, in which the governor was elected from candidates proposed by electors and differential voting.<sup>23</sup> The new governor of Sichuan, Xiao Yang, indicating that differential voting was not the best way to reflect what people wanted, suggested that direct elections of some kind could be instituted for the elections of senior officials, vice-chairmen, secretary-general, and the bulk of the standing committee.<sup>24</sup> In 1995, NPC Vice-Chairman Tian Jiyun also openly advocated differential voting to fill cabinet slots.<sup>25</sup> If these demands and hopes reflected only the "democratic will," then the election of the new vice-premiers in 1995 indicated that the NPC deputies were aware of what their vote meant. The election was an "equal candidate election" where there were an equal number of candidates and posts, yet Wu Bangguo and Jiang Chunyun respectively obtained 86 percent and 63 percent of the votes cast by the NPC members. The number of votes for Jiang Chunyun was the lowest ever for an appointment to the State Council.<sup>26</sup>

While more democratic practices have taken place in the NPC system during the last decade, the rejuvenation of the NPC leadership has also occurred. After 1959, the NPC became an institution of honor for aged and less influential senior leaders (see table 2). Zhu De, for example, died in the position of NPC chairman at the age of ninety. The NPC membership

<sup>22</sup> *Liaowang zhouban* (Outlook Weekly) (Overseas edition), February 15, 1993, 2-5.

<sup>23</sup> *Ibid.*

<sup>24</sup> *Yazhou zhouban*, March 28, 1993, 26-28.

<sup>25</sup> *Far Eastern Economic Review*, March 30, 1995, 14.

<sup>26</sup> *Lianhe Zaobao*, March 19, 1995, 21.



**Table 2**  
**Age, Turnover, and Educational Level of NPC Standing Committee Members**

Term	Mean Age	Turnover (%)	Tertiary Education (%)
1954-59	58	—	71
1959-64	63	27	72
1964-75	64	48	67
1975-78	68	70	40

**Source:** Kevin J. O'Brien, *Reform Without Liberalization* (Cambridge: Cambridge University Press, 1990), 72.

was thus given as a reward, but not as a position to represent the people's interests and will. The increasingly old, inexperienced, and less-educated members (peasant and worker deputies respectively constituted 51.1 and 47.28 percent in the Fourth and Fifth NPC, while there were only 13.3 percent in the First NPC) of the NPC Standing Committee also made it difficult to participate in state affairs.<sup>27</sup>

When Peng Zhen replaced Ye Jianying<sup>28</sup> as the head of the NPC, the 1983 NPC Standing Committee indeed had the potential, and fulfilled it to some extent, of developing the NPC into the supreme organ of state power. Peng Zhen and other NPC leaders, such as Chen Pixian and Xi Zhongxun, who was also a Politburo member, began to use the legislature and its committees as a base to augment their prestige and power.

Since 1988, the NPC leaders have become younger and, according to the CCP hierarchy, more important. While "rejuvenation" of the CCP leadership has taken place, the NPC has also moved in the same direction (see table 3). When Wan Li presided over the Seventh NPC, he was nine years

<sup>27</sup>Liao Gailong, Zhao Baoxu, and Du Qinglin, eds., *Dangdai Zhongguo zhengzhi dashidian 1949-1990* (Encyclopedia of major political events in contemporary China 1949-90) (Changchun: Jilin wenshi chubanshe, 1991), 192-93.

<sup>28</sup>The NPC under Ye Jianying's leadership underwent no major changes compared with previous congresses. Although Ye was formally number two among party and state leaders, his importance was widely seen as an accidental result of the fall of the "gang of four," while there were still many senior leaders alive and very active, especially the two real power-holders, Deng Xiaoping and Chen Yun. The rankings during that period therefore did not reflect the real power structure.

**Table 3**  
**The Standing Committee of the NPC**

Term	Chairman	Age	Ranking	Vice-Chairmen	Members
1st NPC (1954)	Liu Shaoqi	56	2	14	66
2nd NPC (1959)	Zhu De	73	4	16	63
3rd NPC (1965)	Zhu De	79	9	18	97
4th NPC (1975)	Zhu De	89	4	23	145
5th NPC (1978)	Ye Jianying	81	2	20	189
6th NPC (1983)	Peng Zhen	81	Politburo	21	139
7th NPC (1988)	Wan Li	72	Politburo	19	136
8th NPC (1993)	Qiao Shi	69	3	19	117
9th NPC (1998)	Li Peng (?)	69	2		

**Sources:** Shou Xiaohe, Li Xiongfán, and Sun Shuyu, eds., *Zhonghua renmin gongheguo ziliao shouce 1949-1985* (Material Handbook of the People's Republic of China 1949-85) (Beijing: Shehui kexue chubanshe, 1986), 92-101; *People's Daily*, April 9, 1988; *ibid.*, March 28, 1993.

**Notes:** "Ranking" is determined from the order of names in CCP congresses. See Theoretical Department of the CCP Central Party School, ed., *Zhongguo gongchandang jianshe quanshu* (Encyclopedia of the CCP construction) (Taiyuan: Shanxi renmin chubanshe, 1991), 384-97. Personnel changes in the Standing Committee of the Fifth NPC were substantial: six vice-chairmen resigned, two members were recalled, and ten vice-chairmen and eight members were elected at different sessions of the Fifth NPC. These personnel changes were mainly due to the "line struggle" after the "gang of four" fell in 1976.

younger than his predecessor Peng Zhen. Qiao Shi, ranked number three in the party and state leadership and younger than Wan Li, was chairman of the Eighth NPC.

The above leaders all made efforts in supporting rule by law and the rule of law. Under Peng Zhen, the Standing Committee opposed Deng Xiaoping more than once on the pace and scope of reform. Most notable is the period 1986-88, when the committee repeatedly remanded drafts of the bankruptcy law, the state-owned enterprise law, and the village committee election law. In each case, the committee stood in the way of key planks in the reform program designed to redefine the party's role in society, devolve decision-making authority, and empower non-party institutions and individuals. Even official Chinese sources, usually unwilling to acknowledge elite conflict, admitted that the Standing Committee activities had led some people to believe that the NPC Standing Committee was "abusing its power

## An Analysis of Taiwan's Investment in Guangdong

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*Taiwanese business investment in mainland China has been concentrated in Guangdong province, due mainly to its geographical proximity to Taiwan via the Hong Kong gateway. This investment has focused on small and medium-sized enterprises. In the manufacturing industries, for example, the average amount invested per case is less than US\$1 million. The percentage of Taiwan investment in manufacturing industries is 95 percent, concentrating in such industries as electronics, shoemaking, plastic production, etc. Most investment in Guangdong has clustered in the cities of the Zhujiang Delta—Guangzhou, Shenzhen, and Dongguan. However, because of recent rising costs for real estate and labor in these areas, many of Taiwan's investors have been gradually forced to move from Guangdong province.*

**Keywords:** cross-Straits economic relations; cross-Straits relations; Taiwan's investment in mainland China

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In the Republic of China (ROC) on Taiwan, small and medium-sized enterprises have played a very important role in creating its economic miracle. Since the 1980s, this development experience has been introduced to some Third World countries through investment and economic aid projects, with Taiwan becoming a model for these countries in their

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CCP "should continue to accelerate the reform of its political structure, further extend the scope of socialist legal system, and govern the country according to law, and turn the country into a socialist state under the rule of law."<sup>34</sup> He further emphasized: "We shall continue and further improve the system of people's congresses so as to ensure that the people's congresses and their standing committees will carry out the functions of the organs of state power according to law. We shall strengthen their legislative and supervisory work, and establish closer ties between deputies and the people they represent."

Three reasons can be given to explain why further political reform will focus on the NPC system. First, the people's congress system itself is a symbol of "democracy" that can be institutionalized with the present framework under the leadership of the CCP. Even minor progress of the NPC system toward democracy will win international acclaim, which is not irrelevant to the new leadership, since Jiang himself is keen to project a positive image to the world. Second, in order to govern the country according to law, it will be necessary to strengthen legislative institutions. Only a reformed NPC system can truly exercise its legislative function and supervisory role with respect to government operations. This involves institutionalizing legitimacy, i.e., using the legislature (as well as other organizations) to integrate the political community and organize it around one-party rule. Lastly, and more speculatively, a strengthened legislature would guarantee reform and contribute to political stability, thus invigorating its position as an institutional symbol of mass-elite linkage. A national assembly that can live up to its name would mobilize public pressure behind reform.

The limited democratic experiment in the people's congress system has been occurring for more than a decade, and elections have gained their own momentum over time, providing institutional opportunities for people to further their interests. The extension of limited competitive elections is a sign of this development. It is logical to expect increased democratic practices, such as enlargement of differential voting from 20-50 percent

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<sup>34</sup>Jiang Zemin, "Speech at the 15th Party Congress," *People's Daily*, September 22, 1997.

(more candidates than posts) to a wider range in indirect elections, extension of the use of differential voting to state-level leaders, extension of direct elections to higher levels, etc.

Furthermore, the Hong Kong delegation to the Ninth NPC will introduce the territory to the NPC scene. Hong Kong is not only the window and bridge for China to the world in the economic and financial dimensions, but will also play a significant role in Chinese political life through the legal and democratic apparatus. Before 1997, the Hong Kong NPC representatives were generally nominated by Chinese authorities from the Guangdong provincial NPC delegation. For the Ninth NPC in 1998, however, the Hong Kong delegation, whose representatives have been elected with freer and more transparent methods relative to their counterparts in the mainland, has the same status as that of other provincial (regional and municipal) delegations. Sooner or later, it will have an impact on the NPC's legislative and supervisory role.

The setting up of a limited political competitive mechanism has institutionalized the choices of the electorate, no matter how limited the choices are. The extension of direct elections of representatives from the town and township level to the county level and the introduction of differential voting have changed China's electoral system from a nomenklatura to a selectorate system. Moreover, the legitimization of individual and local interests through democratizing the selection of deputies and local leaders has led to the emergence of political bargaining between the elected and the electorate.

Another crucial point that has not been touched upon is the use of the voting booth. According to international standards, "secret voting" can only occur when all voters have to use the voting booths to fill up the ballot paper(s).<sup>35</sup> In village committee elections, some provinces (such as Jilin and Fujian) have stipulated that the setting up of a voting booth is a must. However, the majority of provinces have no such clause in the regulations,

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<sup>35</sup>William C. Kimberling, *A Rational Approach to Evaluating Alternative Voter Registration Systems and Procedures* (Washington, D.C.: U.S. Federal Election Commission, 1991); Jorgen Elklit, "The Chinese Village Committee Electoral System," *China Information* 11, no. 4 (1997): 1-13.

and the national law for village committee elections is silent on this point. Once voting becomes fully secret, voters will be more independent and responsible for their votes, in both direct and indirect elections.

The practice of rural democracy and its effect on the NPC selectorate has not been discussed in this paper. Before the Fifteenth Party Congress, China's top leaders were silent on rural elections, but Jiang Zemin confirmed and praised the existence of grass-roots democracy and called for its further deepening and strengthening in his Party Congress speech. With Jiang's confirmation, the expectations that China will extend the practice and experiences of direct elections to higher levels<sup>36</sup> have become as strong as ever.

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<sup>36</sup>See, for example, *Renmin daibiao zhidu luncong*, 1-4; Zhou and Xu, *Zhongguo gaige quan-shu*, part 3:45-55; Pu Xingzu, *Zhonghua renmin gongheguo zhengzhi zhidu* (Political system of the PRC) (Hong Kong: Sanlian chubanshe, 1995), 1-4.