

Party Adaptation and the Prospects for Democratization in Authoritarian China

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The Seventeenth National Congress of the Chinese Communist Party (CCP) in 2007 is an important event for those who are interested in Communist China's regime. It prompts the questions why the one-party system is seemingly becoming more consolidated under progressive market reform, and why China's departure from state socialism has not caused the regime to collapse. One answer to these questions lies in the fact that the Party has been attempting to adapt itself to social change by establishing certain institutions. Four strategies of Party adaptation—institutionalization of power succession, political cooptation, state corporatism, and policy preference moving toward social development—have been applied. The institutionalization of power succession has stabilized the regime and maintained political coherence within the Party while political elites struggle for power. It has greatly reduced the possibility of collapse as a result of a split in the elite. Political cooptation and state corporatism have effectively prevented social elites and social organizations from challenging the Party by means of their wealth, values, and organization. The integration of these new forces into the state has allowed the Party once again to dominate society, keeping it in line with the regime. The CCP is also trying to redress grievances concerning illegal government practices from below by means of redistribution. The incidence of radical protest has apparently

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decreased throughout China. The application of these strategies is making a significant contribution to the CCP's survival and is allowing China to delay democratic reform indefinitely.

KEYWORDS: Party adaptation; CCP power succession; political cooptation; state corporatism.

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At its Seventeenth Congress held at the end of 2007, the Chinese Communist Party (CCP) successfully completed its most recent power succession, which is considered by scholars and politicians to be the most important political procedure for a communist regime. The fourth generation leadership (led by President Hu Jintao 胡錦濤 and Premier Wen Jiabao 溫家寶) consolidated its political rule by assigning loyal and influential cadres to occupy key positions at the national and provincial levels, and also formed the shape of the coming fifth generation (most likely to be led by Xi Jinping 習近平). This was accomplished despite resistance from the third generation of the former president, Jiang Zemin (江澤民). The transition demonstrated that no one individual or faction is able to enjoy a monopoly on power. The positioning of Xi as leader of the next generation of leadership, although not the result of a free election, still necessitated negotiation among all potential factions. Both veteran leaders and new elites willingly obeyed Party regulations on power succession, most of which were developed between the third and fourth generations. Elite solidarity and a strong commitment to the regulations should also provide security and stability for the fifth generation at the next Party congress in 2012.

The CCP has not only made a great effort to regulate itself and consolidate the one-party regime, it has also adopted certain measures to reduce challenges from society which might bring about its downfall. Since Deng Xiaoping (鄧小平) began the reform process, economic reform has been the CCP's exclusive response to stagnation and discontent in society. The resulting economic growth has helped the CCP to gain the state capacity necessary to deal with external and domestic threats. However, the integration of market-oriented reform and authoritarianism has so far shown

no sign of developing into democratic reform. The classic theoretical proposition put forward by Seymour Martin Lipset in the 1950s seemingly cannot be applied to China.¹ Neither has the growth and extension of the middle class become an impetus for democratization, as predicted by Barrington Moore.² Instead, this class as a whole has established an increasingly close coalition with the political elites. Even if many elements of a civil society can be found in China, its features are still seriously distorted by the powerful control of the CCP and the state. The organizational linkage between state and society is more conducive to political control than to social autonomy. Although there has been a surge of complaints from below, as noted by journalists across China, the CCP, by means of repression and redistribution, has found it easy to crush social protests which directly or indirectly challenge its rule. Somewhat like the Soviet Union, that utilized four alternative adaptive mechanisms to maintain its leadership position in an industrial society,³ the CCP has developed measures not only to consolidate its rule but to establish institutional linkages with society. What we want to know is what impact this Party adaptation will have on the future prospects for democratization in China. This paper will focus on four ways in which the CCP has adapted itself in order to observe their political consequences in terms of democratization.

¹Seymour Martin Lipset, "Some Social Requisites of Democracy: Economic Development and Political Legitimacy," *American Political Science Review* 53, no. 1 (March 1959): 69-105.

²See Barrington Moore, Jr., *Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World* (Boston: Beacon, 1966).

³These were: (1) efforts to persuade the specialized elites to contribute their skills at no cost, either voluntarily or by force; (2) the retraining of some members of the political elite or the recruitment into the system of new young cadres with the necessary skills to replace them; (3) the cooptation into the system of members of specialized elites with the necessary skills; and (4) the sharing of power with specialized elites on a more or less competitive and equal basis as in a pluralistic system. See Frederic J. Fleron, Jr., "Cooptation as a Mechanism of Adaptation to Change: The Soviet Political Leadership System," *Polity* 2, no. 2 (Winter 1969): 176-201.

Institutionalization of Power Succession

The passing-down of power from one generation of leaders to another is a difficult problem for the political elite in an authoritarian society, as it often results in political crises, violence, factionalism, political purges, or mass arrests.⁴ Leninist systems are often unable to avoid a destructive power struggle when the paramount leader dies. According to political theory, the main reason why succession pushes authoritarian states toward political chaos is that there are no formal or informal rules that limit the power of the dictator or check power struggles between leading competitors. Authoritarian regimes rarely have regulations governing the selection of a new leader. The death of a dictator almost always triggers a political crisis, and regimes have in fact frequently failed to survive such crises.

The current Chinese regime, however, is an exception on the list of one-party authoritarian societies. After the death of Mao Zedong (毛澤東), Deng Xiaoping actively worked on issues of power transfer in an effort to overcome the political chaos that resulted from unregulated political competition within the Party. In the 1980s, Deng advocated practices such as limited terms of office and mandatory retirement ages. As Michel Oksenberg correctly observed, Deng Xiaoping, unlike all former communist party leaders, avoided a cult of personality, and instead slowly withdrew from power,⁵ relinquishing all his leadership positions in the Party, state, and military. Despite this, Deng did retain informal leadership authority until his death, "dethroning" two general secretaries, Hu Yaobang (胡耀邦) in 1986 and Zhao Ziyang (趙紫陽) in 1989, and then appointing Jiang Zemin in a very arbitrary way. Thus we can say that although Deng advocated regulating the CCP, he personally ignored Party procedures in selecting a new leader. Strictly speaking, it was not until the post-Deng

⁴In democratic countries, such problems are by and large avoided, since new leaders come to power peacefully through free and fair elections. In authoritarian regimes, the possession of power is not decided by votes but by negotiation among veteran political leaders or a few factions within the polity. If negotiation fails, violence or political purges may occur.

⁵Michel Oksenberg, "China's Political System: Challenges of the Twenty-First Century," *The China Journal*, no. 45 (January 2001): 21-35.

period that institutional changes which stabilized power succession came into practice. The Sixteenth Party Congress in 2002 is often seen as a watershed in the institutionalization of power succession. At that congress, Jiang peacefully handed power over to Hu Jintao and regulations were devised that were followed at the next congress. Several developments paved the way for the stable power succession that subsequently took place at the Seventeenth Party Congress.

- In 1997, the Politburo introduced a new, informal rule that senior leaders should not be reappointed to another term after reaching the age of 70. This rule ensured that the members of the third generation (with the sole exception of Jiang Zemin) did not stay in office beyond the age limit. At the Fifteenth Party Congress in 1997, this rule forced the retirement of Qiao Shi (喬石), an important member of the Politburo Standing Committee, and in 2002, the Sixteenth Party Congress served as a farewell ceremony for those members who were close to 70. There is little question that Hu Jintao, born in 1942, and other leading members of the fourth generation will follow the rule and step down in 2012.

- A supplementary rule, called the "67-up-68-down" rule, was followed at the Seventeenth Party Congress. In 2002, in order to force Li Ruihuan (李瑞環) to retire from the Politburo Standing Committee, Zeng Qinghong (曾慶紅), the most important individual in Jiang's clique, suggested that all members of the Politburo Standing Committee who had reached the age of 68 should leave office, while 67-year-olds could stay for another term. In 2007, Zeng himself was compelled to withdraw from the top seat because of the rule he had introduced five years previously. Although Zeng was seen as the most influential challenger to Hu's group during the post-Jiang period, he obeyed his own rule and left office without complaint.

- Beginning with Jiang, the top Party leader no longer personally selects his successor. In 1992, Deng placed Hu Jintao on to the Politburo Standing Committee as its youngest member, and for the ten years of Hu's incumbency as informal successor-designate, Jiang did not challenge his position. At the Seventeenth Party Congress, Hu, like Jiang before him, did

not choose his own successor from the fifth generation. Instead, Xi Jinping became the biggest winner. Before entering the Politburo Standing Committee, Xi had worked far away from Beijing, keeping his distance from Jiang and Hu. Although an important member of the "princeling" group (太子黨 *taizidang*), he always stayed outside the power center. The Jiang faction (上海幫 *Shanghai bang*) and the Hu faction (團派 *Tuanpai* or China Youth League faction) both to some degree excluded Xi because of his political background. The appointment of Xi showed how factions in Chinese politics have begun to be limited by power struggle.

• Because of the above-mentioned developments, the intervention of older senior leaders in selecting the new Politburo has gradually become more limited. At the Sixteenth Party Congress the process of selection was dominated by the older members, and each of them succeeded in placing associates in the successor body. However, these factional considerations were played out within limits imposed by the need for a leadership consensus. None of the top leaders was powerful enough to force a nominee on his colleagues against their wills.⁶ At this congress, however, elder leaders of the third generation had almost no impact on power distribution, and retired members of the fourth generation also exercised no influence on the process. This indicates that the new Politburo has been getting more and more autonomous in making decisions.

• Democracy was reintroduced into the political process of the CCP at the latest congress. The mid- and late 1980s were the heyday of political reform in the CCP under the leadership of Hu Yaobang and Zhao Ziyang. Some pro-democratic institutions such as the retirement system and election system, strongly supported by Deng Xiaoping, were created and implemented. These political reforms led directly to the downfall of two general secretaries (Hu Yaobang and Zhao Ziyang) in three years, however. Meanwhile, political reform offered opportunities for the opposition to organize popular movements, especially the peaceful demonstration against

⁶Andrew J. Nathan, "Authoritarian Resilience," *Journal of Democracy* 14, no. 1 (January 2003): 6-17.

top leaders in the name of democracy and patriotism that gathered on Tiananmen Square (天安門廣場) in 1989. The crushing of that protest blocked the move toward democracy, and there was no longer any discussion about the issue inside or outside the CCP. However, a considerable number of the reforms, like the introduction of a limited system of elections, have remained in place. The election system within the Party congress was set up by Zhao Ziyang in 1987, and at the first election, there were 5 percent more candidates than seats on the CCP Central Committee. Under Jiang, this practice persisted. For instance, Deng Liqun (鄧力群), a senior conservative leader, was kicked off the Central Committee in 1994. Responding to growing political pressure, the latest Party congress increased the ratio of candidates to seats from 5.1 percent to 8.3 percent. Unquestionably, the CCP relies more and more on such means to renew itself.

Before 2002, the CCP had never achieved a smooth transfer of power from one generation to the next. Historically, Party autocrats from Mao to Deng employed their charisma and overwhelming power to impose their chosen successors on the Party, but those successors did not last long, either because of their patron's withdrawal of support or as the result of a dramatic factional struggle. However, the CCP has little by little shed the characteristics of a revolutionary party and evolved into a self-improving political entity. The institutionalization of power succession, at least compared with other types of authoritarian regime such as personal dictatorships and military regimes,⁷ will, to a great extent, prolong the life of China's one-party regime.

Political Cooptation

Generally speaking, organizations have two main strategies for coping with environmental change: coopting new personnel and creating new

⁷Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman: University of Oklahoma Press, 1991), 110.

links with other organizations (to be discussed in the next section). These strategies allow the organization to be better integrated with its environment and better informed of changes occurring within it. Cooptation allows the organization to add new skills, experiences, and resources that may enhance its performance and increase its chance of survival.⁸ The CCP, once a Leninist vanguard party, has switched from exclusionary policies to inclusionary ones, as a result of the decision to abandon class struggle for the sake of economic modernization.⁹ In the post-Mao period, this decision has made the CCP more and more dependent on the technocrats and entrepreneurs necessary for economic growth. Former class enemies and counter-revolutionaries are now brought into the Party because they have the skills the Party leaders need to accomplish their policy agenda. These new people, who have sufficient wealth and skills to challenge the dominant Party, would be a potential opposition force if they were excluded from the political system indefinitely. This is the most fundamental reason why the CCP practices political cooptation.

This policy of cooptation began after Jiang Zemin rose to power. Since the market reforms were intensified in the 1990s, private entrepreneurs, vilified by Marx, have emerged in China, particularly in the more developed eastern and southern coastal regions. These individuals provide important economic resources for the country, accounting for one-third of national taxation revenues and running 57 percent of all companies in 2007.¹⁰ The power that these capitalists have accumulated has theoretically enabled society to be independent of the Party-state regime. Widespread official corruption and the desire for local economic growth have made most Party cadres dependent on private entrepreneurs. Thus the economic reform, while necessary for the survival of the regime, has inevitably pro-

⁸Bruce J. Dickson, "Cooptation and Corporatism in China: The Logic of Party Adaptation," *Political Science Quarterly* 115, no. 4 (Winter 2000-2001): 517-40.

⁹Samuel P. Huntington, "Social and Institutional Dynamics of One-Party System," in *Authoritarian Politics in Modern Society: The Dynamics of Established One-Party Systems*, ed. Samuel P. Huntington and Clement H. Moore (New York: Basic Books, 1970), 3-45.

¹⁰Zhao Xiaohui (赵晓辉) et al., "'Red Capitalists' on the Party Congress," October 20, 2007, <http://www.xinhuanet.com>.

Table 1
Percentage of Party Members among Private Entrepreneurs

Year	1993	1995	1999	2000	2001	2004
Members (%)	13.1	17.1	18.1	19.9	29.9	39.9

Source: Sampling of national private entrepreneurs in 2005 and 2006. The figures show that recruitment started before it was legalized in 2001.

duced a powerful group that could challenge the communist regime.

During his last two years in power, Jiang fought for the adoption of the "three represents" (三個代表, *sange daibiao*) policy which provided a legal framework for capitalists and other new social groups to join the Party. This controversial policy was finally adopted in 2001 when it was announced that as long as they met certain criteria, capitalists were welcome to join the Party. As a result, the CCP recruited considerable numbers of "red capitalists," largely from the developed areas of Guangdong (廣東省), Zhejiang (浙江省), Jiangsu (江蘇省), and Shanghai (see table 1).

Another form of political cooptation adopted by the CCP is the direct appointment of private business people to official positions in various kinds of political bodies, mainly state governments, people's congresses, and political consultative conferences. As early as 1995, according to one survey across twenty-two provinces conducted by the All-China Federation of Industry and Commerce (全國工商業聯合會), 14.2 percent of private entrepreneurs were members of people's congresses and 33.9 percent were delegates to political consultative conferences.¹¹ What these bald statistics do not reveal, however, is how more and more capitalists have joined local governments in an effort to exert their influence. Recruitment standards at various levels of the political system seem to place more emphasis on the economic contributions made by candidates rather than their political and moral standards. For example, the Party Committee of Guangrao County (廣饒縣), Shandong Province (山東省), announced in

¹¹ *Zhongguo siying qiye diaocha baogao, 1993-2006* (Survey report on private companies in China, 1993-2006) (Beijing: All-China Federation of Industry and Commerce, 2007).

1993 that to be appointed to a government post, an entrepreneur had to employ over one hundred workers and have an annual tax bill of more than a hundred thousand RMB for at least three years.¹²

The Party's new goal of economic modernization, introduced by Deng Xiaoping, created new social and economic elites. The CCP had to cooperate with these elites if it was to attain its modernization goals and in some cases had to compete with them for local support. They thus represented a potential threat to the regime if left outside the Party. The CCP chose to coopt some of these emerging elites to take advantage of their popular prestige, accomplishments, and above all their contributions to the Party's preeminent goal of economic growth. This policy of cooptation symbolized a shift in the Party's recruitment toward more inclusionary practices.¹³

State Corporatism

The corporatism model of political arrangement has been widely employed both in Western democracies and authoritarian developing countries. It is important to note, however, that corporatism has two subtypes depending on whether it is applied in a democracy or an authoritarian state, categorized by Philippe Schmitter as societal corporatism and state corporatism. According to his analysis, there are many fundamental differences between the two subtypes:

Societal corporatism is found imbedded in political systems with relatively autonomous, multilayered territorial units; open, competitive electoral processes and party systems; ideologically varied, coalitionally based executive authorities—even with highly "layered" or "pillared" political subcultures. State corporatism tends to be associated with political systems in which territorial subunits are tightly subordinated to central bureaucratic power; elections are nonexistent or plebiscitary; party systems are dominated or monopolized by a

¹²*Dongying ribao* (東營日報, Dongying Daily) (山東省東營市), August 17, 1993.

¹³Bruce J. Dickson, *Red Capitalists in China: The Party, Private Entrepreneurs, and Prospects for Political Change* (Cambridge: Cambridge University Press, 2003), 32.

weak single party; executive authorities are ideologically exclusive and more narrowly recruited and are such that political subcultures based on class, ethnicity, language, or regionalism are repressed.¹⁴

State corporatism is closely associated with authoritarian regimes when they seek to adapt to outside changes in order to retain total control. In this way, the dominant party can monopolize resources and remain in power. Moreover, this political adaptation strategy enables the regime to win political support and prolong its political life, because to a certain extent it encompasses what the regime brands as "democracy" and "pluralism." China's experiments over the last few decades indicate that it is practicing state corporatism, although some have argued that the Chinese model of corporatism contains elements of a civil society that point toward societal corporatism. Jonathan Unger's study supports the logic of state corporatism in China. He discovered that many federations of large-scale businesses are still too tightly bound to the Party-state in their structures and staffing to be described as societal corporatism.¹⁵ This arrangement has survived for decades despite the major challenges posed by market reform.

Since the CCP began the process of economic reform under Deng's leadership in 1978, the number of social organizations in China has increased dramatically, particularly since the Tiananmen incident. In 1989, there were around 1,600 nationwide social organizations and over 200,000 local organizations, compared to around 100 and 6,000, respectively, in 1965.¹⁶ After the Tiananmen Square crackdown, the state set about restricting and regulating the development of social organizations. However, such organizations continued to grow in number, ranging from 150,000 to 180,000 in the 1990s and the present decade.¹⁷ In addition to the organiza-

¹⁴Philippe C. Schmitter, "Still the Century of Corporatism?" *The Review of Politics* 36, no. 1 (January 1974): 105.

¹⁵Jonathan Unger, "Bridges: Private Business, the Chinese Government and the Rise of New Associations," *The China Quarterly*, no. 147 (September 1996): 795-819.

¹⁶Wu Zhongze and Chen Jinluo, *Shehui guanli gongzuo* (Management work of social organizations) (Beijing: Zhongguo shehui chubanshe, 1996), 5.

¹⁷See statistical documents on the official website of the PRC Ministry of Civil Affairs (民政部).

tions registered with national and local governments that are represented by these statistics, there are many more grass-roots organizations that are not registered. It is estimated that more than 800,000 grass-roots organizations exist in universities and urban communities, none of which has been approved by government authorities.¹⁸

The existence of so many social organizations has forced the CCP to consider what should be the optimal model for the relationship between the state and society. Learning from the lesson of Tiananmen Square,¹⁹ the Party introduced a model of state corporatism that could dominate society. Immediately after Tiananmen, the central government issued an *Act for the Registration and Management of Social Organizations* (社會團體登記管理條例) which ruled that each social organization must be authorized by two departments of government, the Ministry of Civil Affairs (民政部) and one other relevant department (for example, an organization focused on environmental protection must be authorized by the State Administration of Environmental Protection, 國家環境保護總署). This rule effectively holds back the growth of social organizations outside the state.

The CCP also installs retired senior cadres as leaders of organizations like labor unions. Since 1989 in particular, the leaders of not only the All-China Federation of Trade Unions (全國總工會), the Women's Federation (全國婦女聯合會), and the Youth League, but also those of many new social organizations have been appointed by the Party. Both nationally and locally, retired cadres get opportunities to serve the Party by occupying major positions in these social organizations. These leaders, unquestionably, are forced to enact policies that are in line with those of the Party. In addition, these organizations are to a large extent funded by the state. The more important an organization is politically, the more money it receives. If the state can offer little money, the organization will be allowed

¹⁸Xie Yue, "Shichanghua, minjian zuzhi yu gonggong zhili" (Marketization, social organizations, and public governance), *Xuexi yu tansuo* (Study and Exploration), 2006, no. 4:66.

¹⁹Jonathan Unger and Anita Chan, "Corporatism in China: A Developmental State in an East Asian Context," in *China after Socialism: In the Footsteps of Eastern Europe or East Asia?* ed. Barrett L. McCormick and Jonathan Unger (Armonk, N.Y.: M.E. Sharpe, 1995), 112.

to make a profit. In this way, many "non-profit" organizations still make money.

However, due to limited state capacity, the Chinese government carries out its strategy of controlling social organizations selectively. In general, all organizations which either politically or ideologically threaten the one-party regime are repressed by the Party. In 1999, several individuals who were attempting to establish a Democratic Party of China were sentenced to prison or exiled abroad. In the same year, the religious organization Falungong (法轮功), whose members are mostly senior citizens, was ruthlessly suppressed after it held a peaceful demonstration outside Zhongnanhai (中南海), the Chinese leadership compound. Additionally, traditional organizations such as labor unions which could potentially mobilize workers to protest against the government are deprived of autonomous rights and are heavily dependent on the Party. In his case study of Xiaoshan City (萧山市), Gordon White found that only the most politically inconsequential of social organizations (sports, arts and culture, retired teachers, and female factory managers) were autonomous, in that there was no overlapping of personnel with the sponsoring government bureau and no financial subsidies.²⁰

In strong contrast to other authoritarian regimes, the CCP has not repressed social organizations that have emerged as a result of market reform, but has instead selectively offered them space to develop. There are some examples of effective participation by social organizations, and the proposals they put forward occasionally influence decision-making bodies. Indeed, compared with the past, the post-Mao regime tries to portray itself to domestic and foreign observers as a democracy or proto-democracy. However, the model of state corporatism that takes root in authoritarianism can be viewed only as a substitute for coercion and exclusion rather than a prescription for democracy.

²⁰Gordon White, "Prospects for Civil Society in China: A Case Study of Xiaoshan City," *The Australian Journal of Chinese Affairs*, no. 29 (January 1993): 63-87.

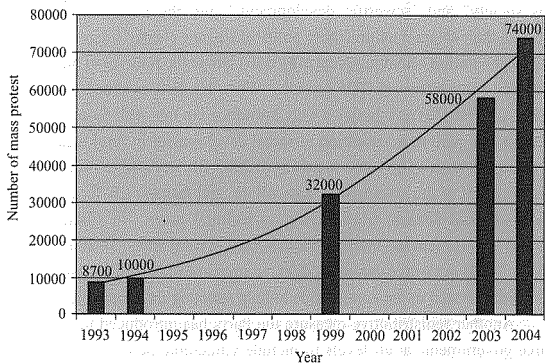
Policy Preference Moving toward Social Development

Compared with democracies, authoritarian states frequently maintain much higher taxation rates because they need more resources to implement coercive policies that prevent people from participating in the political system. The conclusion can thus be drawn that authoritarianism, regardless of whether it is a one-party state, a one-person personality cult, or a military regime, tends to have the lowest levels of wealth redistribution. This leads to extreme poverty and severe income inequality. However, it is this income inequality that to a large extent causes people to take action to overthrow the state.²¹ Many authoritarian regimes collapse as a result of income inequality combined with other elements like an economic crisis. Some, like the Soviet Union and other communist countries in Eastern Europe, were unwilling or unable to engage in redistribution to make their societies richer. Deng Xiaoping had acute insight into the failures of the communist bloc and placed great emphasis on economic development. However, Deng's understanding was incomplete. Although the dramatic economic growth experienced in China since the 1990s has helped the state accumulate massive resources and postponed the demise of the regime, a plethora of complaints and social conflicts prompted by corruption and extreme inequality are still threatening the Party. The Party under Jiang's rule continued to focus on growth-oriented developmental policies, which primarily pursued GDP growth and ignored wealth redistribution. Since Hu Jintao came to power, the regime has had to adjust its policies and give more prominence to increasing average incomes to meet popular demand. Thus, the CCP has recently discovered a potent method whereby it can mitigate political pressure by economic means.

Hu and his colleagues recognize the numerous tensions that challenge the regime. It has been widely noted that Chinese society lacks a basic social safety net: only about 25 percent of the labor force in the country as

²¹Adam Przeworski, Michael E. Alvarez, Jose Antonio Cheibub, and Fernando Limongi, *Democracy and Development: Political Institutions and Well-Being in the World, 1950-1990* (Cambridge: Cambridge University Press, 2000), 121.

Figure 1
Estimated Number of Mass Protests in China, 1993-2004



Source: Susan L. Shirk, *China: Fragile Superpower* (Oxford: Oxford University Press, 2007), 57.

a whole has any kind of pension and that proportion drops to 10 percent in rural areas.²² Furthermore, most of these pensions or retirement plans are inadequate. Meanwhile, the two most important sources of social unrest in China today are the growing numbers of landless migrants and the frequency of industrial accidents resulting from inadequate work-safety regulations. About 40 million people were classed as "landless migrants" in 2003 and 2004. Approximately one-third of them have found new ways to earn a living, but the rest live in poverty.²³ These vulnerable groups, including farmers, migrant workers, and the urban unemployed, have resorted to collective action to air their grievances (see figure 1).

²²Cheng Li, "Hu's Policy Shift and the Tuanpai's Coming-of-Age," *China Leadership Monitor*, no. 15 (Summer 2005), <http://www.hoover.org/publications/clm/issues/2903596.html>

²³Ibid.

At the Seventeenth Party Congress, Hu, like his predecessors, successfully inserted his own ruling philosophy, the principles of a "harmonious society" and "scientific development," into the Party constitution. Despite their abstract nature, these political slogans clearly suggest that the fourth generation is making great efforts to change the policies of the recent past which overstressed GDP growth. When Hu first assumed the presidency, a number of new policies were introduced in line with these political slogans that paid more attention to social development in rural areas. For example, as soon as he came to power in 2003, Hu decided to promote the development of the countryside, agriculture, and farmers (三農, *sannong*) and exempted farmers from paying agricultural taxes. In addition, the central government has increased investment in rural areas. In 2007, 391.7 billion RMB out of the central budget, an increase of 52 billion over 2006, was redistributed in the countryside to help *sannong* development.²⁴

Another redistributive measure the Party has introduced has been to force governments at all levels to include vulnerable people excluded by the state in rural and urban areas into a social welfare system. The issue of health care in rural areas is a serious concern for the Party and society. In this context, increasing amounts of money have been invested in the countryside, allowing more and more farmers to be covered by the health care system. By July 2007, nearly 800 million farmers, 91.93 percent of the total farming population, had benefited from the "new collaborative health systems" (新型合作醫療制度, *xinxing hezuo yiliao zhidu*).²⁵ The central government has promised to build a health care system in the countryside that can be enjoyed by all farmers before 2010. Despite lagging behind developed countries in terms of standards of health care, farmers who have never been treated as equal citizens in the history of China now receive

²⁴Shi Wei (施維) and Huang Chaowu (黃朝武), "Over 397 Billion Will Be Invested in 'Sannong' by Central Budget in 2007," *Farmers Daily* (Beijing), March 6, 2007.

²⁵Han Hao (韓浩), "Reform Experiment of the New Collaborative Health System in Rural Areas Will Be Expanded in 2007," December 19, 2006, <http://www.xinhuanet.com>. The "new collaborative health system" operates mainly in the countryside. It is funded by the state, local government, and farmers. Since 2003, the central government has increased investment in this program.

considerable benefits.

The Party has worked hard to help farmers and poor workers who have suffered as a result of land development by local governments. The central government has ordered a reduction in land leases for commercial and industrial uses and a reduction in the number of special economic zones, which often receive favorable tax breaks and other benefits. As a result, in 2004, 4,735 special economic zones (70.2 percent of the total) were closed down.²⁶ Meanwhile, local governments, under pressure from the Party, are compensating migrant farmers and workers for the losses they have suffered from land development. Complaints from below regarding compensation for land expropriation and house demolition have begun to decrease in the past year. According to my interviews with local officials, many people, including farmers and workers, can obtain compensation that exceeds the actual value of their land or houses, and thereby enrich themselves.

Hu Jintao's calls for a "harmonious society" and his populist approach are apparently aimed at enhancing the governing capacity of the CCP and consolidating his own power. Nevertheless, this strategy for China's development differs profoundly from those of Hu's predecessors. Concerns about social development have pushed aside the old model's emphasis on economic efficiency, and a people-centered rhetoric downplays the drive for GDP growth.²⁷ The Party, with the precondition that it will remain the ultimate authority, has learned how to adapt itself to outside changes in the economy.

Political Implications for Democratization of Party Adaptation

Judgments about the prospects for political reform in China generally fall into two camps: that of the optimists and that of the pessimists. Op-

²⁶*Liaowang dongfang zhoukan* (瞭望東方周刊) (Beijing), December 30, 2004, 25.

²⁷See note 22 above.

timists, notably Jack Goldstone and Bruce Gilley, argue that the current regime in China will quickly collapse and be replaced by a democracy.²⁸ Pessimists like Andrew Nathan and Pei Minxin believe that it would be very difficult for democratization to happen in China in the short term, although social conditions in favor of democratization are developing.²⁹ In common with those of Andrew Nathan, my arguments show that democratization in China will be postponed for an extended period of time, as the CCP has proved itself adept at adapting to external changes.

Barbara Geddes found that, in contrast to Stalinist or military juntas, one-party authoritarian regimes are more likely to collapse and democratize as a result of splits within the elite.³⁰ The most common causes of such splits are ideological bifurcation and unfairness of power distribution, which eventually weaken the political foundation because of the lack of popular support. The role of ideology in the political processes of the CCP has grown weaker and weaker, which is in accordance with Huntington's judgment.³¹ Older cadres with highly conservative mind-sets have left the political stage, and the new leaders have no ideological opponents who offer rival explanations of China's developmental model. At the same time, younger conservatives have quickly given up their ideological beliefs. Both within and outside the Party, market socialism, the ideology advocated by Deng Xiaoping, is completely dominant; never before has ideology among the elite been so tightly consolidated. In essence, a political crisis caused by ideological bifurcation is not an issue in China.

The other factor that could facilitate collapse or democratization—serious unfairness of power distribution—is reduced by the institutional-

²⁸Jack Goldstone, "The Coming Chinese Collapse," *Foreign Policy*, no. 99 (Summer 1995): 35-53; Bruce Gilley, *China's Democratic Future: How It Will Happen and Where It Will Lead* (New York: Columbia University Press, 2004); and Bruce Gilley, "The Limits of Authoritarian Resilience," *Journal of Democracy* 14, no. 1 (January 2003): 18-26.

²⁹Nathan, "Authoritarian Resilience," 15-16; and Pei Minxin, *China's Trapped Transition: The Limits of Developmental Autocracy* (Cambridge, Mass.: Harvard University Press, 2006).

³⁰Barbara Geddes, "What Do We Know about Democratization After Twenty Years?" *Annual Review of Political Science* 2 (1999): 115-44.

³¹Huntington, "Social and Institutional Dynamics of One-Party Systems," 25.

zation of power succession inside the CCP. In the era of Mao and Deng, the CCP was dominated by factional struggles. No matter who triumphed or failed in the power struggle, it would lead to irreconcilable antagonism because the many losers felt that power had been allotted unfairly. In these circumstances, zero-sum game politics based on one or two political factions would inevitably worsen relations among the political elite, finally pushing it toward a catastrophic split. The institutionalization of power succession, however, will very possibly make elites more loyal to the Party or governmental institutions than to factional leaders, thereby extending the life of the regime. Political elites will be more loyal to the Party because the institutionalization of power succession stresses an individual's own merits when he/she is promoted. Therefore, those who lack a factional background but excel in management have acquired more and more opportunities to be appointed to high positions. Most members of *Tuanpai* lacked powerful sponsors before they succeeded in the power distribution, but they did have better qualifications than their rivals. Hu Jintao and his followers have benefited greatly from the institutionalization of the Party.

As the institutionalization of power succession has weakened factionalism, the model of decision-making inside the Party has also been shifting. The fact that it is more difficult for high-level officials to monopolize decision-making indicates that a significant system of checks and balances has been established, at least among several leading politicians. No one in the Politburo is able to dominate the public policy agenda. Not only does this model of decision-making strengthen the responsibilities of the elites, it also leads to better policy development. When factionalism prevails, no one takes responsibility for decisions because faction members are subject only to their own sponsors. In contrast, pluralism within the Party will make decision-makers subject to pressure from both political opponents and the masses. Limited competition inside the Party is conducive to better decision-making and fewer opportunities to make mistakes. Crises caused by wrong decisions that could lead to the collapse of the one-party regime or to democratization are now much less likely. The new model of decision-making will in the long run constrain elites and society from expressing demands to promote political reform or democratization.

It will also discourage the emergence of political opposition within the Party. What the CCP is doing, in practice, is using internal Party democracy (黨內民主, *dangnei minzhu*) to stave off liberal democracy.

Accordingly, political cooptation and state corporatism have prevented social elites and social organizations from developing into a political opposition outside the Party. These strategies of Party adaptation appear to have undermined the foundations of society by opening up relatively broad political spaces, but the fundamental purpose and practical consequences of political cooptation and state corporatism are to further consolidate the Party's power and wipe out political opponents. In Geddes' view, one-party regimes survive in part because their institutional structures make it relatively easy for them to allow greater participation and popular influence on policy without giving up their dominant role in the political system.³² The strategies adopted by the CCP have been successful in doing this over the past three decades.

The emergence of social elites in the middle class has caused many specialists to be optimistic about the prospects for democratic political reform in China. Yet political cooptation by the Party has unfortunately stripped the middle class of its democratizing function. Those who are powerful and influential in society have been subsumed into politics and are heavily dependent on the Party. The "red capitalists" use their political connections to gain privileges such as access to political figures and to create mutually beneficial relations with them. It is only rational for them to prefer an authoritarian regime in which they have thrived to the uncertainty inherent in a new and untried political system.³³ The middle class in China is not an ally, therefore, but rather a foe of democratization. It is in its interest to prevent change in order to maintain its own position.

Social organizations have historically played an indispensable role in promoting democratization around the world. Independent of the state, they can mobilize the masses to take collective action to prevent a regime

³²See note 30 above.

³³Bruce J. Dickson, "Integrating Wealth and Power in China: The Communist Party's Embrace of the Private Sector," *The China Quarterly*, no. 192 (December 2007): 827-54.

from maintaining or consolidating its power. However, such organizations in modern China are organized according to the model of state corporatism and are unable to integrate social forces. They have therefore been transformed into guardians of the regime, protecting it against any challenges from society. Social protests are occurring throughout rural China, but these protestors are unlikely to form collective social movements that change policies.³⁴ Moreover, the state can deal with grievances and alleviate conflicts of interest through persuasion and negotiation rather than coercion. State corporatism, in a sense, has cemented the one-party regime and at the same time created an increasingly atomized society.

Chinese on low incomes will more easily feel satisfied if the regime offers elementary social support. Farmers have not been able to form powerful cross-class coalitions and therefore find it difficult to make claims for political reform aimed at protecting their rights as citizens. All peasant-based revolutions in Chinese history have come about when the state has been unable or unwilling to mitigate the extreme poverty of the population through redistribution. For the state, redistribution can reduce dissatisfaction and increase political support, which authoritarian regimes usually lack. Under conditions of high state capacity, such a policy shift would work to minimize demands from below. This is exactly the objective of Hu Jintao and Wen Jiabao.

To sum up, strategies of Party adaptation have blocked off several possible paths to democratization in China: top-down, bottom-up, or a mixture of the two,³⁵ producing many factors that will support the survival of the one-party regime despite the context of market reform. As long as the CCP achieves high economic growth, there will be insufficient pressure to force the regime to consider significant political reform.

³⁴Thomas P. Bernstein and Xiaobo Lü, *Taxation without Representation in Contemporary Rural China* (Cambridge: Cambridge University Press, 2003), 117.

³⁵Elisabeth Jean Wood, *Forging Democracy from Below: Insurgent Transitions in South Africa and El Salvador* (Cambridge: Cambridge University Press, 2000), 10.

Conclusion

The Seventeenth Party Congress tells us much about contemporary Chinese politics. The results and processes of this congress indicate that the CCP is undergoing a successful political adaptation. Nathan correctly describes the combination of the Party and state as "authoritarian resilience," showing that the CCP has developed self-improving solutions which greatly enhance its ability to survive.³⁶ This article is an attempt to further explain why political reform will be delayed. Strategies of Party adaptation have effectively decreased outside discontent and internal divergence which might have pushed the regime toward democratization. The Party has enhanced its survival capacity and thus overcome many forces that in other countries have led to political reform and eventual democratization.

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³⁶Nathan, "Authoritarian Resilience," 15-16.

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