China’s Developmental Authoritarianism
Dynamics and Pitfalls

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Abstract

China has enjoyed an economic mega-boom for more than three decades, but the era of hyper-growth is over. This essay first delineates in broad strokes the major trends in China’s political economy and governance that have characterized the China Model of authoritarian developmentalism. It also discusses the malcontents associated with Chinese developmentalism and the challenges they pose to Communist Party rule. Finally, the essay examines the strategies and tactics China’s leaders have adopted to respond to profound socioeconomic transformations and assesses their implications for the future of China’s governance.

Keywords: China, authoritarian developmentalism, stability maintenance regime, neo-authoritarianism, Communist Party, Deng Xiaoping, Jiang Zemin, Hu Jintao, Xi Jinping.

Unlike its counterparts in the former Soviet Union and East Europe, the Communist Party of China (CCP) has been able to recover from the ravages of the Mao Zedong era and the shock of the 1989 Tiananmen crisis. Since the late 1970s, the CCP has led China’s remarkable transformation from a backward and largely autarkic economy into the world’s second largest. As a result, the CCP not only has retained its political monopoly but also has been able to rebuild its legitimacy on the basis of rapid economic growth and rising living standards.

Many other countries have combined authoritarian rule with modern economic growth, only to transition to democratic governance after attaining significant levels of development. Studies of political regime transitions show a powerful pattern that economic development breeds democracy.1 Dictatorships...
may die in many different ways and in highly contingent processes, but they do eventually die with development.

Nearly two decades ago, Henry Rowen, a Stanford University scholar who had served previously as president of the Rand Corporation (1967-1972), Chairman of the National Intelligence Council (1981-1983), and Assistant Secretary of Defense for International Security Affairs (1989-1991), published a widely-read essay entitled, “The Short March: China’s Road to Democracy.” Drawing on the seminal work of Seymour Martin Lipset, Rowen noted that China’s economic growth had been accompanied by a broad spectrum of liberalizing reforms, including the expansion of grass-roots democracy (especially village elections), liberalization of the mass media, and progress toward the rule of law. Basking in the afterglow of the breakup of the USSR and the democratic transition in Eastern Europe, Rowen saw the Chinese trends as democratizing ones and forecast that China would become democratic by around the year 2015. Rowen later revised his forecast and projected that China likely would be “Partly Free” by 2015 and “Free” by 2025.

As I write this essay in 2015-2016, few serious analysts of China would argue that China’s march to democracy is over or that it will be short. Rowen’s forecast of China’s marching to democracy since has been joined by a plethora of others, including those of collapse, stagnation, integration, and resilience. Some have held up China as a model of meritocratic governance best suited for one-party rule.

Meanwhile, comparative research also has moved away from its preoccupation with democratization and devoted increasing attention to the dynamics of authoritarian regimes. While recognizing the foundational weakness of authoritarian rule in the age of global democracy, scholars have

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5 Minxin Pei, China’s Trapped Transition: The Limits of Developmental Autocracy (Cambridge, MA: Harvard University Press, 2006).
noted that authoritarian regimes have developed a variety of tools to coopt, pacify, censor, and coerce. They may bolster their legitimacy and resilience by adopting various democratic institutions, including elections and legislatures. They often shore up their bases of support by channeling scarce resources through clientelist networks. And, new technologies can be marshalled for different purposes; they may make it easier for potential opposition to communicate and organize, but they also enable some ruling regimes to develop new capacities for governance. Finally, leaders of authoritarian regimes learn and adapt. Indeed, translations of books such as The Dictator’s Handbook are readily available in China.

Whereas, at the time of Rowen’s initial prognosis, China was at best a middle-sized economy struggling to emerge from the ravages of Maoist misrule, it has since morphed into a behemoth with the world’s second largest economy (behind just the United States), largest foreign exchange reserves, and second largest defense budget. While comparative research tends to consider each state more or less as comparable units, China’s size and heft make it stand out and allow it to reshape the context within which it is considered. It is thus understandable that David Shambaugh, who pronounced the beginning of the endgame for CCP rule in 2015, nonetheless continues to call for Washington and Beijing to cooperate where they can in what he, agreeing with both governments, considers the most important relationship in world affairs.

Put simply, few questions are as significant as the one about China’s political future, which not only is important for its billion-plus people but also has momentous implications for the future of the liberal global system. If China were to further develop and become a liberal democracy, it would, given its population size and economic weight, help turn the world decisively in the direction of democracy (as measured by the Polity score, which at present is close to being neutral) and, thus, vindicate Francis Fukuyama’s influential “end of history” thesis, first pronounced in 1989, of an “unabashed victory of economic and political liberalism.” In contrast, the success of China as

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an illiberal state would inspire as well as offer succor to other authoritarians, especially if liberal democracies were to flounder in sustaining prosperity and perform poorly in governance.14

The purpose of this study is not to proffer yet another forecast, but to delineate in broad strokes the mega-trends in China’s political economy and governance so as to help informed readers make better sense of China’s ever-evolving governance and its prospects. The rest of the essay first describes the broad patterns of China’s authoritarian developmentalism, otherwise known as the “China Model,” spanning the periods from Deng Xiaoping to Jiang Zemin and Hu Jintao. The next section discusses the discontent with the China Model, as evidenced by the incidence of protests, as well as the profound social transformation China has undergone and the challenges it poses to governance. The following section examines how Chinese authoritarianism has adapted in both soft and hard ways. The final section offers conclusions.

Authoritarian Developmentalism from Deng to Hu

Following the Tiananmen crisis of June 1989, Western pundits writing in leading publications of the time, including the Financial Times and the New York Times, quickly pronounced the death of China’s reforms. The pundits turned out to be woefully wrong as, following Deng Xiaoping’s celebrated Southern Tour in 1992, a new wave of reforms was unleashed and, as is well known, China has since achieved a long period of economic growth and rising prosperity.

Between mid-1989 and the end of 2012, Jiang Zemin and Hu Jintao served consecutively as the general secretary of the Chinese Communist Party. Both were chosen by Deng Xiaoping. Although each launched major new initiatives during his tenure, both followed the central tenets of Deng’s pragmatic governing philosophy. To begin with, the so-called four cardinal principles, first enunciated by Deng in 1979, asserted the Chinese Communist Party’s imprimatur to rule. In practice, Jiang and Hu took to heart the following twin statements from Deng Xiaoping: “Development is the hard truth” (發展是硬道理), and “Stability overrides everything else” (穩定壓倒一切).15


Taken together, the two above tenets have constituted the guiding philosophy of China’s authoritarian developmentalism. They have implied a grand bargain between the CCP ruling regime and Chinese society. The CCP ruling elite would embark on a mission to generate growth that would produce employment and growing prosperity for the nation, but would not brook challenge to its rule. On occasion, President Jiang Zemin would be heard to express it in the most down-to-earth terms, “Keep quiet and make a big fortune (悶聲發大財).”

The spectacular economic growth that China achieved during the Jiang and Hu periods (1989-2012) was accompanied by equally glaring side effects, including dramatic increases in inequality, massive and rampant corruption, and severe environmental degradation. Such side effects were not unexpected and, in fact, were partly intended. Astounded at how far China had lagged behind in the aftermath of Mao’s Cultural Revolution, Deng was extremely eager for China to play catch-up. He privileged growth and efficiency at the expense of equity in the 1980s and was willing to encourage some people and regions to become rich first, so that those left behind would be helped to achieve common prosperity, with the expectation that those left behind would be helped. Likewise, adhering to the mantra of “development as the hard truth,” most Chinese leaders saw some damage to the environment as the price to pay for growth.

Yet, over time, the scale and potential destructiveness of the severe side effects of China’s authoritarian developmentalism shocked Chinese leaders and prompted them to mount a broad range of responses. To begin with, in the 1990s, the Chinese state enterprise sector suffered from massive inefficiencies and was forced to undergo painful reforms. Unfortunately, the working class, theoretically the most important social base of support for the Communist Party, bore the brunt of the state sector reforms. Data from the National Bureau of Statistics report that total state sector employment dropped sharply from 110.4 million at the end of 1997 to 76.4 million by the end of 2001. At the time of the state sector restructuring, there was hardly any social safety net beyond the enterprise and an overabundance of rural-area labor supply. As a result, many of the workers downsized from the state sector fell on hard times. A new crowd of the dispossessed emerged in urban China. Motivated by a profound sense of having been unfairly treated, there were many protests by the furloughed or laid-off workers seeking redress.

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16 Jiang Zemin lectured Hong Kong journalists accordingly on October 27, 2000.
Farmers also fared badly and were faced with shrinking margins from stagnant farm prices and rising input costs as well as rapacious local governments. Tens of millions left their hometowns to serve as migrant workers in cities or mines, but the rural exodus also depressed wages for the migrant workers as well as for former state sector employees seeking alternative employment. For about a decade through the mid-2000s, wages for migrant workers stagnated and, to add insult to injury, were often in arrears. China was said to enjoy a massive demographic dividend for economic growth, but the dividend primarily went to capital as well as to the government.20 For much of China’s reform era, according to some economists’ estimates, labor’s share of GDP declined and became one of the lowest in the world.21

The decline in labor’s share of GDP was related to a massive retreat from equality. At the start of the reform era in the 1980s, China was one of the world’s most egalitarian economies. Since then, inequality in China has risen dramatically. Comparisons made by the World Bank find that China’s growth became significantly more unequal than that of its East Asian neighbors. By the end of the 2000s, China had become one of the most unequal societies in the world.22

With abundant and cheap labor, in the post-Tiananmen era, China became (until recently) heaven for investors as well as political elites wishing to convert their power and influence into financial gains for their families and connected interests. Journalists in recent years have unearthed an abundance of information on the vast wealth acquired by the leading political families, including the princelings.23 The wealthy are offered seats in the national and

local legislatures and consultative bodies. According to the Hurun Report, as of 2015, one in seven of China’s richest people were delegates to the National People’s Congress (NPC) or members of the Chinese People’s Political Consultative Conference (CPPCC). The combined net worth of these 203 delegates or members was estimated to be US$464 billion. Membership on the NPC has been found to boost the fortunes of private business owners.

Since the end of the 1990s, much of the Chinese growth has been driven by a rise in the value of exports as well as increases in the development and appreciation of land, property, and other assets (such as coal, oil, and metals), all heavily regulated sectors. Meanwhile, any company seeking to list on the Chinese stock markets must meet substantial regulatory requirements. All these regulatory hurdles have provided numerous opportunities for those with power and access to power to seek rents and profits. The wealth-gathering has not been limited to the most powerful, as it has been widespread, too, among local elites and managers of state-owned enterprises across the country.

Here, we focus on land, which, as a legacy of the Chinese revolution, is owned by the state (government authorities ranked at the county-level or above) in urban areas and by the collective in rural areas. Importantly, according to the PRC Land Management Law (1999), the state has the exclusive right to requisition land from rural areas in exchange for compensation “for the original usage of the land being requisitioned (art. 47).” Such provisions have enabled the Chinese government to acquire vast amounts of land cheaply for massive industrialization and urbanization.

Local authorities have been eager to requisition rural land not only because

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local leaders have a strong desire to promote development but also because of compelling fiscal incentives. Following successive tax reforms beginning in 1994, local authorities have had to cope with limited tax bases and have found it highly lucrative to acquire rural lands on the cheap and then resell them for commercial and industrial development. Until the mid-2010s, the humongous property boom generated insatiable demand for land (and, in turn, other resources). Real estate tycoons regularly made the lists of the richest, and local governments became flush with funds generated from the sale of the right to the use of land. By the late 2010s, the amount of off-budget land-lease fees had reached as much as being equivalent to 50 percent of local government revenue.

Highly lucrative and heavily regulated, the real estate sector was a magnate for those with influence. The dissection of the real estate empire of Zhao Jin (趙晉) by China’s leading investigative journal, Caixin, offers a striking illustration of the sort of real estate developer that successfully married business acumen with political access. The son of Zhao Shaolin, who had served as secretary general of the Jiangsu Provincial Party Committee, Zhao Jin started his initial real estate projects in Nanjing, capital of Jiangsu Province, and later expanded to Jinan and Tianjin with dozens of business operations and deep connections with powerful protectors in government in these other cities. Connected to Zhao Jin was Zhou Jing (周靖), the son of Zhou Benshun (周本順), who had served as head of the Hunan Provincial Political and Legal Affairs Committee and was secretary general of the powerful Central Political and Legal Affairs Commission from 2007 to 2013. Zhou and his associates utilized the political capital of their fathers to profit from real estate and construction projects in Hunan.

An excellent indication of the kind of cronyism was evident concerning golf courses. National regulations prohibited new golf courses after 2004, but enforcement of these regulations was highly selective. Research conducted by Xin Sun shows that golf course developers connected with high-level political elites were more likely to violate the national prohibition and get away with

31 Xie Haitao, “‘Zhao Yanei’ de fangchan diguo” [The real empire of ‘Yanei’], Caixin zhounakan (May 25, 2015).
their violations.\textsuperscript{33} 

The voracious demand for land has been met by massive efforts to demolish and relocate in urban areas and to requisition land from rural areas (though some of the rural land also results from the relocation of existing communities). Indeed, a symbol of China’s rapid development is the Chinese character 拆 (demolish), written in bold on the walls of structures to be demolished to make way for new construction. In its Chinese pronunciation, 拆 (chai) rhymes with “China,” and netizens in China sometimes refer to China using “chai na,” which sounds like 拆那 (demolish!).

As investors and local governments profited from the roaring economy and soaring prices of land, property, and commodities, those who had to make way for the numerous projects from mining to real estate were given short shrift. A 2011 survey of nearly 1,800 villages found that villagers who had lost land reported receiving an average of 18,739 yuan per mu—a paltry 2.4 percent of the 778,000 yuan per mu received by local governments from reselling the land for commercial and industrial development.\textsuperscript{34}

\textbf{Protests, Social Transformation, and Chinese Governance}

As noted earlier, as the Chinese economy soared, many of those who became rich tended to be those with the right connections. While the Chinese public welcomes competition, it has rightfully considered much of the new wealth as gained not through fair competition but as a result of corruption and influence peddling.\textsuperscript{35} Rising inequality and corruption have contributed to significant discontent, even while survey data show that the vast majority of Chinese approve of the general direction of development for the country. Popular discontent with rising inequality is all the more acute morally because China continues to espouse the rhetoric of socialism.

Buffeted by wrenching economic transformations of one kind after another, from SOE (state-owned enterprise) furloughs and wage arrears, to unfair housing evictions and land takings, growing numbers of Chinese have taken to making petitions, going to the courts (if allowed), and mounting protests to seek redress.\textsuperscript{36} The number of “mass incidents” (i.e., mass protests


\textsuperscript{34} Landesa, \textit{Findings from Landesa's Survey of Rural China Published} [online], Landesa (2012), http://www.landesa.org/news/6th-china-survey (accessed April 22, 2015).


and riots) rose from around 10,000 in 1993, to 187,000 in 2010, and to an estimated 200,000 in 2012, or more than 500 each day. In recent years, the number of labor strikes has risen as the economy has slowed.37

Seen in the aggregate, the growing number of contentious events is an indication of a profound struggle over entitlement and property rights. As the Chinese economy boomed and relative prices shifted, often dramatically for various asset classes including land and property, it was no surprise that the struggle would intensify, as had occurred in earlier episodes of world-historical socioeconomic transformations, such as the Industrial Revolution or the American West during the Gold Rush.38

Scholars have devoted much attention to studying the causes and dynamics of protests. As Xi Chen notes, the strong authoritarian state in China has accommodated itself to and, indeed, facilitated the rise of collective petitioning. This is because the Chinese state continues to be attached to the xinfang (letters and visits) system, at a time when Chinese citizens are increasingly freed from the bonds of the work unit system and the Chinese state itself is riven by tensions and contradictions.39 Collective petitioning has evolved into a form of interest articulation. Confronted by the overwhelming presence of the state coercive apparatus (more below), Chinese petitioners and protesters have tended to delimit their demands and focus on specific grievances such as back wages and benefits, unfair land takings, and workplace safety issues, in what Kevin O’Brien calls “rightful resistance.”40 Recent years have witnessed the rise of NIMBY (“not in my backyard”) movements in a variety of cities, particularly protests to keep away PX (paraxylene, a flammable chemical) plants and garbage incineration facilities.

While labor has been better organized, worker protests have been highly cellularized.41 Both state and protesters have adopted a variety of tactics to deal with each other, with the protesters displaying an uneasy combination of obedience and defiance.42 Xi Chen refers to the emergence of a form of

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“contentious authoritarianism,” while Lee and Zhang speak of a “bargained authoritarianism” in China. It should be noted that the incidents of riots in parts of China, including Chizhou (Anhui), Wanzhou (Chongqing), Weng'an (Guizhou), Tibet, and Xinjiang, indicate major problems of local governance and significant pockets of instability. However, regarding the multitude of collective petitioning and mass incidents across the country, the overriding assessment of the literature on contentious politics in China is that these incidents should not be read simply as an indication of an increasingly unstable regime.

Indeed, the party-state, more specifically local authorities throughout the country, has frequently been the cause of, rather than the solution to, many grievances and subsequent petitions and protests. As noted earlier, for example, the Chinese legal and administrative framework for requisitioning land and property, until recently, was designed to facilitate the takeovers rather than acquisition on the basis of just compensation. In taking over land and property for development, local leaders are not motivated simply to promote development but are strongly motivated, out of consideration for both public and private interests, to keep compensation modest for those whose land and property are being requisitioned. Moreover, when the dispossessed wish to sue for a fair deal in court, local authorities often are known to instruct the courts not to accept such cases.

Given the high stakes involved for many families, it is no surprise that housing demolition and land grabs have been the leading causes of contention in Chinese society. More than 65 percent of the 187,000 “mass incidents” that occurred in China in 2010 were due to farmers’ discontent with unfair compensation. Land requisition is found to lead to reductions in the level of villager trust in local authorities. It was not until the 2010s that the terms of compensation improved significantly for those whose land and property became the target of government-mandated requisition.

As the number of mass incidents has risen steadily amid the biggest economic boom in Chinese history, the Chinese leadership has devoted vast resources to develop what is now widely known as the stability maintenance or preservation regime (維穩體制). Such a regime became a crucial bulwark for rapid growth, making it easier to requisition land on the cheap for development projects, keeping labor inexpensive, and yet generating surplus revenue for local governments and enriching the powers-that-be and their friends. In an

The ironic historic twist, the Chinese Communist Party has become the handmaiden for wealth accumulation by capital and by families and friends of the party elite.

This stability maintenance system has helped to keep order but as part of a one-party rule and in the absence of the rule of law, it also has bred many abuses, some of which have only recently come to light, especially in the aftermath of the spectacular falls of Chongqing Party Chief Bo Xilai, Chongqing police chief Wang Lijun, and Zhou Yongkang, a former member of the CCP’s Politiburo Standing Committee and the former secretary of the Central Political and Legal Affairs Commission, which oversees the police, state security, courts, procurators, and justice. Among the excesses were the detention of petitioners in “black jails” as well as the confiscation of property in Chongqing and some other parts of the country.46 Left on their own, some local leaders morphed into mafia-style local bosses.

Social Transformation, Rising Expectations, and Challenges to Governance

The massive Chinese economic transformation has been accompanied by profound social changes, including rising living standards and greater educational attainments. Take education. More than seven million students were graduated from Chinese colleges and universities in 2014, over ten times as many as in 1990. The 2014 number for China was more than two and half times the combined number of associate’s degrees (1 million) and bachelor’s degrees (1.8 million) awarded in the U.S. (2014-2015). Large numbers of Chinese students also study abroad, including about 275,000 in the United States in 2014. Never before have China’s younger generation had such access to higher educational opportunities.

The effect of greater access to education and of rising literacy for the population as a whole is further enhanced by amazing technological developments, as embodied in the ubiquity of the smartphone among the Chinese population. China has the world’s largest number of Internet users. Despite the existence of an elaborate censorship regime, ordinary Chinese today have access to enormous amounts of information, and public issues can be discussed and debated in numerous online forums, especially Weibo and WeChat. With increasing competition from local stations and the Internet, viewership of prime-time CCTV news, the classic vehicle for top-down information dissemination, has fallen dramatically, especially among Chinese under thirty-five.47

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46 For more elaboration, see Dali L. Yang, “China’s Troubled Quest for Order: Leadership, Organization, and Contradictions of the Stability Maintenance Regime,” Journal of Contemporary China, forthcoming.

What we are witnessing in China is the emergence of a growing middle class, including private entrepreneurs, and a growing number of what Pippa Norris calls “critical citizens.” For theorists of democratization from Barrington Moore to Henry Rowen, these are the social forces for democratization.

So far, in spite of the mass incidents and protests, the Chinese regime does not appear to face major challenges to its rule. The mass incidents and protests are largely evidence of growing pains from China’s massive economic transformation and dislocation, and do not constitute an existential threat to the regime. The CCP is by no means sitting on a social volcano. In fact, data from virtually all social surveys indicate that the CCP and the central government enjoy high popular support compared with governments in developed economies and that such high political support has helped to engender social trust that is valuable for economic development.

There has been a growing number of studies examining the political predilections of China’s entrepreneurs and middle class. In spite of the varieties of definitions and measurements used, the authors of the studies generally recognize that China’s middle class has grown rapidly but also has become increasingly diverse and differentiated. Such diversity and differentiation make it hard for members of the middle class to become unified in identity. Some of the newly rich have simply voted with their feet and become foreign residents and citizens, thus largely depriving China of their voice.

The existing studies are divided on the political implications of China’s rising middle class, but the majority of researchers find most of the middle class are status-quo-oriented. A comprehensive compendium of Chinese and

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52 Bruce J. Dickson, Wealth into Power: The Communist Party’s Embrace of China’s Private Sector (New York: Cambridge University Press, 2008); Jie Chen and Bruce J. Dickson, Allies of the State: China’s Private Entrepreneurs and Democratic Change (Cambridge, MA: Harvard University Press, 2010); Cheng Li, ed., China’s Emerging Middle Class: Beyond Economic Transformation (Washington, DC: Brookings Institution Press, 2010), various chapters; Kellee
American studies can be found in a volume edited by Cheng Li at the Brookings Institution.\textsuperscript{53} In the view of Bruce Dickson, “private entrepreneurs defend their new-found wealth not against a rapacious state but against the uncertainty of an alternative regime.”\textsuperscript{54} Some authors, such as Teresa Wright, claim that most professionals in China are “skeptical of majority rule and desirous of close connections to the existing authoritarian political establishment.” Many members of the intelligentsia have become more critical of liberal ideas and “more overtly supportive” of the regime.\textsuperscript{55}

Yet, the experiences of East Asia (South Korea and Taiwan) remind us that only some segments of the middle class played significant roles in the democratization process. Michael Hsiao notes that it may be misguided to search for one united middle class dedicated to democratization.\textsuperscript{56} China’s social transformation means that a growing number of Chinese citizens have gained critical capacities to see through the official rhetoric and also have gained access to a growing amount of information.\textsuperscript{57} Where Wright asserts close ties between Chinese lawyers and the party-state, Michelson and Liu use survey data and find that “Chinese lawyers are strongly inclined toward political reform, attach greater importance to political rights than to economic rights, and are profoundly discontented with the political status quo.”\textsuperscript{58}

More generally, it is commonly believed that rapid development strongly underpinned popular support for the ruling regime in China.\textsuperscript{59} Yet, with sustained development has come profound social transformation and growing societal skepticism.\textsuperscript{60} Those who are more educated are found to trust the

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S. Tsai, “Capitalists without a Class: Political Diversity among Private Entrepreneurs in China,” 
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Ibid., 305-306.
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Ibid., 83 and 71.
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For a survey of social transformation, see Mette Halskov Hansen and Rune Svarverud, eds., China: The Rise of the Individual in Modern Chinese Society (Copenhagen: NIAS Press, 2010).
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Chinese government less, even in rural areas. Some research has pronounced the arrival of critical citizens in China.

With more people becoming better informed and more skeptical, the Chinese leadership no longer can take public support for granted. For Truex, new “input institutions” are found to have little positive effect on citizens with a high level of education, high access, and high expectations. A variety of reforms under the rubric of “consultative authoritarianism” are only satisfactory temporarily. As Xin Sun notes with respect to the adoption of village elections, there exists a sort of autocrat’s dilemma such that reforms beget demands for more. Xiaobo Lü makes the same point regarding social policy. In the view of Jeremy Wallace, urbanization is a Faustian bargain for China’s ruling regime. The Chinese ruling elite must keep running on the treadmill of trust.

While there have been high approval ratings for China’s direction of development, Chinese society nonetheless has been enveloped in growing unease. In fact, the percentage of Chinese who said they were happy declined at the same time that the Chinese economy achieved hyper-growth rates in the 2000s. It is generally believed that the decline in societal happiness is related to growing concerns with rising living costs, inequality, and quality of life issues (e.g., food quality, air and water pollution, and traffic congestion). But the contrast in numbers also reflects rising public expectations. In fact, recent analysis by the Pew Research Center shows that, in spite of more modest economic growth, the Chinese population is the second most optimistic, just behind Vietnam’s, in saying that “today’s children will be better off financially than their parents.” Most of the developed economies rank among the most pessimistic. The optimism of Chinese is understandable following more than three decades of increases in standards of living, but it also sets a high bar for China’s leaders.

61 Tao et al., “How Does Political Trust Affect Social Trust?”
Beginning in the mid-2000s, China’s leaders drew on the country’s growing wealth and rising tax receipts to abolish the agricultural tax and to make massive investments in rural education, health insurance, welfare, and subsidies to farmers. Such social welfare and health insurance reforms have won the Chinese government much popular support and, according to official statistics, have contributed to halting the further rise of China’s already high inequality as measured by the Gini coefficient. Whereas in the 1990s rural China suffered from the scourge of heavy “peasant burdens,” by the end of the 2000s it was the beneficiary of a growing array of government support initiatives. Consequently, rural residents’ satisfaction with local governance has enjoyed broad improvement. In the mid-2010s, the Chinese government modified the draconian family planning policy to two children per couple (if single births) and began to offer catastrophic health insurance for all residents. In announcing the initiative to develop a nationwide insurance program for major illnesses by 2017, Premier Li Keqiang was explicit in emphasizing that such insurance would serve as a stabilizer for the entire society.

The Chinese leadership also has made strenuous efforts to improve economic governance since the 1990s. A massive stimulus was unleashed during the Hu-Wen administration to counter the effects of the Great Recession in 2009-2011. As the economy has slowed following the Hu-Wen years, the Chinese leadership (Xi Jinping and Li Keqiang) has returned to the economic reform agenda in the hope that reforms can help to unlock innovation and unleash new growth. In 2013-2014, the CCP Central Committee issued two major documents laying out an ambitious agenda for market-oriented reforms and for governing the country in accordance with law. Premier Li Keqiang, in particular, has given special emphasis to reducing the number of government approval items and creating a more hospitable environment for entrepreneurship. New business registrations grew robustly in both 2014 and 2015. It remains to be seen, however, whether these initiatives will be adequate for the task of economic rebalancing, following years of over-investment and growing indebtedness.

Basic cognitive psychology tells us that people tend to look backward when thinking about the future. Yet, in the Chinese case, the optimism about the future that was built during the decades of high growth also means elevated

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72 Yang, Remaking the Chinese Leviathan.
expectations, including expectations about what the government should deliver. The problem is that such optimism comes at a time when the Chinese economy is slowing and the now aging Chinese population is looming larger on the horizon. It appears the capacity of the Chinese government to deliver, given the existing political-economic arrangements, is more strained than previously. Aggressive Chinese investors who borrowed to invest in the volatile Chinese stock markets learned a brutal lesson during the stock crash of 2015, when the Chinese government failed to stop the markets’ slide until it was too late for them.

**Adaptive Authoritarianism, Soft and Hard**

Authoritarian regimes do not rely on carrots alone. In the Chinese case, the CCP leadership has formidable organizational resources. It has appointment powers throughout the country. It has command of the armed forces, including the PLA, the People’s Armed Police, and the regular police. Worried about the corrosive effects of corruption, successive leaders have launched anti-corruption drives, with Xi Jinping having unleashed the most sweeping thus far since he became the CCP general secretary. Xi has made tightening party discipline his most urgent mission.

In state-society relations, the CCP has shown both considerable adaptability and a hard-headed ruthlessness. These traits are on full display when we look at China’s media policies and Chinese treatment of dissent and potential dissent.

**Media and Authoritarian Sophistication**

Owning many of the major media outlets, Chinese authorities have encouraged the commercialization and marketization of media, while simultaneously retrofitting the party propaganda system for the digital age and developing an elaborate censorship regime. Under this censorship regime, a public sphere has emerged for deliberating vast numbers of issues, especially online. Yet, there also is little doubt that the party apparatus dominates the media in all forms, from radio and television, to print and online media.

Under the censorship regime, only occasionally are publications and online portals shut down and reporters expelled, but the occasional punishment is coupled with frequent guidance to media outlets on what to publish.\(^73\) Whereas some of the censorship actions are clearly negative in nature, such as removing direct criticism of national leaders or seeking to prevent organization of collective action,\(^74\) many of the official efforts are to guide the spin of the

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media in favor of certain policies or laws or to tone down criticism or sentiments deemed inappropriate at a certain time. Studies suggest that, by combining marketization and control against the backdrop of a sustained economic boom, the Chinese media regime has shaped public attitudes and bolstered regime resilience, up to a point. Thus, after studying media coverage of labor disputes, Stockmann and Gallagher found that official media identified with aggrieved workers against abusive employers. They tended to portray the legal system in overly positive terms and thus encouraged citizens to take up legal action. The authors concluded that “CCP resilience may be the result of the increased sensationalism and sophistication of press coverage in China not in spite of it.”

Contrary to previous hopes that the advent of the Internet would lead to an unfettered flow of information and a challenge to the party-state, China has led in taming such flows of information. Initially the regime, known for erecting the Great Fire Wall, simply blocked unwelcome websites and made articles and postings containing certain key words disappear. In recent years, as online media have become increasingly influential, authorities at all levels have also deployed vast resources to monitor and guide online opinion, particularly to demobilize potential collective protests. Of particular interest is the initiative to recruit the so-called “50 Cent Party (wu mao dang or 五毛黨)” to post pro-party and pro-government comments all over the Internet space with the aim to guide and influence public opinion. Sensing a political payoff, some people have joined loose online communities in what is known as the “voluntary fifty-cent army” to defend the regime, sometimes scaling the Great Firewall to make massive numbers of postings on Facebook. As a result, the Communist Party propaganda and ideology apparatus has continued to effectively dominate the discourse.

Chinese netizens were found to perceive bias in state-controlled newspapers as being in favor of the government and yet still found these newspapers as

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78 King, Pan, and Roberts, “How Censorship in China Allows Government Criticism but Silences Collective Expression.”
trustworthy and authoritative. The authorities also have cultivated distrust in foreign media outlets and thus dented the influence of these outlets in China. It is only the liberal-minded who show some distrust in official media outlets. Some young people are unhappy with the official CCP propaganda messages and repressive practices and have adopted a variety of creative ways “of negotiating official language,” but, in general, people concede to official hegemony.

It must be noted that the Chinese party-state’s interaction with the media is not simply a dichotomous choice between citizen activism and political domination by Party Central. Many of the censorship moves, in fact, are local and corporate interests to protect parochial stakes.

Meanwhile, new digital technologies also have allowed the party-state (and its local manifestations) to become more effective in multiple dimensions. From early on, the Chinese government has embraced the possibilities of improving governance. Today e-government is employed to improve taxation, monitor pollution, and fight corruption. The advent of online platforms such as the Weibo, over time, also has prompted authorities to engage with the public, especially in areas such as public safety and environmental protection, and has produced a form of authoritarian online deliberation. In view of their preoccupation with social stability, authorities become more responsive when there are threats of collective action. The open government initiative has gathered pace in recent years and the availability of verdicts from courts nationwide should aid in the efforts to improve justice.

**Preventive Crackdown on Organized Dissent**

Since the Tiananmen crisis of 1989 and the collapse of the Soviet Union in 1991, the Chinese leadership has drawn on the lessons learned from the demise of the communist movement and worked hard to prevent another mass mobilization that could threaten the CCP’s control over the country. It

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81 Ibid.
has built formidable capacities, including a national armed police force, to maintain stability and quell domestic unrest. Following the Ukrainian Orange Revolution of 2004-2005, the Chinese leadership became especially vigilant against foreign sources of subversion. When President George W. Bush made the promotion of democracy key to his foreign policy “freedom agenda,” Chinese concerns were heightened. Such Chinese concerns bordered on the paranoid at the time of the Jasmine Revolution in Tunisia (2010-2011) and the Arab Spring that began in 2010; for a time, the Chinese government prohibited the broadcast of the popular song “Jasmine,” which was a favorite of former president Jiang Zemin. Silent Contest, a propagandist documentary produced by China’s National Defense University, captures well Chinese elite fears of Western subversion.

Countries from Russia to China have publicly sought to defang Western assistance to promote civil society and democracy. With newly acquired confidence following the Great Recession, China’s leaders have unleashed a series of efforts against Western values, thereby making China a key player in the global pushback by authoritarian and some democratic regimes against international support for democracy and human rights.

Beginning around the time of the Jasmine Revolution, the Chinese party-state began to adopt a vigorous preventive posture toward potential dissent and social instability. Writing on social management, Zhou Benshun (周本順), then a senior official in the stability maintenance regime, averred that China must avoid “falling into the trap of the so-called ‘civil society’ set by certain Western countries.” For Zhou, the first priority in managing state-society relations is to consolidate the Communist Party’s ruling position. This means restraining the growth of and delimiting the role of social organizations and putting such organizations under a social management system dominated by the party-state.

The Chinese party-state has devoted vast resources to building a stability maintenance system. Ahead of key events and at times of political sensitivity,

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86 See, for example, Zhou Xincheng and Zhang Xu, Sulian yanbian de yuanyin yu jiaoxun [The causes and lessons of the USSR’s transition] (Beijing: Shehui kexue wenxian chubanshe, 2008).
domestic security units focus on a list of target activists, or what the regime considers “trouble makers,” and prevent such targets from engaging in public activities. NGOs concerned with rights issues, such as Chuanzhixing, the Transition Institute, and Yirenping, entities that have sought to work within official rules, also have borne the brunt of an ongoing official crackdown on civil society.90 Some of the activists have ended up in jail or been driven into exile overseas. To bring pressure on civil society, authorities often target family members of civil society leaders as well as these leaders’ attempts to accomplish various policy tasks.91 In 2016, the Chinese national legislature enacted a law on overseas NGOs to strengthen policing and supervision of them.

Since the late 2000s, authorities increasingly have invoked the crime of endangering state security to indict rights advocates.92 Among those incarcerated is Liu Xiaobo, the leading author of the Charter 08 manifesto, who was sentenced in 2009 to serve eleven years in jail for “inciting subversion of state power.”

Rights lawyers in many societies, including Nelson Mandela in South Africa, and lawyers in contemporary Hong Kong, Taiwan, and South Korea, have played key roles in catalyzing liberal political change. In China, a small number of lawyers have become known as weiquan (rights protection) lawyers for their role in defending victims of government oppression. Some of the leading rights lawyers are active in public forums, including Weibo and WeChat, and some of them are also Christians, and thus more impervious to official blandishments.93

In seeking to blunt the rise of civil society, Chinese authorities have

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singed out for rough treatment those lawyers willing to be advocates for and defend what the regime considers “enemies” or “subversive elements.” In the summer of 2015, ten days after the National People’s Congress approved a revised National Security Law, authorities launched a high-profile assault against more than three hundred rights lawyers and associates, arresting some, detaining and questioning others. In some cases, the lawyers were rounded up as criminal suspects and paraded and humiliated on key media outlets, Cultural Revolution-style. At a time when authorities officially promote law-based governance, the tactics adopted by the authorities to discredit the rights lawyers mocked due process and judicial fairness. Authorities subsequently sought to play down the effects of the assault on rights lawyers and reassured the legal profession. Speaking at the National Conference on the Work of Lawyers, Meng Jianzhu, secretary of the Political and Legal Affairs Commission, was quite emphatic in calling for protecting lawyers’ rights. Yet, it would take more than a speech to reassure many lawyers. Judging by the show of solidarity for the rights lawyers on Weibo and other public venues, the official tactics appear, paradoxically, to have strengthened the sense of solidarity among the rights defenders.

Another social group facing curtailment in China is religious and quasi-religious believers. The travails of the quasi-religious Falungong group, officially declared a cult in 1999 within China, have been well studied. Its leader, Li Hongzhi, disappeared overseas before the official crackdown, and Falungong followers within China have been driven to operate underground.


96 Meng Jianzhu, “Chongfen fahui lushi duiwu zai quanmian yifa zhiyou zhong de zhongyao zuoyong” [Fully bring into play the important role of lawyers in comprehensively governing the country in accordance with law], Zhongguo changan wang (August 20, 2015), http://www.chinapeace.gov.cn/2015-08/20/content_11259587.htm (accessed August 29, 2015).

97 See, for example, the following statement: Zhongguo renquan lushi, “Fengyuzhong women yilu tongxing” [We walk together in rough weather], canyu.org (September 13, 2015), http://canyu.org/n102650c6.aspx (accessed September 15, 2015).

Historically, religion has played a major role in the rise and spread of democracy around the world. More recently in Asia, Christians played major roles in the democratization of the Philippines, South Korea, and Taiwan. In Hong Kong, Christians, including Joshua Wong, the seventeen-year-old leader of the student group, Scholarism, played major leadership roles in the prodemocracy protests of 2014-2015. Some of the leading rights advocates in mainland China also are Christians. Estimates put the number of Christian believers in China at tens of millions, but there is substantial disagreement over numbers, depending on how the question is phrased. Fenggang Yang projects that China could become the largest Christian country by 2025. Such loyalties may present substantial challenges to the party’s authority, should the latter be seen as lacking in legitimacy.

The Chinese authorities have been extremely vigilant against religious and quasi-religious forces, most of which were severely suppressed during the Mao era. Religious practices associated with the official churches are permitted under the guidance of the official Three Self-Patriotic Movement Committee, but the authorities continue to militate against unauthorized religious practices. In recent years, authorities in Xinjiang, Zhejiang, Anhui, Henan, Guangdong, and Guangxi have been reported to have imposed severe restrictions on religious practices. The case of Zhejiang, one of China’s most developed provinces, is especially striking, as local authorities have torn down hundreds of churches and also crosses that were considered to be ostentatiously visible, in an effort to contain, though not eradicate, the spread of Christianity. Lawyers willing to defend the churches have been subjected to harassment and “disappearance.”

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**The Periphery at the Center**

While inequality is strongly believed to undermine the prospects for democratization, inequality fused with other differences may further reinforce demands for identity and autonomy. Protests in Hong Kong, Tibet, and Xinjiang against CCP rule relate to a diverse range of issues, including language, culture, religious freedom, and local autonomy. The protests in Hong Kong have been predominantly peaceful, while violence has engulfed parts of Tibet and Xinjiang at times, followed by severe crackdowns by the ruling authorities.

When Great Britain handed colonial Hong Kong back to China in 1997, Hong Kong became a Special Administrative Region of the PRC and was promised a high degree of autonomy under the principle of “One Country, Two Systems.” Fearful of Hong Kong’s becoming a tail that wags the dog (or “base of political subversion”), mainland Chinese authorities in recent years have reined in Hong Kong’s democratic aspirations.\(^{106}\) The “disappearance,” in 2015, of several Hong Kong booksellers, especially Lee Bo, the lead publisher of Causeway Bay Books, into mainland China, stirred widespread fear of Hong Kong’s losing its autonomy.\(^{107}\)

Within the mainland, the Chinese state has wielded its powers to galvanize Han Chinese support for central government policies, particularly in the cases of Tibet and Xinjiang. Yet, the central government’s strong measures to crack down on protests, rein in local identities, and promote assimilation have tended to stimulate countervailing resistance. These cycles of interaction and contestations over the degree of centralized rule, especially in the periphery, have, in turn, reinforced efforts to promote a strong central state.\(^{108}\)

**Xi Jinping’s Revival of Neo-authoritarianism**

Since Xi Jinping, a red princeling, became CCP General Secretary (2012) and President (2013), he has become the standard bearer of a resurgent Chinese neo-authoritarianism dedicated to a newly articulated Chinese Dream of national rejuvenation.\(^{109}\) Simply put, Xi saw a corrupt and fragmented Communist Party as the greatest vulnerability of the CCP’s continuing rule. Unlike his immediate predecessors, he has concentrated power in his own hands and launched a massive drive to curb corruption, tighten party discipline, and

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\(^{106}\) Lynn White III, *Democratization in Hong Kong—and China?* (Boulder, CO: Lynne Rienner, 2016).


check the influence of the oligarchs who had become powerful and rich in the preceding decades.

As the sources of China’s hyper-growth based on cheap labor, cheap land, cheap capital (financial repression), and lax regulation are exhausted, the Chinese leadership has produced a raft of major documents for promoting market-based economic adjustment and for governance based on law, even though official actions often have been at variance with these documents.

Politically, contrary to the prescriptions of neo-authoritarian theoreticians such as Xiao Gongqin, China’s leaders in recent years have become openly hostile toward Western values and the Xi leadership has gone further in asserting the CCP’s political monopoly.110 Bolstered by a newly created Central National Security Commission (chaired by Xi) and a revised National Security Law (effective July 1, 2015), the Chinese leadership broadened China’s core national interests to include CCP rule, sovereignty (including territorial integrity), and economic development.111 While taking down Zhou Yongkang, the former internal security czar (Secretary of the Political and Legal Affairs Commission), the Xi leadership has been even more robust regarding stability maintenance, including making efforts to curb what are considered “trouble makers,” such as rights lawyers and activists.

Conclusion

Processes of rapid development have tended to be disruptive to existing social and political arrangements. Over more than three decades of China’s hyper-growth and extraordinary social transformation, the Chinese Communist Party has shown much resilience and a strong adaptability. Facing myriad challenges, it has reshaped the economic institutions of governance and introduced massive changes in social and health policies and institutions.112 Yet, the Chinese growth, built on cheap labor, cheap land, and financial repression, also has produced major damage to the environment and positioned China among the world’s most unequal societies. Contrary to arguments that the CCP was a disinterested and all-encompassing political organization dedicated to the advancement of national interests, authoritarian developmentalism has proven to be a great boon to China’s ruling elite families, allowing many of

112 Yang, Remaking the Chinese Leviathan.
them, nationally and in numerous localities, to convert their political influence into economic riches. The Chinese leadership’s multitudinous efforts to ensure stability often have been employed to offer protection for vested interests. Consequently, China’s political economy has become increasingly oligarchic, accentuating popular dissatisfaction with heightened income inequality.

However, authoritarian developmentalism is not a stable equilibrium. As the sources of China’s hyper-growth become exhausted, China’s leaders face the task of rebalancing the Chinese economy with an aging population, while at the same time having to contend with significant vested interests that may wish to obstruct reforms as well as a society—including the Communist Party membership—that boasts of rising expectations, as it has undergone profound transformation with mass high education and access to digital information.

While China today, as the world’s second largest economy, casts a formidable profile on the global stage, China’s leaders feel a strong sense of insecurity domestically and worry about an uncertain international environment. The CCP leadership, especially Xi Jinping, has eagerly absorbed lessons from the collapses of other communist and authoritarian regimes and is determined to make use of its formidable organizational and other resources to cope with and respond to the profound transformations that have occurred in China’s domestic and international environment, thus, prolonging CCP rule. The leaders offer carrots, they wield the sticks, and they seek to shape expectations and dominate the discourse. With Xi in command since 2012-2013, China’s leaders have produced documents to promote market-oriented economic reforms and law-based governance, while curtailing the expansion of civil society and resisting liberal ideas and political reforms. Within this framework, much still can be done to improve efficiency and enhance legitimacy, such as by curbing corruption, reducing the number of government approvals, promoting government information transparency, and seeking to further alleviate poverty. In practice, the progressive reforms in some areas have been accompanied by retrogressive policies in other domains; China’s leaders often appear to be on a mission riddled with incongruities and sometimes beset by contradictions.

Yet, the experiences of political evolutions around the world suggest that the CCP top elite will not determine the future of China’s governance alone and uncontested. The Chinese leadership so far has had a strong record responding to crises. Still, as the Chinese people become wealthier, better informed, and more independent-minded, state-society relations are increasingly subject to negotiation and even contestation. Some of the reforms noted earlier are designed to suit a changing society. Yet, it is not impossible to imagine that, on occasion, effective elite responses may not be forthcoming because of intra-elite conflict or the sheer scale of shocks to the system, thereby opening space for rewriting the major rules of the political game for China.