

Political Reform in China: Leadership Differences and Convergence

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Whether China will undertake political reform, which is broadly defined here as institutional changes that rationalize bureaucracy, strengthen the rule of law, expand political participation, and protect human rights, has been one of the most important issues facing policy-makers in China and the West ever since China began its economic reform in 1979. Many Western policy-makers expected that, as China becomes more wealthy and integrated into the global economy, the combination of social change (especially the growth of the middle class), political evolution (the emergence of a new and perhaps more forward-looking elite), and economic-technological transformation (expanding private sector and access to information) would foster political liberalization in China.

Such expectations have yet to be met. Although today's China is, politically, kinder and gentler than the darkest days of the radical Maoist regime, it has moved very slowly, if at all, toward genuine political liberalization. The core features of a Leninist regime, such as the dominance of a party-state, the control by the ruling Communist party of the most critical economic and information assets, and the unhesitant use of the repressive power of the state to quash any organized challenges to its authority, remain largely intact. Yet, the Chinese Leninist party-state today co-exists along side a very dynamic and liberalizing society. China's reform and opening may not have brought genuine democracy, but it has definitely introduced social liberalization. In other words, Chinese politics today is authoritarian, but Chinese society is becoming more pluralistic, autonomous, and open.

The root of this anomaly lies, not in the expectations that economic change will lead to political opening, but in the deliberate choices and decisions made by the Chinese leadership. In the following presentation, I argue that the debate over the necessity, goal,

content, and pace of political reform within the top Chinese leadership is *countercyclical* and *instrumental* – in the past 25 years, top Chinese leaders decided to tackle the sensitive, if not divisive, issue of political reform only when China’s economic reform encountered strong bureaucratic resistance and political reform was viewed as necessary for overcoming the political obstacles to economic reform. When the overall economic conditions were favorable, political reform would find no advocates within the leadership.

Leadership Differences in the 1980s

Despite the common perception that the Chinese leadership was deeply divided in the 1980s over key reform issues, the debate on political reform within the leadership (mostly between 1986-88) showed more consensus than differences. Documentary evidence indicates, for example, that practically all participants in the discussion agreed that the ultimate goal of any type of political reform was to strengthen and preserve the rule of the Communist party. A genuine multiparty system was never contemplated in internal discussions. In other words, political reform would be allowed only if it did not endanger the monopoly of power of the Communist party.

Of course, this consensus turned out to be fraught with contradictions and unsustainable in practice. The irony of the debate on political reform within the Chinese leadership was that, after agreeing that reform must not threaten the party’s rule, there was little else to agree upon. This was most apparent in the only extensive and in-depth discussion on political reform top Chinese leaders engaged in during the past quarter century – a special project on political reform sanctioned by Deng Xiaoping and led by Zhao Ziyang in 1986-88.

A reexamination of the records of the period, including Deng’s own views on political reform, shows that there were substantial differences over the scope, content and

implications of political reform despite the consensus on the ultimate objective of reform.¹

Based on Deng's speeches through the 1980s, it was clear that he had a very consistent and clear position on political reform: while political reform was definitely needed to serve the goal of economic reform, it must not be allowed to bring in "western-style" democracy or institutional checks and balances. His views represented the classical instrumentalist perspective on political reform. Not surprisingly, he defined political reform in very narrow and technical terms: in Deng's judgment, political reform was the implementation of measures that would improve the efficiency of the government and motivate the people so that economic reform could move forward.

Compared with his conservative colleagues, Deng's instrumental perspective might be considered even progressive since these colleagues, some of them remained enamored of the "golden days" of the 1950s, were opposed even to the instrumentalist political reform contemplated by Deng.

The most open-minded leaders in the late 1980s, part of the liberal camp inside the Communist party's senior leadership, approached political reform from a broader perspective. It appeared that they shared Deng's instrumentalist views and believed that political reform must be implemented to overcome the political obstacles to economic reform; they also appeared to share the view that the goal of political reform was to strengthen and preserve the rule of the Chinese Communist party. But the liberals within the party understood two aspects of political reform the conservatives and instrumentalists seemed to have missed. First, the liberals, represented in the late 1980s by Zhao Ziyang saw democracy as inevitable. (Of course, it is hard to know how he squared such realization with the goal of preserving the party's political monopoly.) Some liberals also understood that China was at a moral disadvantage internationally if it failed to carry out political reforms (to quote Hu Qili, "China cannot cede the moral high

¹ The most informative account of the discussion can be found in Wu Guoguang, Political Reform under Zhao Ziyang (Taipei: Yuanjing Publishing Co. 1997).

ground of human rights and democracy to the West.) Second, the liberal wing, though small and never dominant, also understood that a purely instrumental approach would not work because meaningful political reform would entail a set of complementary measures, touch on nearly all aspects of the political system, and result in a significant redistribution of power. In other words, the liberals' conception of political reform differed fundamentally from that of the instrumentalists. They viewed such reform as necessary, not just because it would remove the obstacles to economic reform, but also because it might be a proactive strategic adjustment to meet the inevitable tide of democratization. Additionally, they believed that to make it work, political reform would have to go beyond the narrow scope of bureaucratic rationalization and extend into many sensitive areas.

It is interesting to note that, in the end, the liberals apparently had felt the limits of political reform under the rule of the Communist party. After more than a year of intense internal discussion, the liberals did produce a general blue-print for political reform, which became the keynote address given by Zhao to the 13th Party Congress in 1988. But precisely because the nature, scope and content of the type of political reform, however gradual and cautious, would ultimately test the limits of the instrumentalists, the proposal for political reform went nowhere. Deng did not reject the proposal right away. After criticizing Zhao for trying to sneak in institutional checks and balances, Deng shelved his proposal. Then Tiananmen happened. The rest is, of course, history.

Leadership Convergence since Tiananmen

What makes the post-Tiananmen period unique, as far as political reform is concerned, is that the top leadership appears to be unified on this issue – or rather on the undesirability of political reform. In actuality, not only any serious discussion of political reform was discouraged, if not banned, but also the major institutional reforms that were introduced in the 1980s (such as the strengthening of the National People's Congress, legal reform, and village elections) lost momentum in the 1990s. Of course, there were

some positive changes, but by and large they were cosmetic, lacked substance, and did little to change the defining features of the Chinese political system.

The question to ask is why the post-Tiananmen leadership achieved such a remarkable consensus on the need *not* to pursue political reform in China. In examining possible explanations of this puzzle, we are handicapped by the lack of access to documentary evidence that may provide reliable data and clues. In the following section, I offer only a set of speculations about the reasons for this consensus among Chinese leaders.

(1) The post-Tiananmen purge of the liberals and the rise of careerists

The first explanation centers on the power shift within the Chinese leadership. The biggest, and immediate, casualty of the Tiananmen tragedy was not only the hundreds of innocent lives lost during the crackdown, but the liberal wing within the senior leadership. The purge of Zhao and many of his top lieutenants fatally weakened the liberals at the senior level. The effects of the collapse of the liberals were further compounded by the rise of conservative careerists who have a deep, and unfortunately insightful, understanding of Chinese politics: the issue of political reform is the proverbial “third rail” in Chinese politics. You commit political suicide by touching it. To the extent that political reform in an authoritarian regime requires top-down initiatives, the post-Tiananmen distribution of power within the top elite has precluded such initiatives.

(2) The lessons from the collapse of the former Soviet Union

Based on extensive discussion within China regarding the causes of the collapse of the former Soviet Union, Chinese leadership appears to have concluded that the Soviet collapse was not the result of more than two decades of political and economic stagnation under Leonid Brezhnev, but the logical outcome of Gorbachev’s wrong-headed political reform. Furthermore, there were two distinct lessons learned from the Soviet experience. The first one, perhaps also the most appealing and convincing to the Chinese leadership and public alike, was about sequencing reforms. To this day, most Chinese leaders

believe that Gorbachev had the wrong sequence – by pursuing political reform before economic reform, he courted disaster and failure. Of course, the fact that Gorbachev initially began with some form of economic reform and turned to political reform after he countered resistance appeared to have been conveniently overlooked. This lesson convinced the Chinese leadership that they were on the right path. The second lesson, never explicitly stated in official documents or scholarly literature, appears to be that a communist regime is such a fragile and brittle power structure that political reform, with its own revolutionary dynamic, will only precipitate a whole-scale regime collapse, not the desired incremental reinvigoration. In my own judgment, the second lesson, the essence of which is not that Gorbachev has got the sequencing wrong, but that he should not have foolishly tried political reform at all, is more on the mark. Of course, the Chinese public seems to share, with their leaders, at least the first lesson about the Soviet collapse. Seeing the trauma of the Soviet collapse, ordinary Chinese people became convinced that they should not repeat the Soviet mistake.

(3) Rapid economic growth and vindication of the neo-authoritarian model

As stated in the introduction of this paper, Chinese leaders considered political reform in the late 1980s only when they encountered difficulties in pursuing economic reform. What Tiananmen – and the collapse of the former Soviet Union – did in China was to remove some of the most serious obstacles to economic reform. Thus, following Deng's tour of the south in 1992, economic liberalization gathered momentum and China entered a decade-long economic boom. During this period, luck also appeared to be on Beijing's side: globalization (which gave China almost unimpeded access to the markets in the West), massive foreign direct investment (nearly all of China's stock FDI was made after 1989), and a generally benign international environment following the Cold War. The success in delivering high rates of economic growth obviously has not only boosted the Communist party's legitimacy, but also vindicated the party's neo-authoritarian strategy – economic take-off in a poor country requires a strong and undemocratic government. As long as economic growth remains strong, it is unlikely that the neo-authoritarian strategy will lose its intellectual appeal among Chinese leaders.

(4) Economic reform as substitute for political reform

What is interesting about the post-Tiananmen leadership in China is that it also contains pragmatic, but not necessarily liberal, reformers (Zhu Rongji is perhaps the most representative). These technocratic leaders, many of whom actually protégés of Zhao Ziyang, were recruited into the economic bureaucracy, seemed to have decided that the best approach to changing China was to introduce significant economic institutional reforms that would limit the power of the party-state. As a result, these technocrats pushed for many of the far-reaching institutional reforms that were not attempted in the 1980s, such as state-owned enterprise reform, financial sector reform, fiscal reform, healthcare reform, social security reform, and various regulatory reforms. As long as the technocrats have some success in pushing through these reforms, they will be content with this “substitution” approach to political reform.

Political Reform: the Changing Landscape

The post-Tiananmen consensus on the undesirability of political reform is not sustainable. At the moment, the top leadership may remain unified around this consensus, but the problems generated by the lack of progress in political reform since 1989 are raising new questions about the need for such reform at the grassroots level. In today’s China, there is a sharp and fascinating contrast between a top leadership apparently paralyzed by fears of political reform and local leadership in a small number of jurisdictions that has attempted to re-introduce political reform as a response to emerging social and economic challenges. For example, the improvement in village elections was made at the initiative of local leaders. More important, the experiments in trying to expand direct elections to the township level were also conducted, at some risks to their own careers, by local leaders in Sichuan and a few other provinces. Predictably, the top leadership has decided to play it safe. While giving no official endorsement to these bottom-up experiments, Chinese leaders decided not to ban them, either. The lack of documentary evidence does not allow us to speculate the dynamics of elite politics that may have contributed to this ambiguous policy response. But if we place this paradox in the context of the growing imbalances and tensions in Chinese society (inequality,

corruption, poverty, inadequate public services, and social injustice), there is ground to conclude that, at the intellectual level, the arguments for sustaining the neo-authoritarian strategy may be increasingly difficult to defend. Evidently, as long as these imbalances and tensions do not precipitate a national crisis, the Chinese leadership, having learned the real lesson of the Soviet collapse so well, is more likely to stay the course and hang tough on the issue of political reform. But should a crisis strike or China's economic dynamism dissipates, the leadership consensus on not reforming the political system could break down, especially when the technocrats within the leadership, finally understanding the limits of the "substitution strategy," decide that, to complete China's transition to a market economy and sustain its growth, there is no real substitution for political reform.