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Resources for Change

Tocqueville's Paradox

I hope to balance the gloom of the previous chapter with a great deal of optimism in this one. For just as the depredations of the Maoist era provided fertile soil for the birth of modern-day liberalism in China, so too the flawed nature of reform has fostered the development of forces that will bring democracy to life.

Most regimes will choose to empower society in order to avoid immediate overthrow, as the CCP did in 1978 and reiterated after its near-death experience in 1989. It is, however, the essential paradox of all reforming authoritarian states that the very changes the regime undertakes to stave off its immediate overthrow ensure its eventual demise, as Tocqueville noted with respect to Louis XVI's belated attempts to create representative institutions in the year before the French Revolution.

The liberalization of society in China's reform era has given actors at every level the means to begin shaping the state. Private businessmen demand open and fair policymaking. Market-driven media introduce new ideas and uncovers political malfeasance. Global democratization brings unprecedented "border effects" crashing into the country. Inside the Party, an emphasis on the rule of law gives proto-democratic groups new life in backing drives for constitutionalism.

At the same time, the state has been forced to transform and weaken its totalitarian powers in order to foster reforms. Government ministries handling health, education, the economy, defense, and civic society are driven more and more by professional demands, less and less by the ideological demands of the Party. Doctors seek to cure patients rather than prove the superiority of socialism. Younger diplomats try to manage global issues rather than export revolution.

The relinquishing of authority has a snowball effect as society reshapes its newfound privileges in its own interests. Ideas and organizational resources

in the economic, social, political and international realms are mixed together for achieving society's goals. The imperatives of competition emerging from the market economy, for example, have spilled into newspaper rivalries for readers. This in turn has provided a platform for political reformers to publish their articles in hot-selling publications like *Southern Weekend* newspaper or *Caijing* magazine.

Beijing's remit over society is thus already "inhibited" by society. Attempts to retake that control come at huge cost, as shown by the attempted extermination of the Falun Gong religious sect from 1999. Some regional governments have embraced this newfound weakness as a relief from the travails of governance: "small government, big society" was the strategy pursued in southern Hainan province in the 1990s and later taken up in varying degrees elsewhere. But that relief will be shortlived. For society will soon demand to be the master of the state, not merely its equal.

To take one well-known example, Poland was one of the economically fastest growing and socially freest countries in Eastern Europe in the 1970s. Yet it was also the first to experience major unrest and then democratic transition in the 1980s. Popular resources and expectations eventually outran the absolute gains provided by reforms. In China, as in Poland, absolute gains may simply empower society without reducing demands for democracy.

In some countries, like Taiwan, South Korea, Greece, and Spain, society was empowered as part of an explicit program of democratic change. Not so in China, where it has happened as part of a strategy to prevent such change. But the results will be the same. Notes one Chinese scholar: "Further economic progress will necessarily deepen changes in state-society relations, which will push China toward democracy."[1]

Of course, the CCP retains formidable resources. Its six million men in military and police uniforms can be deployed with brutal efficiency when needed. Its significant control of information allows it to set the tone of debate and attack alternative views. The pervasive role of the state in economic and social life has stunted the growth of civil society. Any linking up of social actors to demand democracy is resolutely repressed by the CCP. Evidence from around the world reminds us that delegitimated authoritarian regimes can survive simply by mustering more threats than can a demobilized and scattered society.

Yet the paucity of "diverse alliances," in present-day China need not lead us to conclude, as two leading Western scholars did, that it "bespeaks a fundamental weakness in their capacity to challenge state power beyond the realm of the single issues and local grievances."[2] Such alliances need not be formed prior to the critical moment of democratic transition—the subject of

Part 2. Bulgaria, Cambodia and Romania, to take a few examples, had similarly fragmented societies but experienced a burst of organization at the critical moment. We need not be able to identify a "government in waiting" to know that actors and networks are everywhere that could rise to the occasion—as they did in the early Republican era and again in 1989.

What may be more important is the development of multiple, often contending social forces all with an equal claim to fairness and attention and roughly equal resources to pursue it. For it is the "prolonged and inconclusive political struggle" among increasingly powerful social forces that can give birth to democracy.[3] Not only the struggle between society and state, but also the struggle *within* society provides the critical foundations for democratic breakthrough. To return to our metaphor of the intersection, it is the quest for fairness not only from the traffic policeman but also from fellow drivers that fuels the transition.

The resources for democratic transition described in this chapter are also critical resources for building and consolidating democracy later on. The creation of a market economy, a society with wide social freedoms, a political system using the rhetoric of legality, procedure, voting, and even democracy, and extensive interactions with the world—all these provide a solid foundation for China's future democracy. In stark contrast to Russia, where democratization occurred with an unreformed state economy, a near totalistic control of society, international isolation, and political ossification, China will have begun transitions in these areas already. That alone may not outweigh the downside of China's reform sequence—liberalization before participation. But it certainly provides a measure of consolation, as well as hope for the future.

The Privatization of Economic Life

Lu Guanqiu is a former rural cadre from Mao's days who took over his village's machinery company and turned it into one of the country's biggest auto parts makers, the Wanxiang Group. At the annual meeting of the National People's Congress in 2001, Lu submitted a motion demanding that the central government take new measures to enhance law enforcement and market regulation. Rule-breaking was so widespread in the economy, he charged, that it was threatening his company's future. There needed to be courts and government inspectors with the independence to crack down on malfeasance, no matter who was behind it, his motion said. Asked later about the motion, Lu said it required one thing above all: political reform.[4]

The example of Lu and thousands of other restless made-goods of the post-

Mao business boom are a reminder that economic change is the bedrock of the supply-side revolution in China. The resources created by economic reform have empowered society, creating powerful agitators for change. The impact is slowly making its presence felt in the political realm.

Even if China's economy had not grown one bit in the reform era, the reintroduction of markets would have had a profound effect on politics. Properly working markets share many of the underlying principles of democracy—the equality of actors, fair and open competition, law-abidance, and freedom of choice. By fostering autonomous interactions among individuals, markets also stimulate social mixing and build up norms of compromise and tolerance. Everyone's interests, not just the majority and certainly not just the minority, are taken into account by markets. They are a powerful bulwark of freedom.

China's move to markets was largely completed by the turn of the century. More than 90 percent of commodities, virtually all labor, and probably two-thirds of the capital stock were bought and sold in free markets. The state no longer told people where to work, what to buy, or who to deal with. Shanghai's elites came into close contact with Anhui peasants whom they hired as maids. Shenzhen became one of the first truly national cities as workers flocked to factories there from every province. In the cities, markets became a stage of "transgressive" activities against authoritarianism as consumers and marketers did their own thing.[5]

Whatever the flaws of the markets—and they are many—the impact on society was great. Researchers in China now talk openly about how the market economy "opens the door to political reform" and is "a training ground for democracy."[6] Under a communist regime reluctant to compromise its writ over society, writes one scholar, "a flourishing market economy is the most effective way to limit government power."[7] Or as another professor at the government's top training school wrote:[8]

> Through the experience of markets, there is a basis for civic consciousness and political participation. The power for democratization grows. People begin to think of paying their votes in return for the services of politicians, who are expected to engage in open competition among rivals to prove their worth and win office. In the end, people demand to be full citizens, not subjects, in politics just as they are in the economy. . . . In China, the principle of competition is leaking into the political system.

The creation of new wealth is another way that economic reforms have had a positive impact on democratic prospects. Economic development has long been considered the single most important factor in political liberaliza-

tion worldwide. With it comes a middle class seeking protection for its assets and a voice for its interests. Wealth can also act as a sort of universal solvent in the political arena: as people use their wealth to gain education, they become more aware and tolerant of competing claims of their diverse society. In addition, greater absolute wealth reduces not only the relative costs of compromise (even if the absolute amounts at stake rise) but also fears of losing out from democracy.

Authoritarian governments can also gain legitimacy and power from economic growth, of course. But as the strong global correlation between wealth and democracy reminds us, the exceptions only prove the rule. The much-maligned modernization paradigm—where development leads to democracy—remains empirically if not necessarily true.[9] In Asia as well as in Latin America and Europe, democracy came earliest and fastest where there was strong and broad economic development. Africa's democratic woes are a reminder of the opposite.

Several attempts have been made, using empirical studies, to guess when democracy will sprout. Scholars have argued that above a certain GDP per capita a country enters a "transition zone" where democratic pressures resulting from economic and associated social development grow. Some say the entry point into the danger zone occurs around $3,200 (in 2002 dollars adjusting for price differences across countries). Another researcher found that political pluralism became highly likely once a country reached $4,500. Yet another research project found that the probability of democratization in a given year doubles as income per capita grows from $1,700 to $8,400.[10]

With a price-adjusted GDP per capita of $4,500 by 2003, China is clearly in the danger zone. Even discounting to take account of measurement problems, the amount of wealth in China is probably already sufficient to finance democratic transition. With every passing year, that is even more the case. In cross-country and cross-time comparisons, the CCP regime is living on borrowed time.[11]

Another widely studied indicator of democratic prospects is the size of the middle class. In China, as elsewhere, the middle class seeks a recognition and protection of its growing interests from the state, mainly through improved legal guarantees and openness. While the middle class rarely embraces the idea of democracy per se (fearing the votes of the poor), historically its agitation on its own behalf has led to just that. Using pure income and asset measures, China's middle class probably accounted for between 10 percent and 15 percent percent of the population at the turn of the century. Researchers in China have estimated that this compares to 17 percent in the United States in 1950 and 14 percent in Japan in 1975, suggesting that China is

already in a position to sustain nascent democracy. If a broader definition is used to include all administrative and service staff, government clerks and teachers—essentially everyone who's not a worker, peasant, unemployed, or below the poverty line—then the middle-class figure rises to around 30 percent. On this basis, the share will rise to about 35 percent by 2010, according to one estimate.[12]

The political implications are already being seen. As one mainland scholar wrote in a Beijing-published book:[13]

> The middle class has already had a lot of impact on one-party rule, as shown by the [CCP policy since 2001 of expanding its constituency to include the middle and business classes]. . . . The middle class is increasingly in control of information and power resources in China, which is changing the CCP's past monopoly of these things. . . . In that sense it provides a safe pavilion and strong force for political, economic and social modernization. . . . Given their demands for political participation, the middle class will certainly promote political reforms within the CCP as well as domestic democratization.

Or as one long-time Western student of democracy wrote:[14]

> As it gathers more momentum and begins to generate a more urban, educated, wired, and middle-class society over the next two decades, economic development is going to generate enormous pressures for political change in China. People are going to want more say over their own affairs. They are going to expect less hierarchical control from the state and ruling party, and more accountability of political leaders to the citizenry. There will be decidedly less tolerance for corruption and abuse of power, and more readiness and ability to organize in protest of it. There will be significantly greater aspirations for personal and political freedom, and for greater pluralism in sources of information and choices of leaders. . . . If the more politically aware, autonomous, and resourceful social actors that economic development will generate do not find channels for participation and protest within China's political system, they will mobilize outside the system, possibly to bring it down.

Business leaders are one group that may mobilize for change. They played a key role in the democratizations of Spain, Brazil, South Korea, and the Philippines. Prior to transition, they organized into powerful business lobbies that brought new openness from the state. At the time of crisis, they defected to the side of reform.

Of course, democratization can also be delayed when business interests

collude with the authoritarian state. This was long the problem in South America. It has also been an impediment to change in China, where the private sector got its start in the 1980s and 1990s by forging close alliances to the state.[15] Beijing's private computer company, Stone Group, which funded political reformers and supported the 1989 protestors, was anomalous.

Yet by the turn of the century, China's new business elite was showing signs of following in the well-worn footsteps of its counterparts worldwide. As bureaucratic (and military) control over the economy waned and the number of new entrants in each sector grew, the payoffs of pursuing patronage declined steeply. Not everyone could be a "privileged entrepreneur" when there were two million private companies and 100 million people in the private sector accounting for 50 percent of GDP. State favoritism was now a grounds for legal action. The new generation of private entrepreneurs is also more educated and more worldly than the first. They have more self-respect and less tolerance for engaging in demeaning *guanxi*. They also have reputations to protect from an increasingly aggressive business press. As a result, many entrepreneurs have begun to agitate for equality and openness from government. Private industry associations once thought a handmaiden of the local Party committee have begun to seek political change. Attempts by Beijing to control the rapidly proliferating local business groups are failing for the simple reason that at the local level, power resides more and more with the companies and not the bureaucrats.[16] "Private business owners have begun to express strong desires for political participation and a consciousness of their group interests," says one government researcher. "They're looking to take part in public affairs."[17]

The trends will continue. World Trade Organization entry and financial reform will increase bank lending to private companies (which are 90 percent self-financed at present), further dampening crony ties. A constitutional amendment on the table since 1998 would make private property "inviolable" and "protected" alongside state property. That change, if combined with tax and spending policies aimed at redistribution, would be a powerful agent in support of democracy by undergirding equality in both political and economic spheres.

The CCP has tried to expand its cooptive powers by inviting private entrepreneurs to join the Party. As a Party Organization Department book said: "We cannot afford to lose this camp."[18] But the change in 2001 was greeted with indifference. In one survey, just 8 percent of entrepreneurs expressed a desire to join the CCP.[19] In short, China's new breed of entrepreneurs have little interest in saving a dying regime. They prefer to stay on the outside. At a certain point, one hardline Party journal warned, "the capitalists will rise up and destroy the Party lock, stock, and barrel."[20]

Declining state economic power, both productive and fiscal, is the flipside of the move to markets and the emergence of an empowered middle class. In the past, state factories were the main channel through which the state exercised totalitarian control over society. State employees are vulnerable to ideological education and bureaucratic controls. With the state sector now accounting for only 30 percent of GDP—the private sector accounting for 50 percent and agriculture 20 percent—and just 10 percent of total employment, this tool is seriously degraded.

Fiscally, the rise of a private sector, ad hoc decentralization, and the increasing costs of governing a complex and growing population have eaten away at central finances. State revenues fell from 31 percent of GNP in 1978 to 11 percent in 2000. Income, sales, and social security taxes—typically half of total state revenues in market economies—account for just a few percent of tax revenues. Government debt is the equivalent of more than 100 percent of GDP when unfunded pension promises, local government debt, and bank restructuring costs are included. In mid-2002, premier Zhu Rongji publicly begged the country's richest private entrepreneurs to begin paying taxes, an echo of the shifting balance of power between lords and vassals in early modern Europe and a reminder that the management of public debt has been historically closely tied to the rise of democracy. Ultimately, short of engaging in a fire-sale of state land and infrastructure, Beijing will be forced to find a new accommodation with its "heroic" citizen-creditors that respects them as equals.[21]

With the loss of state resources goes the loss of the regime's ability to "buy" support from urban residents. Since one-off gains from marketization and sectoral shifts are nearly exhausted and state fiscal, banking, and corporate resources are depleted, the "social contract" of urban residents accepting CCP rule in return to material benefits will soon be broken. Notes one Chinese scholar: "The social contract has helped the communist regime insulate itself from pressure for democracy but will ultimately undermine its rule."[22]

Finally, foreign economic linkages are also acting on balance to undermine Party rule. To be sure, the CCP has managed to corral some of these resources for itself. PRC state firms now raise millions of dollars on overseas stock exchanges and foreign companies in China, which crowd out more politically active domestic entrepreneurs, account for about a fifth of corporate taxes. As one Party book stated baldly: "The foreign-related economy holds great potential for providing resources for the political system."[23]

But whatever early impact globalization had in bolstering one-party rule in China, that impact is changing. The influx of foreign investors is weakening the cronyistic ties that local governments once had with foreign companies.

Large portfolio investors in mainland securities like the California public employees pension fund (Calpers), overseas labor rights activists, and regulators in Western markets have begun using their leverage to pursue openness and accountability. As this happens, the "normal" pro-democratic impact of business—which promotes meritocracy, transparency, rules-based systems, information opening, codes of practice, and competition—is coming to the fore.[24] As one political reformer in China noted of the new generation of foreign executives in the country: "They don't know how to speak Chinese or take local cadres to lunch. They expect to work hard and enjoy the results. That is going to change everything."[25]

Just as Spain's quest for entry into the European Community from 1977 to 1986 encouraged the formation of government structures that reflected the imperatives of democratic rule, so too China's entry into the WTO will put unprecedented pressures on the political system. China's stock market regulator, the China Securities Regulatory Commission, intends to hire foreign nationals to improve its operations. The same impetus will be at work across the entire regulatory system. As China's semi-official annual political report of 2001 put it: "The secrecy and unresponsiveness of governments at all levels in China simply does not accord with the needs of WTO entry . . . We need to make all information public, make leaders compete for office, and increase public participation in political affairs in order to improve the efficiency of government to meet this challenge."[26]

New Ideas

In 1996, the newly established China Confucius Foundation filed a lawsuit against the Ministry of Culture alleging illegal interference in its activities. The ministry had tried to force the Confucian scholars to move their office from Beijing to Shandong province. When they refused, the ministry sent a gang of thugs to the office to haul away equipment and lock the door, "seriously encroaching upon the foundation's legitimate rights and interests," the suit alleged. In an out of court settlement, the ministry backed down.[27]

As with the economy, the dismal picture of social life under CCP rule is considerably enlightened by signs that society is finding ways to resolve the crisis. Tocqueville's prophecy is being fulfilled in modern-day China through a burst of new ideas and the creation of new organizational resources with which to put them into practice. Tracing these changes in values and ideas is difficult, notwithstanding the occasional appearance of litigious Confucians. Yet they are arguably the motive force of political development. Ret-

rospective work on the failure of authoritarian regimes almost always dwells in the end on the ways that society quite literally outwitted the state.

New ideas of all sorts to replace the totalitarian values of the state are critical to the formation of an ideology for an opposition movement. By forging critiques and alternative views of central public issues, they disarm the regime's ability to lead by sheer will. These dissenting views need not be widely held. Only a small but critical mass of alternative opinion is necessary to provide the normative backing for the ad hoc solution of democracy when dictatorship reaches crisis.

Several surveys taken in the 1990s found mounting evidence that this critical mass already exists in China. According to one survey, "20 to 30 percent of the population of China have attitudes favourable for democratic behaviour," a level comparable to already functioning democracies in Italy and Mexico.[28] Another survey that compared democratic attitudes in Hong Kong, Taiwan, and China showed how China was already at a level comparable to Taiwan when it launched its successful democracy in 1988 and would continue to embrace democratic attitudes more widely as education expanded.[29] In cross-country comparisons of the strength of various values of toleration and self-expression, which are strongly correlated with democracy, China already enjoys levels that should sustain a democracy like those of Taiwan, Greece, or Poland.[30]

Even in the 1980s, as we saw, the Party was losing control of China's values as the pro-democracy movement grew. By the turn of the century, further liberalization and international integration, as well as rising education levels—60 percent of the labor force now has secondary schooling or higher—had created even wider space for new views. In rural areas, as we shall see, the conduct of direct elections has had a profound impact on widening the scope of ideas.

In the cities, the transformation is even more profound. In contrast to the "anti-social individualism" that gripped the cities with the first bursts of freedom in the 1980s, by the turn of the century, a genuine "sense of community built on rational individualism" was emerging to take its place.[31] Citizens are putting a greater value on notions of justice and equality over notions like authority and responsibility.[32] Artists who engaged in cheap political pop art in the 1980s are now concerned more with human inquiry, drawing attention toward the individual and away from the state.[33] Of course, as we saw in the last chapter, the spread of this responsible civic ethos faces real limits under the CCP system, where autonomous associational life is wrecked at every turn. But its appearance helps gird the forces that would bring about change.

So too does the appearance of liberal intellectuals. Rare is the country that has overthrown an authoritarian regime without an intellectual leader. Intellectuals can provide the critical rhetoric and moral backing to disarm opposition to democratic change. In their writings on both historical and present-day issues, intellectuals can create dissonances that undermine Party's hegemony over discourse. In the USSR, the flood of reappraisals about Stalin's rule that appeared in 1987–88 opened a window of truth, a "return of history" that made it impossible for the communist regime to carry on. Through such acts, "the demand for truth" becomes as important as "the demand for bread" within segments of society. Again, they need not be the majority—usually they are not—to have a great impact.

In both 1986 and 1989, university professors and students were at the forefront of political agitation in China. As with entrepreneurs, there is some evidence that they retreated from that role in the 1990s by seeking clientelist ties to the state. But the recognition of the problem is now open and arguably has caused a reversal, a "reawakening" of the liberal intellectual mission now celebrated in many Chinese books.[34] Writer Yu Jie's collection of essays, published in 2003, was called "Refusing Lies" (*Jujue huangyan*), echoing Lech Walesa's remark on the growth of "a communion of people who do not wish to participate in a lie." A healthy scepticism toward the state—one fostered by its repression—has allowed intellectuals to reemerge at the forefront of political change. Among them, noted one scholar in China, "the core concepts of Western democracy—namely elections, participation, equality, and freedom of expression—are now widely accepted."[35] Indeed, China is arguably better endowed with liberal intellectual leaders than was the Soviet Union or any Eastern European country. As a Chinese scholar put it: "The liberalism expressed by some non-Party intellectuals is a vital part of the ferment leading toward political change."[36]

Finally, diverse and often democratic influences are also flowing into China from abroad. By 2002, there were 350 McDonald's restaurants in China. The national soccer team went to the World Cup in 2002 under a foreign coach. The number of outbound Chinese tourists reached 6 million. Meanwhile, about 400,000 graduate students and scholars had gone abroad since reforms began. The creation of a large PRC diaspora, in addition to starving the CCP of resources, has a profound cosmopolitanizing effect at home. Attempts by Beijing to portray life in a democracy as dangerous and alienating increasingly fail. New ideas spill off the flight from Los Angeles along with boxes full of Hollywood films.

Many of these global cultural influences are embodied in the awarding of the 2008 Olympics to Beijing. Merely organizing such an event would bring

new people and ideas into China, not least the Olympic Charter's explicit "respect for universal fundamental ethical principles" and "preservation of human dignity." Citizens in Beijing quickly grasped the regular visits by IOC commissions as means to demand better treatment on issues like urban redevelopment. There are close parallels with South Korea, where the coming of the 1988 Olympics games was an important impetus for regime change. As in South Korea, China's people will be keen to show a "new face" to the world by 2008.

Of course, the cosmopolitanizing and liberalizing impact of globalization on Chinese society needs to be squared with the apparent emergence in the 1990s of a powerful nativist and illiberal nationalism. As mentioned, nationalism has a long and infamous history of being used by elites to discredit or subvert democracy in China. The CCP's launch of an official patriotism campaign in 1991 and its frequent resort in the 1990s to "nationalism on demand" from angry young males was nothing new in this respect.[37] Yet the mainstream, as opposed to official, nationalism in present-day China may be one of the most potent democratic forces.

Throughout the reform era, students protesting against foreign slights repeatedly turned their attentions to the failures of CCP rule. This transformation is latent in the nature of nationalism. The search for national dignity contains many of the same notions—equality, fairness, justice—that underlie the quest for personal dignity. The great political philosopher John Rawls contended that a people's demand for respect from other nations is rooted in the same moral philosophy that generates the individual's demand to be treated equally and fairly domestically.[38] In the process of seeking their due globally, people begin to seek their due at home as well. Notes one Western scholar: "The politics of individual dignity, far from being antithetical, appears to be parasitical on the idea of national dignity"[39]

We have seen evidence of this repeatedly. Wei Jingsheng wrote his famous democratic declaration to show that China's people were neither "spineless weaklings" nor "devoid of any desire to improve their lot"—a direct linking of democracy with national dignity. When Beijing won the Olympics in July 2001, the streets of the city were suddenly packed with celebrants, all of them acting with unaccustomed camaraderie, respect, and civility. "I haven't seen this sort of feeling since Tiananmen," one weeping young woman entrepreneur told me. National dignity and individual dignity are closely linked.

A second point is that the quest for national identity usually brings to light the diversity inherent in any culture, providing a new stimulus for democracy's equal treatment of all. Some of China's nationalists increasingly identify themselves with the long tradition of modern Chinese nationalism and Chinese

cultural pride, not with the CCP regime. Loving China no longer means loving the CCP, if it ever did. Especially in the south, a new egalitarian and cosmopolitan culture has taken root that challenges the CCP's northern autocratic culture.[40] The result is that people begin to reinterpret the regime's propaganda about the need to avoid democracy as the need to avoid an inclusive national identity. The new national narrative sees regionalism and federalism as a good thing to prevent dictatorship. Democracy is portrayed as a unifying force. It was no coincidence that the biggest demonstration against the June Fourth massacre occurred in Guangzhou, where 50,000 people held a peaceful protest on June 5, 1989, or that the flame of that movement burns brightest in Hong Kong at the annual June Fourth vigil there.

As India and Taiwan have shown most strikingly, nationalism can be a powerful force for both achieving and sustaining democracy. It provides resistance to despotism and glue to hold together a country during the transition. A sense of belonging, of national identity, is critical to creating a democracy. So too is a pride in one's cultural traditions. In China, nationalism is helping to tip the balance toward, not away from, democracy.

In all these respects, the burst of new thinking in contemporary Chinese society undermines arguments that China is trapped in a fossilized culture that cannot support democracy. Earlier we rejected notions of a deep-rooted antidemocratic strain in China's culture, arguing that its democratic potential was as great, if not greater, than elsewhere. Of course, the converse of the adage that democracy produces democrats is that dictatorship produces dictators, norms in society at odds with democracy. But it is clear that China has already escaped from the prison of antidemocratic ideas, a remarkable feat living under CCP rule.

As one mainland scholar concludes: "China has discovered that dissent, diversity, and plural ideas and values are not incompatible with social order. . . . [Thus] the major cleavage in Chinese political culture today may not be between the advanced intellectuals and the backward masses, but between a people ready for more freedom and political leaders afraid to grant it."[41]

New Societies

New organizational resources—the media, civil society, rule of law, and open protest—are the other dimension of social change. Again, these remain deeply retarded by the communist state, with all the resulting negative consequences described in the last chapter. Yet we already see the emergence of a critical mass that has put the CCP on the defensive.

The explosion of the media in China is a tangible expression of the Party's

loss of control of ideas. Consider the numbers in 2003: close to 7,000 newspapers and magazines, of which maybe a fifth have their own Internet sites; more than 500 publishing houses, of which only a third are directly controlled by the central Party or state; more than 3,000 broadcast and cable television stations; 70 million regular Internet users; and the world's largest mobile phone population: 250 million chatterboxes talking up a cacophony of competing ideas.

As a result, China is now awash with information that would have been considered seditious as recently as the early 1990s. Chat sites created to support the Party, such as the Strong Country Forum of the People's Daily, are used to launch criticisms of the Party. About three quarters of respondents to one survey said that the Internet gave them "more opportunity to express their political views," while 68 percent said it gave them more opportunities "to criticize government policy."[42]

Beijing tries to stem the flow through periodic crackdowns on newspapers and magazines and the blocking, according to one study, of 19,000 politically sensitive Internet sites.[43] But it is a losing game, especially given the impact of the Internet and mobile phones in creating the socioeconomic and geography-defying "communities of understanding" that are so inimical to dictatorships. The failing controls—the blocked Internet sites account for only 8 percent of the total potentially subversive sites—have increased calls for an end to censorship since it is insulting to a society already in-the-know. As one scholar noted: "The only effective way to stop [press] liberalization would be to resume full-scale subsidies to all the media. But that is beyond the capability of government."[44]

The media have another organizing impact through the work of investigative journalists in uncovering political problems. Malfeasance in the corporate sector, as covered by magazines like *Caijing*, is an open field now. As one study noted, this new breed of journalists is remarkable in being concerned with issues of justice as well as truth.[45] Official corruption and misgovernance remain more sensitive, but still provide wide room for honest reporting. In two incidents in 2001—a mining disaster that killed 300 in Guangxi and a fireworks explosion that killed 40 schoolchildren in Jiangxi—the media rejected state lies and reported the truth, forcing officials to recant. Dogged reporting into the affairs of the China Youth Foundation's charity for poor areas, Project Hope, finally uncovered evidence of long-rumored corruption in 2002.

Of course, since the line is unclear, many journalists end up in jail. The CCP regularly tops the odious list as the regime with the most journalists under lock and key worldwide, two dozen in 2001.[46] But the Party faces a

losing battle. Journalists jailed for reporting corruption or misgovernance become causes célèbres at home and abroad.

Civil society, organizational life not controlled by the state, is critical to the lead-up, transition, and consolidation phases of democratic change. Authoritarian governments make little allowance for autonomous social groups because the state and its official social groups are supposed to represent all interests. Yet any degree of market and social freedoms will lead to a diversity of interests that seeks its own organizations. As they pursue those interests, social groups put dictatorships on the defensive, drawing attention to instances of poor governance and at the same time robbing them of their normal social support. Suddenly, two scholars note, the emperor "is seen not only naked but also unaccompanied by his usual retinue."[47] At the critical moment, as we shall see, civic society presses elites to embrace democratic change, later helping to sustain it through the turbulence of early consolidation.

Given this importance, it's no surprise that vast attention has been paid to the rise of social groups in China, both by the regime and by outside observers. At the end of 2002, there were 135,000 officially registered "social groups," in China. More than half were sub-national level groups, reflecting China's size and diversity. Of these, as one would expect, the most economically advanced provinces accounted for the bulk. Books about "civil society" (*shimin shehui* or *gongmin shehui*) and "civic organizations" (*shetuan* or *minjian zuzhi*) now crowd the shelves in China.[48]

The variety and the scope of the civic groups grow by the day. Academic, business, and professional groups account for most of the officially recognized bodies, little surprise given the Party's fears of losing their support. But the growth of associations representing women, environmental causes, homeowners, new religions, charities, recreational pursuits, and folk culture is astonishing. Taxi driver guilds, temple fair associations, soccer fan clubs, and female journalists' groups have sprouted with the grudging endorsement of a state no longer able to manage every aspect of society. The Falun Gong meditation group that surrounded the CCP's office complex in 1999 with 10,000 adherents to protest being de-registered was a stark reminder of a rapidly organizing society.

Some scholars argue that China's civic groups cannot play the same role they did in other democratizations. That is because the ones that are politically engaged are closely controlled by the state, meaning they do not restrain or reclaim state power. Others advocate ideals that are highly undemocratic. But the standards of civic groups under democracy are not those we should use for those under dictatorship. As with so many aspects of the resources for transition, we should be concerned with showing merely that a "critical mass,"

not a fully developed, pro-democracy civic society exists. From this developmental viewpoint, civic society in China is already reaching the critical mass that will make it an effective resource for transition.

While Beijing officially demands that civic groups be state-sponsored and that their behavior be consonant with state policies, formal compliance often masks actual divergence.[49] Despite fantasies of an orientalist bonding between state and society, all evidence suggests that civic society in China is developing exactly as it did elsewhere—in opposition to state power. The best evidence is Beijing's frequent repression of groups. In 1998, Beijing passed new laws to crack down on groups that were "politically problematic, seriously interfering in social and economic order, or illegal," along with others that were "redundant" or "badly managed." Two years later, the number of groups had fallen by 30,000, or 20 percent.[50] If China's civic groups were indeed pioneering some new Asian values approach to helping the state, then why would the state react against them in this way? One Party hard-liner provides the answer: "Some social groups have tried to cast off or weaken Party leadership over them. In some cases a small number of groups have only focussed on their own interests, seriously affecting political stability and unity."[51]

The second issue is whether these groups are putting in place the foundations of democracy. Many worry that China's "uncivil society" would bring chaos or new dictatorship if it overthrew the CCP. To be sure, China has its fair share of antidemocratic groups—as every society does. As in developed democracies, many of them are avowedly unpluralistic. But it also has a large number of proto-democratic groups focused on women's rights, liberal intellectual thought, or public charity. More important, civic societies which grow up within a dictatorship often take on nondemocratic colors as a result, just as people do. Evidence from elsewhere shows that this changes quickly with democratic opening. For that reason, the proper focus should be less on the antidemocratic potential of some groups—a potential that like all cultural potentials can be used for good or evil—and more on the extent to which these groups are managing to reclaim and restrain state power. Much evidence suggests it is great. Civic groups, writes one scholar in China "are helping to lay the foundations for a diverse, rich and democratic human society."[52] Or to quote another: "The gradual creation of a civil society is creating favourable conditions for China's future democracy."[53]

In a similar way, the accidental openness in China's nascent legal system is being used by society to forge a new relationship with and even change the state. One example of this new relationship is the Administrative Litigation Law, under which 100,000 suits were brought against mostly low-level government officials and departments in 1999. Others laws, like the State Com-

pensation Law and the Administrative Penalties Law, have contributed to society's control of the state as well.

Like so much else, these seeds, planted to address a crisis of governance, have grown far larger than intended. Vigilante-like judges have appeared in localities where the crisis of governance is worst and made names for themselves by taking on powerful Party units.[54] The country's corps of 117,000 qualified lawyers and 10,000 law firms as of 2001 is also producing a whole new class of people who use the legal system to fight for justice, the entrepreneurs of legal limits on the state. People like Shenzhen worker's rights advocate Zhou Litai and Beijing-based lawyer's rights agitator Zhang Jianzhong appear by the day. While the CCP still imagines rule of law as a tool of legitimization and policy implementation, there are openings for law as a mechanism to bind the state and protect individuals. The norms it embeds are norms of fundamental, unalterable legal rights and of a state that is subject to limits.

Finally, the resort to organized and open protest has gone from a rare and daring act in the 1980s and early 1990s to a normal part of everyday life by the turn of the century. It is now a widely used and tolerated means of voicing protest. Party journals and books chronicle the rise of "sudden and mass incidents" which usually involved some degree of violence or disruption. In recent years, there have been frequent outbreaks of riots by peasants over taxes, minorities over religious repression, workers over unpaid pensions, parents over tuition fees, townsfolk over corrupt cadres, city-folk over urban redevelopment, taxi drivers over new license fees, and soccer fans over bribe-taking referees.

Protest is best known in rural areas, where anti-government riots have become so common that a Beijing University thesis called them the "mainstream" method of political participation.[55] One protest movement by relocated residents from the Three Gorges dam area began in 1979 and was still ongoing as of this writing.[56]

In cities, meanwhile, riots over urban housing and welfare and mass marches on government offices are commonplace. In one riot in 2000, residents of a township in Jiangsu burned 24 police cars and injured 50 policemen in a protest against the merger of their township with another. An informal movement of residents in Shanghai regularly foils heavy-handed urban redevelopment plans with protests, sit-ins, petitions, and even appeals voiced by the city's aggresive tabloids. Thousands of workers marched and picketed in Liaoning province the same year over unpaid pensions and state factory corruption.

For practical and normative reasons, police are increasingly allowing the protests to continue. Usually, the use of force makes things worse, as police

and Party manuals since Tiananmen have been at pains to stress. More important, within the police there is a growing sense of professionalism that portrays officers as upholders of public order, not Party rule. This change, to which I return below, is monumental. It is a prelude to the defection of coercive forces that is critical in democratic transitions. Prior to that, it helps to empower the organization of social protest by reducing the costs of protest, thus providing an important resource for democratic change.

Of course, one might argue, as some scholars have, that the growing incidence of open protest is likely to strengthen the authoritarian clamor for law and order. As social tensions grow and as armies of unmarried young men—30 to 40 million by 2020—emerge looking for release, the CCP will find new adherents to its calls for strong government.[57] Yet this conclusion goes against evidence of how China's people frame the problems and solutions to their crisis of governance today. More and more they frame it as a failure of strong government, not a call for more. In the words of prominent political reformer Li Fan:[58]

> Since 1989, there has been a constant outbreak of small-scale protests, sit-ins and marches. But the state has not conceded any major political freedoms. It instead relies on out-of-date police-style repression. . . . If the state does not undertake political reforms to meet these needs, the results will be even larger turmoil. . . . At a certain point, society will simply rise up and break down the constraints on freedom.

Democratic Diplomacy and U.S. Policy

International factors are playing an important role in shifting the balance in favor of democratic transition in China. Indeed it may be said that the global environment for a successful democratic transition in China has never been better. We have already seen how international economic and social factors are working to promote change. Here we consider explicit political linkages.

International political factors can occasionally be all-important in democratic transitions. In some cases—Japan, Grenada, Afghanistan, Iraq—democracy was imposed from outside even though domestic democratic forces were weak. In others—Greece, Portugal, Argentina, and even the USSR—democracy resulted partly from a failed foreign war. Usually, however, international political factors play only an indirect if powerful role, magnifying and empowering forces already at work inside a country. This is the case with China.

It is unlikely that the CCP would be ousted by a foreign power for, say,

weapons proliferation, or by its own people, say after a failed attack on Taiwan. But global politics is being felt inside Zhongnanhai in other ways: through diplomatic policies, indirect border effects, and an increasingly active global civil society.

The diplomatic environment never imposed dictatorship on China of course. But as elsewhere, the uncertainty of the cold war bolstered the arguments of antidemocratic forces at home. With the cold war ended and new regional conflicts being solved through bipartisan global cooperation, this danger is removed. No longer can external threats be used to argue against democracy, as they have been throughout modern Chinese history. Just as the end of the cold war removed obstacles to democratic movements in the peripheries of the United States and the USSR, so too it has had a wider impact in Asia. A country can democratize today with excellent prospects of emerging with an independent foreign policy.

In China, this balmy international climate has encouraged policymakers to urge the government to cast off its discourse of threats and victimization in favor of a more mature and cooperative diplomacy.[59] It was just such a change in the external policies of the USSR, Gorbachev recalled, "that was the starting point for everything" that changed at home.[60]

Indeed, the end of the cold war marked the onset of a global diplomacy that explicitly favors democracy. "Democratic diplomacy" is of course rooted in normative ideals. But it is also hard-nosed realism: promoting democracy in other countries makes them more stable and open, thus protecting global security from militarist aggression; opening channels for international cooperation on transnational issues; and providing better prospects for global economic growth and redistribution. The EU has an explicit democratic condition for membership that has encouraged democratization in southern and eastern Europe. Several democratizations in Asia—Taiwan, South Korea, and Cambodia—have been greatly influenced by the quest for diplomatic acceptance from the West. In Africa, the old dictatorship-friendly Organization of African Unity was dissolved and replaced by a new democracy-friendly African Union in 2002 linked to an aid-for-democracy funding scheme from the West.

China thus finds itself confronting a diplomatic environment strongly tilted in favor of democracy. Democratic countries give significant support to village elections, people's congresses, human rights dialogue, and rule of law initiatives in China. Beijing hopes these things can bolster its legitimacy and governance without compromising its power. Democratic countries hope otherwise. As Japan's prime minister put it at China's annual Asia development forum in 2002: "The three values of freedom, diversity and openness are the driving forces behind peace and development in Asia. . . . It goes without

saying that freedom refers to democracy and human rights politically," institutions whose coming to every country, he remarked, was "inevitable."[61]

China also finds that the United Nations system, long a friend of corrupt and brutal Third World dictators, is increasingly part of the same democratic diplomacy. Several UN programs and policies now have explicit democratic conditions attached to them. The agency's human rights commissioner, its covenants on human rights, and the "democratic governance" item which tops the UNDP agenda are all reminders of this. Nothing could be more upsetting to Beijing's argument that democracy and human rights are "Western" than to see UN democracy and human rights initiatives being pursued with vigor by an African secretary general and a Thai human rights commissioner, as in 2002. In the words of a U.S.-based scholar: "Beijing cannot escape the fact that the normative agenda of international society has expanded, as have the ambitions of China's domestic political reformers."[62]

The CCP thus engages the international system at its peril. China was a member of 55 international governmental organizations by turn of the century, up from 21 in 1977. While Beijing sought to maximize the publicity value and minimize the responsibilities of such engagement, the mere act of joining created new structures and powers for reformers in the state.[63] Domestic human rights advocates, for example, rushed into print a collection of international human rights standards the moment that Beijing signed the two UN covenants on human rights, calling it a "citizen's reader."[64]

As with domestic rule of law, the CCP's embrace of international rule of law has tied its hands. By involving itself more and more in the UN system, notes one scholar, Beijing has "crossed the Rubicon," in which it can no longer provide any coherent rejection of global democratic norms while simultaneously seeking to be a part of them.[65]

Like all democracies, the United States has a strong self-interest as well as moral compulsion to promote democracy in China. Merely by keeping the peace and encouraging openness throughout Asia, the U.S. makes a major contribution to China's democratization. Indeed, a U.S. policy that focuses assiduously on encouraging and supporting democracy in Asia as whole is perhaps the best friend of democracy in China.

From a prescriptive point of view, if one accepts the normative underpinnings of democracy as well as the practical evidence of the international costs of dictatorship, then the single overarching aim of U.S. policy toward China should be to bring about as rapid and smooth a transition to democracy as possible. While there is wide scope for reasonable differences on policy means, there is little scope for differences of aims. Every policy needs to be framed with reference to helping China's people to achieve their long dream

of a free and democratic country. It is important to keep in mind that in China democracy accords with popular wishes. Too often, U.S. policy specialists imagine the PRC as a representative government whose policies reflect an essentialized "Chinese worldview" that is "deeply rooted and readily apparent."[66] Yet in light of recurrent pro-democracy protests and demands and in the absence of any popular legitimization of the CCP government through free elections, there is no basis for this assumption. The CCP's policies in all likelihood do not represent a "Chinese worldview," whatever that is, but a struggling regime's last-ditch attempts to stay in power. As two scholars note, referring to the essentializing views of Harvard University professor Samuel Huntington, authoritarian regimes the world over exist because they crush democratic urges, not because those urges are absent: "U.S. policy should not fall prey to Huntington's inability to distinguish between the regime line of the moment and the underlying dynamic that gives hope to so many Chinese people."[67]

To be sure, a democratic China would have its own distinct "worldview," as do democratic Japan, India, and France. But it would be one grounded in shared norms and ideals that have popular backing, in other words one both moral and legitimate. Moreover, as with U.S. policy in Latin America, a failure to pursue democracy as the primary goal risks undermining Washington's future credibility. A United States which is not a friend of democratization in China cannot expect to be a friend of a democratic China. One prominent Chinese democrat suggests the establishment of a "China Reform Promotion Fund," a sum of money promised to a newly democratic China with funds earmarked for poverty alleviation, farmers, unemployed, and the retired.[68] This idea follows closely the Bush administration's establishment of a Millennium Challenge Account in 2002 to reward democratic reforms in aid-giving.

Democratization theory suggests that this kind of "ethical engagement" with China is the best means to foster change. The Clinton administration pursued an admirable policy of low-level engagement with China but one that often fell prey to unethical behavior. High-level summitry with Beijing—culminating in a plan to build a "constructive strategic partnership"—as well as incautious business and military exchanges meant that the purposes of engagement were often forgotten. Much of this changed under the administration of George W. Bush. But the Bush policy erred in the other direction: useful engagement on health, rule of law, and military openness was put on hold along with the inadvisable summitry and military technology exports. Meanwhile, the 2001 terrorist attacks on the United States had a baleful influence in moving Washington's global policy away from the encouragement of political pluralism toward narrowly defined security aims.

In high-level dealings with the CCP, the United States should be open and unremitting in its calls for political liberalization. Washington should make it clear that while it respects China and its people, it cannot engage CCP leaders in any meaningful partnership. High-level contacts should be used to raise the costs of repression, proliferation, or aggression by Beijing. Washington should press for the release of dissidents and the relaxation of controls on religious freedom in return for modest concessions on high-level exchanges. Such exchanges would include careful but consistent engagement with reformist individuals in the military, government, Party, media, judiciary, and scholarly communities. As we posit in Part II, the CCP will likely be "extricated" from power by a breakthrough elite composed of reformist individuals inside the regime. Investing in them makes sense.

Of course, practical necessity means that Washington needs to have some degree of contact with the conservative leaders of the CCP regime. Matters of trade, the environment, crime, weapons proliferation, and the like need to be tackled at high levels. Yet there seems little justification for extensive summitry with Beijing. Investing in the current leadership risks underinvesting when preparing to deal with a post-CCP government. As one U.S. scholar commented: "We seem to be simultaneously betting on the current regime and recusing ourselves from any consideration of the crisis it will almost certainly face before long."[69]

This "post-CCP-oriented" policy would also include making it clear that the United States would be a friend of a democratic China and would welcome its role in sharing the burdens of Asian security and leadership. Even if a rump CCP emerges as the dominant party after democratic transition, something we predict in part 2, this would not prevent high-level engagement, for it would be a legitimate government.

At lower levels, engagement should be fuller *and* more ethical. Business should be encouraged, but under the rubric that it helps to make China a more free country. U.S. companies should be barred from outfitting or cooperating with China's coercive forces. Chinese companies that raise capital in the United States should be vetted closely. Overall business ties would not likely suffer: Beijing has proven to be thoroughly pragmatic in matters commercial. Beyond commercial policy, U.S. government agencies should be encouraged to engage with China. At present, many of them, such as the National Endowment for Democracy and USAID are hampered by their ban on involvement with a country whose government is not officially committed to democracy. This restraint makes little sense, as many observers have noted. In the philosophy of global justice of Rawls, China would be a "burdened society" where weak liberal political and cultural traditions—kept that way by

dictatorship—struggle to gain preeminence. Low-level assistance to China in terms of education, health, welfare, rule of law, and much else is not only practical but also just. Withholding it on the grounds that China is burdened by dictatorship is both unjust and illogical.

Low-level engagement can and should include an explicit and open commitment to democracy, for two reasons. First, any democratic country has to be true to itself, to meet the same standards of openness and explicit policy aims in foreign policy as it must at home. Otherwise, those policies can go dreadfully wrong, as they did in Vietnam. Foreign policy experts soaked in Sinology who argue for a soft, face-giving approach often forget that they represent democracies that demand accountability to their own people, a fact they might find troublesome but that is there exactly to keep tabs on that desire to be freed from popular control. The "domestic interests," in the United States which many a Sino-U.S. relations specialist bewails is exactly the point of representative government.

Second, as with business, there is no evidence that such a commitment would adversely affect most programs in China. Building a "democratic" China is an explicit goal of the CCP leadership, even if it intends to remain the sole party. On the ground, meanwhile, as we have seen there is already a strong growing consensus on the need for real democracy. The head of the UNDP reports that while Beijing diplomats opposed the agency's "democratic governance," initiative in 1998, local officials in China embraced the notion as a real solution to their governance crisis.[70]

China's people, and many of its reformist elites, recognize that peaceful evolution from dictatorship to democracy offers the best hope for building the strong and prosperous China of their dreams. The United States, along with the rest of the world's democratic majority, should help them in that quest. To a great extent, they already are. With a more focused and enlightened policy, much more could be accomplished. To quote one congressional leader: "We should feel free to talk past the regime and directly to the people."[71]

Border Effects and Global Civil Society

We live in an age in which the norms of democracy have become the gold standard of our time. This atmosphere has a significant impact on China that goes beyond diplomatic policies. The "border effects" of global democratization and the rise of a powerful pro-democracy global civil society are widely felt. As one Party hard-liner wrote about the "Third Wave" of democratizations

of the late twentieth century: "The so-called Third Wave theory has had an impact on China, causing some liberal scholars to become quite active and in society a wave of liberal democracy thinking has spread."[72]

Traditionally, the "border effects" of nearby democratic change have been the most powerful international factors in democratizations; indeed this is one of the explanations of the three "waves." The near-simultaneous democratizations of Eastern Europe and Russia in the Third Wave are the best examples. But similar effects have been seen in Latin America, southern Europe, and Southeast Asia.

China is feeling those same effects. Of course, democracy in Western countries exerts a constant influence, not least because of the economic and technological prowess of the West. Those affects have been deeply reinforced by the Third Wave. Beijing now finds itself looking in from the outside on conferences such as the Annual Conference of New and Restored Democracies and the annual conference of the Community of Democracies. In Asia, democracy has become the mainstream system, accounting for 24 of 39 governments by the turn of the century. Attempts to erect a cover for dictatorship under the rubric of "Asian values," as with the attempts in the past to subvert democracy in Africa through appeals to tribalism, now lie discarded. The Council of Asian Liberals and Democrats (CALD) brings together democratic parties of Asia into one forum and helps to share indigenous experiences with democracy, further evidence of the pan-human universality of democracy. As one Chinese liberal writes: "China has no reason to miss the opportunity to join the mainstream of human civilization."[73]

China's people look abroad and see those in allegedly inferior tributary nations like Cambodia, the Philippines, and Thailand lining up to choose their leaders and wonder why they cannot do likewise. When a newly democratic South Korea jailed two former presidents in 1996 for subverting democracy and taking bribes, it caused a sensation in China. "The trial was of great significance to all of Asia. It told us that modernization must have political standards," wrote He Qinglian.[74]

Within Asia, the examples of Taiwan and India stand out. Taiwan's successful democratization launched by Chiang Kai-shek's son on his deathbed in 1986 has proven to be a powerful example to people on the mainland. Not only has democracy sustained an economic powerhouse, but it has also endeared Taiwan to the global community. U.S. backing for Taiwan is singularly helped by its democratic and free system.

Beijing's attempts to discredit democracy in Taiwan by showing the occasional fist-fights in its legislature have boomeranged with the developing pop-

ular admiration for the Taiwanese ability to struggle over policies. Attacks on corruption in Taiwan serve to draw attention to far greater and less manageable corruption in China.

Scholars frequently point to differences between the democratizations of Taiwan and China. Yet on close inspection, those differences are narrowing rapidly. Taiwan's need to gain U.S. support in the wake of the diplomatic defections to the PRC in the 1970s is today paralleled by Beijing's need for international recognition in the post-Third Wave democratic environment. Taiwan's emerging opposition parties and civil society of the 1970s is today paralleled by China's nascent civil society, growing middle class, and reformist regime insiders. The KMT's legitimacy crisis on Taiwan was no worse than the CCP's legitimacy crisis on the mainland.

Indeed, some enlightened CCP leaders may see the Taiwan example as a model of how to retain power for as long as possible during democratic transition, as the KMT did until losing out in 2000. As one scholar sums up: "If one needs to find an example that points a way out of repressive authoritarianism for the CCP, there is not better choice than that of the KMT."[75]

The example of India is less politicized but arguably more profound. Asia's two great ancient civilizations are a study in contrasts today. Both are poor and populous. But India's flourishing democracy and extensive freedoms serves as a contrast to China's callous dictatorship and repressive environment. As mentioned, India almost single-handedly refutes arguments that large, poor countries cannot sustain democracy. It takes a Herculean effort for anyone to argue that India had better conditions for democracy than China because of, say, a British colonial heritage or a tradition of society being separate from the state, embodied in people like Gandhi. According to most estimates, India had far worse objective conditions given its extensive poverty (two-fifths of the population), unparalleled ethnic and religious diversity, and neighboring nuclear threat in Pakistan. "For opponents of democracy in Asia," writes one Indian intellectual, "the history of this experience is a warning of what can be done."[76]

A more pressing matter is whether India is an argument that China *should* embrace democracy. Certainly, many a Western investment banker, conservative academic, or stability-minded diplomat has replied in the negative. But that line was increasingly being challenged in China by those who see the benefits of democracy in India. Materially, India has improved as much as China in the Human Development Index since 1980, even though it began economic reforms a decade later. On the issue of sustainability, India's entrenched and stable constitutional order, its less extreme environmental degradation, and its lesser income inequalities suggest its gains are also more

lasting. If India's impressive growth rates of the first years of the new century continue, this side of the argument will look stronger yet. Credit ratings agencies are making those points already.[77]

More important, there is a growing sense that India's protection of rights and freedoms and justice makes it a bigger miracle, given the obvious lack of expansion of these in China. One domestic critic of CCP rural policies returned from a trip to India in 2002 and praised the country for not unjustly forcing the burdens of reforms onto its farmers.[78] Likewise, the leader of Hong Kong's biggest pro-Beijing political party returned from a trip to India in February 2002 "struck by the upbeat outlook that almost everybody seemed to have" despite the country's poverty and communal tensions. "Indians," he wrote, "believe in their system of government. . . . If democracy means a slower pace of reform . . . Indians seem to recognize this as a price worth paying. . . . People do not easily find fault with a system built on common values."[79]

Beyond Asia, the democratic experiences of Russia and Eastern Europe have had a significant impact. Beijing's eager propaganda about the rough start for democracy there in the early 1990s had given way to grim silence by the turn of the century as the countries emerged with functioning democracies and strong economic growth. Of the 28 new democratic states created in 1989–91, 25 were considered either consolidated or moving in that direction a decade later.[80] Even those in China who express shock at Russia's loss of great-power status are being challenged by others who point to China's failure to achieve even middle-power status because of its political system.

Beijing's line that Russia shows the importance of delaying political reforms is today widely refuted in China by academics and some liberal leaders. A Chinese Academy of Social Sciences book on the collapse of the USSR issued in 2001 asserted that an over-concentration of power, not political reforms, caused the USSR's collapse. As one liberal writes: "Those who say the USSR and Eastern Europe show that we must not undertake political reform have got cause and effect mixed up; it was because of their lagging political reform that the system failed and resulted in collapse."[81]

Border effects also result from an increasingly well-organized and influential global civil society that takes democratic norms as its basic principles. This includes human rights groups like Amnesty International, labor rights groups like the International Confederation of Free Trade Unions, or democratic and legal-building institutions like the Carter Center or the Soros Foundation. The influence can be seen in an internal speech in 1992 by senior leader Luo Gan on reforming China's internal migration controls: "Some Western human rights organizations have raised this as a human rights issue,

which has seriously harmed our country's reputation. In order to take away this excuse for attacking China as well as meet our own development needs, it makes sense to reform the system."[82]

As part of this global civil society, the overseas Chinese democracy movement has remained a factor in Chinese politics since 1989. U.S.-based groups like the China Alliance for Democracy, China Democracy Federation, and the Chinese Federation Development Committee push for a nonviolent overthrow of the CCP. Hong Kong, meanwhile, is home to the 1989-era Alliance in Support of Patriotic Democratic Movements of China which organizes an annual June Fourth vigil—the biggest annual political protest in the ex-colony—and to the Democratic Party, the most popular party in Hong Kong, which argues frequently and fervently for democratic change in the mainland.

Beijing would like to think, and its propaganda organs frequently write, that the overseas democracy movement is divided, weak, and discredited. Yet the positive coverage of its activities in virtually all mainstream Chinese-language newspapers and magazines published in Hong Kong and overseas gives the lie to that claim. Elitists may wash their hands of the boisterous groups. But on the ground they are invariably viewed with respect by the Chinese publics.

If the story of democracy in the nineteenth and twentieth centuries was one of closed polities in which lord and peasant battled for supremacy, political development today takes place in open polities where the peasants are backed by a militia of international forces. Border effects, no less than diplomatic policies and international economic and social exchanges, are helping China's people to cast off centuries of feudal domination. Notes one mainland scholar: "With China now joining the world political and economic systems, democracy has attracted a lot more attention from the people. Realizing a democratic reality in China is now an inevitable trend that no man can stop."[83]

Political Decompression

In the Spring of 2000, an article appeared in the popular *Southern Weekend* newspaper written by Ren Zhongyi, a former Guangdong province Party chief closely associated with the pioneering spirit of the reform era. In it, the wizened Ren declared that the Party had become dictatorial and conservative. The country needed laws that applied to everyone and a parliamentary system that wielded real power, he wrote. "The people are the boss. There should be no personality cults and no dictators."[84]

Two years later, a former top aide to Mao, Li Rui was making similar noises.

The Party should be subject to a new constitutional court and the national legislature should meet more often to consider laws. Freedoms of speech and assembly should be enforced, while censorship of the media should be lifted. "Only with democratization can there be modernization," wrote Li.[85]

While the CCP's harsh rhetoric and repression of open dissent makes it seem a formidable force, on the inside there are many signs of change. Since reforms began and with only a brief interruption after 1989, the CCP has been undergoing a quiet internal transformation that has fatally weakened the cohesiveness essential to its long-term survival. At the same time, quiet proto-democratic changes have been sprouting inside its own political institutions. This "creeping democratization" is a critical resource for change, one that disarms the Party's opposition to democratic transition and creates the institutional foundations that will help to consolidate a new democracy.

Of course, other changes have enhanced the internal vigor of dictatorship. The CCP's ideological collapse has given it more flexibility in pursuing any and all means to stay in power—including, for example, colluding with big capitalists and raising funds by privatizing state industry. Its new generation of technocratic leaders can talk the talk of modern leaders, gaining popular commendation. Professionalized army and police are more adept at crushing popular protest by deploying hi-tech tools.

But on balance, the very attempts by the CCP to appear and act more democratically while jealously preserving its monopoly of power appear to be sinking, not saving, its rule. Within the regime, the collapse of communist ideology has created a state more attuned to the needs of professional governance than revolutionary rule. One Western scholar has talked of the "quiet revolution from within" as cadres turn their attention away from political-ideological education toward attracting foreign investment, running local companies, and levying taxes.[86] A parallel process of professionalization driven by the demands of governance has sapped the revolutionary ethos out of the Party as bureaucrats seek to grapple with pressing needs to manage healthcare reforms, expand schools, and balance the books.

Cadres who join the Party today find that while its ideology is a "living lie," it has yet to be replaced by an alternative vision. There is no longer any moral claim on Party members, most of whom join the Party in order to boost their job prospects. In most surveys, fewer than 10 percent say they want to bring about communism. Popular perceptions of the Party as a closed oligarchy of rent-seekers hurt the esprit of members. This is like the loss of social capital in society: cooperation becomes impossible because there is no longer a shared understanding of "what it's all about."

As a result, inside the Party there is now a market of competing ideas.

Various factions seek to ground their views in their own interpretations of society's needs, leading to a diversity inside the Party that reflects the diversity in society itself. The result is a polity that increasingly resembles the "authoritarian pluralism" that existed in South Korea, Hungary, or Taiwan prior to their democratic breakthroughs. Internal advocates of democratic change compete on an even footing, and gain support. Such pluralism grew quickly in the 1980s, leading to a rupture and a defeat for reform advocates in 1989. Since then, the hard-line forces have weakened considerably, symbolized by the retirement in 2002 of Tiananmen mastermind Li Peng and the demotion of his top representative to last place on the nine-member Politburo standing committee. The death of most Party veterans of the civil war has removed another significant barrier from the road to change.

One of former Party chief Jiang Zemin's top advisors admitted openly in a 2001 interview that there existed a "freedom faction" within the Party that believed in launching democratizing reforms.[87] That faction has gained adherents as a consensus has grown on the need to restart political reforms, stalled since 1989 and has issued several clarion appeals for political liberalization.[88]

The resurgence of the liberal faction was heralded in 1995 when former vice premier Tian Jiyun called for direct elections for government officials, eventually all the way to the top. "Some people want multi-candidate elections. This would be a very good idea through which the people can express their will. . . . I think this kind of system will become a trend in China."[89] Former Politburo standing committee member Li Ruihuan, meanwhile, echoed that appeal in internal speeches and called for partial media privatization to gird the new political opening. "This is the natural trend of the times and history," he said.[90] Cues like these from the top have encouraged a host of reform-minded thinkers in Party institutes like the Central Party School, the Chinese Academy of Social Sciences, and the Central Office (or General Office) to tender a number of proposals for serious democratic change.

On the opposite side, there have also been calls for the creation of a neo-authoritarian state, a dictatorship completely stripped of its ideological baggage and focused on rule of law, efficient civil service, and rule by highly educated and competent technocrats. This model is highly attractive to many regime insiders since it holds the prospect of resolving the legitimacy crisis without a loss of power. Most Party cadres, while putting political reform at the top of their agenda, want administrative streamlining and inner Party liberalization rather than a freer media or stronger legislatures.[91] A senior researcher in the Central Office broached the idea of a "legal democracy," in China under which the CCP would gradually introduce a Singapore-style

democratic system ruled by laws.[92] Another highly publicized proposal came from a vice minister of economic reform, whose blueprint for transforming the CCP into a broad ruling party under the supervision of media, laws, and limited public participation excited much debate in 2001.[93]

Democrats respond that such proposals fail to solve the key problem of over-concentrated power. Others call the system elitist or unworkable. In any case, the main importance of this debate inside the Party is that it creates the very balance of forces, the pluralism, that makes the later choice of democracy more likely. In that sense, the elitist neo-authoritarians—along with the orthodox ideologues, the corrupt economic reformers, and many other factions in the Party—play a positive role in bringing about democracy because they encourage debate and fragmentation. It is, as one Western scholar noted, "evidence both of the uncertainty that haunts China's political future and of the serious possibility that a democratic transition might be in store."[94]

The impact of this pluralism can be seen in the increasingly popular and inclusive nature of political discourse. The discourse of authoritarian regimes is typically one that draws a clear line between rulers and subjects, producing an identity among people as residual subjects (like the masses, or *qunzhong*, and the "old hundred names," *laobaixing*) outside the ruling elite. At the same time, authoritarian discourse telegraphs a strictly apolitical "unity" of the interests of the subjects (in China, the focus on the "big picture," or *daju*, and as well as on universal concerns of "eating one's fill," *chibaofan*, or "raising children," *sheng haizi*). Regime oligarchs use stylized language and a preponderance of third person nouns (the state, the people, the Party) in speeches to signal these relationships. A democratic discourse, by contrast, considers rulers as simply chosen representatives of the people (in Chinese the word representative, or *daibiao*, or even politician, *zhengke* which remained a dirty word in the CCP lexicon) and society is assumed to have its various partisan interests (another dirty word, *jubu liyi*) and personal viewpoints (ditto for *geren guannian*).[95]

While the complete transition to a democratic discourse awaits the transition to democracy itself, the signs of this move are already apparent. The breakdown of the authoritarian discourse in the PRC has been heralded by the likes of Zhu Rongji, premier from 1998 to 2003, who spoke in an off-the-cuff vernacular and often referred to himself and to his role as a politician. Official scholars, meanwhile, breaking from the tradition of court literati, increasingly write of the state and Party in the third, not first person, which breaks down the unified identity of the "rulers."

In this and dozens of other ways, the CCP has created a hall of mirrors in which it can no longer focus the attentions of its members. Whatever the

news from the battlements erected against the plebians, inside the castle the knights are losing patience with the king. Talk of democracy inside the castle is seen by many knights as the way to democracy throughout the kingdom.[96]

The failing belief in the CCP's god-sent right to rule and the rise of internal pluralism are fateful changes. Attempts to replace one form of autocracy with another become impossible with so many competing interests. Two Western scholars note, in light of the internal differences which brought down communist rule in the Soviet Union, that "there is no transition whose beginning is not the consequence—direct or indirect—of important divisions within the authoritarian regime itself."[97] Notes one Chinese democrat: "The best hope for democracy in China is the evolution—or corrosion or split—inside the Party itself."[98]

Alongside this internal decompression is a pageant of new external political devices. Expanding local elections, stronger people's congresses, and various moves to entrench constitutional norms had gained wide currency by the early 2000s. Meanwhile, a gallery of outside remonstrators has restarted a lively and open debate in society on political reforms. The existence of this debate is a powerful resource for change, even if its predictive value may be limited. For just as we are looking for a "critical mass" of economic and social factors to support a democratic breakthrough, so too in politics a rumbling debate is the critical ingredient for wider systemic reform.

Village elections have been widely and rightly celebrated inside and outside China for showing the effectiveness of democracy in improving governance, not least because they are conducted among the great unwashed whom elitists frequently deride as unfit to choose their leaders. By the turn of the century, 13 years after the village election law was passed, about half of the country's 730,000 villager committees (representing about three-quarters of all villages) had been formed through popular multi-candidate elections.What began as a halting experiment has been embraced by peasants, who use elections to oust corrupt leaders, monitor the local Party chief, and improve governance. Party interference prompts petitions to higher level authorities or even mass resignations of village leaders. TV shows appear celebrating proactive elected village heads who confront Party officials. Border effects are evident as some candidates begin open campaigning from the back of blaring trucks, as in Taiwan. As one Chinese scholar wrote: "The country hicks who are always disparaged as being politically immature by urbanites are already electing their own leaders and enjoying the benefits of democracy. They have proven to be quick studies in the intricacies of elections and voting. Village democracy is the great starting point for the whole process of democratization in China."[99]

While they remain technically illegal, direct elections of governments in the country's 45,000 townships had "erupted," in a dozen places by the turn of the century. Much of the pressure is a direct result of village-level elections; peasants who have a say over village affairs demand the same say over township affairs. But there is also a welter of political reasons, from factional jostling in Beijing to local level careerism and bureaucratic rivalries. Many local cadres simply want to be on the right side of history—those in Walking on the Clouds (Buyun) in Sichuan province want to erect a sign commemorating their historic first township election of 1998.

The official endorsement of township elections, if forced on Beijing to resolve pressing governance needs, would be a major step. The sheer size of the areas—the average township has 13,000 registered voters—would require the creation of organizational structures, in other words nascent political parties. They would also require a freer press because not everyone could attend a campaign rally. In addition, the elected governments would likely leech significant responsibilities and resources from the township Party committees. No doubt this accounts for the reluctance to endorse township elections. Yet governance needs are pushing them forward anyways, heralding what would be a pivotal change in China's democratization.

The growing muscularity of local people's congresses is happening in parallel to elections. Like life in the universe, the appearance of vigilante congresses and delegates is made possible by sheer vastness, a reminder that a country's size can also be an asset to overthrowing dictatorship because of the variety of breakthrough points it can provide. Nationwide, 3.2 million people serve as delegates to people's congresses, an enormous resource for change. Of these, 3.0 million serve in the 51,000 directly elected township and county level congresses while the rest serve in the appointed congresses of major cities, provinces, and the national center. A law enhancing the powers of delegates is due to be passed by 2004. All this provides fertile soil for experimentation, just as it did in the Soviet Union where delegates to the local-level Congresses of People's Deputies began to find their voices in the mid-1980s, or in the late Qing dynasty where provincial legislatures ended up turning on the emperor.

Examples of local congresses exploding into action are now common. The congress of the northeastern city of Shenyang rejected the annual report of the local court in 2001, complaining of corruption. The Wuxi city congress stripped the local government of environmental protection powers the same year on the grounds that Party officials were involved in most of the polluting businesses. Congresses in many localities now use the term "order" (*zecheng*) rather than "suggest" (*jianyi*) when they comment on government policies, a

signal that they are taking their promised legal status as "the highest organ of state power" seriously. The congresses are now awash with "political entrepreneurs" who are redefining the meaning of the bodies from tools of regime legitimization to tools of popular control.[100] Thus in a strange way, life is imitating art. The pageantry of democracy created by the Party to legitimate its rule is transforming into democracy itself. Since the congresses have both the constitutional and the moral high ground, the Party finds it cannot control its own creation. As the stature of the congresses grows, so does pressure to democratize them. Even conservative scholars agree that all the congresses should eventually be directly elected, even the national congress. As a frightened Party submits to the "supervision" of the congresses, it raises doubts about who the Party is supposed to represent, and why it alone holds power.

Surrounding all the institutional changes is a more general public debate about political reform. This is both a stimulus to institutional innovation as well as a result of it. Through it, scholars, journalists, and reform-minded officials have been able to set the agenda for political modernization in the country, portraying the Party as unwilling or unable to change. We can group commentators into two camps: constitutionalists and transformers.

The constitutionalists favor a gradual build-up of democratic foundations within the existing party-led system. They are the children of the great legacy of "change within tradition," in the Chinese state that goes back to the imperial era. Taking their role as remonstrating with the emperor on his own terms, they seek to guide him onto an enlightened pathway. In the PRC, that means reminding the leadership of the democratic laws and goals that remain in the political canon. This includes expanding direct elections for governments, empowering the people's congresses, enhancing the independence of courts, and liberalizing the internal administration of the Party.

The constitutional camp includes both "romantics" who believe such moves would consolidate CCP rule and "strategists" who believe it is the best way to undermine it. The romantics are concerned to stay ahead of the wave of change, preserving their perquisites while maintaining legitimacy. The strategists see internal reform as a more plausible path to CCP demise than external overthrow. Their idea is to recognize the CCP as a monarchy in a constitutional system while limiting its remit in government affairs in the interests of better rule. This would bring China closer to democracy even if the Party—like a Latin American military—is allowed to remain as "the power behind the throne." While awaiting the day when the CCP's ultimate prerogatives can be ended, this would also provide an important foundation for democracy by implanting the norms of constitutional behavior.

In the schizoid political atmosphere of the PRC, many activists dart unwittingly or not between the two poles of constitutional romanticism and strategy. But in the end, as we shall see in part 2, the difference may not amount to much. A drastically reformed CCP that managed to hold power in democratic elections would satisfy the wishes of moderates on both sides. Indeed, an argument could be made that the constitutional path is exactly the one that the CCP set out upon after Tiananmen, rejecting immediate change but embracing a host of fundamental changes in the relationship of the Party to state and society that took China closer, though still far, to the constitutional ideal. Citizens gained more legal rights and more control over social and economic life, the state was more constrained by the law and more professional in its behavior, the military was almost entirely removed from politics, and the Party showed signs of weariness in running the nation's life. Like the traffic cop of our earlier metaphor, it appeared worn down by the burdens of authoritarian rule. Hu Jintao urged a "comprehensive implementation" of the constitution shortly after taking over as Party general secretary in 2002, adding that "no organization or individual can have special powers overriding the constitution and the law." Little surprise that many already look to a post-CCP China.

Alongside the constitutionalists are the transformers, political reformers who urge more radical surgery on the body politic of China. Their main appeal is for a rapid transition to free and fair elections of all governments. "Ruling out direct elections might be accepted by people for a short time but as time goes by, this prohibition will increasingly not wash," note a group of Shanghai scholars.[101]

Of course, this group lives on the edges of official tolerance. In the late PRC era, Beijing held about 3,500 people prosecuted under the State Security Act plus at any given time about another 50,000 in three-year labor camp sentences for "disturbing public order." After initial tolerance, the Party crushed attempts by activists in the late 1990s to establish nascent opposition groups like the China Development Union and the China Democracy Party. But by the first decade of the new century there was a surprising amount of space for open debate on political transformation, such as existed in late-authoritarian Indonesia or Taiwan. As long as they did not use the phrase "overthrow the CCP" or seek to establish formal organizations, the transformers were free to make their point. Consider this quotation from a public magazine in China:

> The precondition for competitive elections within the Party must be that the ruling party allows competition among parties. If the Chinese Communist Party does not allow other competitive parties (jingzheng-

> xingde dangpai) to exist, then it will lack internal competitiveness and the pressure to reform itself. Like every other organization, the Party can only become competitive in a competitive environment. At present, the [officially approved] democratic parties are not competitors and so cannot help the CCP to become more competitive. Can't we let them be more independent and compete with the CCP? Leadership is service [Mao said] and in any service you should have a choice. The CCP represents the interests of the greatest number of people so it should be confident that if it sticks to the truth and corrects its errors it can win victory in a multi-party competition.[102]

As more and more of a real "opposition" emerges in society among the constitutionalists and transformers, a real political system of "democrats" and "the regime" is emerging, the very polarity whose existence was so critical to democratic breakthroughs in countries like Russia and Poland. As with the wider community of intellectuals, artists, crusading journalists and jailed dissidents, it is not a question of whether they have the power to overthrow the state. In China as elsewhere, as we shall see, they almost certainly do not. Rather their influence is a more subtle one. They create a market of ideas and empower reformers inside the regime.

Thus the stage is set. Democracy as practiced throughout the world has proven to be the best known means of organizing political activity. It transcends cultures and conditions for the simple fact that it is sensitive to all. China's people have struggled to throw off the chains of dictatorship for more than a century. As the century turned, the possibilities for transition were immense. Society widely recognized the need for fundamental political change, and was for the first time in a position to bring it about. "The tragedies of China's history and of the lives of Chinese people have generated problems and issues which have forced Chinese liberals to try to bring democracy to China," writes one mainland scholar.[103]

There is an unprecedented opportunity for breakthrough. How will it happen?