

# The Growth of Freedoms in China

Henry S. Rowen

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## About the Author

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Without steps of inches at the beginning, no thousands of miles can be covered; without the accumulations of small streams, no big rivers and oceans can be formed.

—*Ancient Chinese saying*

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## Introduction

My argument in this paper is that the people of the People's Republic of China have acquired greater freedoms over the past twenty years, and that if China's impressive rate of economic development continues, so will their liberties.

In the fall of 1996, the journal *The National Interest* published an article of mine on the prospect for the growth of political and personal freedoms in China.<sup>1</sup> This article contained a prediction that the organization Freedom House would rate China at least "Partly Free" by 2015, and offered evidence in support of that proposition. In the nearly five years since then, events have taken place, both favorable and unfavorable, that bear on my thesis. They are addressed in this text. There is also an analytical change: based on a recalculation, this article projects that China's GDP per capita will reach \$7,500 by 2020 in 1998 international dollars.<sup>2</sup> This leads to a revised forecast that Freedom House will rate China at least Partly Free by no later than 2020, rather than 2015 as proposed earlier. (It might appear that the date for China crossing the democracy threshold is slipping one year per year, but that results from the correction and not from a real change in China.)

Of course, precision is not possible on such a topic, but the naming of a specific year has a logic and is useful for stimulating debate on a subject of the utmost importance.

I do not argue that the path from here to there will be smooth politically, either domestically or internationally, but rather that the "end position" (that is, around 2020) will likely see a significant increase in political pluralism and personal liberties in China.

## The Argument

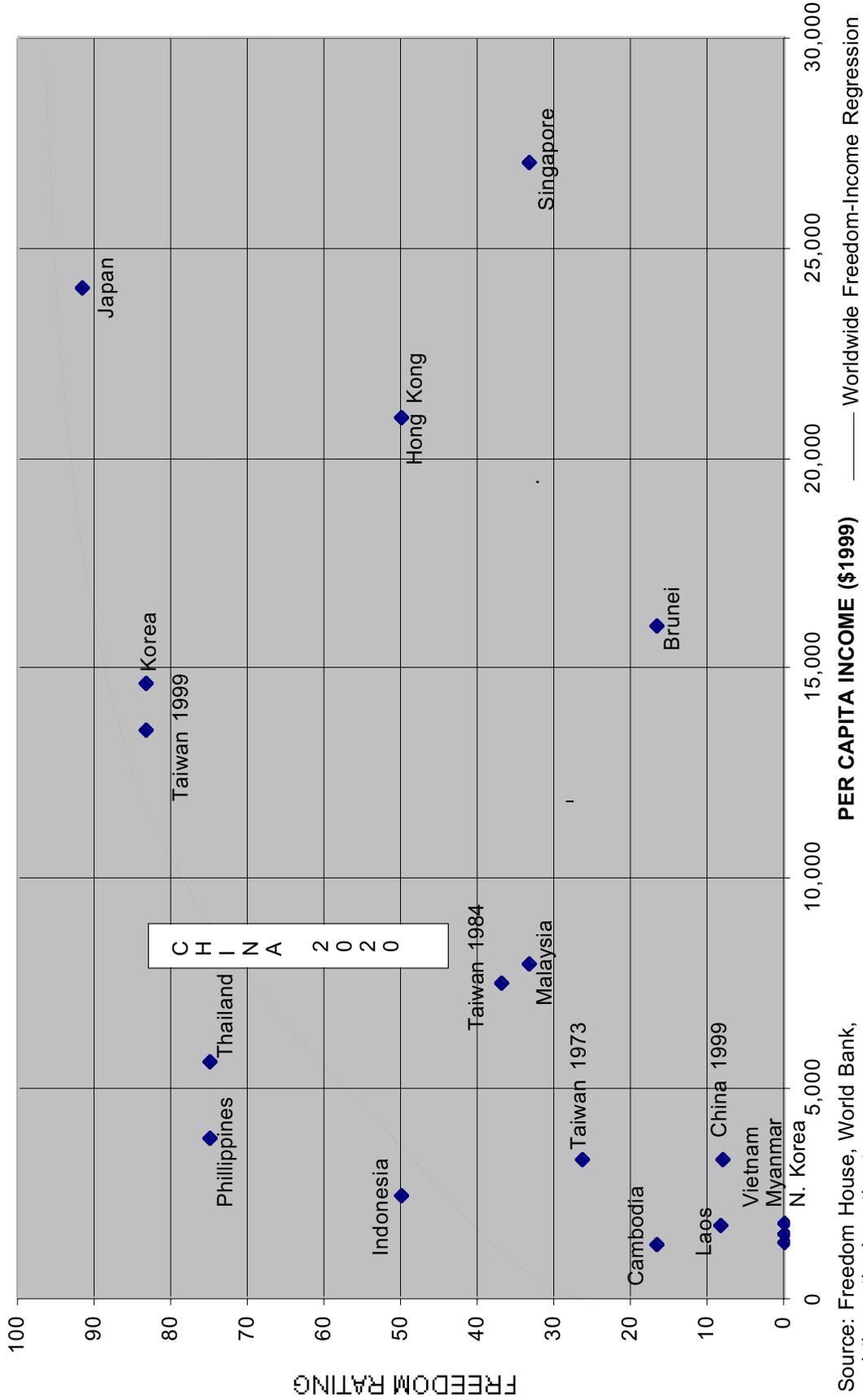
People who live in rich countries have high levels of political rights and civil liberties. (The only exceptions are countries whose high incomes are derived from exporting raw materials, notably oil.) The measure used here is that developed by Freedom House, which annually rates every country on these two types of freedoms.<sup>3</sup> Its *political rights* index includes the extent to which political authorities, executive and legislative, are chosen in free elections; the fairness of electoral laws and procedures; the real power of elected representatives; the competitiveness of political parties; the possibility of a significant opposition with a realistic chance for power; freedom from domination by the military, religious hierarchies, or other powerful groups; and protection of rights of minorities. Its *civil liberties* index include free and independent media; free religious institutions; freedom of assembly and public discussion; free trade unions; the rule of law, including an independent judiciary and protection from political terror and unjustified imprisonment; protection of property rights; personal and social freedoms; and equality of opportunity.

These two kinds of freedoms tend to be highly correlated and can be combined for the purpose of getting an overview of a people's freedoms. (The figure at right displays Freedom House ratings on a scale of 0–100.) Freedom House also partitions countries into three approximately equal groups: Free, Partly Free, and Unfree. In 1998, every one of the thirty-one countries with average per capita GDPs over \$7,500 in international dollars was rated at least Partly Free. (All but Colombia, Mexico, and Singapore were rated Free.) The solid curve in the figure shows the worldwide relation between income levels and freedoms for 1998. It also shows the ratings for the East Asian countries in that year. China received a score of seven, the next-to-lowest rating in that system. During the 1980s, China's score rose above the bottom rank only to be lowered after the Tiananmen Square killings in 1989. In 1998, Freedom House raised its rating again.

Several scholars, most notably Samuel Huntington and Adam Przeworski et al have noted that democracy becomes quite stable in countries with per capita GDPs at around \$6,000. Przeworski et al observe that democracy becomes "impregnable" at \$8,000 (converted to 1998 international dollars).<sup>4</sup> Growing wealth is accompanied by increased education, the building of institutions, and the formation of attitudes that enable democratic governments to survive when they attain power. In recent decades, Spain, Portugal, Chile, Argentina, Taiwan, and South Korea all made the democratic transition in this income range—and so far, all have maintained it.

Being economically developed is not a necessary condition for freedom, as India, for instance, demonstrates. Nor is having a European heritage through settlement or colonial rule. The worldwide correlation remains statistically significant (although less so) if countries once ruled by Britain or settled by Northern Europeans—i.e., those who inherited democratic institutions—are excluded. In short, although having been exposed to European influences helps, the wealth–freedom connection is not a European artifact despite the fact that various authorities in Asia, mostly in Singapore and Malaysia, have asserted that Asian democracy differs fundamentally from the Western kind. The pattern in East Asia shown in the figure is somewhat below the worldwide one, but this region resembles others in that the wealthier it is, the more (Western-style) freedoms it supports.

# FREEDOM vs. INCOME in 1999: EAST ASIA



Source: Freedom House, World Bank, and the author's estimate

It is easy to see why China's score is low. The country remains a one-party state under the rule of the Communist Party. Many people, especially peasants, are ill-treated by the authorities. Religious freedoms are suppressed, and people are detained for long periods without trial. Nevertheless, things have improved; hence the recent slight increase in its freedom rating. China has come far since the genocidal Great Leap Forward of the 1950s and the lunatic Cultural Revolution in the 1960s and 1970s.

The argument that Freedom House will give China a rating of Partly Free by 2020 based on a projected average per capita GDP of around \$7,500 might seem too mechanical, too economically deterministic, an exercise. There are several possible grounds for objection. One is that no strong theory supports the income–freedom connection. In any case, the connection is a strong empirical observation. Another objection might be that China's economy might grow by less than the assumed 4.5 percent annually per person, and not reach the postulated level by 2020. (That growth rate is much less than the 6 percent average of the past twenty years.) This is possible, but the country's two-decade record of excellent economic policies supports a positive prediction. If performance disappoints, my guess is that it will be due to political disruption of some kind. Because the regime has a growing problem of political legitimacy, as discussed below, political turbulence could occur, leading to less capital investment and slower growth.

A third objection might posit that the income–freedom connection will not apply to China, or will at least be much weaker than for other countries. Supporting that view is the argument that the Chinese people have never experienced democracy, and that they prefer authoritarian order rather than democracy. (This argument could have been—wrongly—applied to many of the new democracies.) Moreover, so long as the Party produces higher incomes, it will continue to have legitimacy into the indefinite future.

The progress that has been made and the prospects for future advancement are addressed below under four headings: 1) the struggle toward a rule of law; 2) the building of institutions of political pluralism; 3) the liberalizing of the mass media; and 4) the growth of personal liberties.

## **The Struggle toward a Rule of Law<sup>5</sup>**

The most fundamental of the changes taking place in China is the effort to introduce the rule of law. This goal is diametrically opposed to the Party's historic determination to sustain Party control over society. However, with the country's transition to market economy, such control has been deemed inadequate to deal with continued economic progress and social change.

Law in Chinese tradition has been an instrument of state power. Individuals did not have rights; the family, clan, and guilds were the basic social units. That tradition gave great weight to keeping political order through a system of hierarchical relations and authoritarian rule, in which “the state relied on the gentry, family heads, and village elders to enforce local customs, whereas in the West these tasks were transferred over the centuries to courts applying rules of civil law.” Further, “[t]here is no concept of the fundamental dignity and equality of every being. . . .” As for lawyers, “[t]he concept of a legal profession acting as an intermediary between the populace and the state was essentially unknown in traditional China”. Case outcomes had to meet requirements of both law and Confucian morality, while the concerns for procedural justice that mark Anglo-American law were absent. (Lubman 1999)

In this society, personal relations and networks of connections among family, clan, and other associations were vital. Disputes were settled as much as possible outside of the (feared) formal judicial system, by elders and other respected leaders. That system was operated by generalists “cultivated in the Confucian classics and untrained in administration.” (Lubman 1999) There were few legal specialists.

After 1912, under the Republic, efforts to adopt a Western type of legal system were unsuccessful, due in part to political turbulence. Under Mao’s rule from 1949, legal processes were dominated by the Leninist rule that all institutions serve the will of the Party; political activists mediated all disputes. At the beginning of reform, there were only three thousand lawyers (perhaps better described as legal workers) in a country of one billion people.

Economic liberalization has created a need for far-reaching legal reform. It has reduced the relative size of the centrally controlled state sector and brought about a parallel increase in private and local government-controlled enterprises. Through this shift, power has devolved from the center to local authorities and individuals, and changed relations both among government entities and private enterprises. The absence of a modern legal system has not seriously impaired progress so far, but the successes that China has enjoyed have caused traditional processes to be seen as not suitable for a modern society. It is generally believed that future good economic performance requires a modern legal system.

A vast legal reform is underway. Although political liberalization and human rights have never been explicit goals, they open up great possibilities for advancing them. The 1989 Administrative Litigation Law created the basis for seeking judicial review of the acts of state agents. In 1994, the State Compensation Law established guidelines for seeking compensation for damages resulting from illegal state actions. The 1996 Administrative Penalties Law addressed protection for people subject to noncriminal, administrative sanctions. The 1996 revision of the Criminal Procedure Code, although far from providing a wide array of human rights, introduced reforms in pre-trial detention, the right to counsel, prosecutorial determination of guilt, and the conduct of trials. And China has signed the International Covenant on Economic, Social, and Cultural Rights (ICESCR), and the International Covenant on Civil and Political Rights (ICCPR), although it remains to be seen how well it will fulfill its obligations under these agreements.<sup>6</sup> If it falls short, there will be external pressures to conform.

Since 1980, there has been more than thirty-fold increase in the number of legal professionals in China. But this is perceived to be not nearly enough; President Jiang Zemin said in 1992 that the country needed 300,000 lawyers, with the aim of having 150,000 by the year 2000. The courts handled 5.7 million cases in 1996 (with only 17 percent of litigants being represented by counsel). By 1997, there were 110,000 lawyers and 8,300 law firms.

This expansion responds to a growing demand for law. “What the Chinese mean today when they say there is no law is something very specific: the government is not restrained by its own rules *and it should be.*” (Clarke and Feinerman 1995, p. 153, emphasis in original) Values consistent with Western ideals of equality, justice, and legality are expressed at all levels of society and some have found their way into legislation. For example, the Chinese General Principles of Civil Law are modeled on the German civil code. Some foreign organizations of lawyers are conducting educational programs in China, and Chinese lawyers have been sent to the United States, Britain, and Germany to study law. The American Bar Association has discussed with the All China Lawyers Association an effort to help Chinese lawyers organize an independent bar.<sup>7</sup>

The needs of a market economy provide the main impetus for the country's increasing focus on law. Without establishing stable and fairly enforced rules that foreign investors find acceptable, China's ability to continue to grow rapidly will remain in doubt. Accession to the World Trade Organization (WTO), for instance, implies accepting such a set of rules. Chinese officials say, "China needs a more developed legal system because 'a market economy is governed by law.'" (Lubman 1995, p. 12) Foreign firms, in particular, require consistency and transparency in the rules. In Shanghai in 1994 it was reported that:

[T]here is no distinction between official policy and officials' references . . . . Lawyers report that when they contact the tax bureau to ask about changes in the law . . . they are advised to consult the bureau's consulting company [for a substantial fee] . . . . In the absence of laws, there are rules and then clarifications. And because these often appear contradictory to confused foreign businessmen, it seems that there are no rules at all, just the arbitrary interpretation or whim of the official asked."<sup>8</sup>

Contributing to the demand for law is the state's growing weakness. This is evident in corruption at all levels, illegal businesses run by government agencies, the theft of government assets, and evasion of price controls and taxes. The courts are not exempt. Lawyers bribe judges and "some judges make it known to those appearing before them that they are interested in soon stepping down from the bench to enter practice." (Alford 1995, p. 33) Among the legal system's many shortcomings, most fundamental is the fact that, despite a 1982 constitution that says "'the political parties . . . must abide by the Constitution and the law' and that 'no organization or individual is privileged to be beyond the Constitution or the law,' the Communist Party is outside the jurisdiction of the ordinary courts." (Dicks 1999, p. 95) A fundamental contradiction exists here. Insistence on Party control undermines any concept of stable law, not least because the Party inevitably changes its policies. (Lubman 1999) The tension between these two goals grows as the economy and society modernize.

The subordination of the legal system is clear in the suppression of Falungong, a religious meditation group that challenged the Party's monopoly on mobilizing people. China's judiciary has served as an accomplice in criminalizing and persecuting peaceful Falungong members. According to the Hong Kong-based Information Center for China Human Rights and Democratic Movement, at least 10,000 members were sent to the "reeducation-through-labor" camps without trials; 450 were sentenced to long prison terms; and 43 died of torture and ill treatment in detention during the year following the outset of the crackdown in July 1999.<sup>9</sup>

On the one hand, having moved partway to the rule of law, earlier practices that were often accepted as normal are now widely seen as intolerable. On the other hand, the state's weakening power makes it more difficult to achieve an effective judicial system. In practice, enterprises run by the military are not penalized, and large and medium-sized state-owned enterprises are subject to what is called "local protection." (Clarke 1995, p. 65) The Chief Justice of the Supreme People's Court has said that local protection has seriously affected the judicial work of the courts (Lubman 1995, pp. 5–6), and it will doubtless be the source of many new disputes under WTO rules.

In April 1999, an official statement assessed problems in implementing laws. For the year 1998, it reported 12,000 wrongful court judgments, and prosecution of 7,000 judicial officials and law enforcement officers for bribery and abuse of power. It said there were nearly 1,500 cases involving illegal custody, forced confessions, retaliations, or frame-ups.

Government departments had also granted compensation to 161 litigants involved in mishandled cases and redressed excessive periods of detention in 729 criminal cases.<sup>10</sup>

The criminal process is the least reformed, despite changes made by the National People's Congress (NPC) in 1996. Defendants are not to be presumed guilty, and they have an expanded right to counsel (unless "state secrets" are involved—an elastic concept). Although the reform more sharply separates the roles of the police and procuracy (i.e., public prosecutor) from the conduct of the trial, pretrial detention is often far longer than the statutory three months, and arbitrary arrest, detention, and torture continue. "In addition to imposing low-level punishments for minor offenses the police may also sentence offenders to 'labor re-education' for as long as three years for offenses that are defined in 'loose rules' and 'simple and moralistic language.'" (Lubman 1995, p. 11, citing Clarke and Feinerman 1995, p. 143)

Official statistics state that there are 230,000 persons in reeducation-through-labor camps who had been sentenced through administrative procedures and not a trial. Before 1996, perhaps as many as 1.7 million persons per year were in a form of administrative detention known as custody and repatriation; the number subject to this form of detention reportedly has grown since then.<sup>11</sup> Meanwhile, torture and ill treatment of prisoners are common practices and the death penalty continues to be used extensively, arbitrarily, and frequently as a result of political action. According to Amnesty International, at least 1,720 death sentences were passed and at least 1,077 executions were carried out in 1999, bringing the total number recorded in the 1990s to more than 27,120 death sentences and around 18,000 executions. These may be only a small proportion of the true figures; death penalty data are a state secret.<sup>12</sup>

In cases in which lawyers genuinely represent defenders, their efficacy is restricted by tight constraints. A 1995 report put China's conviction rate at 99.7 percent.<sup>13</sup> The rule is that if a case goes to trial, the outcome is a foregone conclusion: guilty. In extreme cases, lawyers are persecuted for performing a role unwelcome to the authorities. For instance, in 1998, a lawyer in Nanjing was jailed for five months for defending a local official accused of taking bribes.<sup>14</sup>

A case that illustrates both progress and the distance yet to be traveled involves four men convicted of murder three times in Hebei province. Each time, the convictions were overturned by the provincial high court, but the defendants were repeatedly re-tried by the lower court and kept in prison. A Chinese authority on criminal procedure has said that in Chinese tradition if evidence points toward an individual, he must be guilty and "the public security organs can be very powerful. . .to their way of thinking, once they've expended so much time and energy on a case, if a verdict of innocence comes in, they find this very hard to take." This case also illustrates the partially liberated role of the media. A newspaper outside of the province has published a detailed exposé of the case, but the local media have not reported the higher court reversals.<sup>15</sup>

Another problem is the low level of professionalism of lawyers. "Even now barely one-fifth of Chinese lawyers (and even fewer members of the judiciary) have earned university law degrees and many of those studied law for a centrally planned economy, much of which has been superseded." (Alford 1999, p. 31) "They are ill-prepared to work as autonomous lawyers rather than as 'state legal workers.'" (Lubman 1995, p. 6) There is not yet a widely shared understanding of the distinction between public and private interests, and how these are to be reconciled. Particularly in the politically sensitive cases, lawyers will often give in to the pressure of the government and carry out their duties merely as formalities. However, in

several recent high-profile trials against political dissidents, as the lawyer jailed in Nanjing illustrates, there are intrepid lawyers willing to defend the rights of the defendants against the government.

For all these many shortcomings, Chinese lawyers, in some instances, “are now able to represent in an unprecedentedly vigorous manner clients whose interests may not be wholly synonymous with the state’s.” (Alford 1995, p. 32) Arguably, the Supreme People’s court has begun to make law through its interpretations and decisions, contrary to communist dogma that denies such a function to the courts. In December 1998, the Supreme People’s Court published a plan to open more courtrooms to the public and to take a step toward use of juries. On February 1, 2000, an anti-corruption guideline was issued under which judges will have to stand aside from civil cases if they have taken money or gifts from the litigants, and will have to step down temporarily if they have accepted benefits from litigants. They are also banned from taking lucrative positions as agents for law firms for two years after they leave the bench.

Many of these changes cannot be implemented quickly. Most fundamentally, “legality will not grow unless the Party-state . . . alters the allocation of power between the courts and the rest of the Party-state. That cannot be done without the Party abandoning its dominance.” (Lubman 1999, p. 299) Such abandonment is unlikely to happen soon, but the forces pressing for further reform are powerful. The demands of a market economy require transparency, fairness, and consistency in rules, attributes inconsistent with a Leninist ruling party. A choice must be made and it is evident that, slowly and unevenly, the course being followed is that of establishing the rule of law.

## **Institutions of Political Pluralism are Emerging**

Two such institutions are discussed here: the National People’s’ Congress and elections in villages.

### **Glimmerings of Independence in the NPC**

The Congress, which the Constitution says is the supreme power of the state, has always been a rubber stamp of the Party. However, this stamp has become harder to manipulate in recent years as a result of the Party leaders’ increased efforts either to get wider support for major policies or simply to add a veneer of pluralism to the system. A question to ponder is whether this institution might play an important future role in challenging Party control.

One piece of evidence is the increase in the number of negative or abstaining votes on officials selected by the Party. In 1988, when the appointment of Wang Zhen as vice president was brought up, about 300 of the 3,000 members of the NPC voted against him. In the same session, Li Guixian as state councilor got less than 85 percent support. In 1993, the consent rate for Li Tieying as state councilor was only a bit more than 70 percent. In 1995, the vote on Jiang Chunyun as vice premier registered a record low of 63.4 percent.

More objections have been raised to proposed laws and to reports of bureaucracies. In 1992, a motion authorizing the Shenzhen region to enact its own laws passed with 1,000 nays out of 2,688 votes. In August 1993, 210 members voted against the State Council Reform Bill and 291 members abstained. In 1998, the Work Report of the Supreme Prosecutor Bureau barely passed with 53.7 percent.

The following table shows outcomes of some resolutions passed by the NPC in recent years.

**Voting Outcomes of the Resolutions Passed by the NPC with Approval Rates Lower than 80 percent since 1992**

Year	Contents of the Resolutions	Yes	No	Abstention	Approval Rate
1992	Resolution on Constructing the Three Gorges Hydraulic Project	1767	177	664	67.75%
1993	Appointment of Li Tieying as state councilor	2037	722	137	70.34%
1994	The Budget Law	2110	337	225	78.97%
1995	Appointment of Jiang Chunyun as vice premier	1746	605	391	63.68%
1995	The Education Law	1989	354	307	74.2%
1995	The People's Bank Law	1781	509	360	66.5%
1995	Ratification of the Work Report of the Supreme People's Procuratorate	2104	304	243	78.5%
1996	Ratification of the Work Report of the Supreme People's Procuratorate	1883	431	296	72.15%
1997	Ratification of the Work Report of the Supreme People's Court	1839	515	331	67.6%
1997	Ratification of the Work Report of the Supreme People's Procuratorate	1621	675	390	59.5%
1998	Ratification of the Work Report of the Supreme People's Court	2169	399	324	72.8%
1998	Ratification of the Work Report of the Supreme People's Procuratorate	1601	845	447	53.7%

*Source:* Zhao Jianmin and Zhang Chunxiang, "The Party-Executive Relationship within China's National People's Congress and China's Prospect of Democratization", *China Mainland Studies*, vol. 43, no. 2. February 2000.

Members are also initiating more legislation. In the past, the State Council drafted most laws and sent them to the NPC, but its Standing Committee and other specialized committees have increasingly been doing the drafting. From 1988 to 1993, only 20 percent of proposed laws going to NPC's floor came from within, while from 1998 to 2000 this ratio jumped to 42 percent. In 1999, a draft law levying a gasoline tax, proposed by the State Council, was vetoed by the Standing Committee on the argument that it would put an undue burden on peasants. In March 2000, it passed a Law aimed at codifying the lawmaking process that reserves rights for the NPC in areas such as the basic political system of the state, its economic system, civil and criminal laws, and political rights.

Since the former premier, Li Peng, became the head of the NPC in 1998, it has claimed stronger supervision over the State Council, the Supreme People's Court (no separation of powers there), and the Supreme People's Procuratorate. In February 1999, for instance, it set

up a subcommittee to supervise the draft budget before adoption by the full NPC; past examinations were mostly procedural.

The NPC has been passing laws at an unprecedented pace. Simply passing laws might not mean much, but some laws cover interesting subject matter. They include, for example, a 1999 amendment to the Constitution that protects private business interests, a revised Organic Law on Village Committees, a Contract Law, a Securities Law, a revised Criminal Procedure Code, and the Legislation Law. At the top of the NPC's legislative agenda for the year 2000 were a revised Corporation Law, a Social Security Law, and a State Assets Law. These could significantly influence Chinese life.

What does all this activity signify? For one thing, one should not readily identify Li Peng as a Madisonian democrat. Such signs of independence might reflect competition between the NPC and the State Council. Or, some of this activity might be for show; it isn't difficult to arrange for some negative votes as long as important measures are approved. Nonetheless, the question remains: is a process under way that reflects a broader concern of members for interests, both local and national, independent of Party positions? One wonders if the NPC could evolve into a body with genuine independence.

### **Elections at the Grassroots<sup>16</sup>**

In 1958, Mao Zedong launched his ambitious "Great Leap Forward" movement. Township governments were abolished and the People's Communes were set up to encompass all economic and political activities in villages. This grand scheme resulted in millions of deaths from starvation between 1960 and 1962 and—together with the subsequent Cultural Revolution—brought the economy to the brink of collapse by 1976. In the late 1970s, the peasants in Fengyang County, Anhui Province secretly reverted to the household-based farming system (later securing official consent), thereby setting in motion a process in which peasants gradually regained autonomy over producing and distributing goods.

With the People's Communes losing power, a vacuum was created in village governance. In response to the demand that local governments maintain public security, resolve disputes, and manage public affairs, the peasants (in the Luoshan and Yishan areas of the Guangxi Zhuang Autonomous Region) again organized village committees in 1981. In the 1982 amendment to the Constitution, "the NPC made the village committee the basic-level self-governing body. In 1983, the People's Commune system was officially ended.

A crucial decision concerned the role of the Communist Party in this arrangement. Was the Party to appoint village officials? Were county and town officials to appoint them? At first, the township government appointed the members of village committees, despite the provision in the 1982 Constitution that they be elected by local villagers. This practice continued until 1987, when the NPC passed the Organic Law on Village Committees, which institutionalized local elections. They began in 1988. The political crackdown after the Tianenmen massacre raised questions about the future of these elections, but they continued. In 1998, the NPC passed the revised Organic Law on Village Committees, aiming to close the loopholes in the previous Organic Law and to promote village elections on a larger scale.

Village government now consists of the Village Committee, the executive, and the Representative Assembly, a form of legislature. By the early 1990s, 90 percent of village committees had been elected. For the first time in thousands of years of Chinese history,

village leaders are no longer appointed by higher authority or are heads of clans. (However, as noted below, Party cadres sometimes overrule elected officials.)

Progress has been ragged. Elections were unfamiliar and the procedures have often been irregular. Many people did not take them seriously; understandably, considering that past elections had been only a formality. It was widely believed that upper levels of government and the Party would rig outcomes. But for all the defects of the process, much has been accomplished. The principle of selecting village leaders by election, rather than appointment from above, is established. So is the principle of fixed terms of office. Local government is becoming more transparent, including requirements that information on village affairs, such as finances and officials' salaries, be posted in public. More elections are being contested. Class struggle is no longer the way to deal with political and social conflicts, nor with those who oppose Party members. Such "enemies of the people" now sit on village committees.

In the future, election procedures will become even more comprehensive, standardized, and transparent. Peasants are learning increasingly about legal procedures, and will use the laws to protect their rights. The Communist Party will face more competition from various groups—businessmen, tribal groups, and others who collectively express a wide variety of interests. Not least, the election process offers political training, preparing people for the extension of democracy to higher levels.

According to Xinhua News Agency, by 1997, local villagers had directly elected over 60 percent of China's nearly one million village committees. A document prepared by the Ministry of Civil Affairs states that more than 600 million farmers are exercising their right to vote in direct elections. Assuming a homogeneous composition of villages, it seems that about 67 percent of them have this institution in place today.

The revised Organic Law on Village Committees has been unevenly adopted across regions, more so in the prosperous than in the poor. By July 1999, over 94 percent of Guangdong Province's 20,589 administrative villages had democratically elected village committees.<sup>17</sup> The Xinhua News Agency reported that by May 1999, Sichuan Province had democratically elected 60.2 percent of its total 54,420 village committees.<sup>18</sup> In Hebei Province, 48,695 out of the total 50,000 administrative villages saw their heads being elected by 1997.<sup>19</sup> However, in some poor regions no direct elections have been held at all, still less competitive ones. According to official statistics, the number of "model villages," which are given more resources to conduct elections, amounted to 241,000 in 1999, or about 30 percent of the total.<sup>20</sup> Xu Yong of Central China Normal University reported that even some of these "models" did not have competitive elections.<sup>21</sup>

After ten years of experience, village elections have grown greatly in scope and substance and have attracted attention from observers of varying political inclinations. Some view them as a way for the party to maintain political stability and some applaud them for familiarizing hundreds of millions of people with a basic institution of democracy, one that might spread to other parts of the Chinese political system. Both views could be true. Western observers in particular are concerned about the quality of the elections. How honest and competitive are they? What are the peasants' attitudes toward them? In light of the Party's tight grip on power, it would be natural to conclude that the election processes are rigged and the peasants apathetic. This seems to be true in many cases but there are also signs that elections in some areas are close to being truly competitive.

In 1999, Emerson Niou, of Duke University, conducted a survey on the quality of Chinese elections. He drew his sample from subscribers of the *Xiangzhen Luntan*, a magazine with a circulation of about 800,000 nationwide. The survey asked a variety of

questions: “Has your village ever held a direct election to elect village committee members?” “Was there more than one candidate competing for the village committee chairman position?” “In your opinion, was the election implemented faithfully?” Thirty percent of the respondents reported that elections were in fact implemented faithfully. Another 16 percent said they were satisfactory. Thirty percent reported that government officials nominated the candidates, or that only one candidate stood for the village chief position. Twenty-three percent responded that no direct elections were ever held in their villages.<sup>22</sup>

In the latter half of 1999, researchers from China’s Shandong Academy of Social Sciences polled about one thousand villagers in twenty villages of Shandong Province on their opinions of the sixth round of elections, which finished by June 1999. Eighty-eight percent expressed satisfaction with the elections. Ninety-two percent were satisfied with the performance of the newly elected leaders, and 88 percent said they were very serious about voting, which they regarded as a basic democratic right. Only 9 percent expressed indifference.<sup>23</sup>

Anecdotal evidence supports these findings. Although it seems implausible, in the Wenzhou County of Zhejiang Province, nearly one thousand peasants were reported as returning to their home villages by airplane to vote in 1999.<sup>24</sup> On April 6, 2000, four hundred villagers in a village of Kunming City, Yunnan Province, voted to fire the chairman and vice chairman of the village committee because they had abused their power in managing the village lands.<sup>25</sup> According to the Ministry of Civil Affairs, about one-third of the complaints received by the Complaints Bureau of the Ministry in 1999 related to village elections or village self-governance, which suggests that peasants were beginning to take this institution seriously.

The most fundamental obstacle to democracy in Chinese villages is the existence of two parallel power units in the villages: the village committees and the Party committees. The ongoing elections are only for members of the village committees; the Party committees are still appointed from within the Party. When it comes to the most important issues, like land use, the Party committees have the final say. Therefore, however competitive the village elections are, the Party still rules. In Yuezhuang Village of Shandong Province, for example, the village chief, Zhang Mingjun, and his three deputies were elected on September 25, 1999, defeating the official candidates with a write-in effort. Earlier, Zhang and the others had led a group of five hundred villagers to the Lin Qu county seat to appeal for relief from their corrupt village Party boss, who had contracted more than half of the village farmland to two hundred friends and relatives. Two weeks after Zhang and the three other men won, they were arrested by local police and charged with leading a “concentrated attack on government offices.”<sup>26</sup>

Another example of local Party power concerns a man called Yu Tielong, who seemed about to be elected head of Wangshanding village of Zhejiang Province. In October 1998, local officials disqualified him because he had been detained earlier for trying to join the China Democratic Party, a nascent illegal opposition party.<sup>27</sup> Finally, in 1995, when Xi Han Zhai, a small village near Zhengzhou City of Henan Province, held its first democratic election, villagers voted for the reform-minded Cao Haixin, ousting the former village chief Cao Xinbao, who had allegedly skimmed 25 million yuan (\$3 million) from sales of village land-use rights. The newly elected Haixin then opened official investigations into Xinbao’s alleged corrupt dealings. Outraged by this investigation, Xinbao’s brother and three others stormed into Haixin’s home and beat him until he managed to get his hunting rifle. As they struggled over the gun, it went off, killing Xinbao’s brother. In Cao Haixin’s trial, the judges were bribed by Cao Xinbao to sentence Cao Haixin to death. He was executed.<sup>28</sup>

Relations between peasants and Party cadres are frequently tense. The cadres are poorly paid and their corruption and extraction of taxes cause much resentment. On August 17, 2000, more than ten thousand angry peasants converged on the town hall of Yuandu, Jiangxi Province, to protest high taxes. The terrified town officials barricaded themselves inside until armed policemen arrived. When word of the Yuandu protest spread, thousands more angry farmers rampaged through neighboring towns. Farmers in Shandong Province report that the police beat those who refused to pay taxes. In Shaanxi Province, tens of thousands of farmers are lobbying for relief and their lawyer has been jailed for allegedly inciting them to revolt.<sup>29</sup>

Elections have started to move into higher levels of government. On December 31, 1998, the people of Buyun County, Sichuan Province, secretly held the country's first direct election for the leader of their township, the lowest level of formal government. Fearing interference, local Party leaders ordered that the election not be reported to anyone outside the county. However, in mid-January *The Nanfang Weekends*, a newspaper in Guangdong Province, carried a story on the events in Buyun. A few days later, *The Legal Daily*, a Party mouthpiece in Beijing, carried an editorial entitled "Democracy Should Not Overstep the Law." The Buyun election showed the people's awareness of democracy, the editorial said, but "regrettably the election itself violates the Constitution." The government ordered a blackout on further news coverage of the election. Four weeks later, however, on February 26, 1999, a report on the Buyun election was aired on China's Central TV station (CCTV). A researcher from the Legislative Affairs Committee of the NPC was quoted as saying, "though the election did not abide by the current regulations and political system, it reflected a positive direction of rural democracy."<sup>30</sup>

## The Media's Struggle to be Free<sup>31</sup>

A recent event dramatically underscores Chinese people's increasing access to information, as well as continued state efforts to control it. In February 2001, an explosion in a school in Jiangxi province killed forty-two people, including many students. According to the first press reports, the students had been making fireworks in a factory run by teachers in the school. The official line—which quickly replaced the press version, and was voiced by Premier Zhu Rongji—was that a madman had brought explosives into the school. After several days, Mr. Zhu publicly apologized for his misrepresentation of the events and ordered an investigation into how it was handled. This episode calls into question the assertion that "The government can control the media any time it wants to."<sup>32</sup>

With the founding of the People's Republic in 1949, China's media came under strict Party control. People were supposed to have access only to information screened by the government, to ensure "the right press direction." The liberalizing of the economy after 1978 had the unintended, and to the Party unwelcome, effect of leading to substantial self-liberalizing of the mass media. This shift occurred through the combined effects of market forces, people's higher incomes, changes in technology, and foreign influences. These factors, interacting with the Chinese intelligentsia, have produced a remarkable increase in freedom of information. The process was led by book publishing and followed by journals and newspapers. The electronic media lagged, with little liberalization in the 1980s, but more in the 1990s. The Internet now poses a new challenge to government control of information.

In retrospect, one can see what was happening. A party that was trying to free the economy was losing its ability to control the media. Moreover, the cost of entry into the print, and especially the book, business was low, while the public demand for uncensored materials was high.

These domestic influences were reinforced by foreign ones. Given the decision to seek foreign investment to secure the technology and expertise of the outside world, China's government had to accommodate foreign investors. This meant admitting many foreign businessmen, technological and business exchanges, and electronic links to the rest of the world. Western newspapers were distributed in major tourist hotels, as was access to CNN. (Both were cut off after the Tianenmen massacre and restrictions on foreign investment in media were imposed—all to little avail.)

The government has not pursued a consistent line on freedom of information. Waves of liberalization took place between 1978 and 1993, with repressions in between. It is noteworthy that the crackdown after the Tianenmen massacre, did not prevent further liberalization in late 1992 after Deng's visit to south China.

### **Book Publishing**

The shift to the market increased the channels of production and distribution in book publishing, because there was money to be made by entrepreneurs. At the same time, the government was losing money on its state-owned publications and outlets. As a result, private entrepreneurs took over many of the functions of publishing houses, including finding authors, translators, paper, and printers. In 1979, Xinhua's bookstores, those of the huge state media empire, controlled 95 percent of the market; by 1988, that number had shrunk to one-third. By 1992, in Beijing there were about two thousand kiosks, many of whose profits derived largely from the sale of illicit publications.

All of China's publishing houses remain state-owned, but their style has changed from a top-down to a market-oriented, bottom-up approach. Now, political correctness often takes a back seat to profitability when publishing houses decide what books to publish. A new class of middlemen has emerged to run the process, ranging from selecting topics to marketing the final product. Publishing houses themselves are limited to acquiring publishing licenses and extracting a commission fee.

It is now technically impossible for the government to censor each book before it goes to print. According to an official estimate, over 130,000 titles were published in 1998 (with the number of copies in print totaling 7.24 billion).<sup>33</sup> More and more books cater to the diversified tastes of readers and do not adhere to Party lines. The tolerable limit is continuously tested and often extended.

It would be astounding for a Maoist to read the books displayed in a typical Chinese bookstore today. Many books that decry totalitarian rule, although not pointing to the Party directly by name, are bestsellers. All the major works of western civilization, many earlier denounced by the Party as "counter-revolutionary," have been translated and published. No example is more telling than that the works of Friedrich Hayek—such as *The Constitution of Liberty*, *The Road to Serfdom*, and *The Fatal Conceit: The Error of Socialism*—have been published and college students regard having read them as an asset to display. Many books also reveal unpleasant facts about contemporary China. A recent bestseller is *The Trap of Modernization* by Ms. He Qinglian, who sharply criticizes the government's corruption and

abuse of power. In August 1998, another groundbreaking book on political reform appeared, entitled *The Political China: Facing the Era of Choosing a New Structure*, which included essays by thirty-two scholars, journalists, and former government officials dismissed for their sympathies toward democracy. Even a senior adviser to President Jiang Zemin contributed a piece. Though it did not explicitly broach such topics as multiple political parties and direct election of national leaders, the book touched other sensitive issues, including greater separation of government and industry; limiting the reach of the party; creating a strong legislature and a free press; and pushing village elections to higher levels. It was edited by two senior editors from major official newspapers.

The loosening of Party control can also be seen in soaring sales of forbidden works through the network of private book kiosks and book-rental stores. In many cities it is an open secret where to check out *The Private Doctor of Mao Zedong*. Their being pirated makes it even harder for the government to track them. The most frequently suppressive action is to ban the sale of these books and to punish their authors and publishers after they are spotted. The government also tries to carry out more pre-screening, but this is often ineffective. The aforementioned book, *The Political China*, was banned shortly after its debut, and Ms. He Qinglian, the author of *The Trap of Modernization*, was demoted. In July 2000, the major newspapers were warned not to carry her articles. It is doubtful that these steps are having much effect.

How should one interpret these crackdowns? For one thing, the supply of heretical books has increased. For another, people in the publishing industry are censoring themselves less, and taking more stances independent of and, in many cases, opposed to those of the government.

## Newspapers and Magazines

A similar phenomenon has happened with Chinese newspapers. Non-Party papers have gained market share at the expense of Party ones. As they lost market share, the Party papers reduced their propaganda content. Nonetheless, more hampered by censorship than by competition, they continued to lose circulation and advertising, even as their subsidies from the state were being cut.

According to official statistics, China had 2,053 newspapers and 7,999 magazines by the end of 1998, with a total circulation of 30 billion and 2.5 billion respectively. The number of newspapers represents a tenfold increase from the two hundred China-based newspapers that existed fewer than twenty years ago.<sup>34</sup> At the top of China's newspaper empire are the several major mouthpieces of the Party, including the *People's Daily* and the *Guangming Daily*, whose influence has been declining due to competition from the less Party-controlled and more reader-friendly local newspapers.

Beijing's newspaper industry has about fifty titles on sale on the streets. More than double that number are published by ministries and other state institutions and sold through subscription. The frontrunner is *Beijing Youth Daily*, which sells 400,000 copies a day in Beijing alone. It has colorful pictures, snappy presentations, celebrity gossip, and regular supplements on cars, computers, and the Internet. It was the first newspaper in Beijing to set up a twenty-four-hour news hotline. Each day the paper gets about one hundred calls and publishes four to five items from those tips.

China's more prosperous regions are taking the lead in upgrading the newspaper industry. In Guangdong Province, the Guangzhou Daily News Corporation, started in 1996, was the first newspaper to be run by professional managers. By February 1999, ten other newspapers had followed in its wake throughout the nation. Another newspaper in Guangdong with national influence is *Nanfang Weekends*, a newspaper known for its investigative reporting of government corruption, social injustice, smuggling, and other kinds of "negative" news.

In contrast are the Party's major mouthpieces, best epitomized by the *People's Daily*. Its daily circulation has plummeted from more than six million in the early 1980s to fewer than three million today.<sup>35</sup> Although the *Daily's* circulation is still twice that of its closest rival, this advantage comes from executive orders and not voluntary readers. In a bid to hold market share, the *People's Daily* has beefed up its business coverage with a weekly insert devoted to the stock market and other money-making ideas, an inconceivable move ten years ago.

China's journalists lack legal protection from government interference and personal persecution. In its annual report in 2000, the international Committee to Protect Journalists (CPJ) asserted that nineteen journalists had been imprisoned in 1999, and condemned the country's record on press freedom as the worst in the world. For instance, in April 1999, Gao Xinrong, a journalist from the official Xinhua News Agency, was sentenced to thirteen years in prison on false charges for uncovering and exposing a multi-million yuan scam which involved a bogus irrigation project in a drought-stricken prefecture in the south of Shanxi province.<sup>36</sup>

China's magazine market faces the same obstacles. The May 1999 issue of the journal *Beijing Literature* was confiscated for running an essay by a scholar who argued that the true spirit of the May Fourth Movement in 1919 was to fight for democracy. The government feared that the word "democracy" would conjure up scenes from 1989's Tianenmen Square massacre. A famous academic journal called *Method* was also shut down in 1999, because of its zeal in advocating political reform and other "deviant" ideas.

## Radio and TV

Growing personal incomes, combined with advances in technology, are working against the Chinese regime's media control efforts. Televisions, radios, cassette players, and VCRs have become widely owned. In 1985, the government allowed local TV stations and educational and research institutions to have their own satellite ground stations; by 1990 more than 16,000 had been set up, a system far too large for the authorities to monitor. Then in the 1990s, Chinese manufacturers began to make home satellite dishes. Again the authorities tried prohibition, but without success. By the early 1990s, the number of satellite dishes was estimated at 4.5 million. Broadcasts from Hong Kong greatly increased their penetration of the market in south China, to the discomfiture of censors in Beijing. Also, by 1991, more than 80,000 firms, institutions, and government units had fax machines, with a projected market of 10,000 more a year.

Before China's economic takeoff, watching TV or even listening to radio was a luxury to most people. Television and radio programs enjoyed large audiences, regardless of their contents. Today, however, with people increasingly having access to various kinds of entertainment, radio and TV stations have to compete. For example, CCTV was reportedly

planning to launch the Chinese version of the popular American show “Friends” in the summer of 2000 and aiming to air the program twice a day in prime time for the next year.<sup>37</sup>

To attract audiences, Chinese radio and TV stations have introduced talk shows, call-in programs, investigative reporting, and live broadcasting. One of the most popular investigative reporting programs is CCTV’s “Focus Interview,” which pursues thorny cases of government corruption, legal injustice, and onerous burdens on peasants. The program is highly successful and has been praised by Premier Zhu Rongji as a model for journalists.

Discussions about state-owned enterprise reforms, corruption, and many other kinds of social problems are commonplace on radio and TV. On July 27, 2000, the Guangdong People’s Radio Station broadcast a listener’s statement on a call-in program that rampant corruption could not be cured unless the ruling Communist Party stepped down from power. Although the station has a time delay for deleting obscene or political comments, the censor failed to do so.<sup>38</sup> (One wonders about the fate of that asleep-at-the-switch censor.) However, when the Party puts out a strong line the media conform.

Underground markets for foreign movies (video laserdisc format) are flourishing. The government no longer controls this industry, and the indigenous market has given way to foreign movies. Last year, China’s highest-grossing movies were the American box-office hits, “Titanic” and “Saving Private Ryan.”

## The Internet

With an estimated 17 million users, 27,000 www sites, and over 65 million email accounts in 2000, China’s Internet market is well established.<sup>39</sup> The average user spent 16.5 hours per week on the Web, and 28 email messages were exchanged per user per week. Although these per user figures are small by western standards, this Web-savvy Chinese population is far wealthier, better educated, and more politically and economically active than the national average, and hence more likely to swing China’s future.<sup>40</sup> A recent survey found that 67 percent of urban Chinese children aged 6 to 15 can use computers. Seventeen percent know how to log on to the Internet, and almost half of those have visited chat rooms or browsed for information.<sup>41</sup>

The government is trying to balance the large economic benefits it perceives in the Internet with the dangers of loss of control over information and, worse, of bolstering dissidents’ potential to organize. Previously a state monopoly, news is now being supplied by websites that hire freelancers and the so-called “cyber-reporters” who operate independently of the Party’s propaganda bureau. Technically, anybody who has a personal homepage on the Web can post information that is easily accessible to fellow surfers.

The Internet is also providing a powerful tool for social mobilization outside Party control. Liberally minded intellectuals and political dissidents are using it to disseminate their opinions. In October 1999, when China celebrated the fiftieth anniversary of its founding, an article criticizing China’s human rights record and devastating policies, written by a famous liberal scholar, Mr. Li Shenzhi, was widely circulated on the Internet. This action infuriated President Jiang Zemin. Today, one year after the government blacklisted Mr. Li, his other, less pungent articles are still easily read on the Internet. The same is true for articles by the aforementioned writer, Ms. He Qinglian. After being removed to a nonwriting job at a Shenzhen newspaper, her articles and books are still widely read online. That the

writings of Li Shengzhi and He Qinglian have survived shows how difficult it is for the Chinese authorities to keep up with the Internet.

Online bulletin boards and chat rooms enable people to exchange information, post impromptu responses to breaking events, and express political opinions. The best-known bulletin board in China is that of the *People's Daily* called "Forum for Strengthening the Country." New visitors are often surprised by the opinions expressed. One user has advocated a system in which "only non-Party members can be judges, prosecutors, and military officers." Another has made an impassioned cry for freedom of speech in a nation where voicing unauthorized opinions can mean a prison term. Much of the information about a huge corruption scandal in the southern city of Xiamen, for instance, first emerged online, while newspapers were saying little about the events.

Through the Internet, Chinese users can gain access to information on foreign-based websites, particularly Chinese language pages in the United States, Hong Kong, Taiwan, and Singapore. The government has erected a so-called "firewall" to block visits to those foreign-based websites deemed subversive, but Internet surfers can use proxy servers to bypass it and visit the websites of CNN, the *New York Times*, the *Washington Post*, and others. (Middle and high-level officials often visit these banned sites.) Meanwhile, some online entities are aggressively spreading messages in favor of democracy in China. The *VIP Reference*, a Chinese dissident-sponsored, U.S.-based, pro-democracy Internet newsletter, probably the most famous of its kind, is electronically delivered to the email boxes of about 300,000 readers in China every day.

China's State Secrets Classifying Bureau estimates that in 1999 the Internet was involved in one-third of the cases of "leaking state secrets", a category defined arbitrarily.<sup>42</sup> In what seems to be the first case of prosecution for using the Internet to promote democracy, software engineer Lin Hai was sentenced to two years in prison in January 1999 for providing 30,000 email addresses to the *VIP Reference*.

Consider events in 2000, as the state struggled to control use of the Internet. In January, the State Security Bureau promulgated Regulations on State Security Protection for Computer Information Systems on the Internet. These regulations broadly define matters of state security. In February, the government announced an organization to identify Internet users, monitor information on the Web, and block transmission of unauthorized information. Also in February, authorities closed 127 Internet cafés in Shanghai, saying the cafés were "corrupting the morals of youth" with Web-based pornography. In May, China moved to ban Web sites from presenting information based on independent reporting, and to limit them instead to news originating from the state-run media. Again in May, monitoring devices were installed at Internet service providers (ISPs) to track email accounts, target certain email users, and read their messages. In June, the government arrested Huang Qi, the manager of a website in Sichuan province dedicated to searching for lost people, on charges that it posted details of banned subjects, such as the 1989 Tianenmen Square massacre and the crackdown against Falungong. In July, when the government was about to crack down on Falungong, it first shut down all of the Falungong's websites across the country, and all free public email accounts were frozen for three days to prevent Falungong members from contacting each other by email. (These were costly steps.) In August, the police closed down the country's first locally based dissident website, "New Civilization Forum," and launched a search for its sponsors. (It was run by veteran democracy activists in Shandong Province.)

Will these measures be effective? The outlook is mixed. Technology will allow the

authorities to intrude comprehensively into electronic communications. Artificial intelligence techniques will print analysis of large volumes of information. Traffic analysis tools will allow the government to identify relationships among people. On one hand, then, the Internet will make it easier to track down active dissidents. On the other hand, the economy will increasingly depend on the Internet, including exchanges with the rest of the world. Firms need privacy, and will deploy a considerable array of techniques for getting it, which will likely have wider implications for the spread of information. It remains to be seen how individual Chinese Internet users will fare in the game with the authorities, but it should not be assumed that they will lose on balance.

The main message is clear: once a totalitarian regime seriously adopts market reforms, it loses control of the organs of information. Waves of forward and backward movement will doubtless continue, but the underlying tide is raising the overall level of information freedom.

## The Growth of Personal Liberties

Although the society remains repressive in many ways, there has been a remarkable growth in personal liberties in China in the past twenty years. The progress in law and access to the media discussed above are cases in point. In addition, people have more choices in jobs and many of them now move about the country relatively freely. Penalties are associated with unauthorized movement—such as difficulty of access to housing, education for children, and health care—but many tens of millions of Chinese are on the move.

### Freedom of Movement

The Constitution enacted in 1954 stipulates that people are free to move. Infringements on this freedom began in 1958 when the Rules for Residency Management were first promulgated. They prohibited people from moving without government consent from rural areas or small cities to large cities. People had to acquire a residency permit, or *hukou*, of the city where they live in order to have jobs in state enterprises and to qualify for state subsidies—or rationing in hard times—for food, housing, and education.

Residency control was motivated largely by the large urban–rural income gap and the then centrally planned economy. There was a gravitational pull toward cities that the government feared, if unchecked, would put too much demographic pressure on cities and jeopardize social stability. And because central planning encompassed almost every aspect of the Chinese citizen’s life, a person without a *hukou* was excluded from the state’s social welfare system.

The past twenty years have seen a gradual loosening of the residency control system and, therefore, much increased freedom of people to move. Two forces underlie this shift: shrinkage of the state sector and government’s conscious liberalizing efforts.

### Shrinkage of the State Sector

The value of a *hukou* depends on the permeation of the state in people’s lives. Previously, a typical city resident was dependent on state enterprises, whose scope extended from the

delivering of babies to funeral services. People without *hukou* were not eligible for its welfare benefits, and rational individuals did not move without it.

Reforms since 1978 have made the *hukou* less meaningful. One achievement was eliminating shortages of the stuffs for basic living—food, clothes, soap, kerosene, and so forth—which had been rationed under the *hukou* system. Then better jobs became available in foreign and private enterprises, while layoffs by state enterprises further reduced *hukou*'s value. Recently, state enterprises have retreated from supplying subsidized housing, health care, and education—changes which render the residency control system close to obsolete.

One of the few remaining *hukou* benefits is for children to be enrolled in (primarily state) elementary schools. The prospect of their future children entering quality schools, however, is too remote to discourage many young people from relocating without *hukou*. Hundreds of thousands of college graduates and professionals are moving to prosperous cities. They are joining the army of peasants seeking short-term jobs, together making up the so-called “population on the move.” In 1997, apparently about 110 million people were on the move, nearly one-tenth of the entire Chinese population.

On the government side, the residency control system came to be seen as an obstacle to efficiency. Starting in 1979, it began to relax residency policies to the newly established special economic zones in order to attract talent and over the years this relaxation has gradually been extended nationwide.

### **Breakdown of the Job Control System**

The job control system which fixes people to lifetime jobs not of their choice, is closely related to the residency control system, and reflects the now-obsolete centrally planned economy. This change is greatest for college graduates. Before the 1980s they were assigned jobs, but today they have choices. A typical college graduate has two general options: state versus private firms. If he chooses the latter, he must pay back the cost of his college education and will not receive the *hukou*. For more and more graduates, this is less and less of a concern.

Rank-and-file industrial workers and farmers also have more freedom to choose where they work, subject only to the constraints of their skills and their willingness to bear risks. Admittedly, it will take a long time for China to develop a fully free labor market, but it has moved beyond the period in which one of a citizen's major life choices—work—is dictated by government.

## **China's Liberalizing Trend Compared with Other Asian Countries**

The changes described above are similar to those that occurred in Taiwan when it was at the same stage of development as China is today. China's per capita GDP in 1998 was about \$3,000 in international dollars. When Taiwan was at that level in the mid-1970s, the Kuomintang Party (KMT) was firmly in charge. However, local bosses were becoming more responsive to the views of the people and non-KMT representatives were becoming active in local politics. Taiwan's Freedom House democracy score was then equivalent to 25 (on a scale of 0 to 100). This opening process then moved up the political ladder—although at first, as in China today, no organized opposition was allowed. In 1980, Taiwan had its first national election, in which some competition was present. In 2000, it held a presidential

election in which the candidate of the KMT, the ruling party since 1949, was rejected. Its Freedom Rating in 2000 was 92.

The path in South Korea was different but the end point was much the same. After the coup that brought Park Chung Hee to power in 1961, elections were held but the ruling party determined the outcome. South Korea's 1974 Freedom Rating was 33. Political change came rapidly from the mid-1980s and in 1999, South Korea's Freedom Rating had risen to 83.

It can be argued that the Asian countries with medium or high Freedom Ratings have been especially exposed to American influences (Japan, the Philippines, South Korea, and Taiwan are all rated Free), or had been British colonies (India is Free, and Malaysia, Bangladesh, Sri Lanka, and Singapore are all Partly Free). This is true, but other democratizing countries in the region have had far less exposure to Anglo-American influences, most notably Indonesia (Partly Free) and Thailand (Free).

## Is China Basically Different?

China is distinguished by its vast population, ethnic homogeneity, history of central authority, and sense of cultural superiority. It was never deeply influenced by European or American institutions. More importantly, it never experienced the feudalism and religious wars that brought about European diversity and opened space for freedoms. Instead, at the core of China's culture is Confucianism, shorthand for a cluster of institutions and practices that give great weight to order, harmony, virtue, and hierarchy.

In its latest manifestation, the institution representing and responsible for the maintenance of these values is the Communist Party. As is evident, little about it remains Marxist, although it remains Leninist in operational practices. And, as observed above, the tensions between Party rule and liberalizing forces are increasing. Step by step, the Party has been giving ground. Notably, it is doing so while sustaining a high level of economic growth and avoiding (so far) large social disruption.

Might it be possible for a prosperous population to be politically and personally unfree? Some observers seem to think so. That position is implicit in the view held by some experts that China will not become democratic for at least fifty years. Perhaps they believe that economic growth will not be sustained, but that seems not to be the primary assumption. Rather, this position reflects the view that traditional ways—"Confucianism"—will trump the liberties that prosperity has universally brought elsewhere.

I do not argue that values and institutions will converge totally. Just as Japanese institutions are not identical to those of, say, Sweden or Texas, China, far into the distant future, will preserve many of its old ways. Comprehensive political and personal repressions are not likely to be among them.

## The Path Ahead

I also do not argue that the path from here to a better future will be smooth. One can imagine several routes, some continuous and some rough. The political transition in Taiwan was smooth, that in South Korea was less so, and that in Japan required a terrible war and military occupation. China's record over the past twenty years suggests that the strictness of Party control will fluctuate but will trend toward more tolerance—even as it tries to maintain a monopoly of political power for as long as possible. Further competition is likely, in both local and provincial politics as well as in the NPC, although no recognized political opposition might be allowed for a long time. Notwithstanding, the rule of law will become stronger and freedoms of information will increase.

Backsliding could occur if Party leaders react against their (further) loss of legitimacy and control. There could be a period of repression, but this would likely damage the economy and increase the Party's unpopularity. Indeed, perhaps the main factor supporting the Party is the remarkable growth in prosperity it has delivered. (Where people become worse off—as when workers have been laid off from state-owned companies—riots sometimes occur.) Whether events have already progressed beyond the point at which the Party would try systematic repression is a reasonable question. Authoritarian regimes often make mistakes of this kind if things go badly for them.

Intense nationalistic feelings could also play a significant role. The Party can rouse them to consolidate support behind it against foreign enemies, but this can be dangerous if the people deem it to have been delinquent in protecting China's interests.

## How Stable is China?

China is clearly changing rapidly but this question addresses the possibility of rapid, discontinuous change in society and politics. The collapse of Communist Party rule in the Soviet Union is one such recent instance, as is the downfall of Suharto in Indonesia.

Some factors in China suggest latent instability.<sup>43</sup> These include frequent demonstrations and riots, both in rural and urban areas, some involving over 10,000 people but almost all short-lived. They are caused by such grievances as abuse by officials, unemployment, and disputes over land. So far, they have been uncoordinated and do not seem to present a serious national threat. Moreover, the government often responds to such manifestations by trying to fix the sources of the troubles.

Another potential source of trouble is the large and perhaps growing difference in wealth both within communities and among them. The coastal provinces and cities are very much better off than the interior and rural areas. However, it is hard to see how serious political disruption could flow from this phenomenon.

Perhaps most serious change in China is the loss of such belief as there was in Marxism-Leninism. For many people, no satisfactory ideological, moral, or spiritual substitute has presented itself. So many people are reaching out to religion—Buddhism Taoism, Christianity, ancestral worship—but the regime suppresses any alternative organization to the Party and government. The crackdown on the Falungong movement shows how determined the government is to prevent alternative organizations from operating, even though Falungong

is about personal salvation, not politics. The leaders know well the history of faith-based disruptions in China and are not taking any chances.

The Party's leadership evidently sees corruption, some of which occurs on a massive scale, as its greatest threat. Here, the liberalization of the economy should help because the operation of free markets reduces the scope for corruption. But today, and probably for a considerable time into the future, corruption will weigh heavily on the Party's legitimacy.

As long as the Party delivers increased, albeit unequally distributed, economic benefits, it seems reasonable to assume that regime-threatening disruptions will not occur. But as Alexis de Tocqueville observed about the French Revolution, the provinces that displayed the most revolutionary spirit were also those in which conditions were improving most steadily. There can be no assurances that a system as seemingly brittle as China's will not experience an upheaval.

## What this Prospect Means to the Rest of Us

The key inference for everyone is patience. If 2020 is roughly right, twenty or so years is a short time in Chinese historical perspective. For the people of Taiwan, to be a province of a prospering China, in which governments on both sides of the Strait are politically pluralistic and their peoples have many rights protected by law, should be a much more attractive prospect than joining today's China. In any case, the official Taiwan position is that unification requires a democratic mainland. To the Taiwanese, this has seemed to be both a reasonable position and a remote prospect. I argue that it isn't so remote. But the period between now and 2020 (or whatever the year) will be hazardous, because Beijing will not give up on the goal of unification—and it will become militarily more powerful.

The implicit deal is this: Beijing bets on the many benefits of getting richer, including peaceful reunification and becoming a major world power (including militarily), and stops threatening Taiwan. Taipei bets that a democratic China will happen, and does not declare independence. The United States bets that a richer China will become democratic and not highly threatening.

The interval during which China continues to grow and democratize will not necessarily be peaceful. (Consider, for instance, nineteenth century American history in relation to Mexico.)<sup>44</sup> However, the record of nonconflict among democracies supports a prediction that a democratic China, once achieved, is a better bet to live in relative harmony with its (for the most part) democratic neighbors than is an authoritarian China. The difficulty lies in the period in between, and this is no small matter.

The United States not only has a common interest with China in seeing its people prosper, in peace, but also in addressing environmental problems, and in coping with the dangers associated with the spread of weapons capable of mass destruction.

American criticisms of China's human rights violations should and will continue. We are who we are. These criticisms will have increasing resonance inside a China with better educated and informed people who have access to greatly improved telecommunications. They should not, however, become the cause for trade sanctions.

Americans sustained the Cold War with the Soviet Union for forty-five years until victory came. The prospect of a twenty year (more or less) effort to help the Chinese people to become free—while helping Taiwan retain its freedoms—is a much less daunting prospect.

## Appendix

The earlier version of this paper contained a survey of China coverage in five leading U.S. publications, which found that stories judged to be negative outnumbered positive ones 12:1. An updated survey prepared for this report, conducted via the LEXIS-NEXIS–Academic Universe, covering only the *New York Times*, identified 644 items from January 1996 to August 2000.

Negative 385 (59.8%)	Human rights abuses of various kinds (suppression of freedom of speech, association, and religion; persecution of dissidents, arbitrary detentions, and summary executions; other abuses of government power)	317 (49.2%)
	Corruption and smuggling	20 (3.1%)
	Social problems (rural opposition, social displacement, disintegration of civil society, environmental deterioration, rampant crime, and other problems stemming from lack of rule of law)	48 (7.5%)
Neutral 219 (34%)	Neutral accounts of events	
Positive 40 (6.2%)	Political liberalization (loosening of political control on society)	12 (1.9%)
	Economic liberalization (market-oriented reforms, economic dynamism, and entrepreneurial spirits)	19 (3%)
	Grassroots level election	1 (0.1%)
	Struggling toward rule of law	3 (0.5%)
	Mass media liberalization	5 (0.8%)

A news item is classified to be positive, neutral, or negative about China both in terms of the nature of the event being reported and the rhetoric used.

This more limited survey suggests no change in the ratio of stories judged negative to positive during the 1990s, but there may have been an increase in straight, factual reporting. Of course, it is an axiom in the media that good news doesn't sell newspapers.

## Notes

<sup>1</sup> The Short March: China's Road to Democracy", *The National Interest*, no. 45, Fall 1996, pp. 61–70.

<sup>2</sup> Professor Lawrence Lau of Stanford University tells me that the income level I had earlier attributed to China for 1990 (\$1,950) was too high. Starting, then, with a level of \$1,750, an average annual per capita growth of 4.5 percent (in international dollars) yields \$6,500 by 2020 in 1990 dollars, or about \$7,500 in 1998 dollars.

<sup>3</sup> *Freedom in the World, 1998–1999* (New York: Freedom House, 1999).

<sup>4</sup> See Huntington, Samuel P., *The Third Wave: Democratization in the Late Twentieth Century* (Norman: University of Oklahoma Press, 1991); Przeworski, Adam, Michael Alvarez, Jose Antonio Cheibub, and Fernando Limongi, "What Makes Democracies Endure?" *Journal of Democracy*, January 1996, vol. 7, no. 1.

<sup>5</sup> This section is based on Stanley Lubman's *Bird in a Cage: Legal Reform in China after Mao* (Stanford CA: Stanford University Press 1999), and also his "China's Legal Reforms", *The China Quarterly*, (Special Issue), no. 141 (March 1995). In the latter, see the contributions of Lubman, "Introduction: The Future of Chinese Law"; William Alford, "Tasseled Loafers for Barefoot Lawyers: Transformation and Tension in the World of Chinese Legal Workers"; Pittman B. Potter, "Foreign Investment Law in the People's Republic of China: Dilemmas of State Control"; Donald Clarke and James Feinerman, "Antagonistic Contradictions: Criminal Law and Human Rights in China"; Donald Clarke, "The Execution of Civil Judgements in China"; and Anthony R. Dicks, "Compartmentalized Law and Judicial Restraint: An Inductive View of Some Jurisdictional Barriers to Reform."

<sup>6</sup> This paragraph is based on the Lawyers' Committee for Human Rights, "Wrongs and Rights—A Human Rights Analysis of China's Revised Criminal Code".

<sup>7</sup> *The Lawyer*, August 11, 1998.

<sup>8</sup> *Far Eastern Economic Review*, June 23, 1994, p. 55; quoted by Potter in Lubman, *Bird in a Cage: Legal Reform in China after Mao*.

<sup>9</sup> *VIP Reference*, July 26, 2000, and [www.falundafa.org](http://www.falundafa.org).

<sup>10</sup> *Financial Times*, April 14, 1999.

<sup>11</sup> U.S. Department of State, 1999 China's Human Rights Report.

<sup>12</sup> Amnesty International Annual Report 2000.

<sup>13</sup> *USA Today*, November 3, 1999.

<sup>14</sup> *New York Times*, January 6, 2000.

<sup>15</sup> *New York Times*, September 10, 2000.

<sup>16</sup> Material in this section draws on the following sources: *Far Eastern Economic Review*, June 23, 1994; “Study on the Election of Villagers’ Committees in Rural China” (December 1, 1993) and “Report on Villagers’ Representative Assemblies in China” (December 1994), both by the China Rural Villagers Self-Government Research Group, China Research Society of Basic-Level Government; and International Republican Institute, “Election Observation Report of the People’s Republic of China”, May 1995. The International Republican Institute is an arm of the Republican Party.

<sup>17</sup> *China Daily*, July 2, 1999.

<sup>18</sup> Xinhua News Agency, May 24, 1999.

<sup>19</sup> Xinhua News Agency, November 11, 1997.

<sup>20</sup> 1999 China Civil Affairs Development Report.

<sup>21</sup> Xu Yong, “Some Determining Forces of China’s Village Elections—The Case of 25 Villages”, mimeo.

<sup>22</sup> Emerson M.S. Niou, “Village Elections: Roots of Democratization in China”.

<sup>23</sup> Shandong Academy of Social Sciences, “Analysis of the Peasants’ Attitudes toward Village Elections” (April 2000), available on at <http://www.chinavillage.org>.

<sup>24</sup> China Village, August 16, 2000.

<sup>25</sup> China News Agency, April 9, 2000.

<sup>26</sup> *Washington Post*, November 12, 1999.

<sup>27</sup> *The Independent* (London), November 4, 1998.

<sup>28</sup> *Los Angeles Times*, October 17, 1999.

<sup>29</sup> *New York Times*, September 17, 2000.

<sup>30</sup> International Republican Institute, “First Direct Election Conducted at Township Level”, February 3, 2000.

<sup>31</sup> This section draws on Minxin Pei, *From Reform to Revolution: The Demise of Communism in China and the Soviet Union* (Cambridge: Harvard University Press, 1994).

- <sup>32</sup> Eric Eckholm, National Public Radio, February 4, 2001.
- <sup>33</sup> Press Office of the State Council., *The Fifty Years of the Human Rights Development of China*.
- <sup>34</sup> Ibid.
- <sup>35</sup> *Seattle Times*, December 6, 1998.
- <sup>36</sup> *New York Times*, January 6, 2000.
- <sup>37</sup> *U.S. News & World Report*, July 3, 2000.
- <sup>38</sup> *New York Times*, August 5, 2000.
- <sup>39</sup> William Foster and Seymour E. Goodman, "The Diffusion of the Internet in China," Report from the Center for International Security and Cooperation, Stanford University, November 2000.
- <sup>40</sup> CINIC, Surveys of China's Internet Development.
- <sup>41</sup> *The Toronto Star*, July 9, 2000.
- <sup>42</sup> Hong Kong Qianshao, May 2000.
- <sup>43</sup> For a discussion of China's stability see Shambaugh, David, Ed., *Is China Unstable?* (M.E. Sharpe: Armonk, NY, 2000).
- <sup>44</sup> Mansfield, Edward and Jack Snyder, "Democratization and War," *Foreign Affairs*, vol. 74, no. 3, May/June 1995.

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