Political Transition in China Under Economic and Social Reform

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Introduction

These days there is a lot of discussion on the subject of China and before I proceed there are several points I would like to mention concerning this. In Japan and other countries around the world debate on China has developed into two extreme arguments such as optimistic opinion and pessimistic opinion. This was also the case in 1949 when the People's Republic of China was founded, in the latter part of the 1960s at the time of the Cultural Revolution, in the transition period from the Mao Zedong era to the Deng Xiaoping era and at the time of the Tiananmen Square incident. For example, when trying to evaluate the Cultural Revolution, or the Tiananmen incident, debate is widely divided into positive or optimistic opinion and pessimistic critical opinion. So how should we try to understand and interpret the real state of affairs in China? This is not an easy task.

Regarding contemporary China this phenomenon of divided opinion can clearly seen in several areas. Some critics and press comments state China is maintaining high growth rates in the midst of world recession, or emphasis that it is reaping gains through inward direct investment as factories relocate to China. We hear statements like “China has become the factory of the world”, “the world market” or “China getting fat” and how China will pass Japan as the world's number two economy becoming a superpower capable of challenging the US. Arguments such as “Made in China” by Atsuro Kuroda and “China Impact” by Kenichi Omai are to some extent also persuasive. The progress China is making has even led some to see it as a danger, thus giving rise to the “China Threat Theory” of which arguments such as “Dangerous China” and “Troublesome China” are one form.

At the same time there is a considerable amount of pessimistic argument about the current state of China and its future. In the summer of 2001 I discussed these issues with a Chinese friend who has spent time conducting research in Japan. He was of the opinion that the Chinese government largely fabricated China's growth rate. He believed that many of the statistics being published were false and that there were actually only a handful of people enjoying the new prosperity compared with the vast majority of people whose lifestyles had deteriorated and were subsequently suffering as a result of the reforms. Official corruption is rife and those in power deal with the dissatisfaction of the people in oppressive violent ways and this, my friend felt, was putting an unbearable strain on China, and in the not too distant future could have explosive results. ¹

The arguments of He Qinglian, a Chinese sociologist who was compelled to go into
exile on account of the oppression of the Chinese authorities, were also along these lines. Professor Andrew Nethen of Colombia University, the well known China specialist and editor of “The Tiananmen Papers” told me in an interview in 2001 that the contradictions in society and the subsequent mounting discontent had the potential to cause an uprising in the not too distant future. Gordon Chan also puts great emphasis on China’s problems and contradictions with surprising persuasiveness in the recently published “The Coming Collapse of China”.2

I will introduce my views on this issue later in this paper, however given these two opposing extreme views it is important to ask how we should view China. In reality, contemporary China probably sits somewhere in the middle of the two views. The problem for anyone seriously trying to analyze China is how to specifically define this middle area, or how to analyze China in its current state. In recent times this may well have become even more important, and to some extent difficult, due to the dynamic transformation China has undergone in recent years and the fact that China has come to wield a large amount of influence on the international stage.

Another point I would like to make is to avoid looking at China in the short term and avoid letting one’s judgment be clouded by China’s past. We should try to look at China calmly and objectively and to try to assess its long-term prospects. At present Japan is at a crossroads facing some extremely serious choices about its future and has to some extent therefore lost its ability to view things rationally. The continued period of economic growth after WWII ended with the collapse of the bubble economy at the beginning of the 90s and Japan entered a period of recession which some view as having no way out of. They have even gone as far as to call this period “The Lost Ten Years”. Personally, I do not agree with this view, I am more of the opinion that in the bubble years times were too good, and so this last ten years have not been as bad as some would say. However, I believe that this line of thinking of not being able to see the way out of the recession is causing dismay and irritation that in turn is causing the Japanese to lose their ability to look at things in a rational way. An example of this can be seen at the time of the Shenyang Consulate Incident in 2002. Japanese politicians, bureaucracy and the mass media all over reacted and were so concerned with getting an apology from China that they failed to properly grasp the cause and development of the incident and China ended up getting the upper hand. The problem is how Japan should reevaluate itself, and in cases like these understand and solve these problems. Talking of this, it reminds me of a book I recently read about a former Prime Minister of Japan. In the early part of the 1960s Eisaku Sato was challenging Hayato Ikeda for the leadership of the country and gathered a group of scholars and journalists. As well as
discussing their respective domestic policies and diplomatic strategies they also debated what the state of affairs would be in Japan in the year 1970. It is probably fair to say that Japanese politicians make little effort to assess the future in such a way and analysis of modern politics tends to reinforce this view. In this respect the above-mentioned Sato episode can be said to be a rare case.

China and the US, however, have no problems at all in having such debates. After normalization of diplomatic relations between the two countries a group of leading US-China specialists produced a paper titled “US-China Relations in Ten Years”. Indeed Deng Xiaoping often talked remarkably calmly about the future with comments like “the road to reform will not change for a hundred years” or “there will be no change in the ‘one country two systems’ for fifty years”. In this respect China could be called a strategic state.

It is certainly difficult enough to predict even the near future let alone ten years in the future. Nevertheless being forward thinking, trying to assess the future and the way in which to take a strategic approach to the future is actually an extremely important part of politics. For example if we look back ten years to the 1990s or even before that to the 1980s it is easy to see the large changes that have occurred in these periods of time. It follows therefore that if we look forward from a certain point in time then we should be able to see the emergence of the factors that will cause change in the future. For example Chinese modernization that started at the end of the 1970s with the establishment of Deng Xiaoping’s leadership was a sign of what was to come in the political situation of the 1990s, especially the Tiananmen incident and the fast pace of reform which called for Deng’s Talks in the Southern Tour (Nan Xun Jiang Hua). The crackdown on the democracy movement in the Tiananmen incident, Deng’s Talks in the Southern Tour and the drastic change on the world stage with the end of the cold war along with the shift to a unipolar system all became factors in shaping modern day China.

So how should we analyze the situation now at the beginning of the 21st century? If we conduct this analysis carefully we should be able to find the factors that will shape the China of tomorrow. In this sense careful analysis of contemporary China can be said to be a considerable factor when predicting the state of affairs for China in the year around 2010.

What changes can we expect to see in the structure of the Communist Party, economic growth, the Taiwan issue or relations with Japan? These questions are all likely to be answered in the next ten years. In this respect an important point I hope to make here is not to be swayed by events happening at present and to lose sight of the future and
the big picture.

The Structure of the One Party System and the Unlikelihood of Change.

First of all I would like to address the problem of whether we will see change in the Communist Party’s one-party system or not. Starting with the reforms in the late 1970’s China has made continuous progress, with globalization giving China’s economy an extra boost in more recent times resulting in people’s values, lifestyles and benefits all changing dramatically. Despite this the Communist Party’s one party system, unlike the Soviet Union and various Eastern European countries, has until now managed to avoid collapse. Therefore in terms of the future the issue of whether China’s political system will reform or not is likely to become tremendously important.

It was previously thought that the power of the Communist Party was extremely concentrated with a rigid chain of command through which directives and commands were passed down. When analyzing contemporary China, however, a very different picture can be seen. In the twenty years since the reforms were introduced it is evident that there is a tendency for local authorities to sometimes not carry out directives from the central government. The often-quoted line “If there is policy from above there will be resistance below” reflects this strengthening characteristic of China’s policy mechanism. An example of this can be seen when looking at counterfeit CDs that are currently being produced in large quantities in China. Despite central government taking positive action against this activity, local authorities are ignoring this and the problem continues.4

Another example can be seen in the “one child policy” adopted after China’s move to modernize in an effort to reduce the swelling population. The policy has been enforced for over twenty years, therefore all children under the age of twenty should have no siblings. However, in reality this doesn’t appear to be the case as there are many ways to have more children and avoid detection. From my research and the surveys I have conducted it is no exaggeration to say that there are actually very few families in rural areas with only one child.5 Therefore we can see from these tendencies that compared to the past, the Communist Party’s tight grip on power has to some extent weakened. Furthermore, as globalization continues we are seeing the phenomenon of the reversal of communist ideology and the diversification of values amongst the Chinese people. It is often said that the spread of information was one of the principle reasons for the collapse of socialist dictatorships of Eastern Europe, and when we consider the rate at
which information and technology is permeating into Chinese society it doesn't seem unreasonable to predict the same fate for China. It is this point that I would first like to analyze.

Let us begin with looking at what characteristics the Chinese one-party system has. When doing this it is important not to forget the importance of the connection between the Party, the military and the state. In terms of power the Party is at the top followed by the military and then the state. This pyramid system of authority is vaguely comparable to the administrative, legislative and judicial branches of other states, and is one of the distinctive features of the Chinese political system. If we look at modern democratic political system such as Japan or the US we see that the state at the top, followed by the military (commanded by the state) and finally comes the party. (see diagram)

In such democratic political system politics is generally based on a multi-party system in which the party is not the supporting element of the state, but rather due to the principle of competition becomes the governing party for a certain period of time and then moves to the rank of opposition party. Therefore the hierarchy of authority in democratic political system tends to take the form of state, military, party in that order. In military dictatorships the hierarchy of authority tends to be military, state, party or military, party, state in those orders. If we look at any changes in China's national structure as a move towards democratization of the political system then it is possible to say that these changes represent the change from order of party, military, state to that of the democratic order of state, military, party. The question therefore is whether any such changes can or will be seen. It is my opinion that, in at least the next ten years, no such changes are likely to appear in China.

The role of the military in the Chinese political system has been considerable and it is often said when discussing Chinese politics that political power came from the gun. However, Mao Zedong was quick to assert the party's authority over the military at the beginning of the Chinese revolution and this authority was emphasized in the 1989
Tiananmen Square Incident when the military was used to maintain political order. Another example of this can been seen in the 1997 Chinese National Defense Law in which the Party clearly stated its absolute control over the military. It has therefore been said that “since the 1989 Tiananmen Square Incident the military has become the guarantor of the political system or its central pillar” (Chi Haotian, the Minister of Defense, Yang Baibing, Secretary of the PLA Central Committee).

So how should we position the state in the current Chinese political system? Firstly looking at it in terms of the relationship between the state and the military, the state in its broad meaning naturally includes the Party and the military and embodies national sovereignty. However, when we look at the state in its narrower meaning, as applied to China in terms of the government’s structure as mentioned above, we see that the top posts in organizations such as the State Council, local government, People’s Congress and the People’s Court are all held by the Head of State. Despite the Head of State in China often being translated as ‘president’, in the Mao Zedong period after 1959 it was not Mao himself who took this post but Liu Shaoqi. The post was vacant after the failure of the Cultural Revolution until Deng Xiaoping came into power when, again, it was not Deng who took the position but Yang Shangkun followed by Li Xiannian who at the time were not even amongst the top three leaders of the country. Moreover, in contrast to other modern states, ultimate power does not rest with the Chinese head of state in times of national emergency. This can be seen, for example, by the fact that it was not the Head of State who gave the order for martial law in the crack down on the pro-democracy movement in Tiananmen Square. All this tells us that the position of head of state in China wields little true power. On the other hand, the top post of the Central Military Commission bears a great deal of weight. Deng Xiaoping was neither the head of the Party nor the Head of State but in 1982 he took the post of head of the military, which he held until after the Tiananmen incident when it was passed to Jiang Zeming. The top posts in the Party, the military and the State were all held by Jiang Zeming, and despite relinquishing these posts in the Party and the State in the 16th National Congress of the Communist Party in 2002 he remained top of the Central Military Commission. Based on these facts we can therefore conclude that, as before, in China’s overall makeup the position of the State is not comparable with that of the Party or the Military in terms of authority and that this structure is likely to be maintained for the time being.

It seems that the basic system of Chinese politics in its present state is also unlikely to change in the foreseeable future. The reasons that we can base this assumption on are as follows: First, as mentioned above, the comments made by the leaders of the central
government, as well as recently adopted laws and resolutions suggest this to be the case. In the 13th National Congress of the Communist Party in 1987 a political reform plan was introduced with “separation of leadership mechanism between party and government” becoming the key words of the reforms. It appeared as though there would be a split in the chain of command between the Party and the government, and the leading party members group, an internal group of Party leaders that was formed by each administrative and production organization which gives instructions from the same level party committee that it had originated in and controlled, would be abolished. Furthermore it was thought that through reform of the legal system a check and balance mechanism would be established against the Party. However, these reforms came to a swift halt with the Tiananmen Square incident, after which there were plans to strengthen the Party leadership system based on the leading Party members group and it was clear that the structure of the one party system would be maintained. However, the leading Party members group’s plans may not be so easily achieved. Looking at the situation objectively, in terms of the Party being the organization that supports the state structure, we should try to assess what state the Party is in.

When assessing the Party its overwhelming size is a factor that cannot be overlooked. In 2002 the overall membership of the party exceeded 66 million and despite the vast majority of the members not actively being involved in the operation of the party, it is still an enormous figure occupying roughly five percent of the 1.3 billion strong population. The combined members of the eight non-communist party factions such as the Chinese Democratic Alliance and the Revolutionary Committee of the KMT total around three hundred thousand. It is clear, however, that the leaderships of these democratic factions are taking orders from above, and although it has not been formally announced, it appears that the leaderships themselves are made up of members of the Communist Party. Therefore it is unlikely that any of these groups will lead to any change in the Party itself. And however much things seem to be changing in the political structure of China, it should not be forgotten that the Communist Party’s members are all subject to thorough screening before joining, and then well trained in Party principles.

The military is also a major factor when considering the Party’s future. Looking at the Peoples Liberation Army in terms of its history and in terms of its structure it seems that rather than being the nation’s army (of course it does have that role too) it is more the army of the Communist Party. It is predicted that if the Party were to find itself in any situation where it was threatened then the military would do all in its power to protect it. The military at present has more that 3 million members (including the
People's Armed Police) making it the world's largest military in terms of number of personnel.

There are also a number of public organizations that come under the direct control of the Party such as the Communist Youth League of China, the All-China Women's Federation and the All-China Federation of Trade Unions. The Communist Youth League of China totaled over 68 million in 1999. In 2001 The All-China Women's Federation totaled nearly 100 million and the All-China Federation of Trade Unions totaled around 130 million members. These figures are equal to, if not surpass, the total membership of the Communist Party. As I will discuss later in this book, on the road to reform it is certain that the centripetal power of many of these organizations is gradually diminishing and there are various autonomous organizations and communities coming into existence. However, we are not yet at the stage where we can ignore the presence of these public organizations. (see diagram)

Therefore regarding the prospects of change in the Communist Party we can summarize as follows. ▲ The existence of the Communist Party as the ruling party of China is so overwhelmingly large that there is no chance that any other organization would be able to challenge for power. ▼ In the near future there are unlikely to be any organizations to replace the military and public organizations. ◐ It is inevitable that the Party's centripetal force will gradually diminish. However, it is likely that the Party will have learned from the lessons of Tiananmen Square and the collapse of the USSR and Eastern European countries and will therefore want at avoid breakup of the Party or confrontation with the military at all costs.

Let us now take a more detailed look at the way in which the Communist Party governs. Firstly from the point of view of finance and personnel. In China when considering the management of the Party in relation to the state, the connection between the private and public spheres tends to be extremely vague. Ryotaro Shiba once remarked that the concept of 'public' does not exist regarding Chinese politics. Looking at the problems contemporary China is facing this does indeed seem to be the case. For example, Party finances are not collected from Party members but are instead taken from the national budget or appear as “budget external revenue” in official documents. Funds raised in this way, essentially considered ‘public’ are used as a matter of course to finance the Party and no objections are raised. Compared to what we in Japan may consider ‘normal’ political parties the financial base of the Chinese Communist Party is therefore exceptionally strong.

The third important point is that the Communist Party has a firm hold over China's administration, legislation and chief personnel. As China entered the 1980s with the
economic reforms gaining momentum, it was decided that power should be decentralized to some extent and there followed some changes to the principle that the Party should manage the executive cadres. Previously under the principle of cadre's policy, Ganbu Xia Guanli Erji in the case of the central government, for example, the power to appoint was delegated to the provincial and prefectural level. Now, however, under the principle of cadre's policy, Xia Guanli Yiji, in the same case, the power to appoint is only delegated to the provincial level. In this one respect, control from above has lessened to some extent, nevertheless all the important leadership positions are still held by the Party. At present it is said that there are approximately four thousand ruling cadres in the central committee of the Party that have the direct power to appoint personnel. This may not appear to be a particularly large figure, however they are almost entirely made up of centrally ranked cadres from the Party and State organizations, or important cadres from the provinces appointed directly from personnel of center of the Party. In terms of finance, amongst countries with federal systems there are those that have a stronger hold over central power than China. However, China's central government has stronger control over its personnel. Generally speaking, regarding finance and personnel, no matter how much regional areas have gained autonomy, or sectionalism has spread, they cannot have said to have yet deviated from central power.

Fourth, I would like point out that the Party's complete monopoly on ideology is a significant aspect when assessing Chinese politics. If we compare the reform period to that of the Mao Zedong era it is clear that there is far greater freedom in this respect. Tang Liang in “Chinese Politics in Transition” makes a strong argument that through change in the mass media, people gaining a broader understanding of their rights and the growth of grass roots democracy, China is developing into a quasi-democratic society.

Nonetheless, concerning political leadership thought, Mao Zedong's adapted version of Marxist-Leninism with Deng Xiaoping theory still remains the firm Party line. During the reform period we can see the adherence to the Four Cardinal Principles: the socialist line, the dictatorship of the proletariat, the leadership of the Communist Party and Marxist-Leninist-Mao Thought. In addition to this a degree of nationalism has also become discernable in China. Furthermore, it has been said informally since the summer of 2000 that in the scheduled 16th National Congress of the Communist Party in the autumn of 2002, Three Representatives might be added to this list. These are all part of the Communist Party's leadership initiative, and the fact that ordinary people and intellectuals alike have no say in the matter clearly demonstrates the
Fifth, despite the nation’s control mechanism remaining firmly under the control of the Party, in the last few years at village level in terms of self-governing / administrative organization a new mechanism for electing leaders has been the focus of much attention. At present, this system, which is spreading across the whole country, consists of the chief, or another member, of the village committee directly recommending villagers for election. The number of candidates is then reduced down to a fixed number and the villagers themselves directly elect their village leaders. Concerning this phenomenon, in some of the Western research on China, it has been postulated that if this form of election comes into widespread practice throughout the country that there is a chance that the Communist Party’s one-party system will collapse and in turn take China on the road to Western style democracy. The US Carter Center in particular has produced a report strongly supporting this argument. After investigating this more thoroughly, however, it is becoming obvious that the Communist Party is actually rather cleverly controlling these elections.

There is the leading group for election whose structure and internal workings are extremely opaque that controls the progress these elections make on the whole, and the election process itself. It is especially difficult for non-Chinese to gain any insight into the internal workings of this group. I personally have spent nearly ten years conducting research on rural China but have not come close to gaining any understanding of it. I was only told by a few villages that the group was merely performing an administrative role. I did however make a surprising discovery when carrying out research in September 2000 in a village in Xiamen, Fujian Province. Amongst the material that the village cadres showed me in reference to the elections there was a document that contained a list of names of all the members of the above mentioned leading group for that particular village. I discovered that the group was entirely made up of leading members of the village Party branch office, that is to say the group is entirely comprised of Party secretaries or vice secretaries. Furthermore, it was interesting that apart from Party branch secretaries all the members of the Party branch office were members of this group for election and were at the same time the candidates who were being selected for election. From the materials I had gathered it was therefore obvious that the village cadres were not only managing and guiding the elections, but the elections were a mechanism for the members themselves to be elected. From this one example we can probably determine that despite being officially called a free election, the entire process is firmly under the control of the Communist Party and the newly elected village leadership is being controlled by the Party.
elections it is possible to see that there are some cases in which the results had not
turned out as the Party branch would have wished. In such cases the newly elected
leader was made to join the Party or forced to cooperate with the Party in order for it to
maintain control. Under the directions of the Party Central Committee in the summer
of 2002 the reinforcing of the principle of both committees coming under the control of
one cadre, so called Liang Wei Yi Ti Hua(The Integration of the two committee)
attracted a great deal of attention and I will take a closer look as this below.

If such situations as the one described above are objective characteristics of the
Party's control over society then how should we look at such recent phenomena as the
events surrounding the nonconformist spiritual sect Falun Gong? Since July 1999,
when this group was officially decreed an unlawful organization it has faced a severe
 crackdown on its activities. In April 1999 in Zhong Nanhai where Beijing's most senior
official was residing Falun Gong staged a demonstration with as many as ten thousand
participants, followed by a series of other large scale demonstrations. Falun Gong, at
the time, claimed their membership to be in the region of one hundred million, whereas
the Chinese authorities estimated the figure to be less than fifty million. Whatever the
correct figure may be the organization is undoubtedly enormous, and despite facing a
fierce crackdown on their activities they continue to engage in organized forms of
resistance. For example, in the spring of 2000 at the time of the Chinese new year Jiang
Zemin officially declared the right to fight against Falun Gong, and in October of the
same year Falun Gong carried out a demonstration in Tiananmen Square in which
several hundred people were arrested. The following year, again in Tiananmen Square,
several members of Falun Gong set fire to themselves in protest over the way that they
were being treated.

Such strong rooted opposition would have been unthinkable under the original
one-party system, as would the protests against hardships by the unemployed people
who have been laid off. Indeed the Nanjing poisoning incident in September 2002 in
which the culprit had been laid off and faced no prospects of finding another job could be
argued to be a typical example of some of the pent-up frustration within Chinese society
being released.

Based on these trends if one asks the question whether in the next few years, or even
the next ten years, the Communist Party will lose control of power, it would be my
opinion that events would be unlikely to extent that far. The basis for this conclusion is
the overwhelming strength and presence of the Party, as mentioned above, and the fact
that there is extremely little chance of the emergence of any organization that would be
in the position to challenge the Party. Moreover, in order to ensure its survival the Party
itself is making efforts towards reform and self-purification.

The Changing Relations Between Government, State and Society Under the One-Party System

If we assume that the one-party system is not likely to change in the near future then is it safe to assume that the basic characteristics of Chinese political system will also remain the same as they are at present? When analyzing political system, it is important not only to analyze the political structure (the basic framework of the political system) but also to consider the mechanisms in decision making processes involved in reaching decisions in other words the political governance. Considering that there has been no change in the structure of the Communist Party system the question therefore presents itself; have there been any changes in the political governance of the Party's system? In regards to this question the answer seems to be that indeed there have been some large changes. Let us now take a look at some of them.

First, the most prominent change is the move from the leadership style of the Party, especially the Central Committee which was controlling all aspects of policy making in all areas of China absolutely, to the one in which the decision making process still under the control of the Party has become more diverse and multi-layered in the Deng Xiaoping era, especially in the Jiang Zemin era. In August of 1980 Deng Xiaoping delivered his address on reform to the Political Bureau, the core of which concerned Excessive concentration of power. The entanglement of Party and government organizations and works. Criticism of the patriarchal and lifelong constitution of the cadre system and Severe criticism and call for reform of feudalistic tendencies that occurred in political life and the bureaucracy.

Needless to say the problem of political reform is a sensitive matter within the Party as it directly affects the Party leadership. Before delivering the address Deng Xiaoping stressed the adherence to the ‘Four Cardinal Principles’ (the socialist line, the dictatorship of the proletariat, the leadership of the Communist Party and Marxist-Leninist-Mao Thought) thus firmly putting the brakes on the intensifying pro-democracy movement. Nevertheless, despite the political reform there were still major political crises such as the forced resignation of the Party General Secretary Hu Yaobang in January 1987 and the 1989 Tiananmen Incident. Notwithstanding these
incidents the Party continued to promote the drive for Fung Quan Ran Li by which power and interests from above were delegated down to lower levels. Through this a form of autonomous power was delegated to government and the People's Congress, provincial power was strengthened and multi-layering of the policy making process made headway. When saying ‘provincial’ this encompasses prefectures, cities, wards and villages in all of which autonomy is developing, and it is in this respect ‘multi-layering’ is taking place.

Second, the example of regulation and standardization of the policy making process, including the selection of leadership, can be given as another development. During the Jiang Zemin era we can infer that fundamentally China was governed by a system of group leadership rather than Jiang Zemin dictatorially controlling power. There is no way of confirming this but I did hear an interesting story about the Jiang Zemin visit to Japan in the autumn of 1998 and the strong stance he took on historical issues between Japan and China. Originally Jiang had planned to come to Japan in September but due to one of the worst floods in China’s history the visit was postponed until the end of November. In the foreign ministries of both China and Japan when originally planning the visit it was intended that the visit should strengthen friendship and cooperation between the two nations. However, before the visit, the Korean president Kim Dae-jung made a visit to Japan and a new joint declaration on Japanese-Korean partnership was issued. There was one important sentence in which Japan authority expressed formally to South Korea about the era of Japan’s colonial rule on condition that Korea authority will not raise historical issues from now on. Due to this within the Chinese central leadership policy towards Japan was reviewed. Some ten or so senior Chinese officials gathered to discuss the issue and the result was overwhelmingly in favor of strengthening their stance towards Japan so as to insert apology into the new joint communique. But Japan authority rejected it without getting same promise as Korea’s case. It was for this reason that Jiang made the strong statements he did during his visit.

A further development can be seen in the selection of new leaders at the Party conferences. Naturally the will of the central leader plays a large part in the selection process, however the candidates are unofficially starting to be thoroughly investigated and then assessed from many different perspectives. We can see therefore that to some extent the top leadership position in China is losing omnipotence, and despite there still being many limitations, the agreement of those involved in the policy decision making process is being given ever more importance. In these respects it is possible for us to conclude that the beginnings of democracy are penetrating Chinese politics.
On the subject of governance the third feature I would like to consider is that of the relationship between society and the state, and look at the considerable changes that have been taking place in this area and in what way they are occurring. The state's once total control over society is greatly decreasing and society is becoming ever more autonomous. Society is pluralizing and the number of independent non-political societal organizations is increasing rapidly. A typical example of this is increased various ‘Shetuan’ (Social Associations) in recent years as if many mushrooms grow up at one burst after rain. Then in the research I conducted in September 2000 in Fujian Province, Xiamen City suburbs a local leader pointed out that compared to the past they had lost a great deal of the direct control that they once wielded over society.

Professor Li Jingpeng of Beijing University in the Spring of 2002 in an academic debate argued that the government's participation in societal affairs was diminishing, that the way in which it participated was changing and that a negative aspect of this weakening of government control was that the ability to regulate and control market and social benefit as well as corruption in the administrative branch had also diminished to some extent. Furthermore, Professor Li argued that an increase in independent ability in society can be clearly seen, especially the rise of profit making organizations and the effect they are having on the structure of government. Professor Li classified the main types of social associations into the following five different categories; professional, specialist, academic, public and friendship. The most important of these being the professional organizations that already have the basic elements of profit making organizations. The leaders in these fields are gaining political and social status, not just in terms of profit making but also through starting to build their status through political activity, and thus gain influence over regional policy making decisions. This, Professor Li argues, is pluralizing society and in the long run will pluralize the structure of government.11

Furthermore, two consecutive surveys regarding people's awareness of the political system were conducted in 1996 and 1999 by affiliated sections of the Beijing City Party Committee with educated people living in Beijing as the subjects. From the 3400 replies to the questionnaire the following was remarkable; when asked whether they thought that party philosophy was penetrating everyday life, more than half of the respondents replied “not in any significant way”. Amongst the respondents 32 percent were of Party membership.12

The growing independence and autonomy of society as whole can also be seen in the fact that the mass media is enjoying much more freedom in nearly all respects, with the exception of raising objections to one-party rule.13
Through economics, culture and the proliferation of information and technology and so forth, the links between the China and the rest of the world are becoming ever stronger, and the two are becoming evermore interdependent. The main reasons for this are, first, the globalization of information that has taken place through the IT revolution and the subsequent increase in the flow of information into and out of China. Within the last ten years the number of people using mobile telephones, computers and the Internet in China has dramatically increased changing the standards of communication that stagnated from the 1950s and 1960s. In the 1980s, for example, the number of standard telephones in use was between 1000 and 3000, but by the year 2000 this figure had reached in excess of one 150 million, (The figure for Japan at that time was around 53 million) and was expected to reach 179 million within a further year. The number of contracts for mobile telephones in the year 2000 was estimated to be 80 million (Japan was 58 million) rising to the incredibly large figure of 145 million within the year. Furthermore, China is rapidly becoming part of the international community in terms of Internet users. According to data from CNNIC the number of Internet users in 2000 was estimated to be around 22.5 million, and expected to reach 33.7 million within ten years, surpassing the amount of users in Japan.\textsuperscript{14}

The second main reason for this phenomenon is the strengthening of links between foreign economies and the Chinese economy and the resulting increasing interdependence. Looking at trade for example, we can see that the total amount of trade in 2000 for foreign-affiliated firms totaled over $236 billion, occupying 49.9 percent of China's total trade. This was a substantial 36 percent increase over the previous year. (The same figure at the beginning of the reforms in 1980 was 0.1 percent) These figures demonstrate that at present foreign investment, the introduction of the latest technology and modern management systems are an indispensable factor for China's economic growth. In addition, as a result of accession to the WTO in November 2001, the domestic market has been opened up and this process is expected to continue, market competition is expected to become more severe and acceleration of the economy due to globalization is also forecast.

Let us now look at a few of the trends relating to this. Following accession to the WTO, in January 2002 a number of new ordinances and regulations came into force. Regarding trade disputes Regulations on Antidumping, Regulations on Antisubsidy and Safeguard Regulations were introduced. In new fields to promote the opening up of the
domestic market, regulations such as Regulations on Imported Skills, Regulations on Foreign Investment in Telecommunication Enterprises, Regulations on Travel Agency Management, Regulations on Management of Representative Offices of Foreign Law Firms in China and Regulations on Foreign Invested Insurance Company Management were also introduced. Furthermore, the average import tariff of 15.3 percent in 2001 has been dropped to 12 percent as of January 2002. Especially tariffs on automobile imports have been lowered considerably from 70-80 percent down to 44-51 percent, and permission has been given from 2002 for foreign firms to establish car retail dealerships within China. The opening of the market to foreign products in the communications field is also expected to make considerable progress in the near future.

In June 2002 experts on China's economy stated that in the spring of that year after accession to the WTO defined economic and social changes were beginning to appear. Most notably, a number of taxes related to foreign trade that were previously just regional have been incorporated by central government thus strengthening central power. These experts also pointed out that foreign capital has become easier to get hold of, and with the reduction of the high import taxes, imports are steadily increasing. Whilst on the downside they pointed out in the northeast of the country unemployment due to lay-offs from large state owned heavy industries has increased, with reports of frequent demonstrations and riots in protest. The pressure on agriculture from WTO accession has also become a problem reflected in, for example, the occurrence of protests in a number of areas against increasing corn imports.

However, it is interesting that what the experts originally predicted does not necessarily match with what has actually happened. An example of this can be seen in the domestic automobile industry that was expected to suffer a large shock from WTO accession but in fact production increased steadily in 2001 with total production estimated at a 25 percent rise to 870,000 units for 2002. The reason for this being despite the drop in tariffs due to WTO accession, domestic automobile manufactures (many of which joined forces with large foreign manufactures) successively reduced prices thus achieving good sales rates. On the other hand, the apparel industry that was expected to gain from WTO accession, despite showing signs of overall stable growth, is facing problems in some areas with the abolition of tariffs and quotas on imported products forcing some apparel companies into difficulty.

Agriculture was also an area that was expected to suffer after WTO accession. In some areas this was indeed the case with problems occurring as mentioned above. However in 1999 the government lowered the fixed prices on grain and corn and in 2000 removed low quality early ripening rice, corn produced south of the Yangtze River and
wheat from its list of price protected items resulting in a drop in production in 2001 of 2.1 percent compared to the previous year. The early ripening rice suffered the biggest drop of 9.5 percent after adjustments were made in planting prior to WTO accession in an attempt to mitigate the impact. Therefore to assess the true impact of China’s accession into the WTO it is necessary to look a little more closely at the transition in China’s state of affairs. What is certain, however, is that the extent that China is becoming involved in international competition is rising.

The development of the above-mentioned economic interdependent relationships is contributing towards a more peaceful and stable environment in accordance with China’s desire to promote economic growth. After joining the WTO, China is required to follow international rules and adjust to penal regulations and it is therefore inevitable that the China will face considerable ongoing external pressure regarding this. Furthermore, it is also predicted that the younger generation will grow ever more internationally minded as those who have experienced studying abroad or working for foreign companies become leaders in their various fields, and this in turn will intensify the latent desire for Western democracy.

These economic and social changes have not occurred over night, but have been slowly taking place ever since the reforms of the late 1970's and they are undoubtedly exerting influence on the political system today. As I have already pointed out, although they have not brought about a change of the political system itself, they have caused some significant structural changes within the system. This leads me to speculate that the proliferation of the information network and internationalization will be the cause of major change within the Chinese political system.

How Should the Changes Within the Communist Party be Perceived?

The Communist Party defines itself as the protector of the working class proletariat, representative of the interests of all the various peoples within China, the core leadership of the socialist movement, the upholder of Marxist-Leninism-Mao Zedong Thought, a political entity striving for its ultimate objective of establishing a communist society. The “unchanging premise” since the founding of the PRC was that through revolution the Communist Party was the only means by which the people could be liberated and the state achieve independence.

Despite “one-party rule” still being the common defining term for Chinese politics, as I mentioned earlier in this paper there is a large difference between today’s leadership and the dictatorial leadership of Mao Zedong or the ‘rule by men’ authoritarian
dictatorship of Deng Xiaoping, who did not even take the top leadership posts. In modern day China, over half a century since the establishment of the People's Republic of China and with most of the people who witnessed the event having passed away, it is difficult for the Communist Party to justify its existence on the basis of the people's liberation or realizing the independence of the state. Having said this however, many people are still of the opinion that overall the country is not yet in a suitable condition to make the move towards democracy.

Deng Xiaoping's decision to reaffirm the legitimacy of the Party's authority was fast. In December 1978 at the famous 3rd Plenary Session of the 11th Central Committee, the decision was made to shift the emphasis of the Party's work back to economic construction and modernization. The aim of the Party thus moved away from establishing a communist society to constructing a strong and wealthy China from revolution to modernization. This is very similar to the grounds on which “development” was legitimized in Asian “development dictatorship”. In 1999 when writing “The History of The People's Republic of China” in my conclusions I wrote, “Mao Zedong's Communist Party was the driving force behind the revolution and the push for nationalism. However, after the economic reforms, the revolution factor gradually faded away making way for a combination of modernization and nationalism. The Party's justification for its existence therefore moved towards being the supporter of modernization and nationalism, in other words a “development dictatorship party”. And so the Party, whilst realizing the limits of being such a party, was able to maintain its existence while the Soviet Union and other Eastern European countries faced collapse.

Be that as it may, this alone was a fairly fragile base to try to establish legitimacy on. Ironically, it was the protests against one-party rule leading to the pro-democracy movement in Tiananmen Square that actually allowed the Communist Party to reinforce its legitimacy in Chinese society. Deng Xiaoping stated that stability of the country should be given utmost priority and with the backing of the military the Party enforced this. Following these events the economic reforms gathered momentum and through the realization of lasting economic development the Party was able to justify its actions in Tiananmen Square as being in the name of stability.

As I have already mentioned China is witnessing the pluralism of interest, values and lifestyles and recently the role of a balancer in the distribution of wealth is being demanded from the government. For example, a mechanism is needed to control the growing disparity between the coastal regions and the inland areas, cites and rural areas and state owner enterprises, private owner businesses and foreign-affiliated
companies. At present the Communist Party is the only entity with the power and authority to do so. The image of the Party now is more than that of the vanguard of ideological and political values, it has become the promoter of modernization, the guarantor of social stability and the apparatus for controlling the diversifying social benefit. The problem the Party is now facing is that it does not have the flexibility to be such a comprehensive body. After firmly nipping any moves for democracy in the bud at Tiananmen Square incident and the resurgence in support for one-party rule that followed, structural change on the social and economic fronts have ceased to be reflected in political change. Also the needs and demands of society are being filtered to suit the requirements for maintaining the Party, and are therefore only indirectly reflected in the policy decision-making process. Of course as long as economic development and social stability are being given priority we are unlikely to see any direct criticism of one-party rule. Nevertheless, society is challenging the authorities in a variety of ways and so if it is to survive the Party will have to take on a more flexible form.

In regards to this, apart from bolstering the People's Congress system, separation of leadership mechanism between party and government (the separation of the political chain of command from that of the administrative) and promoting the development of the legal system, in recent years the Party has also been working on two important trials. The first I briefly mentioned earlier is at village committee level where villagers are able to choose their leader in direct elections. This trial, which started at the beginning of the 1990s, allows the villagers to protect their own interests and to choose a leader who they believe will contribute to the development of the village. Of course this system is subject to many contradictions and to assume it is a start of a democratic system in China would be dangerous. Nevertheless, in terms of reform of the political system it is certainly a step that deserves some attention. In the last two or three years this election process has been facing some severe challenges. There have been frequent conflicts over authority, power and decision making between village committee members (the leader and other members) who directly reflect the will of the villagers and Party branch Party Committee, the actual leading entity appointed by the upper level Party Committee. In 1998 law was introduced relating to village committees that defined the Party's leadership, although this wasn't enough to solve the problem. Two measures in an attempt to solve this can be seen. First, an attempt through voting to reflect the will of villagers, not only in the case of village committee cadres but also when deciding Party branch cadres (Liang Piao Zhi: The System of twice voting). Party cadres being elected through a democratic process from the village level for the first time is also gathering attention, although this has not spread smoothly to all regions of
The other attempt being the idea that by unifying Party organizations and the village committees, the system of village leadership would be simplified and reduce contradictions within the Party (Liang Wei Yi Ti Hua: The integration of the two committee).

To explain this a little more, there are frequent disputes between the Party appointed local Party branch leaders and the elected village leaders over who has the most authority within the village. In response to this Party branch secretaries have been recommended as candidates for the election (previously this was not the case) and after winning, assume this additional post. This is known as the integration of the two committee. This movement can be seen as an attempt to strengthen the Party’s structure through these elections. This idea has received high appraisal as the key to solving the contradiction between the two. However, as long as Party branch cadres continue to be appointed from the upper level Party Committee, The integration of the two committees will be retrogressive in terms of the cadre’s democratic election method. Bai Gang argues that the way of the integration of the two will destroy the principle of village autonomy and warns of the danger of the unified leadership of the People’s commune era re-emerging. Despite this being at village level it is a clear example of the discord between old and new thought within the Party leadership.

The second important trial is at a more central level. In February 2002 Jiang Zemin put forward his theory of the “Three Representatives”; the Party has always represented the development demands of China’s advanced productivity, the forward direction of China’s advanced civilization, and the fundamental interest of China’s broadest populace. The “Three Representatives” is not a theory only for the proletariat, but a much wider concept that defines the Party as the representative of all people regardless of class, whether they are entrepreneurs working in the realms of private business or scientists working at the cutting edge of technology. This theory created the ideological foundation to positively receive such groups of people as Party members. This is such a large development that it may well bring about change in character of the Party itself, but for the time being old Communist ideology is preventing re-strengthening of the Party. The Party has tried to re-define itself from a vanguard entity struggling against the reality of a communist society, to the core element of the process in creating a strong and wealthy China. That is to say, that through remodeling itself and taking in various profit making groups, the conflicts of interests and contradictions that affected the groups have now become internal Party concerns in an attempt to ease social disorder, support stability and adapt to changing domestic and foreign affairs. In other words, the “Three Representatives” theory is inconsistent with
the former working class mentality, and through building this ideological foundation to positively accept a variety of people into the Party it is fair to view this transformation as the Communist Party becoming a "party for the people". When people first started talking about this it reminded me of the conflicts in the 1960s between China and the Soviet Union in which Khrushchev declared the Soviet Union to be "a state for all the people within the Soviet Union", with China responding by strongly criticizing the Soviet Union for "finally abandoning the proletariat and being revisionist".19

Looking at more conservative academic papers in this area the opposing argument is basically that the Communist Party is the worker's party and remarks like "to realize Communism the Party must do all in its power" are typical.20

I have heard that amongst local cadres there is deep concern that local industry and agriculture will suffer as a result of WTO accession. A paper I recently read by a cadre from Jiangxi Province, Ziyin Prefecture expressed these concerns as follows; on the one hand through joining the WTO positive effects are expected to be an increase in public awareness of the law, more public interest in democracy and a promotion of interest in social reform. On the other hand the author argued the negative effects are expected to be, firstly, ideological challenges to Mao Zedong's Marxist-Leninism and Deng Xiaoping theory or a fear that the West is using the WTO as a means to bring about peaceful evolution that would destroy state and political security through democratic liberalism, political pluralism led by the elite of the intelligentsia(Jing Yin Fen Zi) and diversity in social consciousness thus challenging China's guiding principle of socialism. Second, challenges to the construction of the ruling party in China's new era, especially now the Party should be concentrating on its role as the vanguard of the working class. Third, challenges to the existing system of government administration will become stronger. Economic and non-economic public relations work will increase and foreign firms will seek special treatment in order to secure profits and therefore as a result economic neo-liberalism and anarchism will likely gain popularity. Fourth, there will likely be challenges to national consciousness and the national spirit. As resources and information from the West flood China after WTO accession, Chinese people's interest in the 'outside world' is likely to increase resulting in a destruction of the cohesion. Therefore the author argues it is necessary to strengthen political defenses against this. He goes on to say that for this purpose, it is necessary to reinforce the education of Party cadres and public officials concerning (1) basic theory of Marxism (2) Mao Zedong thought and Deng Xiaoping theory (3) The theory of the "Dictatorship of the Proletariat" (4) The theory of work guidance within the CCP (5) clean (upright) politics. Also he argues it is necessary to create and further cultivate the construction of an
ideological system at the people's level creating socialist citizens with ideals, morals, culture and a respect for order.21

The keyword of the political report at the 16th National Congress of the communist Party seems to have been “The Representatives”. It was also emphasized in the important speech made by Jiang Zemin on the founding anniversary of the Party in July 2001 and in several other important speeches such as in Zhu Ronji’s government report in March 2002. Therefore the Communist Party will probably be redefined according to the “The Representatives”. Nonetheless the fact that objections and dissatisfaction within the Party regarding this still remain tells us that the Party is not necessarily united on this issue.

There is one more important recent phenomenon concerning change in the positioning of the Party cadres that I would like to discuss. From the spring to the summer of 2000 apart from the “Three Representatives” campaign, four new standards were proposed for the Party cadres. This was a continuation of the four principles of cadre education concerning the proliferation of revolutionary spirit, intelligence, specialization and rejuvenation first proposed by Deng Xiaoping at the beginning of the 1980s and advocated by Jiang Zemin at the working assembly of the Central Party School of the CCPCC in June 2000. In it the cadres must firstly deepen their understanding of the Party. Secondly, acquire sufficient knowledge of the basics of Marxist Leninism. Thirdly, and of utmost importance, become a more internationally minded Party member ready to face global standards. And fourthly, to think more strategically.22

Especially the third point, becoming more internationally minded seems to have been considered extremely significant and to have been driven by China's accession to the WTO in preparation for finally entering, and being able to play a positive role, in the international scene. In this sense China is an extremely strategic country. To give another example of this kind strategic activity, in January 2001 the North Korean Head of State Kim Jong II was welcomed in Shanghai and Beijing under the pretext of China contributing to the reunification process of North and South Korea, and to assist North Korea with its reforms. However, this could also be seen as China trying to gain an advantageous position in the North East Asian state of affairs by securing itself a “North Korean card” in the game of international politics.

Until now China has been sitting on the sidelines as the wave of internationalization steadily grows. From now on China will be taking a much more positive role in the international community, and to ensure that China is able to successfully secure this new position, redefining the position of the Party and its leaders, I believe, is at present one of China's highest priorities.
In the preceding paragraphs I have analyzed the political aspects relating to change in China and in conclusion I would add that state structure, under the control of Communist Party rule, has shifted from a static society under a totalitarian dictatorship to a more fluid society under an authoritarian dictatorship, aiming not to realize Communism, but to build a wealthy and strong China under the banner of modernization.

\section*{Economic and Social Factors Relating to Political Change.}

The future of China's economy is a big issue itself in today's global economy. But in my argument in this part I will concentrate only on how we should view economic and social changes that have implications on the political system. It goes without saying that in the last twenty years since the implementation of the financial reforms and as a result of modernization China has made enormous economic progress. From 1980 to 1990 GDP increased four fold, and even from 1990 to 2000 GDP increased at around 10 percent per year. Although this figure has settled down to around 7-8 percent in recent years it is still a high growth rate. Furthermore, in 2000 GDP increased by 8 percent over the previous year to 8.94 trillion yuan, exceeding 1.07 trillion US dollars for the first time. In terms of size on a world scale, by 1995 China had become the seventh largest economy, worth around $700 billion. Sixth was Italy worth around $1.08 trillion and fifth was France worth around $1.3 trillion. In 2001 Chinese GDP had increased by 7 percent to $1.159 trillion placing it in front of Italy at number six.

These figures certainly merit the term "economic superpower". However, when assessing a country's economy it is necessary to consider all aspects and that includes factors such as per capita income, and in this respect China is still an extremely poor country. According to figures published in 2001, per capita annual income was only $900. This is exceedingly low compared to countries like Japan where the same figure was between $33,000-$35,000. From the National People's Congress held in March 2001 a formal document was published “The Tenth Five-year Plan” which emphasized the need for China to establish a firm base on which GDP can increase two-fold by the year 2010.\textsuperscript{23} To achieve this two-fold increase China must achieve an annual growth rate not less than 7.2 percent, and considering the increasing scale of the whole economy this may well be an hard target to reach. The report expressed the basic principles to realize this objective as development being the theme, strategic regulation of the economy being the guidelines, promotion of the economic reforms and progress in technology and science as the driving force, and the improvement of people's livelihood as being the
starting point and the finishing point. This is an extremely ‘Chinese’ description but fundamentally it is saying development is the main priority and to accomplish this structural reform and opening up to the outside world should be tackled aggressively. Looking at this in light of the drastic approach taken in reform of state owned enterprises, the spread of information and technology and China’s positive compliance with the international trading system’s rules, China’s accession to the WTO can be seen as a prime example of this kind of aggressive reform.

So what is allowing China to maintain such high economic growth? The optimistic view of China’s economy generally puts emphasis on the following facts: (1) Each year China receives around $50 billion in foreign direct investment and foreign enterprises are continuing to relocate to China. (2) China has a lasting supply of cheap and relatively high quality labor. (3) In the urban areas there is an emerging middle class in society with increasing purchasing power and rural China is potentially a huge market waiting to be opened up. It is clear that compared to Japan with its burdensome bad debts, excessive regulations that stifle the inflow of foreign capital, high costs of living and high wages China is far and away a better investment prospect.

In the twenty years since the economic reforms were implemented China’s economy has undoubtedly seen considerable change. The economic reforms that transformed the economy from a planned economy to a market economy changed many of the hallmarks of the socialist economy such as public ownership, state owned enterprises, fiscal systems of centralized collecting and sharing, danwei system (hierarchy of state-owned workplace units), self-sufficient type’s economic management and caused widespread economic change in terms of privatization, financial movement based on competition, the emergence of new profit making entities, change in the structure of industry and movement within the population as people search for employment.

As I have previously mentioned through giving priority to economic development and the changes in ideology, the general public who were consciously and systematically constrained are now enjoying much more freedom. They have become able to choose their lifestyles, careers and interests. Society is pluralizing and diversifying at a rapid pace and becoming ever more independent and autonomous. The vital question therefore is whether economic development will continue to make steady progress.

The reality of the current situation is that despite impressive growth and development China is still facing a variety of major obstacles blocking its path to true economic success. The first that comes to mind is the enormous pressure that a population of 1.3 billion produces. The move towards modernization and the one-child policy were both attempts to reduce this pressure but the population is still increasing
at a rate of around 14-11 million per year and China is still facing food and employment shortages. Although it is unlikely that China will face the desperate food shortages that Lester Brown suggested in “Who Will Feed China?” 1994, China has already started to import quantities of foodstuffs. Furthermore, unemployment in rural areas is steadily increasing; the current figure is estimated to be as many as 105 million. According to official sources, urban unemployment in 2002 rose from 3 percent in the previous year to 4.5 percent, and in the above mentioned “The Coming Collapse of China” the actual figure for urban unemployment is estimated at being over 18 percent.

In the North East of China, where many of the state owned enterprises are located, reports of demonstrations and strikes are becoming ever more frequent. Suffering from excessive burdens and a substantial drop in the quality of living, the protesting peasants may not necessarily in themselves be a direct threat to the Communist Party’s authority but at the same time the Party cannot afford to ignore them. Miwa Shimizu in her recent book describes many incidents throughout China of peasant’s protests which it appears should not be taken lightly.

China is also facing an energy shortage problem. We can see the production and consumption rate of energy (standard coal conversion) and that consumption bottomed out at its lowest level in 1996. The only way of reducing energy consumption whilst GDP increases is through increased efficiency in energy use, but in China’s current...
state this would be almost impossible. Professor Thomas G. Rawski and his associates at the University of Pittsburgh argue that the officially published continued growth rate of between seven and nine percent is a fabrication and this reduction in energy consumption whilst GDP supposedly increases is proof of that.\textsuperscript{26} However, it is possible that there was energy consumption that did not appear in the official figures, the most likely source of this would be derived from coal. If this is the case the continued dependence on coal as shown in Figure 1 is likely to increase considerably causing further CO2, SOx and NOx emissions and worsen the environmental pollution problems China is now facing. When energy consumption surpasses energy production it means that energy is being imported and this is usually in the form of oil. As the pace of modernization quickens in China the security of oil is likely to become a major problem. Furthermore, the deposits of natural gas that China has are not as large as they were originally predicted to be, and energy from nuclear power that was so ambitiously planned in the 1990s only amounts to just over 1 percent of current total energy production.

Another problem China faces is the rate that its economy is dependent on foreign trade (The total amount of imports and exports included in GNP). In 2000 this was 44.5 percent and by 2001 had risen to over 50 percent. Moreover, an extremely high 50 percent plus of this trade is dependant on foreign affiliated firms. It is generally thought that as long as dependence on foreign trade is kept at around 20 percent the economy can be managed well. China’s case in this respect is therefore extreme. In the short term this is unlikely to cause any major problems but in the long term China’s economy may find itself at the mercy of foreign companies and foreign capital, and this must be a cause for concern for China.

One may ask whether in terms of economy and society any serious problems are occurring and to what extent they are being dealt with. The answer to this would be there are serious problems occurring and they are not being dealt with well. Most prominent of these are the deepening corruption issue and increasing social instability. The scale and amount of corruption is increasing at an alarming rate with arrests for corruption in recent years increasing by around 11\textperthousand15 percent per year. An example of the scale of the corruption can be seen in the 1999 Xiamen Yuanhua group smuggling and corruption case. In the trial there were several hundred defendants charged with tax evasion totaling between 40\textperthousand80 billion yuan, (between 600 billion and 1.2 trillion Japanese yen).\textsuperscript{27} Apart from this, cases of corruption such as the case of Chen Kejie, a former vice chairman of the Standing Committee of the National People's Congress and...
the case of the vice-governor of Jiangxi Province in which the death penalty was given and other corruption cases such as that of the vice minister of Public Security, the former minister of Water Conservancy, the former vice president of Hong Kong New China News Agency also caught the spotlight. The Jiang Zemin leadership had certainly taken a strong stance on this issue. Several papers on corruption argued that in the past the collapse of many of China's dynasties was due to corruption and warn that the Communist Party will be no exception.

As I mentioned earlier the mass media have greater freedom than before in the reporting of corruption amongst the cadres, but they still do not have total freedom. A television program called “Jiao Dian Fang Tan” that is very popular with the masses in China holds debates and interviews on current affairs and the problem of corruption often comes up. However, they are not allowed to deal with any form of corruption from the prefectural governor’s level up. It appears that there are regulations that govern this area of broadcasting, and unless the Party grants permission they are not allowed to report on this level of corruption. This means that, at the end of the day, it is the cadres and the Party elite who control the corruption problem so what happens when they themselves are corrupt? In the example I previously gave of Yuan Hua group there were also allegations that the corruption ran to extremely high places but had been covered up. If this is the case then it can be said that corruption is essentially a structural feature of a one-party rule system. The removal of corrupt dictatorships in the Philippines, Thailand and Indonesia can be given as examples of this.

On the issue of increasing social instability, the main cause seems to be the large number of lay-offs, increasing unemployment from bankruptcies and closure of companies. At the end of 2000 the number of people who had been laid-off and were not able to find more work totaled around 7 million. At the end of 2001 this figure had dropped to around 5.15 million. Urban unemployment in 2000 was around 3.1-3.2 percent and by 2002 had increased to 3.9 percent. Therefore, taking both urban unemployment and those laid-off in rural areas and unable to find work into account, unemployment would seem to total at around 8-10 percent. In Gordon Chan’s “The Coming Collapse of China” which I mentioned in part 2, he argues that the actual unemployment figure is six times larger than official data shows. Furthermore we can learn from public opinion polls carried out by social science institutes that people living in urban areas are extremely concerned with the current social situation. The Central Agricultural Work Conference of CCPCC held in January 2001 addressed some of the rural problems China is now facing, especially the problems concerning agriculture, the peasants and the farming villages. According to an article in the Hong Kong newspaper
‘The Mirror’ the biggest headaches that Party leadership currently has are the constantly decreasing peasants income, the withdrawal of industry from rural areas, the increasing burden the peasants are being forced to bear and the stagnant rural economy. In a survey conducted among cadres from district and township levels in 2001 from 102 interviewees 20 percent said that lessening the burden of the peasants was a condition for social stability. This figure was a dramatic increase from 5.5 percent the year before. Miwa Shimizu has reported that the pent up frustrations of the peasant communities are sometimes spilling over into violent protests and in the last few years in Zhu Rongji’s government report at the National People’s Congress the seriousness of these rural problems has been highlighted.

Looking at society in the light of these facts we can see that whilst China maybe making economic progress on a large scale it is grappling with several potentially very serious internal problems, and to ease these problems the authorities are faced with developing the economy whilst providing better levels of social security and reducing the disparity in wealth that exists between urban and rural areas.

How Should the Direction of Stability Within a Changing China and Shifts in the Political System be viewed?

In terms of influence and control over society, power is still located centrally in one dominant mechanism. However, my basic argument is that there are various factors that are putting pressure on the core of the political system. Therefore, we must next address what the decisive factors are that will bring about change in the political system.

In regards to this, firstly we must consider both the domestic and international factors involved in the instability of the political system. If the factors influencing instability are strong then the possibility of drastic change within the political system will be high. If China is moving in the direction of stability then change is much more likely to be seen in the form of a gradual shift. Regarding the former, Hua Xuecheng has summarized three main points as the cause of growing instability: (1) The deepening official corruption. (2) The increasingly uneven distribution of wealth. (3) The state loosing its grip on control. Other factors mentioned were: (1) The decline in centripetal force in terms of ideology. (2) Increasing social instability, as mentioned above. (3) Protests over such matters as independence by ethnic groups, human rights
or demands for democracy. The international factors influencing instability in the same paper were given as follows: Ⅲ) Globalization is likely to produce instability in the one-party system. Ⅳ) Global trends towards democracy are also a factor causing instability, although enthusiasm for democratization at the international level has of late been dying down.

So what exactly are the domestic and international factors influencing the direction of stability? Before addressing this it should be pointed out that it is thought the factors promoting stability are in fact working together with the above-mentioned factors that promote instability. For example, factors such as the large movement of people within society, disparity in wealth and pent-up social frustration are naturally all factors causing instability, and people at all levels from common citizens to cadres to the core leadership are all aware that they will cause major problems if they continue. Therefore the demand for increased order and stability will increase. One important reason for this demand is the necessity of political stability to facilitate economic growth. There is a general awareness that instability could lead to other incidents like Tiananmen Square, or even to total collapse of the country, as in the case of the Soviet Union, and the Party purposely stresses this in order to maintain its own stability. Just before the events of Tiananmen Square Deng Xiaoping famously emphasized the importance of stability, with his words still being held in high regard within the Party today. In addition to this, the idea that the Communist Party is the better of two evils is also a factor influencing domestic stability. Although many are dissatisfied with Communist Part rule they see it as a better alternative to outright confusion, as at the time of the Cultural Revolution.

Now let us turn to the international factors influencing stability. Given China's size geographically, and more recently economically, instability and disorder in China could cause instability and disorder at an international level. One large part of the “China Threat” argument is that instability and disorder in China in itself is a threat to other countries. This idea is based on the belief that relationships with surrounding countries could deteriorate due to such problems as refugees flooding over from the Chinese borders, disputes over food and energy, or even political turmoil from pro-democracy movements. Based on this line of thinking, in the West and Japan, there is a growing feeling that the dramatic development China has achieved may not necessarily be desirable. Furthermore, in the current post Cold War period the issue of the stability of the international framework, and the many opaque areas that still exist in it, are important factors when considering issues relating to China's stability. In recent years interest in creating a new international political order, including China, has been
growing. There has been considerable interest in a new East Asian political economic order put forward at the ASEAN Plus Three meetings in January 2000. The interest in this order being due to the priority in establishing international stability rather than political reform in the countries involved.

Therefore after examining this issue in domestic and international terms it seems certain that for the time being there will be many factors that will continue to cause instability. However, generally speaking, for the time being at least, the likelihood of stability seems stronger than that of insatiability.

Let us now move on to consider the present situation in which stability is derived from instability; more specifically the present political situation in the terms of political theory. As most people know, the leading argument for transition of a political system in the field of Comparative Politics advocated by such scholars as Juan J. Linz is non-democratic systems such as totalitarian regimes moving to an authoritarian regime (or grey zone) then moving to a democracy. Kazuko Mori, based on Linz’s framework, stated “The Deng Xiaoping era was an authoritarian system, or at least a system that was in transition towards an authoritarian system”. While basing part of my argument on Linz transition theory, I have also taken into consideration other characteristics peculiar to China such as the vacuum in government, the remarkable social inequality and the growing substantial independence of the provinces. Based on this it is my argument that the totalitarian regime of the Deng Xiaoping era has crumbled away leading to a cascade style of authoritarian regime that we currently see.

The young Chinese political scientist Yang Song applied the framework as described by Samuel P. Huntington in “The Political Order in Changing Societies” combined with “rule of man” and “rule of law”, Party leadership and non-Party leadership and created a Chinese style authoritarianism. This theoretical framework for political development can be seen in . If one looks closely at Yang Song’s model and the political shift from left to right, it can be seen that Communist Party leadership is not part of the future picture. However, how change from “rule of man” to “rule of law” will proceed and how the Party would lose power is not part of Yang Song’s argument and so at this stage just remains an idea.
On the subject of change in the political system it is my understanding that change is occurring in various forms in the political domain but, as before, the Communist Party will not lose its grip on power, at least for the time being. This hugely important factor of whether the Party will fall from power or not, naturally depends on whether it will continue to be supported by the people. Three essential factors in terms of support for the one-party system have been until now: 1) that there is legitimacy for the Party’s authority; 2) that the measures for maintaining this authority are functioning effectively; 3) that there exists the social role and function necessary for this authority. This has already been discussed in the previous part.

So what are the factors that may bring about political change? 1) Political transition theory based on the strong core leadership of the Party; in other words the emergence of a different style of leadership from the existing party. Normally the transition of political power either takes the form of a separate political entity or group that would overthrow the existing leadership and establish new a political leadership, or support in the existing party would split and lead to the formation of a new political group that would take power either by revolutionary means or by peaceful election. The formal establishment of the People’s Republic of China in 1949 is a typical example of the former, and the collapse of the Soviet Union around 1990 could be seen as an example of the latter.

2) The second factor that may cause political change, possibly in the form of collapse of entire system, is the growing pressure of the people’s pent-up frustration of, and inability to obtain any kind of remedy against, intrinsic official corruption. The collapse of the Suharto regime in Indonesia between 1997 and 1999 is an example of political change in which there was no significant people’s uprising. In this transition of power the regime that Suharto built certainly collapsed but was not replaced by a completely democratic system, rather an older style of governance. Also in the Philippines, the collapse of the Marcos government in 1986 followed by the establishment of the Aquino government in the “People Power Revolution” is an example of both these types of
political change combined in one transition of power.

1) A third factor that can cause political change is economic development and the formation of a civil society. Economic growth tends to lead to the emergence of various profit making organizations and a certain part of society starts to enjoy modern standards of food, clothing and housing as well as higher levels of education and all round better lifestyles. When this happens people also tend to demand greater political freedom and participation in politics, creating a drive towards democracy. However, due to having obtained a degree of wealth this social group generally tends to take a negative stance towards drastic reform, preferring a more moderate style of transition of power. The shift to democracy in Taiwan and Korea from the late 1980s to the early 1990s is an example of this with elements of the peaceful political change given above in factor 1).

2) A fourth factor is influence from abroad penetrating society and causing political change. Even though Berlin was divided by the wall, the East Germans were able to hear Western political, economic and social news on the radio which led to a longing for the Western lifestyle that in turn is said to have contributed to the anti-socialist movement in East Germany. Czechoslovakia, Hungary and Poland are also examples of the desire for 'Western' freedom in which large numbers of asylum seekers fled their countries a factor that contributed to the collapse of those political systems.

Considering these various factors and the specific examples given above, what are likely to be the features of political change in China? In the latter part of the 1980s the pro-reform element centered around Zhao Ziyang, the General Secretary of the Communist Party, adopted plans for political reform at the 13th National Congress of the Communist Party. Whilst upholding the Party's leadership they also recognized the inevitability and necessity of promoting democratization from "the top down" along with reform of the economy.36 This was, however, strongly influenced by Gorbachev and the Perestroika policies that were taking place at the same time.

The economic and political reforms came to a deadlock in 1989 with the Tiananmen Square incident, and after crushing the uprising with military force Deng Xiaoping abandoned the political reforms that were henceforth seen as threatening the stability of the Party. Instead it was decided that economic reform should be pursued under a more authoritarian regime that would allow greater political stability. Due to this China was able to take steps down the road towards high economic growth whilst the Soviet Union was in the process of collapse. Judging from the conduct of the Chinese Communist Party after the experiences of Tiananmen Square, and after witnessing the collapse of the Soviet Union it appears the Deng Xiaoping leadership was able to learn
valuable lessons from these events and skillfully managed to avoid the above listed four main factors for political change. Regarding the first factor the Party made a point of stopping any political entity in its earliest stages that was capable of mounting a challenge. An example of which can be seen in the latter half of the 1990s in the absolute crackdown on the Chinese Democratic Party and the nonconformist spiritual sect Falun Gong. Meanwhile, the Party was cautious to avoid any internal rifts, maintain strict control over the military and suppressed any struggles for power at the top leadership level. Based on these facts and judging from the current situation, over the next ten years it seems very unlikely that any group capable of posing a threat to the Party will emerge, and equally unlikely that there will be any rifts within the Party itself.

Regarding the second factor, after the Tiananmen Square incident the Party has been making efforts to increase corruption regulation whilst warning that corruption was the largest factor in the downfall of previous Chinese dynasties. For example in an interview in December 2000 Li Yufu, the head of the Central Commission for Discipline, emphasized that in order to eradicate corruption that it was necessary to 1) standardize the issuing of licenses under the administration 2) to reinforce control over funds to prohibit cooking the back accounts and to incorporate central government revenue and ministry revenue into the fiscal budget and 3) to reform the Party system of appointing personnel by democratic rules and to encourage more openness and competition of it.37

Regarding the third factor, for the Chinese authorities the rapidly expanding middle class in society due to economic growth is not necessarily a negative development as it has the possible positive effect of easing the transition to democracy. As urban residents become more politically conscious and their demands increase, there is the possibility that there will be demand for a multi-party system. As previously mentioned, grassroots village elections have become widespread, and part of the reason this was allowed to happen was that the Party saw little chance of there developing any demand for a multi-party system.

Regarding the fourth factor, during, and just after, the Tiananmen Square incident the Deng Xiaoping leadership condemned the democracy movement as a peaceful attempt to overthrow the Party and denounced the infiltration of capitalist ideology and Western democracy. However, Deng Xiaoping did not condemn the movement on the grounds of it being opposed to conservative communist ideology, but rather tried to win the people's opinion by claiming that the movement would lead to political instability and therefore hinder economic reform. The threat of “if you don't conform we'll end up
like the Soviet Union!” was probably a persuasive part of the Party’s argument in this matter.

In this post cold war period of modernization the Communist Party has been able to learn from these factors and adjust to new domestic and international environments whilst maintaining support and ensuring its continuation. Since the Tiananmen Square incident this learning process has been an important element in the Party’s survival and it appears that it will continue to be so from now on.

Gradual Change in the Political System

Let us now turn to the changes that may possibly occur within the Communist Party itself. China will of course face many challenges over the years to come, however, as long as economic growth continues and China is able to maintain a stable position in the international environment (the Taiwan issue of course poses a serious threat to this) there is unlikely to be any change in the form of one-party system governance. There is, however, likely to be a considerable amount of change within the internal structure of the Party. I will argue that this internal change, despite being considerable in itself, will not necessarily lead to change of the one-party political system.

The internal party elections for the new leadership of the Communist Party that took place prior to the 16th National Congress of the Communist Party in 2002 are an important factor when considering China’s future. Basic policies and political direction were decided at the 5th Plenary Session of the 15th CCPCC in 2000 and the 2001 National People’s Congress, seemingly fixing the political course for the time being. Notwithstanding, problems may arise regarding leadership of the Party. In recent times the question of who would take over the top post from Jiang Zemin received a lot of attention. Jiang Zemin did have the option to continue in his post at the top after the 16th National Congress, but as most had predicted Hu Jintao was appointed to the position.

The following extract is part of a lecture I gave at the beginning of 2001 on Communist Party personnel.

Hu Jintao, Zeng Qinghong and Li Ruihuan were the three most likely candidates as Jiang Zemin’s successor. At that time, in the Standing Committee of the Politburo there was Hu Jintao in his late fifties, Li Ruihuan in his late sixties and the other five members would be all over 71 years old and due for retirement 2002. This meant that Hu Jintao would be the most likely candidate for the position and he is already
presiding over the Secretariat of the CCPCC, which in terms of the state and the military is second in command to Jiang Zemin. Judging from these facts it would appear almost certain that Hu Jintao will succeed Jiang Zemin. However there was a degree of fluidity in this problem.

The problem was what I like to call The “Deng Xiaopingization” of Jiang Zemin. In other words the former leader retiring but still wielding power from behind the scenes. When considering the future of the Communist Party rather than the debate over the post Jiang Zemin period this issue was of much more importance. The Deng Xiaopingization of Jiang Zemin meant that even if Jiang retires from the front line of politics that he will still wield strong political influence. Basically there are two main points in this concept. First, whether Jiang Zemin theory can be incorporated into the political report of the 16th National Congress and, second, Hu Jintao was likely to succeed Jiang Zemin as head of state but Jiang Zemin would probably continue to be the head of the Central Military Committee. If these two points were achieved then “Deng Xiaopingization” would be realized. The drive to modernize was however, obviously counter productive to this. If the system of transcendent authority continued, and strings were continued to be pulled from behind the scenes then China’s traditional method of governance would continue, considerably obstructing the road to modernization. Mao Zedong’s founding of the People’s Republic of China and revolution, as well as Deng Xiaoping’s contribution towards modernization were prominent landmarks in China’s modern history, but what did Jiang Zemin achieve? He came to power in the confusion of the Tiananmen Square incident and did nothing more than fill the top position of what was, by then, a group leadership system. So it is natural that some may criticize Jiang Zemin for not being the same class of leader as Deng Xiaoping. According to recent information there seems to be an on going feud within the Party involving Li Ruihuan criticizing the quality of Jiang Zemin’s leadership along these lines, and in retaliation supporters of Jiang within the Party have made scathing criticisms back against Li Ruihuan.

Through analysing the situation in this way it was possible to predict with some degree of accuracy who would be appointed to which posts. Before the 16th National Congress the points I used to assess the situation were as follows: (1) age (2) long term political power (3) how stability would be maintained and (4) I also considered The “Deng Xiaopingization” of Jiang Zemin. From the seven members of the Standing Committee of the Politburo all but Hu Jintao have now retired and the newly appointed members, apart from the 67 year old Luo Gan, are all between 58 and 64 years old. All the ideal age for this type of politician. This means that as long as there is no drastic
political change, by the time of the 17th National Congress of the Communist Party in 2007, apart from Luo Gan, who will be one year away from the official retirement age of 70, the other members will be at a suitable age to allow the current system to continue and steer the Party through the 2008 Olympic Games.

Notwithstanding, Jiang Zemin’s influence can still be strongly felt, especially in the following three areas. First, by increasing the number of members of the Standing Committee of the Politburo from seven to nine. Those thought not to be directly connected to Jiang Zemin are Hu Jintao, Wen Jiabao, Wu Guanzheng and Luo Gan, although there are some that believe Wu Guanzheng was selected at the Zeng Qinghong selection. There is also the theory that Li Changcun has supported Zhu Rongji although it maybe doubtful. Regarding this, it is widely thought that the Jiang Zemin faction decided that if Standing Committee of the Politburo only consisted of seven members and the worst came to the worst Jian’s faction would not be able to achieve a majority in decision making. Therefore, by increasing the members by two people loyal to themselves, in such a situation they will be able to achieve a majority of five to four.

From the nine members of the Standing Committee of the Political Bureau, Wu Bangguo, Jia Qinglin, Zeng Qinghong, Huang Ju are all considered clearly loyal to Jiang Zemin and Li Changcun is also considered to lean in favor of Jiang.

Second is the forced retirement of Li Ruihuan, the most powerful person in the anti-Jiang faction. He was still 68 years old, two years away from the official retirement age and would normally have gone onto take up post as Chairman of Standing Committee of NPC. If this had happened then members of the non-Jiang faction would have taken the three top posts of General Secretary, Chairman of Standing Committee of NPC and prime minister. Considering this, Li Ruihuan’s retirement was an eminently large victory for Jian’s group.

Third is Jiang Zemin taking up the post of head of the Central Military Committee. This is the same as Deng Xiaoping holding the post of head of the Central Military Committee from 1987 to 1989 after relinquishing his position as a member of the CCPCC. From the military’s side the fact that Hu Jintao could have become Head of the Central Military Committee was extremely worrying. One of the reasons for this was that if Jiang, who had been in office for thirteen years, were to suddenly lose power then the interests of high-ranking officials in the military and Department of State would also suffer. Also, the military did not support Hu Yaobang and Hu Qili both from the Communist Youth League and both candidates for succession of Head of the Central Military Committee whose distrust of Hu Jintao was as deep rooted as ever.

In terms of these three points Jiang Zemin’s influence over politics has not yet
diminished and this remaining influence is adding a degree of stability to the new leadership. However, Jiang will at some point have to retire from the post of the head of the Military Committee and this may well reduce leadership stability. According to one prediction if this happens within the next two years and Jiang does not maintain the post for an extensive period of time then the “Deng Xiaopingization” of Jiang Zemin will not be realized and this will be seen as a transitional measure in the shift to a new political power. However, the problem of political instability associated with a change in power is not dealt with systematically but as before the “personnel factor” involved highlights the danger in Chinese politics. The reason being that if Jiang Zemin remains the Chairman of the Central Military Commission over a long period of time and Hu Jintao will be forced out of the position of General Secretary then we would see a severe struggle for power at the top. Apart from being connected to the Communist Youth League, Hu Jintao has connections in Qinghua University and the Central Party School of the CCPCC, making him a fairly well connected leader. Furthermore, other big names in Chinese Politics like Li Ruihuan, Qiao Shi, Yang Baibing and Hu Qili who Jiang had treated coldly are waiting in the wings, and this must surely foster greater political instability. There is also a theory popular in Hong Kong and Taiwan that Zeng Qinghong, who has firmly supported Jiang from the days he was a Shanghai Party leader, may gradually move away from Jiang and together with Hu Jintao and Wen Jiabao form a “troika” relation in top leadership. Therefore despite having traversed the difficult path through and out of the 16th National Party Congress the central leadership of the Communist Party warrants as much attention as ever.

Over the next ten years, regarding the current political leadership, the very least that can be said is that a younger generation will continue to replace the current leaders. After the 17th National Congress of the Communist Party in 2007 (the year before the Beijing Olympics) almost all the leaders who were active in politics during the Cultural Revolution will have retired.

Based on these facts now let us consider actual changes in the political system. The first point here that needs to be emphasized is inequality in political change. When thinking of inequality in China the first things that may come to mind in recent times are the disparities in wealth between the coastal regions and the inland regions, or urban and rural areas. Regarding change in the political system many have the mistaken impression that change would be uniform. However, China being such a socially, economically and culturally diversified country it should not be forgotten that inequality in political change is also likely.

To explain a little further, firstly, there is the duality of political and non-political
fields in China—the “One Party Two Systems” in Honk Kong being a good example. Some may say that Honk Kong is a special case but there are actually similar situations to Honk Kong emerging in mainland China such as the growing separation between society and the state due to society's growing independence. Or after the crack down in Tiananmen Square the dual existence of a tightly controlled political dictatorship and free market economy.

Second, it is necessary to be aware of the duality of elitism and commonality that exists in Chinese society. As well as the Communist Party being an elite group there are other members of society who fit into the elite category but have a very different existence to that of the ordinary people. To ignore this and assume that any process of democratization would occur simultaneously in different levels would be a mistake. Democratization at the elite level, and at the common people's level, would be a considerably different process. Recently there are many arguments based on the emergence of the middle class, or formation of a civil society, and they are undoubtedly valid and important. Nonetheless, just because this is the case, to say that the spirit of the people has lifted so much that a nation-wide homogenous civil society is emerging, or that the political system is under nation-wide democratic reform is unrealistic.

Third is the regional difference in politics. Of course this is largely due to changes brought about by economic development, however, the way politics is perceived in the lagging inland areas and the fast developing coastal regions is significantly different. Certainly the grass root elections in rural communities have promoted interest and participation in politics, but one cannot say that this will lead to multi-party politics or foster civil consciousness. Furthermore, these local elections have a tendency to stop with the election of a competent leader and the peasants soon lose interest in the election process. In the coastal regions where economic growth is high, if direct elections of this kind were implemented civil consciousness would surely swell leading to demand for a multi-party system. This, coupled with the spread of information and technology and an increasingly independent society, could very well bring about the collapse of the current one-party system.

Once again, the developments being considered here are all under the presumption that economic growth will continue and China will be able to maintain international harmony. Furthermore, considering the goal of making the upcoming Beijing Olympic Games a success, over the next ten years it seems fairly safe to say that there is almost no chance of there being any revolutionary or violent change in the current political system. Based on this assumption one may then ask what the future scenario of the political system will be? Fundamentally, the possibility of gradual change, as opposed to
drastic change, seems much more likely. Having said that however, there are naturally other options such as a split forming within the Party, the military turning on the Party, the Party facing an international crisis due to the Taiwan problem or even the Party losing its ability to govern due to the emergence of more organizations like Falun Gong. Another possible scenario is the mixing of traditional Chinese values and culture with Western style politics that could eventually lead to the establishment of a new unique political system. Considering such possibilities and taking the influence of globalization into account, although democratization is obviously the most fundamental aspect of major political change, for the time being, China in its own unique way is likely to maintain political stability under the one-party system whilst at the same time pursue gradual reform of the system itself.

We will be able to predict China's political system in future through five stages as follow:

Assuming that the 'typically seen in the Mao Zedong era was the first stage of the current political system, then the present can be considered the second stage. An example of the first stage can be seen in the Tiananmen Square incident where Deng Xiaoping single handedly ordered military intervention with no procedure of formal policy approval. Of course in terms of economic control, compared to Mao Zedong's centralized approach, the economy in the Deng Xiaoping era was much more decentralized.

An example of the second stage can be seen in the policy decision-making process for Jiang Zemin's official visit to Japan in December 1998 in which he took a hard line on the controversial historical issues between the China and Japan. After Jiang returned to China I visited China myself and through certain sources I was able to discover that before visiting Japan it was decided at a diplomatic level that Jiang should not take too hard a line with Japan over their various differences. After the visit, and the hard line approach that he ended up taking, it turned out that this change in policy was due to a meeting of top Chinese officials just before the visit took place. The meeting consisted of representatives from around ten related organizations including the Foreign Liaison Department and The People's Liberation Army. Through a discussion process they arrived at the decision that, apart from on diplomacy and trade, China should adopt a hard line on all other matters. It appears that Jiang had no choice but to take the stance decided at this meeting. This is a clear example of the basic elements of a collective decision-making policy process, which has become a prominent feature of the current political system.
In the future may become a third stage of development of the political system. Earlier I discussed the disparity between the elite class and the common people, the chaos that could arise from democracy movements and how the authorities are likely to keep firm control over the situation in the near future. In this scenario, the liberalization of areas not directly affected by politics would likely continue whilst seeing a gradual increase in participation in politics on the whole and a degree of democratization at high levels. However, this would not mean that we would see the pluralization of Chinese politics at once. After all, under the current Communist Party rule no opposition party is allowed. Under the “Three Representatives” system, however, several genuine profit making groups have emerged within the Party creating kinds of factions which is basically how the Party will maintain its one-party rule whilst pursuing democratization amongst the elite.

The following lines; for example, in all regions of China, the provinces, prefectures, cities, towns and villages alike, a direct election amongst Party members of representatives themselves would be necessary to elect a leader. This would however have no impact on one-party rule. Furthermore, due to elitism in society we would likely see the development of constitutional government and a degree of institutionalization. Of course whether a people’s society or non-political society, the development brought about by economic progress and accession to the WTO or internationalization would bring about more external pressure to strengthen the legal system thus institutionalizing the whole of society to a degree. In these circumstances it is possible that this would lead to the following scenario.

A fourth possible stage of political development could be. In this scenario democratization within the Party would make headway and outside the Party there would be more freedom in the mass media and increased freedom of association leading to an increase in the scale of local elections. These would, at some point, fuse together to create. For example, with the emergence of a civil society centered in the more developed coastal regions we would likely see the emergence of a democratic system for the appointment of representatives and leaders. That is to say, the people would directly elect representatives to the provincial people’s assembly and representatives to the prefectural people’s assembly and administrative leaders, in effect creating a form of opposition party. However, the main obstacle this scenario faces is the Communist Party’s pledge to protect political stability to allow economic growth.
In this fourth stage scenario the factors that could lead to the above mentioned fusion of the two levels of democratization are firstly the emergence of a key person, and secondly the bolstering of the legal system. Li Denghui’s role in the democratization of Taiwan and the establishment of local elections both hint at this happening.

In the case of the above-mentioned second scenario, in the relationship between central government and the regional areas a system emphasizing the importance of regional autonomy would become fixed. And whilst the role of central government would be maintained as a means to control stability, regional independent multi-party government would become institutionalized. This overlaps with the idea of a federal state under the rule of the party, and in the future there may be some areas that coincide with the Taiwan issue.

A fifth stage scenario could be a diverse democratic rule, the basic structure of which I described at the beginning of this paper as a change in order of the pyramid system of authority of Party→military→state to state→military→Party. This major structural change is however not likely to occur at least during the year 2010-2020 or possibly much later.

We can therefore see that for the time being the Communist Party is likely to remain in power while amongst the Party elite to some extent decision making by rule will become more significant. In other words, a greater amount of importance will be attached to the procedures leading to democracy and at the same time leaders will continue to be elected in the quasi-democratic rural elections. These rural elections are, of course, not all expected to run smoothly. There are likely to be rural versions of the traditional style of dictator coming to power through this process, creating a degree of inequality in regional politics.

The basic structure of authority for the time being will therefore be a pyramid shape with the Communist Party at the apex and various styles of governance below in different districts and at different levels. A number of years ago I named this phenomenon “A Cascade Authoritarian System” and over the last ten years this cascade process has become more diversified with a quasi-democratic element emerging through the authoritarianism. Furthermore, it should not be forgotten that a China as I have been describing in these last few pages would have a huge impact on the international scene.

Analysis of the Chinese political situation has until now been largely based on hopes, and to a degree, wishful thinking. However, it now seems safe to say that with the Communist Party introducing the “Three Representatives” and considering the moves towards democratization within the Party, the bolstering of the legal system, the
election system that started at the lowest levels with the potential to progress to higher levels, economic development, civil consciousness, better standards of education and the increased activity on the international scene, China is undoubtedly on a course to major political change.

Notes

1 Kuroda Aturou, Touyou Keizai Shinhousya 2001, also see Omae Kenichi, 2002
2 Gordon Chan, Random House 2002
5 Regarding this refer Amako to Satoshi, Kyubun 1990, page 252.
6 Mori Kazuko, Yamakawa Syuppan Sya 1999, p.31.
7 Siba RyoTaro, Asahi Shinbunshya, 1997, p.73-74.
8 Regarding Gan Bu Guan Li Zhi Du (She Qing Gui edi, Zhong Guo Guan Bo Dian Yin Chu Bang She, 1995, pp., 176-178.
11 At present this author watches CCTV everyday on satellite television. At 9am Japanese time a program called “News 60 minutes” is broadcast and the contents of this program are somewhat more in-depth and interesting than the Japanese news programs which tend to mainly consist of news relating to domestic incidents and gossip with very little international news. Chinese news, on the other hand, has much more international news and broadcasting seems to have become much more free.
than in the past. Also, internet use is permeating China at a surprising rate. About
two years ago I suddenly started getting emails from Chinese university students in
China and we have continued to exchange email ever since. After sharing my email
address with Chinese students that I already knew we have been able to have
extremely free wide ranging discussions, and sometimes I am asked questions by the
students about such things as historical issues relating to China.

14 Saito Tomohisa, "Chugoku Internet Jijou" in Chugoku Jijo II (et al), 2001 May, p. 28,
30, 44 etc.

15 Ren Ming Chu Ban She, 1987 p.4.


17 Li Xuetian, "Yi Jian Tao Shijue Nong Cun Liang Wei Mao Dun De Li Xiang
Xuan Ze is a positive example of Integration of Two Committees and Bai Gang, Zou
Chu Jie Jue "Liang Wei Xi Heng Wen Ti De Lun Wu Qu is a more
prudent argument. (Collection of Papers Presented at International Symposium on
Villager Self-Government & Rural Social Development in China, The Ministry of
Civil Affairs, PRC and The Cartea Center, USA, 2001, After p.68.

18 A newspaper called "Wen Hui Bao" on 22nd May 2000 published an article on the front
page about “The Three Representatives”. According to Xin Rong’s Paper, this line of
thought was confirmed at the Standing Committee of the Politburo of the CCPCC in
January and publicly announced by Ziang Zeming whilst visiting Guangdong

19 Gong Yun Shu, "Jue Bu Nong Ba Si Ying Qi Ye Zu La Jin Zhong Guo Gong Chan

20 He Tie Shun(Jiang Xi Zi Xi Xian Jing Ji Ti Zhi Gai Ge Wei Yuan Hui), "Ru ShiYu
Zheng Zhi Ying Li "Xi Ru Shi Dui Wo Guo Zheng Zhi Ling Yu De Ying Xiang, "2002, No.5, P.64~

21 Miwa Shimizu “Chugoku Noumin no Hanran” Kodansha 2002

22 Zhao Yi Ning, Zhong Guo GDP Zeng Zhang Zhi Zheng, No.18, April 29th
27 Chan op. cit. p.72.
28 A blue paper on Chinese society (她的一份蓝皮书），She Hui Ke Xue Wen Xian Chu Ban She, 1999 and 2000.
29 Hua Xuecheng, 普通法律文件（普通法律文件），She Hui Ke Xue Wen Xian Chu Ban She, 1999 and 2000.
31 Hua Xuecheng, 普通法律文件（普通法律文件），She Hui Ke Xue Wen Xian Chu Ban She, 1999 and 2000.
34 Satoshi Amako, 全面民主化（全面民主化），Tokyo University Press 1998
35 Yang Song, 邓小平在改革中的作用（邓小平在改革中的作用），No.9, 2001, p. 12.
36 For example Hu Yaobang in September 1986 stated “that the reason economic reforms would go well is that they would be implemented simultaneously with political reform” (Satoshi Amako, 全面民主化（全面民主化），Iwanami Xin Syo 1988 No. 9, 2001, p. 5)
37 (Hong Kong), 30th November 2000.