

Damned If You Do, Damned If You Don't; How the Chinese Communist Party Doomed its Authoritarian Regime by Developing China by Jean-Francois Arsenault — second year history

In June 1989, outside of Tiananmen Square on Chang'an Avenue, a lone, frustrated man defiantly stood in front of a Type 59 tank from the People's Liberation Army (PLA). The tank pilot tried to steer the tank around him, but the man simply adjusted himself to remain an obstacle. The tank tried again; again he blocked it. The man then climbed on top of the tank and spoke something to the occupants. He came down from the tank and a short while later he was rushed by a number of people dressed in civilian clothes and dragged away (Iyer, November 28, 2007). It was never known who the man was or what happened to him, but the images still have a resounding impact around the world, particularly in the West. The protest had been for freedoms. Instead, it became a bloody demonstration of the government's repressive regime.

As it continues its vertiginous economic growth, the world's eyes are fixed upon China. Increasingly gaining a reputation as a challenger to American hegemony, China is becoming both a role model and a source of fear for observers around the world. For developing countries, particularly for developing countries with leaders who are not particularly sold on the idea of potentially sharing their power through democracy, China's model of authoritarian, one-party, high-growth development can be very attractive. However, for democrats, the prospect of a successful authoritarian, one-party state is frightening and seems to repudiate their doctrine that links democracy and sustained prosperity.

But is this form of politically repressive but economically liberal type of system sustainable in the long run? How does economic growth affect the political system? This is what will be explored in this paper. I will do this by first setting out a framework for understanding relational dynamics between the state, society, and the economy. Once this has been explained, I will then recount the history of Taiwan's transition from authoritarianism to its current state as a free democracy. An analysis of how this happened will be provided using the state, society, economy model. This will be compared with China's contemporary situation; using what was extracted from Taiwan's democratic transition, I will explain how China might democratize.

Throughout this paper I will argue that by linking the Party's legitimacy to economic growth, the Chinese Communist Party (CCP) has intimately wed itself to the economy and is held responsible not only for its growth, but also for its fall. If the Chinese economy slows, the party's legitimacy will be eroded and discontent will brew. If this legitimacy sinks enough, civil unrest is likely to break out with the anger aimed directly at the CCP. To quell the unrest, a better long-term solution to regaining legitimacy is through democratization. If the Chinese economy keeps growing, Chinese society will be able to demand more civil liberties, which will then lead to an insistence on an alternative, more pluralistic political structure. With such wealth and access to democratic societies, either through media or by being able to visit these societies, Chinese citizens would wonder why they are not entitled to the same rights and freedoms as their counterparts in the developed world. This would make pressures for democratization great. In short, unless the CCP finds another source of legitimacy, no matter if the Chinese economy goes up or down, the CCP's authoritarian hold on China is doomed to decline and make way for a democratic China.

The Polity As Relations Between State, Society, and Economy

To facilitate the comparative analysis of China³ with Taiwan and understand the dynamics at work, I propose the polity be divided in three elements: state, society, and economy. Each element is representative of one aspect but it is interconnected to the others. The state here will be defined as per Max Weber's definition, "a human community that (successfully) claims the monopoly of the legitimate use of physical force within a given territory" (Weber, 2007). This includes the administrative staff, the politicians, political institutions, court, the legal system, and anything else that directly manifests the will of the institution that claims the monopoly of the legitimate use of physical force in a given territory. Society is defined as individuals and their relations within a given territory; the economy refers to its economic activity.

Each element of the polity interacts and relies on the others (see Figure 1.1). In the case of society and the state, society provides legitimacy for the state. The state requires this legitimacy to exist because it fundamentally exists for society and claims to have dominion over it. If it does not have this legitimacy, society will grow hostile to those claiming to be the state. Legitimacy itself is a debated concept, but for this model and the societies that will be analyzed, Otfried Hoffe's definition of legitimacy in a coercive order is the most relevant;

To put it in other terms, because the legitimation of coercive powers depends on the welfare of the affected parties, these powers can only be defended if they bring more advantages than disadvantages for *each* individual. The criterion is distributive justice. Something that is advantageous for everyone can be brought about by exchange; distributive advantage can consist in *mutual advantage*. Even if a coercive social order brings about coordination, efficiency, security and stability, and thereby the collective welfare, of a society, it lacks legitimacy if this is accomplished by disrespect for the interests of individuals or groups within the society (1995: 40).

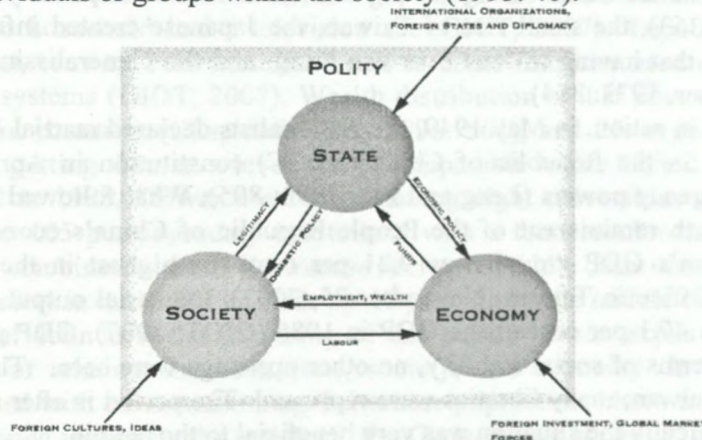


Figure 1.1: Relation of the Polity's Elements

In accordance with this definition, as long as the state is seen as beneficial to the society, it will remain legitimate and not receive too much resistance. In return for the population's implicit support, the state uses domestic policy as well as economic policy to benefit society. If the state completely loses this legitimacy, the instruments of the state will turn against it. The state and the economy interact in a similarly mutual way, where the state dictates the economic framework and influences the economy through legislation aimed at regulating, giving competitive advantages, or by preventing certain economic activity. In return, through mechanisms like taxation, the economy provides the state the funds it needs to carry out its projects and finance the system to assure its control over the polity. Finally, the economy

³ For simplicity's sake, whenever I refer to China I am actually referring to Mainland China, I do not include Taiwan, regardless of the People's Republic of China's claims on the island. Likewise, when referring to Taiwan, I am referring to the polity administered by the Republic of China and nothing beyond.

provides society with employment and wealth while society provides the economy with labour. It is through this cycle that the polity maintains itself. Outside the polity, there are influences from other actors, such as foreign investors, international organizations, and foreign culture. These are the influences of the international community.

The Other China: Taiwan's Transition from Dictatorship to Democracy

The past year has been the darkest and bleakest in my life. I am confident that I shall receive the divine decree and can consummate my task. I have spent my past life in vain. I have suffered ignominy and defeat. However, I should not be worried, angry, nor should I be conceited. I have nothing to be ashamed of before God and man. How lucky I am to have the love of God. Danger and difficulty lie ahead. I must heighten my vigilance so that I can revive China and re-establish the republic (Fenby, 2004: 495-96).

It is with these defeated but optimistic thoughts that Chiang Kai-shek retreated to Taiwan, hoping to rebuild his forces to retake mainland China. At first, things looked bleak. The *Guomindang* — or state — was demoralized and top leaders were ruthless in dealing with the chaos that was caused by the massive influx of mainland immigrants — an influx not welcomed by the native Taiwanese (Walker, 1973: 361). The Taiwanese were forced to move or were evicted from the Japanese-abandoned homes that they had claimed, all of this to make place for the mainlanders (Walker, 1973: 361). Then, on February 28, 1947, triggered by a black-marketing incident, the Taiwanese attempted an uprising against the *Guomindang* forces, an uprising that was quelled with cruelty and violence (Walker, 1973: 361). Tensions became so heightened between native Taiwanese and mainlanders that the government ordered a blackout on discussions on mainlander-Taiwanese relations, something that only made the problem worse (Walker, 1973: 362). Despite all this, the *Guomindang* did have some assets. Richard L. Walker points to the determination of the *Guomindang* to “prove they *did* have a capability to move China into the modern world” (1973: 363), the small size of Taiwan, the Japanese created infrastructure that they inherited, the revitalization that having to start over can bring, and the Generalissimo himself who still had a loyal following (Walker, 1973: 364).

To put these things in action, in May 1949, the Nationalists declared martial law in Taiwan using a clause they had inserted in the Republic of China's (ROC) constitution in April 1948 to give the President of the ROC emergency powers (Leng and Lin, 1993: 805). What followed was nearly 30 years of stunning economic growth reminiscent of the People Republic of China's economic growth today. From 1952 to 1980, Taiwan's GDP growth was 9.21 per cent, the highest in the world at that time (Government Information Office in Taiwan, November 25, 2007). Industrial output grew from 16.7 per cent of the GDP in 1952 to 47.1 per cent of the GDP in 1986 (GIOT, 2007). GDP per capita also grew steadily (GIOT, 2007). In terms of social stability, no other uprisings were seen. This is not to say that everything was perfect in Taiwan; many liberties were repressed. The period is after all referred to as the “White Terror,” but economically the situation was very beneficial to the people.

Despite the strict martial law, however, the control of the Taiwanese political system was not as absolute as it is in the case of the CCP in Mainland China. For example, Thomas A. Metzger refers to the three embryonic marketplaces that helped in the development of democracy in Taiwan; the economic, ideological and political marketplaces, which had been created through incremental reforms (Chao and Myers, 2001: 24). These were created by Chiang Kai-shek when he “established local elections (an embryonic political marketplace), permitted Western ideas of liberal democracy to challenge the state's ideology based on the ideas of Sun Yat-sen (an embryonic intellectual marketplace), allowed a capitalist market economy to develop, and did not abolish religious and private associations unless they threatened party-state rule (Diamond and Myers, 2001: 13).”

In 1975, Chiang Kai-shek passed away. A year later, his main rival, Mao Zedong followed him to the grave. The leadership of the *Guomindang* was given to Chiang Kai-shek's son, Chiang Ching-kuo. At first, the authoritarian style of his father continued. In an election in 1976, an independent candidate, Pai ya-tsan, viciously attacked Chiang Ching-kuo for his wealth, for having been unable to prevent Thailand and the Philippines to recognize Beijing, and for Chiang's daughter to be living in the United States

instead of Taiwan (McBeath, 1977: 18). Pai was arrested and charged with sedition, but instead of the death sentence he received lifetime imprisonment (McBeath, 1977: 19). He was released 13 years later once martial law had been lifted (Wei, 2007). Nevertheless, it was under Chiang Ching-kuo's leadership that Taiwan transitioned from a pseudo-democracy under martial law to a free democracy without martial law.

From 1977 onwards, more and more *dangwai* (non-party) were elected. Although they suffered some setbacks when many *dangwai* leaders were arrested December 10, 1979, causing defeats in the 1981 and 1985 elections (Diamond and Myers, 2001: 13), the opposition kept growing in strength. Finally, on the evening of September 28, 1986 in a meeting room of Taipei's Grand Hotel, the Democratic Progressive Party (DPP) was illegally founded (Chou and Nathan, 1987: 277). This was a few months after Chiang Ching-kuo had announced the GMD's intention to reform the political system to democratize Taiwan (Diamond and Myers, 2001: 14). Instead of arresting the leaders of the DPP, Chiang Ching-kuo lifted martial law in July 1987 (Diamond and Myers, 2001: 14). In no time, free press and political parties flourished. When Chiang Ching-kuo died, his successor, Lee Teng-hui continued the political reforms (Leng and Lin, 1993: 806). In 1992, the constitution was reformed and in March 1996, the first national election for president and vice-president of Taiwan were held (Diamond and Myers, 2001: 14); Taiwan had become a democracy.

What made Taiwan a democracy?

Several factors contributed to the democratization of Taiwan. The embryonic marketplaces, particularly the local elections — however corrupt they were — identified by Matzger cannot be ignored. They provided the training for the opposition in how to effectively run and govern. More importantly, however, it taught the GMD that losing elections didn't mean the end for it (Diamond and Myers, 2001: 14). But we also cannot omit the role of economic growth in the democratization of Taiwan. In 1986, nearly every Taiwanese household had a television set (GIOT, 2007). Trips outside of Taiwan were becoming more frequent, causing Taiwanese nationals to come into increased contact with nations that had liberal democratic systems (GIOT, 2007). Wealth distribution at that time was even more equitable than in the Scandinavian countries (Chan and Clark, 1991: 561), and life expectancy and literacy rates improved significantly, putting them at a level that is comparable to the United States (Chan and Clark, 1991: 561). From 1952 to 1985, Taiwan went from having eight universities and colleges with a total enrollment of 10,037 to 105 postsecondary institutions with a total enrollment of 395,153 (Lu, 1985: 1085). All these factors combined to make Taiwanese society a middle class one. In fact, Thomas B. Gold describes Taiwanese society in the 1980s as made up 50 per cent by the middle class (Gold, 1997: 112).

Using the model defined at the beginning of this paper, we can explain the democratization of Taiwan as a dynamic of relations between state, society, and economy. In the early stages of the *Guomintang*'s rule, faced with an unwelcoming Taiwanese population, chaos from the massive influx of mainlanders, and a defeated legacy on the mainland, the *Guomintang* sought to establish its legitimacy as the ruler over the society. To do this, the *Guomintang* focussed on its economic policy. It was successful and its legitimacy was established as a result of all the wealth created from the economy. But as the Taiwanese got richer and richer, the economy became less of a force; the Taiwanese were no longer so desperate for wealth and employment. Their wealth also allowed them access to liberal democratic societies and afforded them the same socio-economic status. Surely some would have wondered why they were not entitled to the same political freedoms. Opposition became more and more prevalent. Faced with this growing opposition, pressured by the increasing internationalization of Taiwan, and by reformers inside the party, the *Guomintang* was forced to switch its focus to domestic policy. More specifically, it had to focus on democratic reform, to retain legitimacy, divorcing itself slowly from the state to make it a pluralistic system. The society accepted it and did not have to consider overthrowing the state.

China: The Other Taiwan?

As of late 2007, Chinese citizens appear to at least tacitly accept CCP rule. Why wouldn't they? In 2007, with China's GDP growing by 10.7 per cent (Feng, 2007), the lives of Chinese citizens have been improving rapidly. Infant mortality rates in 2005 were down to 23 per 1,000 for China (UNICEF, 2007), and in Beijing the rate is even lower — 4.6 per 1,000. By comparison, New York City has an infant mortality rate of 6.5 per 1,000 (Kristof, 2007). Life expectancy was 72 in 2005 (UNICEF, 2007). The total adult literacy rate in 2000-2004 was 91 per cent (UNICEF, 2007). China's middle class population is increasing at a great pace; in 2002, the Chinese government counted 50 million families as middle class, with household incomes 75,000 yuan and 310,000 yuan of assets on average (Embassy of the People's Republic of China in the United States of America, 2007). It predicts this figure will double in 2010 with 100 million families having annual income per household of 150,000 yuan and owning assets of 620,000 yuan (Embassy of the PRC in the US, 2007). In 2002, 13.5 per cent of Chinese citizens were considered middle class, demonstrating that a growing portion of Chinese citizens is enjoying a decent level of wealth (Embassy, 2007). This is more than enough to excite potential investors. But what the about democrats?

Comparing contemporary China to authoritarian Taiwan, we must first outline the relevant similarities and differences. Both polities were (and *is*, in the case of China) ruled by authoritarian, repressive single parties. The *Guomindang* and the CCP both owe their lineage to the Comintern and have Leninist ideologies (Chang, November 27, 2007). China and Taiwan share a language and a common Chinese heritage. However, there are major differences, such as China's immensity, both in geographical but especially in demographical scale and Taiwan's small island territory and modest population size. Taiwan also had what Metzger called an embryonic political market place through local elections since the very beginning of the Republic of China (even if these were corrupt and limited by martial law). In the People's Republic of China, the closest institutions to local elections are village elections, which have left observers particularly unimpressed (O'Brien and Li, 2001: 125). They do, however, give the chance for non-Party members to learn how to be a politician and teach Chinese citizens the dynamics of democracy firsthand. This is a form, albeit in its early stages, of a political marketplace (O'Brien and Li, 2001: 124). It is also not inconceivable that a certain faction within the CCP, or a group of purged Party members, would gather together to form an opposition party. For this to happen without them being immediately arrested, like the previous attempts to found parties in China, the CCP would have to be implicitly set on democratization.

Two ways this acquiescence can come about is by continued economic growth or by a sudden economic downturn after the current sustained period of economic growth⁴. In the scenario of continued economic growth, this would follow much like in Taiwan. China would grow into a middle class society. Already, since these are necessities for economic liberalization, more information is streaming into China and its citizens can travel abroad with minimal restrictions. Referring to the state, society, economy model at the beginning, the society, being increasingly wealthy, does not have to rely on the economy so greatly. This creates a legitimacy crisis (Hu, 2000: 138) that the government must correct. This correction is usually done through domestic policy, although it could find another source for legitimacy, such as a war that would require national mobilization. But seeing as how wars are usually bad for business, China would likely opt to please the population to make itself legitimate again. With frequent exposure to liberal

⁴ Robert A. Pastor and Qingshan Tan come to the exact same conclusion in their paper, "The Meaning of China's Village Elections." They write, "If China's economy continued to grow, the new economic forces and groups will demand outlets to defend their interests. But the need to open legitimate political channels for these successful entrepreneurs will not be nearly as important as the challenge of responding to popular dissatisfaction if there is a downturn in the economy. Then, the government will need an escape valve for the people to release their frustrations. Fortunately, the best mechanism for dealing with both economic success and economic failure is the same: a free, competitive election. If such a mechanism does not exist when there is a downturn, however, the pressures for change might be so compelling that the only alternatives would be repression of violent revolution." Shaohua Hu also explains Chinese democratization in a very similar language.

democratic societies, Chinese citizens would wonder why they are not entitled to the same rights and freedoms, concepts very much present in Asian cultures. Amartya Sen points this out in response to critics of human rights and democracy on the basis of a perceived "Asian value" in opposition to a "Western value" (2000: 227-248), as their fellows in the developed world. This would likely be a widespread feeling despite the diversity of Chinese society, and could be articulated by reformers within the CCP. All these factors would combine to make it so that progressively, China would open up its political institutions and some form of pluralistic democracy would appear in which the CCP would still likely play a powerful role, but no longer the sole role.

In the case of a sudden economic downturn, it is historically evident that economic depression breeds discontent towards the institutions that govern. This would likely be the case with a CCP that has intimately linked itself to China's prosperity through its very explicit role in it. The CCP's legitimacy would quickly fall and it would be forced to find some way of restoring order. One of these ways would be repression, however after having a taste of more freedom this repression would anger the population even more, a dangerous prospect in a country raised on revolutionary tales. Discounting a remake of the 1989 protests in Tiananmen, to quell some of the protests the state would have to answer the demands of society to regain legitimacy. While these demands would be multiple and varied, with the regular exposure to liberal democratic societies, it is certain that a considerable number would push for democratization. Faced with the choice of democratizing or violently clamping down on a China now firmly connected to the international community, they would likely choose the former. That would be how a sudden economic downturn would lead to the establishment of democracy in China.

Huge challenges remain, however, for the CCP to be comfortable with pluralistic, free democracy in China. Unlike Taiwan, China has to worry about keeping its great diversity into a unified whole. Would democracy be more likely to encourage secessionist movements in Xinjiang? Would Tibet act to separate from China once a democracy would be established, or at least push for federalism? These questions and many more would have to be resolved or at least seriously considered by the CCP and advocates of democracy.

Conclusion

No one is able to predict the future with certainty because of the overwhelming number of factors that cannot possibly be considered. Only time will tell whether China will become a free, democratic society or not. However, even if the scale of China — with its population of 1.3 billion — and the cultural, socio-economic, and linguistic diversity makes it enormous and the differences with Taiwan are relevant, China is still subject to very similar fundamental dynamics that have affected it. Just like how in Taiwan stunning economic growth led to a democratization of wealth, which then led to a democratization of the political system, even though the *Guomindang* at least always claimed democracy as a goal, through its phenomenal economic growth, China has been set on a path of democratization. How long this will take is unknown and there are still many, many challenges ahead. It is also possible that other events could come in and upset the possibility of a democratic China. But barring those, whether economic growth continues or suddenly stalls, pressure from Chinese society on the Chinese state for democratization are more than likely to increase.

A democratic China would be a momentous occasion for the world. Already 1.1 billion people in India live in a democracy. If you add China to the population of democratic countries in the Americas, Europe, Africa, Oceania and Asia, a very considerable number of the world's population would be living in a democracy. If theories like the Democratic Peace Theory continue to be relevant, we can expect a future of increased peace, prosperity, and freedoms in the world. But pulling ourselves back to reality, the ball is in the court of Chinese citizens and CCP officials to tackle the multitude of challenges that will stand in the way of democracy. With time, we can expect that China's new wealth will afford them the luxury to want democracy. If they do not become wealthy however, for example if the economy hits a rough patch, discontent may grow to the point that democracy is offered to calm the population.

Either way, barring major new developments that would steer them away from democracy, the CCP will likely be cornered and pressed into democratizing China. So by linking themselves to economic

growth through their explicit role there within, they've may well have doomed their authoritarian hold on China.

Damned if you do, damned if you don't...

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