

Economic liberalisation:

How the early “democratisation” is prolonging
the rule of the Communist Party

Abstract

China is an extraordinary country; in the last 30 years the economic development has moved forward in an almost impossibly high and even speed. The GDP has grown with an annual average of ten percent and placed the Chinese economy among the top three largest economies in the world. But while the economic development keep racing ahead, the democratic development has slowed down and is now standing still. This is something that should be impossible according the belief of many of political scientists, as it, according to modernisation theory, is an inevitability that economic development leads to democracy. So why does this not happening in Mainland China?

In this paper the supposed correlation between these two variables is examined closer by studying process between the cause and the supposed effect, or rather between economic development and democratisation. By looking at this it is revealed that it is not the economic development that that caused the previous liberalisation in China instead it is the previous liberalisation that is causing the economical growth and development. Hence making liberalisation, or the so-called democratisation, appear to be the independent variable and the economic development the dependent one in the correlation.

Keywords: Economic Development, Democratic Development, Liberalisation, Modernisation theory, China

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1 Introduction

1.1 Problem

China. In the last three decades the country has undergone a transformation of extraordinary proportion. The economic growth has been on an average of 10 percent annually. The country has dramatically increased its interaction with the international economy, and it has become a dominant figure in world trade. Both China's foreign trade and its gross national product have experienced and sustained a rapid growth, especially since foreign-owned firms began using China as an export platform for goods manufactured there. This change has transformed the world economy and with it, the political balance. Hundred millions Chinese live a better and freer life today than they could ever have dreamed of under Chairman Mao because of it. Being rich is no longer a bad thing but something to strive for. People have gained new rights and opportunities that once seemed impossible.

For the past 50 years the correlation between economic development and democracy has been one of the most popular genre within the democratisation sphere of political science. The standpoints and belief seems to go in all possible directions, everyone publishing their proof, critique and/or support for the various theories. But which is true? China is today far from being a democracy, weather it is even heading towards becoming one is a heated question. But there is no doubt that it has become freer in the last few decades, and much richer. But is there a connection between these two developments or not?

1.2 Aim and Design

The purpose of this thesis is to examine the correlation between economic development and democracy by determining how the economical development of the last three decades in Mainland China and the democratic sphere of Chinese politics have affected each other.

To simplify this the thesis has been divided into five parts. The first one is this introduction chapter, which aims to explain the purpose and design of this paper. The second aims to give an insight in the scientific theories regarding the correlation between economic development and democracy by presenting arguments that both supports and question its causality and very its existence. This is followed by the third section, in which some background information regarding the chosen case (China) is presented to give a clear view of what has

changed in the democratic and economical field since the rise of Deng Xiaoping in the later 1970s. The fourth section is intended to examine if a connection between the democratic development and the increased freedom within China and determine if they are casually related or even related at all. The final section concludes the findings and ends the paper.

1.3 Definitions & Delimitations

The term “democratic sphere” represents the various conditions that are necessary to meet for a state to be considered a democracy, according to the intermediate definition of term. Therefore the degree/existence of free and fair elections, political rights and freedom, and the power of elected bodies will be the main focus of the analysis as well as how they have affected and been affected by the economical development.

It should also be noted that by the term China does not include Taiwan, Penghu, Kinmen, Matsu, Hong Kong or Macau in this paper, merely the mainland.

1.4 Choice of case

As the aim of the thesis is to study the correlation between democratic and economic development the case of China was chosen because of the country’s uneven development in the two areas. While economic development is racing ahead in an extraordinary speed and is unquestionable, the democratic development is currently, according to some, at a standstill. This makes it an interesting case as it challenges the hypothesis of interest in a way neither Taiwan or Russia ever did. Two cases that both share common historical roots with the Chinese case, Russia as a former communist country and a strong supporter of the Chinese communists, and Taiwan as it historically has been a part of China, with both shared family ties and, in some ways, way of life as well as their history as dictatorships.

1.5 Method

This is both a descriptive and explanatory paper, taking the form of a case study. This because some of the critic the hypothesis of the causal connection between economic development and democracy is vulnerable to is rooted in the fact that the finding is mostly based on statistics, which means that many other important

aspects of the democratisation process were lost. The case study method was chosen to appease such critique and allow a focus on the hypothesis itself.

Case studies enable a more in-depth, longitudinal study, rather than forcing one to simply follow a strict protocol and the examination of a limited number of variables. Therefore the result offers a sharper understanding of why the chosen event occurred along with insights that might become important to look at more extensively in future studies. (Flyvbjerg, 2006; 219-242)

During the research the method of process tracing is also applied; a process that is presented in the fourth chapter, which is where the actual analysis is found. Process tracing evaluates the historical process between cause and effect and it is necessary to pinpoint both the central mechanism and to sort out implications (that can actually be observed) for this mechanism. (Teorell & Svensson 2007: 247)

In other words process tracing is a method intended to identify the causal chains and mechanisms between one or more independent variables and the outcome of the dependent variable, in this case increased freedom and democracy. What differ process tracing from other methods is that it forces the researcher to consider all alternative ways the outcome could have occurred and map out other possible causal trails that are consistent with the outcome and empirical evidence of the process-tracing process of the chosen case. (Esaiasson et al. 2007; 144)

1.6 Material

Like most case studies this thesis is based on a qualitative research, while this is not a must it is most common and as such it is unusual for statistic means to be used. Rather than trying to understand the world through numbers they focus on understanding and exploring it from a human perspective (Teorell. Svensson. 2007; 264,265). As a result the material used exclude statistics and number reliance to most extent. The material used is instead based on already existing sources. These sources exist independently from this study in forms of various texts and documents (Ibid; 87,89) on the Chinese economic and democratic development as well as some literature on the causal connection between economic development and democracy written by various scholars and intellectuals.

2 Economic development = democracy?

The correlation between economic development and democracy is today a fairly acknowledged fact among many political scientists. This as only a glance at an aggregate pattern is needed to show that there is a strong relationship between levels of development and the numbers of democratic regimes (Przeworski et al. 1997; 156). But the reason behind this correlation remains undetermined, as political scientists tend to disagree on the subject. Some claim that democracies are more likely to emerge as countries develop economically, while others retain the belief that democracies are established independently of economic development and some agree with the later but also agree that democracies may be more likely to survive in developed countries, and the versions go on. Because of these differences the literature on the subject is both detailed and varied. Much however jumps off the Lipset hypothesis first published in 1959 in which he claims a *causal* connection between the two. This literature mainly includes theories of modernisation, dependency and globalisation (Gallagher. 2002; 339). However, some of these ‘jump-offs’ are sceptics, Harvard professor James A. Robinson is one such sceptic. He claims that the correlation between the two variables, income per capita and democracy, make it seem like there is a causal connection, but in reality it only appears to exist because “*the same features of a society simultaneously determine how prosperous and how democratic it [a country] is*” (Robinson. 2006; 503).

In this chapter both advocates and sceptics are be given a section each in which short presentations of their viewpoints are presented.

2.1 The advocate’s perspective

Lipset, who, in many ways, has become the father of this casual connection hypothesis, determined his standpoint by observing various indicators of economic development, such as: wealth, industrialisation, urbanisation and education (Lipset. 1959; 75). Since the theory is based on the idea of a casual relationship it means that economic growth will bring forth democracy regardless to other conditions, weather that is the intent or not. The economic development should therefore, according to a modernisation theorist, be encouraged everywhere as it will help establish the only real internal conditions for a lasting democracy, in his opinion; education and wealth (Ibid;50). His theory claims that it is only a society with an educated, wealthy population can resist the appeal of

demagogues. A stable democracy also presupposes a certain level of accumulated human, social, and physical capital. This as education promotes growth, and in turn might also independently promote political pluralisation by reducing the costs of political action in support of relatively democratic regimes. The schooling makes democratic revolutions against dictatorships more probable and successful antidemocratic coups less probable. And schooling in turn is a result of economic development (Rowan. 1999:39-40). In other words the basic assumption of modernisation theory, in any of its versions, is that *“modernisation consists of a gradual differentiation and specialisation of social structures that culminates in separation of political structures from other structures and make democratisation possible”* (Przeworski et al. 1997;158).

Various political and economical scientists have, repeatedly, found support for this hypothesis, among them is Robert J. Barro. He found that higher incomes and higher levels of (primary) education predict higher freedoms. He also found significant time lags between the appearance of a factor positive for electoral rights and its expression in politics. He interpreted such lags as tokens of inactivity in institutions affected by changes in economic and social variables, and noted that after about two decades *“the level of democracy is nearly fully determined by the economic and social variables.”* (Rowan. 2007;40)

2.2 The sceptic’s perspective

Robinson is far from alone in his scepticism of the casual correlation, and Lipset’s 1959 hypothesis, or even his scepticism of the genuineness of correlation between the two variables. There is in fact an entire sea of critics. O’Donnell, Lipset’s most influential critic, attacked Lipset’s theory when he in 1973 stated that the casual connection between per capita income and democracy were lacking explanatory power (in the case of Latin America) and paraphrased Lipset’s thesis as saying that *“if other countries become as rich as the economically advanced nations, it is highly probable that they become political democracies.”* (O’Donnell. 1973;3). Which in turn would mean that democracies are dependent on the authoritarian regime, since they are born as a result of an authoritarian regime. O’Donnell himself claims that economic development leads to authoritarianism as the middle class starts to fear the industrial workers’ power, and the call for a strong man, rather than democracy, at least in the case of Latin America (Knutson. 2008; 9).

Even earlier, in 1966, Moore criticised Lipset’s work, claiming to see no simple process of modernisation in the modern world according to which higher income per capita leads to greater democracy. He instead claimed that prosperity and democracy could only go together under some specific circumstances (Robinson. 2006;503-04). To gain democracy he means that a *“reduction in the overall size of the peasantry and the end of its organic dependence on the landed class”* is necessary, as well as *“a replenishment of upper-class interests around the dominance of commercial and industrial interest”* (Grugel. 2002; 52f) Alternative

conditions lead to communist revolution or fascism rather than democracy. (Robinson. 2006;503-04)

Another critique is that Lipset based his conclusions on the positive correlation between economic development and democracy displayed by cross-sectional data, but a longitudinal analysis shows different results with "*widely varied relationships between levels of socioeconomic development and democracy*. [And that] *It is clear that democracies are not a one-way ladder that countries climb as their economy and social structures develop*" (Arat. 1988; 33).

While other correlation and regression analyses by Cutright, Cutright and Wiley, Smith, and Coulter have provided empirical support for a positive linear relationship between levels of economic development and democracy in a system. The linearity of the relationship has been questioned by the "threshold phenomenon" argument of Neubauer and Jackman as these two found no significant relationship between economic development and democracy in a system for highly developed countries. However, it does suggest that in the lower stages of economic development, increases in economic development level lead to increases in the level of democracy. (Ibid; 23) A claim strengthened by Przeworski and Limongi in their 1997 article Modernization: Theories and Facts. In the article they present findings and their "thresholds" for when the economical development might help the birth of democracy and when it has the opposite effect.

According to their studies dictatorships survive, or at least succeed one another, almost invariably in the poorest countries, those with a per capita income under \$1000. They are somewhat less stable in countries with income between \$1001 and \$4000 and even less in those above \$4000. But if they survive and reach the \$6000 threshold transition to democracy, once again, become less likely. The probability of any dictatorship dying during any year, for those dictatorships with an income over \$6000, is 0.0484 and over \$7000 is 0.0333 and so on. In poorer countries, in the so-called risk zone, with an income of \$5000, the survival rate is 0.0641 but in the poorest, with an income under \$1000, the risk is as low as 0.0206. (Przeworski et al. 1997;159-60). This means economical development, to a certain degree, may aid a democratisation process, but if it develops enough without bringing democracy it will start having the opposite effect and instead strengthen the sitting authoritarian regime. Something that would fit well with Huntington's belief that dictatorships have a "*bell shaped pattern of instability*" (Huntington. 1968;43). It also concludes that the causal power of economic development in bringing democracy appears faulty.

3 Situations Then & Now

In 1976 Chairman Mao Tse-tung met the end of his life and left the China he had created without its 'god'. For decades 'the little red' had been the Chinese equivalent of the Christian bible, with Mao as its god and saviour. His word was law and his moods and actions had governed the world's most densely populated country and led the country to financial, social and political ruin for decades. By the end of his rule there was not a shred of economical or personal freedom in the millennia old country. But over the last 30 years this has been changing at an extraordinary pace.

In this chapter two aspects of the change, the economic situation and the democratic situation, will be given a short description to offer a better view of just how much things have changed. This as there is some discussion regarding the democratisation process in China and whether it exists or not and to certify the changes in the economic situation.

3.1 Democracy

To say that China is well on the way to become a democracy might be overstating things. Though there are people who claim differently, Henry S Rowan is one such man. In his opinion China will be a free democracy by 2025 (Rowan. 2007; 48). But there are few that would agree with his assessment.

While the economy is moving a head in a rapid pace, democratisation does not. There have however been significant changes in this area as well, and the country is far freer today than it was 30 years ago. But that does not mean that only improvements have occurred either. When Deng Xiaoping came to power the lives of the people were ruled by the Communist Party with an iron fist. That is not to say that they are not still, but the economical liberalisation has brought with it many changes, as you will later see.

3.1.1 Then

Under Chairman Mao's rule the Chinese people lost their right to property and their freedom of speech became more limited than before. Rights that even the most basic definitions of the term democracy demands were limited or never developed. But the victory of the Communist Party and regime was not all bad.

The communist actually brought peace, security and relative social stability by Chinese standards. Before the communist they had spent more than 150 years

struggling to escape war, chaos and famine. As a result both the government and the people agree on the importance of order, and therefore accept many rules much easier than other cultures would. The Party also put much effort into healthcare, education and equality. Every person received the right to a job and was guaranteed one for life, though these jobs and housing were not chosen by the individual but by the state. (Ogden. 2002; 234-140) Neither of these two rights exists today, instead China has a growing problem with unemployment and shantytowns, something that did not exist roughly 30 years ago. The increased education and equality focus of this time should however have aided a democratic movement according to various democratisation theorists, yet it instead came to aid Deng Xiaoping and his reforms in the future which seem to stall democratisation.

3.1.2 Now

In year 2000 the U.S. State department described the Chinese government as “... *quick to suppress any person or group, weather religious, political or social, that they [perceive] to be dangerous to government power, or to national stability*” (U.S. Department of State. 2000). Never the less, compared to 20 years prior the Chinese state has become more lenient and things have changed.

While the media sector remains largely monopolised by the state, and the government continues to keep a close eye on what is published, issues considered less sensitive, such as finance and sports, coverage has become increasingly lively. The initial public offering of Liaoning Publishing and Media in December 2007 was the first time that a media company had been floated on the stock market without the editorial section having been first hived off. This may be a sign that a gradual move towards full commercialisation of the sector is on its way according to The Economist. Aside from this a number of foreign television stations have been permitted to broadcast in some areas, as long as they accept state restrictions on content. Also, radio is a lively medium in China, with "talk radio" shows providing a forum for frank discussion of social and other problems. (The Economist. 09.01.28)

And despite the lack of institutional checks and balances and guarantees of freedom, many members of the government, especially at senior levels, feel the need to respond and react to public opinion, and this introduces a significant element of accountability into the process of government. Moreover, China's government is far more efficient than most other authoritarian regimes, delivering economic growth and public services effectively in much of the country. But while the government may seek to represent and serve the public, it is clear that the refusal to bow to "foreign" concepts of democracy and to surrender the supremacy of the Chinese Communist Party means that China's political leaders will inevitably fall short in their attempts to achieve this goal. (The Economist. 09.01.28)

3.2 The economic situation

Due to the Cultural Revolution, the Great Leap Forward, and the country's severe underdevelopment China was one of the poorest countries in the world when Deng Xiaoping came to power. The country was, mildly put, unstable, both politically and financially, and fundamental changes were a deeply needed.

3.2.1 Then

While much can be said about Chairman Mao and his politics it is no doubt that it was under his rule China began her industrialisation, causing an economic growth rate of 64 percent decannally between 1952 and 1972 (Meisner. 1999; 417-18), and with this began the extraordinary tale of China: the economical wonder. Although it would take years before the main contributor to this tale would step in.

The economical success, however, did not benefit the average citizen. Under Chairman Mao the entire private sector of the urban economy became nationalised and the agriculture collectivised, private property became forbidden. This in turn was an act that brought the economies of both cities and countryside under state control. Leaving the industrialisation entirely in the hands of the state, making the state not only the political master of society but also its sole economical master. (Ibid; 420, 422)

It would take decades, and the deaths of both Chairman Mao and Zhou Enlai, before any of the riches would reach the ordinary people. The first step was in 1977 when Deng Xiaoping's 1975 proposal that both industrial productivity and production would grant greater material rewards for the workers, became reality (Ibid; 429), something that re-introduced the capitalistic drive in China.

A year later, at the end of 1978, Deng came in to power, introducing the much-needed fundamental economic reforms that would make China a giant on global economical and political market. Increasing the GDP per capita from \$251 in 1980 to \$5962 in 2008 and in doing so changing the lives of more than billion human beings, some for the better and some for the worse. (Economywatch. 09.08.10)

3.2.2 Now

Today China's economy is booming. It is the third largest economy in the world, behind only USA and Japan (cnn.com. 09.01.15). The years of nationalised economies and collectivised agriculture are long gone. The agricultural collectives have been de-collectivised, the non-agricultural private sector has grown rapidly, and government priorities have shifted toward light and high technology, rather than heavy industries (Britannica. 09.08.15).

As China has dramatically increased its interaction with the international economy, it has also become a dominant figure in world trade, speeding up its

economical growth even further. Because of this both China's foreign trade and its gross national product have experienced sustained and rapid growth, especially since foreign-owned firms began using China as an export platform for goods manufactured there. Giving the country an economically bright future. (Britannica. 09.08.15)

The large industrial market has brought people running to the cities to try their luck and in hope of giving their families better lives. Today the annual rate urbanisation is 2,7 percent and already the urban dwellers make out 43 percent of the Chinese population (CIA. 09.08.10). Yet many become disappointed. In the cities most are greeted by unemployment and poverty. The new reforms and policies may give the people the right to move as they wish and try their luck elsewhere, in theory, but in reality the people coming as immigrants from the countryside to the city are viewed as a second class citizen, without citizen rights. They are for example without access to local healthcare, workplace protection and education (Ford. 2007; 60). But still the shantytowns keep growing as the rural population try to get their piece of the economic wonder that is modern China.

4 Analysis

The economic development in China has affected both the political and personal lives of over a billion people. Over the last three decades China become true power in world politics. It retains a permanent seat in the UN Security Council, it is a giant on the financial market and it has the world's largest Internet market with 253 million users. Yet the single-party regime that has been governed the country for the better half of a century remains in power and the country shows only the tiniest hints of ongoing democratisation, if any. While there is no doubt that the economic growth and development has made the people freer the question as to what degree is debatable. In this chapter the influence the economic development has had on the democratic sphere of Chinese politics is analysed. This is done in three sections, each representing one of the three elements of an intermediate democracy, to see if China is coming closer to fulfilling them or not, and what impact the economic development has had on them.

4.1 Political Rights & Freedom?

In 2009 Freedom House gave China a seven in political rights and a six in civil liberties, giving the country the over all status; Not Free. But this does not mean that the country is not freer today than it was under Chairman Mao. The economic liberalisation in 1979 has led to many improved material conditions and increased options, opportunities and rights. Of which quite a few new rights can be seen as increased democracy (Ibid; 142).

Under Chairman Mao the Chinese people was completely brainwashed, and what they heard about the outside world were atrocious lies aimed to give the people pride in their country, stop any desire they might have to leave it and/or be influenced by it. The capitalistic west was beyond horrible and Chairman Mao could do no wrong. With these lies China was completely under the Communist Party's control.

But today the people have the right of free speech and access to information, though there are limitations. While it is lacking in comparison to western definitions of the right, today's China is much more accepting than the Soviet Union ever was and the state tolerance is growing. They are, for example, often lenient regarding certain areas of the Chinese policy on censorship, which was finally given official guidelines in 2000. According to which "*penal actions may result if publications, broadcasts, and performances question the leadership of the Chinese Communist Party, contradict key party and state policies, reveal military or other state secrets, threaten social stability, disregard government policies on*

ethnic minorities, or contain pornography. Publishing houses and other media that fail to observe these new guidelines may have their editorial committees restricted, receive warnings, be suspended or even be shut down.” While they still hold a hard on most aspects of this, the state hardly put any effort in dealing with the pornography industry in China, which leaves room to wonder for the future. (Ibid: 143-44) As for the repercussions if the rules are not followed, most seem to follow the guidelines. There is however some that has received harsher punishments, according to amnesty internationals 2008 report. According to this around 30 journalist and at least 50 other individuals are imprisoned today for posting their views on the Internet (Amnesty International 2008; Freedom of Expression). But considering the size of the country, pure logic would suggest that this a miniscule number compared to the number of people that are likely to have committed any of this type of ”crimes” and while complete freedom and none imprisonments would have been to prefer the critic China receives because of this seems to be something that are often blown completely out of proportion. Especially since critic of party officials and policies are allowed as long as they don’t go directly against the guidelines stated above.

Critics of other aspects of the government are however welcome to air their complaints on air during live radio and televised talk shows, which were unimaginable before Deng Xiaoping. The Chinese press is becoming an investigative branch of society and often influence policies and juridical systems in China. Television is also exposing the Chinese to subject that previously was taboo and to lifestyles and genres of music and art they didn’t know existed. This is partly thanks to the need for attract the advertising the television channels need to stay in business, advertising that only will come if the programs attract viewers. (Ibid; 149-50)

But also other areas within the sphere of free speech and access to information are freer than western media would have people believe. One such area is the Internet, and its restrictions, which was a popular subject during the Beijing Olympics in 2008, something that has resulted in a very pessimistic view of the Chinese Internet among ordinary westerners. I myself was in China with my family at this time and when some pictures wouldn’t load on my brother’s computer he immediately assumed that they had been censored, rather than blaming a slow Internet connection (which was the responsible party). Also some of my friends were quick to assume that I no longer would be able to use the popular online community ‘facebook.com’ during my visit to China, which I had no problem accessing. It should therefore be said that the Chinese government has not only permitted but also encourage the spread of the Internet and virtually everyone with a phone and modem can sign up, despite the occasional government efforts to restrict unlimited access. From 1995 to 2001 the number of Internet users grew from 50 000 to 22 million and it continues to grow and in January 2009 China became the internet market in the world with around 250 million users. The use of the Internet allow Chinese a far wider variety of options and information than is permitted in the mass media, such as reports on the government crackdown on the Tiananmen Square 1989 and the information spread is much larger and faster because of it. It is simply impossible for the

government to control the Internet as tightly as other spheres in Chinese society, if the desire is there people can find information on almost anything, including sites that advocate Tibetan independence. But the real danger in the eyes of the government is the many chat rooms that have appeared online, and the comments made in them, rather than news on websites. There are thousands of chat rooms where people can vent their anger. Yet the government allows them to remain as they also offer some benefits for the state since they work as a window to public opinions. Some of the comments, those that are considered too critical of the Party, are however deleted by the “chat room mama” within minutes of the posting. Yet, comments such as “We Chinese people don’t like our government” or “The Communist Party doesn’t let Chinese people read newspaper from overseas” are allowed to remain. But most Chinese have no interest in using Internet to bring down the government or discuss politics. Like in the rest of the world it is mainly used for business, commercial and social purposes, entertainment and information on non-politic related subjects. And as long as the benefits of liberalisation outweigh the possible costs, the Internet will remain a large part of modern Chinese society, business, political and private. (Ibid; 144-47)

The second right is the right to privacy. Again, the Chinese definition differ a great deal from the western, but it should not be disregarded because of it, this as also here the changes are significant. The enhancement of the right to privacy in China however is not due to new laws or policies specifically to protect privacy. Instead it is an indirect result of economic liberalisation, emerging property rights and government decisions to not enforce certain laws and policies that restrict privacy. The increased privacy has in turned given the Chinese people more alone and free time, for which they need to find entertainment which has resulted in people making more choices, rather than being mindless work drones. It has given them time to exercise their individual rights, an important step for democratisation. (ibid; 164, 168-69)

The third right is the right to choice of consumer goods. Psychologically speaking people who can choose from verity of goods in plenty of supply feel less dependent on the state for their material welfare (Ibid; 169). Hence this development is very important from a democratic viewpoint and completely dependent in the economic development, this as the monetary increase in the China and for the citizens are essential for such a development to occur. More independence means less acceptance in regard of tyranny and oppression.

Also the right to costumer protection illustrates the governments desire to advance the rights of it’s citizens. The fact that they have established over 45 000 organisations to deal the problem of fake products and copyrighting violations for the people’s protections is most impressive in even post-industrial societies, and certainly in China. (Ibid; 170,172)

Perhaps more important is the right to choose one’s work and change one’s domicile. The right to choose one’s own job and the right to change jobs rather than having a state-assigned job is a luxury the economic liberalisation brought with it. This as the free flow of workers and capital is a key element in the modern market economy China established in 1979. Workers became free to change jobs

and establish their own residence, just as farmers became allowed to leave the countryside and seek employment in the cities. It is however very difficult for the later group to change to urban residency because of China's tightly held household registration system, and many end up without both homes and jobs. They become part of the city's scum and the long time residences often pressure the government to destroy their shantytowns and to round them up and send them back to the countryside. (Ibid; 173, 175) But even the right to try to get a better life in the city is more than most Chinese growing up in Mao's china thought possible.

The right to personal style is a result of the increased individualism that has been introduced in China over the last 30 years. A person is no longer part of a collective in which one style fits all. It might seem like a rather insignificant right, but when people start making decisions about their lives on daily basis rather than just blindly listening to the party-state they will also become prepared to think more independently on other issues and this change of mindset is critical to democratisation. (Ibid; 175-76)

Other new rights, such as the right to get rich, to inherit money and property, buy and sell stocks, and acquire hard currency, are naturally also important markers in the Chinese economic development as well as the democratic development as these rights all ties the economic and democratic spheres of Chinese politics tightly together. It is in aim of fulfilling these rights many of the other rights has come into existence. They are also the roots of many of the rights discussed above. This however makes one question why the economic development in China is speeding ahead while the democratic development is more or less standing still today.

But then again, the economic development has also brought with it some elements that go straight against the aim of democracy. One such thing is the emphasis on the subordinate role of women and the role of exploitive practises, such as prostitution, preferential hiring of men, and violence against women, has returned after having nearly been extinguished under Chairman Mao. The elimination of the woman quota in provincial and national people's congresses and women representation in the legislative assemblies made the number noticeably decrease. Another is the heavy increase of crime, just between 1985 and 1990 the crime rate increased with nearly 400 percent. Also rural health care has taken a significant turn for the worse since the reforms, urban health care on the other hand is excellent. (Ibid; 134, 138, 180)

4.2 No Power to Non-Elected Bodies?

While China escaped the European colonisation in Asia, it did not escape foreign influence or power, which was especially strong after the loss of the opium wars in the 19th century. This influence remained until Chairman Mao came to power and closed China off from the rest of the world and external powers. Instead all

political and economical power fell to the Communist Party and the People's Liberation Army, which now functions as the Chinese national military.

While China's political leaders may call China a socialistic democracy, very little of the power falls to any elected bodies. But this was never intention of the government either, unlike the claims of the nationalist party that had to flee to Taiwan in 1949 after their defeat on the mainland. The reforms are not aimed to slowly phase out the one-party state but simply to do just that; reform. The government has repeatedly stated that the reforms are not aimed to democratise and that China never will become a democracy of the western kind (Ljunggren. 2008; 175-76). But that is not to say that changes have not occurred in regards of how the political power is divided.

Today, for example, the influence of the People's Liberation Army had over government policy has waned in most aspects, partly as a consequence of government policies to wind down the military's commercial ventures, but also reflecting a quid pro quo as the military budget has been increased well above the rate of the growth of the economy. (The Economist. 09.01.28) But that is not to say it doesn't still hold much power. The PLA was founded to be directly under the Communist Party's rule and is still today a power source for consolidating the Party's power in China (Ibid; 174).

But while the government still maintain almost all the political power in the country, they have done notable concessions in many areas, giving some of that power to the people. Though this is mostly a result of the economical reforms or to keep the new market economy afloat, or possibly to appease certain power threatening movements, rather than to stimulate a democratisation process in the country. There is also little that indicates any real power distribution from government to the people in the near future, at least not more than has already occurred.

There are however local elections taking place in today's China and the elected are given some real political power for local use. The elected in rural areas are responsible for tasks such as maintaining irrigation canals, repairing bridges, mediating disputes and operation school and health centres, as well as making sensitive local decisions such as allocating land for housing constructions and relocating farmland among families. They are also made responsible for providing food, cloths, housing, medical care, funeral expenses for childless and infirm elderly, helping the poor, supporting the army and giving preferential treatment to families of those who fought in the revolution, as well as for preventing gambling and "superstitious activities". (Ogden. 2002; 186-87)

Though they doubtlessly hold more power than for example the Swedish county administration employees do when it comes to things such as land allocation. The elected do in some ways seem more like elected social workers and civil servants than politicians.

The elected in urban election have much less power and have fewer responsibilities than those in rural regions, but their power has grown since they

took over tasks that previously belonged to the work units¹ (such as welfare responsibilities and the work unit's role as grass-roots implementers of Party's policies). They also function as mediators in neighbourhood and family disputes, preventing crimes, managing social welfare services, overseeing campaigns such as those against the Falungong etc. Moreover the government itself handed over many of its managing functions to them when it was restructuring its operations, furthering the power of the elected. (Ibid; 222-23)

But any real national elections are not going to happen any time soon in the visible future. The local rural and urban elections are as close to elected bodies that can be found in today's China. Non-elected bodies are still the one with the power, as it has been for thousands of years in China. The growing middleclass, which many westerners and political scientists expect to bring forth democracy, show little interest in doing anything about this. According to professor Jonathan Unger the Chinese middleclass is in its nature elitist and because of this many have no wish to bring forth democracy. Instead they have become the footing for the current regime and tend to support it. Rather than aiding democratisation they are more likely to stand in its way. (Ljunggren. 2008; 188-89) As

4.3 Fair & Free Elections?

China is today an authoritarian state. There are no national elections to speak of. There is however some local elections held in rural and urban China, elections that have earned much attention among abroad.

The rural elections are intended to choose representatives for the village committee. The committee deals with various tasks that party officials deem less important as they do nothing to further their carrier, but that none-the-less are necessary for the country and its development. (Ogden. 2002; 186-87)

The elections follow seven principles much similar to those of any western election. These seven principles are; direct election, more candidates than number of offices, secret ballads, majority vote, elections every three year, public counting of ballads and the right for candidates to campaign. But there is one notable difference between the Chinese election and most political elections in the west; the candidate does not have to belong to a party, however, he/she must effectively implement the Party's policies in his/her area. (Ibid; 188) This is especially notable considering the previous importance placed on the Party membership, though its influence has been phasing out since the reforms began. But the question why the elections started remains.

¹ Prior the economic reforms a work unit acted as the first step of a hierarchy linking each individual with the central Communist Party infrastructure. Work units were the principal method of implementing party policy. Also workers were bound to their work unit for life. Each work unit created their own housing, childcare, schools, clinics, shops, services, post offices, etc. This is no longer the case.

Officially speaking one of the first steps of Chinese economic reforms and development was the de-collectivisation of rural land. But the question if this really was the real reason behind the decision remains, since there are some indications that it was the fear of a rural uprising that motivated the change. While 43 percent of the Chinese population live in urban settlements today, back when the reforms started the number was much lower and a crushing majority of the population lived and worked in rural areas. But due to the inefficiency of the collectives people had already begun to ignore them and had re-divided the land and ignored the Party. The official de-collectivisation can therefore be seen as an attempt to regain control of the countryside, but even this was not enough to calm the rural population. The installation of the new *household responsibility system*, which replaced the collectives, did not solve the problem as much as it brought new problems for the Party. The assaults on tax collectors and refusal to hand over the quotas of grain to state deposits remained a common occurrence. People also started to ignore the government regulations on family size since they needed the extra workforce for their land. This in turn resulted in such instability that it threatened very the existence of the Communist Party in rural areas. Therefore it is some times claimed that it was in an attempt to deal with this rising lawlessness, chaos and collapse of the administrative and financial order that the rural village elections came to be, rather than just the desire to aid the county's new market economy. (Ibid; 183-84, 220)

But even the elections have not brought complete stability on the countryside, over the years 30 000-40 000 attempts to remove village leaders has occurred, though few have been successful as the rural power elite help their own. Yet the elections remain and there are even plans to attempt to test another kind of election. This election would be a kind of primary election for post of local Party secretary in hopes of getting less corrupt and more respected local secretaries. (Ljunggren. 2008;185)

The urban elections are run in much the same fashion as the rural elections but grant far less power to the elected than the rural elections do, mainly because they are not focused on any form of self-governance. In the cities they elect *urban neighbourhood residents' committee* and *property owners' committee* members instead of village committee members. (Ogden. 2002; 220-221)

The reason behind this significant different in power is that the administrative structure survived the economic decentralisation in the cities, unlike on the countryside. Housing, tax collection, sanitation, security, population control were still handled by the city administration or indirectly by the city through the work unit and work units in turn largely overlap the neighbourhood residents' committees, making the later a subordinate to the work unit. The committees were made simply to deal with everyday matters, such as enforcing compliance with the birth control policy and delivering the newspapers. But with time more responsibilities have been handed down to the committees as work units spin off non-productive activities. (Ibid; 222-23)

But since these committee positions are not very desired by the people, the elections are sometimes ignored and the sitting members recruit the new members by themselves instead. This as less than 23 percent of the urban population would

actually like to be elected. 32,7 percent of city voters didn't think it mattered who they voted for and over 35 percent only votes to fill their obligations as citizens. The property owners' committees, which were created in the mid-1990's due to the decision to privatise work-unit houses, are however more popular and active than the residents' committees. This as they are both much freer from the state and the state only has indirect influence over these committees, and because the residents are much more assertive about their property right than general political rights they are much more motivated to participate. (Ibid; 220-22, 227)

5 Conclusion

This finale chapter concludes the paper. It is divided into three parts, the first part is a summarisation of the analysis. The second evaluates the different theories discussed in the second chapter, basing the evaluation on the analysis in chapter four. The third, and last, part is an over all conclusion in which the research question is finally given a direct answer.

5.1 Summarisation: The impact of the economical development on China's democratisation

As Lipset determined his standpoint by observing various indicators of economic development I determined mine by observing indicators for intermediate democracy and their causes.

Looking at the developments concerning political rights and freedom it is plain to see that they are limited. But also that the economical developments, more than anything else, have played an important role in the changes that has occurred. Today foreign television channels and can be found broadcasting news and entertainment in the country, though they have to abide by state regulations, and Internet access is available to anyone with a telephone. The people have been given access to en hole new world that in the future might also awake the desire for democracy. Information and discussions that previously would have sent people to work camps are now openly discussed on television, radio and on the Internet. As the economy began to open up so did flow of information as foreigners needed the to be able to observe the Chinese market to dare to make investments and the Chinese needed to be able to observe foreign markets be able to tempt investors. While some regulations remain to ensure stability within the country and stop possible uprisings against the Chinese state, this is still a development that may aid future political liberalisation as it has already aided the economical. But it is not only the information access that has improves, people are now allowed to choose their own jobs and are given choices that did not previously exist, all because of the economic development. These choices may in the future cause a desire to be able to make choices concerning politics and who will govern, but for now the Chinese people seem rather content with the choices they can make.

But when it comes to political choices the selection is very limited. The economic development did not do much to promote such choices. The political elite chooses the political elite. The only elected bodies that can be found in China today are the rural village committees and urban neighbourhood residence'

committees and property owners' committees. These are responsible for the lowest level of government and many of their duties are done by ordinary civil servants rather than elected bodies in other countries. As to whether these elections are a result of economic development is questionable. The installation of the elections in rural areas was an attempt to regain control of these areas. The fact that the rural committees hold more power than their urban counterparts can be seen as proof of this. The state was struggling with their control of the rural areas, not the urban and yet the rural gain more "freedom" from the state than the urban does. This if nothing else could make one question the government's motives.

5.2 Theoretic evaluation

The goal with the reforms was to liberalise the economy and in this sense the government has no doubt been extremely successful, the economical development has been extraordinary. China went from having a GDP per capita just above \$250 to just below \$6000 in less than 30 years. If one should choose to believe Przeworski and Limonfi's threshold theory (and the International Money Fund's predictions of a per capita of \$6378 in 2009) this would mean that the chance for democratisation in China would now start to diminish. But then again, this prediction can be questioned in the case of China as the only real vocalisation of the desire to democratise that has happened there came in 1989 and was violently stopped and the likelihood for something like that to happen back then would, according to this theory, be very small as the likelihood of a authoritarian regime dying during any year with a per capita under \$1000 has a likelihood of 0.0066 while the likelihood for such an event was as high as 0.0641 in 2007 and 2008. Which were both two rather peaceful years in China.

Democratisation should be the next step in Chinese politics if one would listen to Moore. Due to the industrialisation and economic success the cities are nearly drowning in internal migrates from the countryside, and China is becoming less and less dependent on agriculture, which would fit nicely with his desired circumstances. As does the "*replenishment of upper-class interests around the dominance of commercial and industrial interest*", yet China remain authoritarian. Maybe this is due to the government's decision to liberalise the economy and hand over, rather than forcing the upper-class to forcefully take over, the commercial and industrial market before the upper-class began to take an interest on their own.

Lipset's hypothesis does not seem to have much merit in the Chinese case either. While the country is becoming more educated and richer no democratic change is demanded by the masses, the increased freedom is due to government decisions, except perhaps the election in rural areas but to say that it was because of a desire for a democratic revolution might also be stretching it.

O'Donnell's theory however might hold more merit than those above since the middleclass in China shows very little interest in changing things now that the

economic development is going strong, and care little for increasing their political rights and freedom, but this could be because the rich are favoured by the government, and their minority status could be the reason behind their political inactivity as increased democracy might change this. But the inactivity could just as easily be because of the Chinese culture or something else, rather than fear of the lower classes, since the poor too do little to attempt to change the political climate.

5.3 Overall conclusion

As said earlier, there is no doubt that China has become freer in the last 30 years, but rather than this being a result of the economical development, the economic development is a result of the increased freedom. While the Chinese may have been granted more social and economical freedom than before, they still have a long way to go before gaining political freedom.

The reason China has liberalised economically, and not politically, is because configuration of the reforms. While the economic liberalisation may have caused some indirect political liberalisation, which some have misinterpreted as signs of democratisation, the liberalisation's main task was to aid economic development and nothing else. The government's willingness to do this, to give up some of its power, has made it possible for it to keep the overwhelming majority of it, improve China's economy, and please the people all at once and without too severe internal complaints.

But fact is that it is impossible for the economical development in China to keep the current pace in the long run. When it slows down this may cause the people to rise against the authoritarian regime, as they have seen that increasing the freedom already helped once. That is if no democratic uprising happens before that, based on something else then economic development. But for now; the economical development is enough and the Communist Party's autocratic rule remains, perhaps even strengthened by the partial liberalisation.

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