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The Chinese Model of Development

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Thank you Mr. Stephen Perry, and thanks for the invitation from Foreign Policy Center and the All Party Parliamentary China Group.

I would like to present two arguments in the following 15 minutes. First, I argue that we are now in a time of political bias and superficiality, or a time of ideological obscurantism. The imagined democracy-autocracy dichotomy not only blinds our views, but also hinders the progress of human kind. Second, I argue that an emerging Chinese model may help reducing our bias and fostering a neo-enlightenment for the knowledge on how civilizations could live together.

A time of ideological obscurantism

Today, both the mainstream media and political leaders in the Western World are indulged in the political dichotomy of democracy and authoritarianism. Under such a dichotomy, the so called “war on terror” is being waged, Iraq and Afghanistan occupied, nearly the entire Muslim world is offended, and ugly concentration camps are built in the name of “prisoners of war.” Even Japan, frustrated with its relative decline, is trying to build an alliance of democratic nations in Asia to block China. In short, human rights are abused in the name of human rights; liberty is abused in the name of liberty; and tyrannies and military governments are being built in the name of democracy. Social turmoil, unnecessary hostilities and even wars are stirred up and justified in the name of pushing democracy forward. Of course, many understand those as wars for material interests, for strategic control of resources, or a new Crusade of medieval kind. However, ideologies do matter; they matter a lot in terms

of mobilizing public support. Religious fervor used to fan the fumes of war in the past, and the wars for material gains today are fanned by the democracy-autocracy dichotomy.

There are, of course, plenty of reasons to support the wars as such if they are winning. Obviously, however, the illusive and self-imagined wars of democracy against authoritarianism, hypocritical as they are, are not winning, but failing. They are failing for three facts: bringing bloody disasters to many areas of the world, creating growing hostilities and resistance to the West, and leading to the decline of the international reputation of the United States—the once imagined “benevolent hegemon” turns out cold and cruel. The later historians would consider today’s wars neither for justice, nor for progress.

Moreover, the Western arrogance and self-esteemed moral superiority appear weird as China emerges on the world stage.

An Emerging Chinese Model

Due to its complicated ancient and modern history, the Chinese way or China model of development has to be sophisticated, which help make our perceptions much more sophisticated than the black-white dichotomy of liberty against tyranny or democracy against authoritarianism.

China model consists of four sub-systems, they are: a unique way of social organization, a unique way of developing its economy, a unique way of government, and a unique outlook on the world.

As many China specialists already find, the way with which the Chinese society is organized is rather different from those in the West. That is to say, the state-society dichotomy does not apply. Instead, the state is not the kind of state we often see in the West, and the society is not organized in terms of civil societies. The state and societies are intermingled with each other, penetrated by each other into an entity or many entities like waves of concentric circles.

As many of you perhaps already know, the Chinese economy is rather difficult to

classify: it's neither an American kind of liberal market economy, nor a social market economy of European kind. And of course, it is not a Stalinist command economy. It's an economy with free markets of labor, and free markets of commodities and very soon, of capital flow. The market competitions are so intense that everywhere we see fraud and fakes, like those in the U.S. in its early years of industrialization. On the other hand, we see the state's very determined intervention in the use of land and natural resources, as well as a few very strong state enterprises, banks, and research institutions, leveraging domestic and overseas competitions. Are there other options for China, like American way, European way, or the Soviet way? I have to say no, China has to be like this. This model grows out of the trials of error, and will not change simply because other nations dislike it.

As is also seen, China's outlook on the world affairs is rather different from the Western ones. China may or may not consider its socio-economic-political system as superior to others; it does not matter at all. What really matters, in our traditional and modern outlook, is to live in peace and harmony with others. How can we live in peace? We do business in the mutually beneficial way, sustainable to the future, and with respect to our socio-cultural differences. Converting others to China's belief system is completely out of question, for it must improperly derive from the feeling of fear, anxiety and arrogance. If others want to follow our example, it is great; if not, fine. No argument, no conflict. So came our ancestors' teaching from over three thousand years ago that "Chinese should never govern non-Chinese (*hua bu zhi yi*)."

Meritocracy and Democracy-Autocracy Dichotomy

Perhaps, it is China's political model that is most annoying to those who champion the democracy-autocracy dichotomy. I want to make a four-point explanation with regard to this, hope it be inspiring to the open minded.

(1) Most Chinese don't buy the dichotomy, for it virtually explains nothing in the Chinese history until today. According to the dichotomy, China has been under authoritarian regime all the way down from the first emperor whoever he was, to

today's communist regime under Hu's leadership. It is also said that, the communist regime represents the worst kind of all the authoritarian regimes. Where and how can we explain China's success before and progress today in this simple dichotomy? One fifth of the world's population have made great progress in the past few decades, without sending a large amount of people to settle in other countries, without occupying two Americas, Africa, India, Southeast Asia, and Oceania, and without launching two world wars in the 20th century. How could just a label of authoritarianism scare us away from what we've been doing and with great success?

(2) A political system is based on two basic factors: social structure and social consciousness. Now the mainstream media and political leaders no longer tell people about the roots of politics. Instead, they mislead people with the idea that if all others imitate liberal democracy, they would all become as wealthy as the West, and the perpetual peace of the world arrives. The war on autocracy or terror is thus morally justified. However, China's social structure has been radically different from the Western ones; it has been an undifferentiated society of extremely high mobility. China's social consciousness is also different, which believes in a government of neutrality, representing the integration of interests of all the people. This is to say, China's social structures and the perceptions of regime legitimacy are quite different from the Western ones.

(3) All political models have four major pillars. Ideas about people-government relationship, the way government officials are selected, the approaches of organizing government and enforcing the governance, and the arrangement to correct government mistakes. Judged by these four, I would call China's political model a meritocracy instead of a democracy; and our contrast is about democracy vs. meritocracy, not democracy vs. autocracy.

(4) We know that China model is full of loopholes, just like those in liberal democracies, and just like any existing in the real world. Not only that, due to the surging turbulence in the modern history, the Chinese model has still not yet become mature and stabilized. In fact, any ideal model, once applied in the complex reality of China of 800 million farmers and 500 million urbanites, and the great differences

from the south to north, from coast to inland and high land, would appear pale and weak.

Then why do I try to summarize China model? First, the coming of a successful China with its ideological neutrality would help some of us break away from the false call for democratizing “authoritarian” states, and learn how to respect and live with each other. Second, in our aspiration to learn from the West, I want to make sure that we plant some Western seeds not to harvest only fleas.

Thanks for your attention.

Questions & Answers

Q. Two comments and one question. Now Chinese are obviously governing non-Chinese, against your alleged traditional doctrine that Chinese do not govern non-Chinese. Economically, China seems following barely an old capitalist model of export-driven growth. Will China soon adopt a policy of free capital flow?

A. First, I understand that you must be thinking about Tibet and other ethnic minorities in China. We are now in a time of nation-state. People of all ethnic groups within the political boundaries of a country belong to one nation. Minorities in China are Chinese citizens and they are Chinese. This is to say, China is not governing non-Chinese, unlike the U.S. is governing Afghanistan or Iraq. Second, China’s growth is not simply export-led capitalist growth. Some kind of socialism is real in China, and we are one of the most rapid growing markets for imported goods. For example, 150 million migrant workers from rural areas, which is the size of half of the U.S. population, are now working in major cities in China. Market economies have ups and downs. When the Chinese market goes down and migrant laborers lose their jobs, they have a safe home to return. Back in their home villages, each family is

assigned a roughly equal piece of farmland, and given a free lot to build houses upon the time of their marriage. This is one of the many factors of Chinese socialism, which is real and firmly supporting our market economy. Third, some 15 years ago, I used to predict that China would become the strongest hold for free trade; no one believed me then. Now I predict that some 15 years later China would become the strongest hold for free capital flow. It's not yet as open as a few other countries, mainly because of the lack of technical know-how, not of ideology. China is yet to understand the capital markets, their security mechanism. For example, we suddenly realize that the U.S. and British financial markets are actually not as open as we imagined, some protective mechanism is quite solid. We want to make sure that China's financial markets are open but also safe, as safe as those in the U.S., G.B., Germany, and Japan.

Q. You don't believe in universality of democratic value and the importance of democratic politics in China?

A. It depends on how one defines democracy. For example, I understand that many would include rule of law and elections as part of democracy. But the principles of rule of law may be radically contradictory to those of elections. I don't believe that majority principle for selecting leaders is a "universal" value for politics. Social configurations and social consciousness are extremely important. Electoral politics are based on predetermined social cleavages and traditionally even some kind of hierarchical social stratification. Electoral politics smooth and institutionalize class struggles, and here winner taking over the power becomes a popularly accepted mentality or culture. What if we encounter an undifferentiated society? Without rule of law, electoral politics there would become a war of all against all, like the latter half of the 1940s in China. Therefore in China, the majority principle is not an established mentality for legitimacy of leadership. Instead, it's considered merely a game rule for power struggle. Thus, in many of the successful East Asian areas, parliamentary politics are somewhat marginalized in contrast to the bureaucratic institutions. Hong Kong and Singapore are two places where rule of law is important

and parliamentary politics is only supplementary.

Q. Could meritocracy go with autocracy? How could you possibly build rule of law without first building democracy?

A. Yes, meritocracy may go with autocracy. However, democracy may go with autocracy, too. It is rule of law that never goes with autocracy. The essence of rule of law lies not in how the law is made, which has to do with democracy. The essence of rule of law lies in whether the laws actually rule, or only remain on paper. I understand rule of law as mainly separation of government power to form checks and balances, or more precisely, as judicial independence. The executive and legislative branches of the government are often not separated, as in Europe where parliamentary sovereignty is the reality. In the U.S. the two are seemingly separated, but their voters do overlap, and two branches closely collaborate with each other. Therefore, rule of law is executed through independence of the judiciary and the effective law enforcement, namely, a quality civil service. As to the argument that democracy must go before rule of law, I suggest that we look at the evidence in the Western history, and look at that whether the third world today with democracy are having rule of law. On the other hand, HK, Singapore, Japan, Korea, etc., all have rule of law before or even without democracy. Moreover, I personally do not believe that the success of the U.S., the Great Britain, and the entire West, has been based on electoral politics.

Q. What's your comment on China's moves for oil, and in Sudan, Burma, etc.?

A. China is manufacturing for the entire world, using its own natural resources and leaving pollutions inside China. Personally, I dislike China becoming the world's factory and chimney. It is the entire developed world that encourages China to do so, and China needs energy to get the job done. We are living in a world of imbalanced "interdependence" as such. In Sudan, China did nothing wrong. China did not create social chaos there, some other countries did. China got in after the Western powers left, leaving chaos there. China cooperated with the government instead of the rebels to purchase oil and offered a large amount of aid. Now Europeans and Americans

want to return and blame China for wrong doing. China is willing to compromise. That is it. As to Burma, it's no more of a military government than Iraq and Afghanistan, and Chinese know clearly why it is Burma instead of Saudi Arabia or Somalia. Burma is bordering China, and China knows Burma better than the U.S., just like Japan knows China better than the entire West and was the first to reconnect China after Tiananmen in 1989. Few people know that China has quietly helped Burma to turn the "Golden Triangle" area into an agrarian and manufacturing area. It used to be the world's largest drug producing and trafficking center. Now Afghanistan takes the place. Think about what the U.S. has been doing in Columbia, we know that China does a much better job. High political pressure wrapped in "human rights" appears weird when everyone in China knows its geopolitical stake. However, China is willing to compromise. In sum, China intends to do business while using a part of the profit for aid, helping poor countries to reduce poverty. While China is giving out aid in Africa, it's also blamed that China is not observing "international standard." All want to dictate what China should and should not do. The lack of trust is rather difficult for China.

Q. China is proposing a "harmonious world" while rapidly building up its military might. Do you buy the doctrines of realism in international relations?

A. On the one hand, we know that this world without a world government is an anarchic and unsafe one; sometimes the law of jungles does apply. On the other hand, we are not just in jungles; we humans do have a sense of justice. When we believe in the common sense of justice, we keep a military force that is "enough" for defense, and we should minimize the use of force in the world. Now every country keeps a military force. I know that even with the U.S. military protection, the Great Britain is building two new aircraft carriers. China with a long coastline still does not have one while India has two, and Japan has several battle ships that can carry aircrafts. Military might is for defense in China. During the Cold War, when two super powers were crazily accumulating unnecessary number of nuclear warheads, China was smart to believe that a few would be "enough" for deterrence. Only during the most recent

decades, China started modernizing its backward military force. The reason is quite obvious, the Taiwan issue is deteriorating, and the U.S. has broken its promise of reducing arms sale to Taiwan till the final stop. Of course, the potential arms conflict is not about a war with the military force of Taiwan, but with the intervening U.S. force. And in the recent decade, the U.S. military expenditure has been growing much more rapidly than anyone in the world. Some in China believe that it is the U.S. that is forcing China into a competition of military build-up, like an old game of crashing the Soviet economy. China is quite alert of that, and Chinese is not going to compete with the U.S. for military teeth. As to a “harmonious world”, it’s a wish, a good will. I wish that let’s not create and intensify conflicts of the world by ideological myth. Ancient Greeks made mistakes in Peloponnesian War with wrong perceptions. Athens and Sparta should have been the two horses, together pulling the Greek world of the city states forward. As many historians find today that some powerful Athenians intentionally exaggerated the differences of their life style with Sparta, for they considered Sparta the only obstacle of expanding the Athenian Empire. That led to the tragic end of the Greek city states.

Q. Please comment on the human rights situation inside and around China (N. Korea, Burma, etc.). Do you think that international NGOs, such as Amnesty International, should be of help?

A. I personally believe in self-government of the nation states. External pressure does not help easing the humanitarian situation. For humanitarian purpose, we could offer aid, but not with a sense of moral superiority. Chinese do not like teaching others how to protect their “rights.” We may offer our learning only if invited to do so. That is why China’s influence in N. Korea and Burma is generally considered good. We have quietly done a lot of things for the two countries, and the situation there are not becoming worse, unlike some other regions where the “rights” people have a heavy hand there. As to China’s human rights situation, the media here like to paint a gloomy picture for the popular taste of the people in the West, using a few very unique cases to represent China’s general situation. In general, I do not have problems

with internationally operated NGOs in China. However, some of them come only for “improving human rights”; and they are directly or indirectly funded with government money, serving the governments’ foreign policy purposes. So they do not have much credibility in China. China’s “human rights,” no matter how they are defined, are rapidly improving. And we do have freedom of speech, to say at least. Let me tell a story. An American scholar funded by an American foundation did a large-scale survey in China, and found that more than 80% of the people support the regime. American publishers do not like publishing his research results, for the publishers believe that it couldn’t be true. People in China under the communist control dare not speak the truth. He had to change the strategy of constructing his research question: how Chinese are so stupid in being led to support the communist regime? Then his paper is accepted. For Chinese, this seems weird.

Q. Could you define “meritocracy”? How can China under the current one-party rule and without open and direct elections allow government accountability, removal of bad leaders, and reducing corruption?

A. By “meritocracy” I mean entering the government with examinations, and being promoted with constant performance evaluations. China invented this, which has now spread to all corners of the world. It’s the greatest contribution that China has made to the political civilizations in the world. The point is that China has emphasized this until today. Today, both the government and party officials must go through this process of examination and evaluation process. As to accountability, this meritocracy is not inferior to electoral democracy. Chinese government is fairly accountable to the people’s demands, outperforming most of the developing countries. I remember that Mr. Pattern, the last Governor of Hong Kong, used to write his puzzle: India has periodically elected leaders, but the Indian government is virtually abusing its people; while Chinese communist government is not truly elected, but it well takes care of people’s welfare like parents. As to the replacement of the leaders, China does have institutionalized rules of periodical leadership replacement. The age limit and two-term limit has led to the youngest government among large countries. The fact is,

now the Chinese government positions are in very fierce performance competitions, despite that patron-client ties do play a role like anywhere in the world. As to the corruption issue, it depends on building an independent judiciary and independent anti-corruption agency, on building rule of law, so to speak. There are a number of reasons for the explosion of corruption in the mid-1990s till today. I am personally optimistic about the future of curbing corruption under this Chinese communist regime. Hong Kong did it, Singapore did it, Japan did it, and the Chinese communist government did it overnight in the 1950s. In contrast, Taiwan government, with elections, has become more corrupt than before; and the same happened in the countries of the former Soviet bloc. Merely competitive elections do not curb corruption, nowhere it does or did. How about the U.S. and the Great Britain? Twenty years later, we might be able to see a government in China which is fairly honest and clean. Yet it depends on building rule of law. It's hard to correctly predict the future of twenty years later; but I have an instinct to believe that China is going to follow the Hong Kong way and Singapore way.

Q. Then how do you explain the success of the village elections in rural China? When do you think that the rural elections will further extend to the township and county level?

I happen to be an expert on rural China. I wrote my Ph.D. dissertation on that topic. Rural grassroots election is not a new thing in China. From the time of Yan'an, the communist base before the government takeover, until before the reform, the rural grassroots leaders were always elected. The difference is, in the early 1990s, grassroots elections were enforced by law that no proposal of the Party candidate should be allowed; namely, there must be two rounds of elections, the first one for candidates. It's virtually a law that discourages the Party's leadership in the countryside. What is the result then? Now it's quite clear, even the active supporters of the free elections admit that it creates more problems than solving any problem. It's no longer a government emphasis now, for it is widely believed a failure in general. I don't think it will be further extended to the government level of township and county.

By law, village authority is not a level of government, but a self-rule organization. It's rather strange that China has a national law to regulate the way the village is organized.

Q. How's the influence of your "rule of law" view among the Chinese leaders? Are they going to accept your view?

That is what I don't know. I have little tie in the government so I can't answer this question. However, the proposal is clearly on the table. This view right now does not belong to the mainstream, official or non-official; yet I personally believe that this view has a pretty good future.

Q. How is the future of democracy in China; and how is the future of the Chinese One-Party rule?

It depends on how one defines democracy. Democracy today means many different things to many different people. During Mao's time, democracy meant ownership of property by all the people and the participation of people in public discussion and management of their work place. Today democracy could also mean guarantee of people's welfare, people are free from oppression, foreign or domestic; or it could include freedom of speech and press. Whatever it means, it may not just mean free competitive election of parties. Chinese Communist Party is the ruling party, but it is not a "party" in the sense of parliamentary politics. It's an elite organization that has no particular social base. Somehow it is inherited from China's old governing practice, namely, a group of neutral Confucian elites form a governing body. It only dies when the group becomes corrupt and starts abusing people's welfare. It is the party that could be buried any time, like the KMT (the Nationalist Party) was in the mainland China in the 1940s. Therefore, it is important to remember that it is not a parliamentary party in the Western sense.

Thank you all for the tolerance.