

# FINANCIAL TIMES

## China needs proof of democracy's advantage

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China is ready for democracy. The arguments against it – heard frequently not just from government officials but from members of the nation's rising “middle class” – are specious. They are motivated partly by an understandable fear of instability but more by the self-interest of the elites who now hold power.

Yet there is also little evidence that the growing dynamism of China's economy is creating space for the emergence of democratic institutions. Even as it reformed the economy, the Chinese Communist party skilfully strengthened its control over important economic actors – including virtually all of the nation's big companies. It also ensured that responses to the country's major social ills flow mainly through government channels.

There is a tendency among westerners who have forgotten their own history to view democracy dogmatically as an end in itself. In reality, democracy emerged principally as the best means to achieve other desirable social ends such as stable power succession, fair distribution of public goods, the resolution of conflicts between interest groups and government accountability for the use of tax money.

The party's strategy is to accomplish as many of these ends as possible within the existing political framework, thereby undercutting the argument for democratisation and power-sharing. Uniquely among communist nations, China achieved a peaceful transfer of power from one living leader to another leader who was not a family member, when Hu Jintao took over as state president from Jiang Zemin in 2002. It has laid the groundwork for another smooth transition in 2012, when vice-president Xi Jinping is expected to take over from Mr Hu.

Mr Hu and Wen Jiabao, his premier, attacked the problems of rising inequality and deteriorating social services with their “Harmonious Society” programme. This first raised farm incomes and now focuses on improving access to education and healthcare. Spending on social services rose by 28 per cent in 2007, well above the 23 per cent growth in total government expenditure and the 17 per cent rise in declared defence spending. Further big rises in social service spending are likely in the coming years.

The party has also tried to stem the tide of corruption and local government malfeasance by a host of measures which include regular rotation and term limits for officials, mandatory retirement ages and stepped-up discipline inspections. Training programmes and performance review systems have significantly raised the professionalism of officials and forced them to focus on goals such as environmental protection and responsiveness to citizen complaints, alongside the traditional economic growth targets.

None of this is accidental. As China scholar David Shambaugh details in a new book, *China's Communist Party: Atrophy and Adaptation*, the party carefully studied the collapse of the Soviet Union and concluded that to avoid

the same fate it needed to run a dynamic economy, restrain corruption and ensure that government stayed responsive to changing social needs. The successful execution of this strategy has resulted in what another **sinologist Andrew Nathan** has aptly dubbed “Resilient Authoritarianism”: an autocratic system responsive enough to societal demands to keep itself in power for a long time.

For democracy advocates inside and outside of China, the Communist party’s relative success in improving its governance capacity means that arguments resting on the a priori assumption of democracy’s superiority will fall on deaf ears. This is particularly true because the Communists’ programme especially benefits the natural constituency of a more open society. This is the so-called Chinese “middle class” – people in cities who have significant discretionary income left over after basic necessities are paid for.

Calling this group a “middle class” is severely misleading. Although large in absolute terms (perhaps 150m-200m) it is in reality a privileged elite, comprising no more than 15 per cent of the total Chinese population. Members of this class grumble about corruption but on the whole they have fared quite well from China’s economic boom of the past decade. They know that if democracy were introduced tomorrow they would be outvoted and they have little interest in changing the system.

This crucial elite constituency will embrace democracy only when it is convinced of democracy’s superior ability to guarantee (in the medium to long term) political stability, improved social services and a clean government accountable for its use of public funds and responsive to new social demands. This argument can be made, and it should be made. The task for democracy advocates is therefore not to lecture the Chinese on the inherent superiority of democracy, but to prove it by marshalling the evidence that it promotes stability and better satisfies social needs.

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