

## Governance in China in 2010

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**Abstract:** China appears to be many things at once: it has wealthy cities and poor villages; the futuristic cityscape of Shanghai exists alongside ancient traditional temples; it is a Communist state and a booming capitalist economy; it shows a Han Chinese face to the world as it struggles with multinational diversity; it ranks well on governance for its economic development index but still confronts enormous governance challenges. How well China deals with its governance challenges will impact not only all of Asia but also the entire world.

**Keywords:** China, Chinese Communist Party, economic development, governance, government, multiethnicity, Xinjiang

In China, in the summer of 2008, a dump truck rammed into seventy border patrol paramilitary police during their routine early morning jog. After the truck hit an electrical pole, two minority Uyghur men jumped out, tossed homemade explosives, and attacked the surrounding police with knives. Fourteen officers died on the spot and two others died on the way to the hospital.<sup>1</sup> Can strife like this mean that governance has failed in a country as large and diverse as China? What challenges and methods are available for governance under such complex circumstances in 2010?

China can appear to be many things at one time: it contains wealthy cities and poor villages; the futuristic cityscape of Shanghai exists alongside traditional temples of past millennia; it is a Communist state and a booming capitalist economy; it shows a Han Chinese face to the world as it struggles with multinational diversity; it ranks well on governance for its economic development index

but still confronts enormous governance challenges.<sup>2</sup> With the intentional and unintentional changes surrounding economic development and China's ensuing social changes, the development process has generated new governance challenges for the state.

Most of these challenges, however, are not new to observers; instead, they have been exhibited in other East Asian countries that post-Deng Xiaoping leaders have watched closely. There are some notable governance challenge results that the Chinese Communist Party (CCP) would like to avoid, such as the fall of the authoritarian governing systems that developed the original East Asian model, as occurred in South Korea and Taiwan. China would much rather pattern itself on the Japanese and Singaporean systems that have, to a greater or lesser extent, managed to hold onto one-party rule. Another challenge is that China is so diverse in terms of ethnicities, geography, development level, and heritage that the models of much smaller, more homogeneous East Asian neighbors, including Singapore, Japan, Hong Kong, Taiwan, and South Korea, hardly apply.<sup>3</sup> Overall, the export-based model's general economic approach appears to be sound, but the connection between economic development and good governance is unclear.<sup>4</sup>

Major governance challenges in China occur in various areas and require a variety of potential solutions, including (1) elections and intraparty democracy targeting increasing inequality within society, social tensions, and corruption;<sup>5</sup> (2) a comprehensive program of far-reaching institutional reforms to define the role of the state, improve management of public spending, make public action more efficient and effective, and assure social stability;<sup>6</sup> and (3) pacification of the occasional violence perpetrated by ethnic minorities that sometimes challenge, good governance attempts.

*Good governance* is a generic term originally borrowed from corporate governance but has come to have a much wider, more diverse meaning when applied to political governance. Political governance tends to look at issues such as civil and political rights; freedom of press and speech; elections; social and economic rights, including poverty, infant mortality, life expectancy, literacy, and government spending on education, health, and the military; law and order and social stability; minority rights and women's rights; and the quality of governance, including rule of law, corruption, regulatory effectiveness, and equality.<sup>7</sup>

As a major subtext, good governance has come to replace previous decades' rhetoric of democracy. The East Asian model offers several examples of governance: the decades-long domination of politics by the Liberal Democratic Party in Japan, wealth with a hybrid authoritarian/democratic regime in Singapore, the breakaway parties of the Kuomintang and Democratic People's Party forming into dual pan-coalitions in Taiwan, and the dynamic multiparty system of South Korea.<sup>8</sup>

China's leaders are mentioning democracy with increasing frequency and detail in the current political environment, in which good governance is so often

linked to the term, with the intention of implementing political reform that enhances, rather than undermines, the governance of the CCP.<sup>9</sup> When current president Hu Jintao was head of the Central Party School, a position now held by vice president Xi Jinping, this school for training senior CCP cadres studied such sensitive topics as political reform, direct elections, and Europe's social-democratic parties.<sup>10</sup> In 2002, Hu Jintao said that one of his major reform tasks was to "strengthen democracy at all levels."<sup>11</sup> Later, in a 2004 speech to the Australian parliament, and on numerous occasions during his 2006 visit to the United States, Hu mentioned democracy. "Democracy is the common pursuit of mankind, and all countries must earnestly protect the democratic rights of the people."<sup>12</sup> In his 2007 speech to the Seventeenth National People's Congress, Hu said, "To develop socialist democracy is our long-term goal. The government should expand political participation channels for ordinary people, enrich the forms of participation, and promote a scientific and democratic decision-making process."<sup>13</sup>

Premier Wen Jiabao, like Hu, articulates the CPP's vision of democracy, which requires the preservation of the party leadership, albeit with a "deliberative" form of politics that allows individual citizens and groups to add their views to the decision-making process, rather than an open, multiparty competition for national power. In his address to the 2007 National People's Congress, Wen declared: "Developing democracy and improving the legal system are basic requirements of the socialist system."<sup>14</sup> According to John L. Thornton, when Wen was asked what he meant by democracy, what form democracy was likely to take in China, and over what time frame, he responded, "When we talk about democracy, we usually refer to three key components: elections, judicial independence, and supervision based on checks and balances." Wen apparently envisioned elections expanding gradually from villages to towns, counties, and even provinces, and judicial reform to assure the judiciary's "dignity, justice, and independence." The Premier assured the questioners: "We have to move toward democracy. We have many problems, but we know the direction in which we are going."<sup>15</sup>

Beijing is experimenting with a dual track to advance the democratization process within governance. One track, from the top down, is intraparty democracy that then spills over into the state politics; the other track is from the bottom up, with grassroots elections that then rise to provincial- and national-level political institutions.<sup>16</sup>

Elections are being closely watched in international circles.<sup>17</sup> In a pattern reminiscent of how China approached market reforms in the 1980s, Beijing now encourages limited governance experimentation at the local level, closely watching the election experiments. As different localities try different approaches, a senior official at the Central Party School told John L. Thornton the school will study the results.<sup>18</sup>

In the parlance of good governance, however, elections themselves are not sufficient; the terms *free* and *fair* are almost always attached. According to Julia

Kwong, the electorate still holds some traditional values that may stand in the way of making choices appropriate to fair and free elections.<sup>19</sup> One concern is corruption, because personal ties, which contribute to corruption, traditionally play an important role in Chinese social life (as they do elsewhere in East Asia) and continue to be a strong consideration in elections. However, China's tradition of institutionalized rules makes corruption less prevalent than in other developing countries.

Another pressing concern regarding elections is the perception of the citizenry's relationship with elections. Chinese citizens largely see themselves as submissive subjects looking to officials to protect and safeguard their interests, as opposed to the rulers of public servants. Nonetheless, suffrage is nearly universal—almost every law-abiding citizen living in the area of his or her household registration has the right to vote.<sup>20</sup> Political leaders must identify and then adopt appropriate strategies to develop sustainable institutions based on the subtle but powerful social and cultural forces that shape elections.<sup>21</sup>

A third concern, and probably the most prevalent, is official manipulation surrounding elections. Eligible voters are permitted to nominate candidates, the number of candidates is more than the offices available, and voters use secret ballots. There is electoral political machinery, and elections are not subject to military intimidation. However, Chinese political leaders, despite the 1982 change in rules, continue to influence the elections to maintain their power and protect their interests, including the prerogative to select the final slate of candidates on the ballot sheet, put the names of their favored candidates ahead of others on the ballot, and provide their candidates with large resources.<sup>22</sup>

The dual tracks of intraparty democracy and experiments with elections are designed to prolong CCP rule.<sup>23</sup> Party leaders currently consider intraparty democracy to be more significant for China's long-term political reform than the experiments in local elections. According to the current leadership's thinking, a party that accepts open debate, internal leadership elections, and decision making by a diverse leadership group with disparate power centers may be a prerequisite for good governance in the country as a whole. Hu and Wen routinely call for more discussion, consultation, and group decision making within the CCP. Intraparty democracy was a centerpiece of Hu's keynote address to the Seventeenth National Congress of the Communist Party of China in September 2007. Not long after the meeting, Li Yuanchao, the newly appointed head of the Party Organization Department, published a 7,000-character essay in the *People's Daily* elaborating on Hu's call for intraparty democracy.<sup>24</sup>

One of the ways that the CCP promotes intraparty democracy is with its system of managing the selection of leaders—putting forward multiple candidates for positions at the municipal level. The cadre management system<sup>25</sup> and the cadre responsibility system assess the CCP's capacity and allow it to shift its policy priority.<sup>26</sup>

Another way the party promotes intraparty democracy is through “interest groups,” although organized “factions” are still not acknowledged. This leads to predictions that the CCP may one day resemble Japan’s Liberal Democratic Party, in which formal, organized factions compete for senior political slots and advocate different policy positions.<sup>27</sup> Several groups are apparent. One interest group is the “Shanghai Clique,” sometimes referred to as former president Jiang Zemin’s faction, which is squarely in the midst of the “Right” camp. The Right largely supports slow political reforms and rapid economic development. Another faction, the “New Right”—or liberals—pushes for faster political reform, warning that a lack of progress could lead to social unrest and political crises.<sup>28</sup> Another group is the “New Left,” which criticizes China’s economic reform on issues of social injustice and concerns with corruption. The “Left,” also seen as the conservatives, accuses the leadership of embracing a breed of capitalism that has spawned a dangerous mix of rampant corruption, unemployment, a widening income gap, and potential social unrest, warning that the Socialist cause has lost its direction and that the country is “going down an evil road.”<sup>29</sup> Hu and his Central Party School alumni-based faction occupy the middle. The Central Party School acts as a tool for the CCP to shift the information given to new cadres.<sup>30</sup>

The debate between the conservatives and liberals focuses on a multitude of social ills, including corruption and widespread social injustice, to push agendas and pressure Hu and Wen. Debate about the direction of the country flows in universities, think tanks, journals, the Internet, and CCP forums. Economists debate inequality, political theorists argue about the relative importance of elections and rule of law, and policy conservatives argue with liberal internationalists about grand strategy in foreign affairs.<sup>31</sup> Academics and thinkers often speak freely about political reform. The Chinese like to argue whether it is the intellectuals who influence politicians, or whether groups of politicians use pet intellectuals as informal mouthpieces to advance their own positions. Either way, these debates have become part of the political process. For example, intellectuals are regularly asked to brief the politburo in study sessions, prepare reports that feed into the party’s five-year plans, and advise on the government’s white papers.<sup>32</sup>

Partly in response to mounting pressure from the factions, Hu is subtly refining his policies in a bid to win broader support.<sup>33</sup> Partly to avoid the pitfalls of extremes, Hu seems comfortable in the middle (as technocrats often do).<sup>34</sup> Hu and Wen are implementing more liberal policies compared with the preceding Jiang–Zhu Rongji administration. “Our primary aim is to deconstruct the illusion of neoliberalism in China,” says Wang Hui, a leading Leftist intellectual and professor of the humanities at Beijing’s Qinghua University.<sup>35</sup> It is the Left’s belief that the current direction of economic liberalization in China has led to a nexus between CCP elites and business interests who have plundered the nation’s assets under the cover of privatization.<sup>36</sup> Party liberals, however, have been trying to promote European-style Socialism, sending teams of officials to learn those

systems. Hu and his centrist supporters have been trying to revise the long-standing CCP doctrines of pursuing economic growth above all else and have been devoting more attention and resources to improving public services and providing better care for the poor and weak.<sup>37</sup> The eleventh five-year plan and its outline of the new harmonious society is a template for a new Chinese model. For the conservatives, it keeps a gradualist reform process, rather than shock therapy, and allows the market to drive economic growth. For the liberals, it also incorporates a concern about inequality and the environment and a quest for new institutions that can marry cooperation with competition.<sup>38</sup>

Although there are tensions within the CCP regarding the direction of political reform, there is little dissension to the effect that political reform must occur because of economic reforms that question the party's legitimacy, the fear of social fragmentation, and globalization.<sup>39</sup> Contrary to some predictions, not only has the CCP not collapsed in the midst of elections and intraparty democracy, but it has maintained a peaceful leadership transition process, is revitalizing itself, and is creating a younger and better trained official corps that is much more flexible and much less dogmatic.<sup>40</sup> This question of the CCP's ability to survive and its adaptability is a fundamental question not only in China but also in many other parts of the world.

The party leadership was concerned about the long-term, high-quality sustainability of the CCP, especially after the global changes of the 1990s. Former vice-president Zeng Qinghong frankly discussed the painful lesson of the collapse of Communist parties in the former Soviet Union and Eastern Europe. The CCP, determined to avoid this fate, has embarked on over a decade of party renewal and reform. The lessons from the collapse of the Soviet Union motivated the party leaders to use the dual tracks of experimental reform at the grassroots level and to strengthen state and party institutional capacity at higher levels. Four factors explain the CCP's divergence from the path of other ruling Communist parties to date: (1) economic expansion, (2) party hierarchy development, (3) unprecedented increases in college-level education, and (4) comparatively slower privatization of state assets and the building of a social safety net balanced with the issues of social inequality. With these dynamics, China's fate may no longer be analogous to the late twentieth-century ruling Communist parties, and it may be more analogous to other East Asian one-party states. Certainly, the current Chinese leaders strive toward this future.

The CCP's determination to change—seeking its own revitalization, greater legitimacy, and improved governing capability to survive in power—is a key force driving continued political reforms. In the past thirty years, the party has changed enormously, building a system based on collective decision making at the top and incorporating private property protections in the constitution. The CCP has developed rules such as retirement ages, principles for balancing factional interests, and an intraparty promotion system that places greater emphasis on education,

competence, and performance, rather than on personal loyalty alone. Government has become more institutionalized, ensuring that power and policy are linked to specific offices and government positions, rather than personalities.<sup>41</sup>

The institution-building in China is a must in the struggle for stability in the midst of massive social and economic change. Building the political institutions needed for good governance is gradually giving disaffected elements, such as unemployed workers or politically concerned intellectuals, a way to interact with the government instead of resorting to destabilizing demonstrations and mass protests to air grievances and get redress.<sup>42</sup> And, as Samuel Huntington observed long ago, political systems that arouse high popular expectations without developing effective institutional mechanisms for handling such feelings within the system are asking for trouble.<sup>43</sup> Moreover, with China's Socialist legacy of state responsibility for the individual, there is still a cultural tendency for the state to be either credited or blamed for what happens in people's lives.<sup>44</sup> Blame, whether for a banking crisis or a worker's compensation failure, will be openly pinned on the party itself.<sup>45</sup> Chinese leaders appear to realize that the China of 2010 is far too complex to be ruled entirely by fiat from Beijing and has to be governed by competent institutions enjoying the public's confidence.<sup>46</sup>

By announcing the establishment of five superministries as part of the 2008 government reforms, the Chinese government is trying to do at least three different things through institution building: (1) continue economic growth on a stable path, (2) enhance administrative efficiency, and (3) increase clean governance in China. For instance, one superministry is dedicated to environment. China has been working on the environment since the early 1990s, establishing the State Environment Protection Administration (EPA) in 1998, which initiated regulation and monitoring of regulations. However, in the last ten years, the EPA has been undermanned and underfunded, so an environmental superministry is dedicated to enhanced institution-building. The superministry for the environment means additional funding and manpower for the environment and raises the issue's profile. The superministries are partially meant to cut down on corruption and abuse of authority on the more local level and are based on looking at other major bureaucracies and governments around the world. The superministries use the concept of centralizing power to control policy and enhance regulation. They also have more power to punish offending officials and deal with the issue of corruption, although it is not an absolute that centralizing power consistently achieves lower corruption. One sector that failed to receive a superministry was energy, partly because of opposition from state-owned corporations such as PetroChina and the state grid of energy providers and recipients. These corporations are gaining greater influence and do not like scrutiny from Beijing. Top Chinese officials have been aware of the need for more institution-building in the energy sector for some time. For instance, there is a lot of complaining even among the existing Chinese bureaucracy that officials working in the energy sector or for PetroChina can make as

much as ten times more money as officials working in other kinds of ministries. Food and drug safety now falls under the Health Superministry. This area of institution building partly results from the issue of trade: Some of the exports that have come out of China (food and other types of commodities) have had serious contamination problems. Even more important, there have been a number of major scandals within China in which contaminated food sickened school children. There is very low tolerance for that among the Chinese general population (and that low tolerance can transfer to the government).

The first area in which China focused institution building is the economy, which is rational, given that China's economic development drives the governance challenges and successes. A combination of political, institutional, and economic factors combine in complex ways to shape the way power and authority are distributed and regulated, as well as the nature of governance problems in China.<sup>47</sup> Throughout much of its history, China was the world's largest economy, accounting for one-third of the world's GDP as recently as 1820, and was just a few years behind Japan in its technology for machine tools in 1960. For economic historians, the reality is not the economic "rise" but, rather, the restoration of the Chinese economy as an important player in global economies.<sup>48</sup> The process of institution building is vital, not only for enhancing administrative competence but also for nurturing and strengthening the rule of law and making administrative procedures more transparent and reliable. China's entry into the World Trade Organization has had a positive impact on China's knowledge of and compliance with international norms and standards. It is only when the processes of change start to erode the CCP's power and authority that it will set limitations to reform.<sup>49</sup>

The emerging Chinese middle class supports this institution building and the party's continued governance. A common assumption in the West is that the emerging market economy will create a sizable middle class that will then become the backbone of civil society and a driving force for Western-style liberal democracy. However, Chinese middle-class officials, business leaders, and professionals often depend on the state for employment and resources and therefore are not active in opposing the state. This is not surprising: since the 1990s, the middle class has sided with the Right.

The second area on which China focused its institution-building efforts is civil society. Civil society, a necessary forum for wider representation and education on social issues, is not a self-contained piece of a reform puzzle that can be deferred and put into place at the pleasure of an abstract timetable.<sup>50</sup> China's leadership seems to understand that some middle area must be carved out in civil society for improved governance to avoid protests of bad governance and address social issues, such as the treatment of women and environmental protection. There has been incremental development in these areas through quasigovernmental civil society that can cover areas of concern to the leadership, but civil society is still



banned from covering social issues that the leadership discourages. However, there has been some party bending in controversial areas like HIV and SARS.

The third area on which China focused its institution building is the military. The People's Liberation Army (PLA) affects party rule (interestingly, a provision in the National Defense Law requires that the PLA's budget rise with the GDP growth rate). The PLA sustained the CCP leadership during severe political crises, such as the one in 1989, but the party and the PLA are interested in creating a new, modern military that has limited input governing the state but strong input in national defense issues in an increasingly complex world on which China relies for its development. Although the CCP leadership has changed the way it manages the PLA, including developing mechanisms to prevent PLA intervention in civilian politics, the relationship between the party and the PLA remains fraught with issues.<sup>51</sup> As evidenced by the 2008 Chinese missile strike on a satellite, the EU's considerations regarding lifting the 1989 arms embargo, and Chinese participation in the EU's Galileo program to upgrade communications satellites that may facilitate the accuracy of China's ICBMs, institutionalizing control over the military concerns more than China.<sup>52</sup> Although military institution building continues unabated, there is also a low-level debate over whether the PLA will remain an instrument of the CCP or if it will be turned over to the state.

The results of institution building in these three areas are mixed. First, the results of institution building are increasingly fragmented and contradictory. The institutional reworking has been partial and uneven in domains in which public authority is severely contested. Further, external economic, cultural, and social forces influence these efforts. Nonetheless, the economy is relatively strong, China has a long history of state administration and civil society, and the leadership favors institution building in the military.<sup>53</sup>

All attempts at good governance can be defied by ethnic separatist movements. How top Chinese leaders handle ethnic tensions and how effectively they recruit ethnic minorities into the political establishment will not only be crucial determinants of social stability going forward, but also have a major impact on China's international image. The CCP's dual tracks of intraparty democracy and elections are deemed inappropriate for the minority regions. In part, minorities are not trusted with elections, mostly for fear that separatist forces will manipulate the process. Whereas minorities are actively recruited into the party, intraparty democracy is a merit-based system that might take a very long time to see a member of a minority rise to the top echelons. Institution building also has had limited success in minority regions, especially given the current trend toward centralization that moves power away from the outlying minority regions.

In the wake of the unrest in Tibet, ethnic tensions in China are in the spotlight. The recent Tibetan riots suggest that ethnic tensions in China may constitute a major governance challenge for China's future stability and territorial integrity. Ethnic conflict in China is, of course, not limited to Tibet. Relations between

the central government and several other ethnic minority groups in the country, most noticeably the Uyghurs, the largest Turkic Muslim population in China's northwestern province of Xinjiang, are also beset by a great deal of trouble. In the spring of 2008, for example, the Chinese authorities announced they had uncovered two terrorist Uyghur Muslim separatist plots involving kidnappings and a suicide bombing planned for the upcoming Beijing Olympics. At a time when Hu and other top leaders have publicly placed a priority on enhancing social harmony, the frequent occurrence of ethnic-related riots and other incidents challenges attempts to build good governance.

Uyghur Muslim separatists justify violence in Xinjiang, which flared with the independence of the former Soviet Central Asian republics in two ways: ethnic separatism and religious rhetoric. This combination of ethnicity and religion also involves the movement of religious and political ideologies, weapons, and people. The Uyghur groups that use violence desire, broadly speaking, a separate Uyghur state, called either Uyghuristan or Eastern Turkistan, encompassing a large part of China. Although some Uyghurs want a separate state, others want to maintain cultural distinction within an autonomous relationship with China, and others are in favor of integrating into the Chinese system. There is no single Uyghur agenda.<sup>54</sup>

The central government has gone through several governance approaches regarding the treatment of religion and ethnicity within China's territory. Historically, ethnic minorities who adhere to religions other than Chinese Buddhism raised fears of social unrest in China. With the more open policies from the late 1970s until the early 1990s, restrictions on minorities and religions began to loosen, similar to the more open economic policies and experimentation with modes of governance. This opening resulted in more minorities speaking out against what were seen as discriminatory economic, religious, and political practices.<sup>55</sup> Beginning in 1996, regular "strike hard" campaigns mobilized the police to fight crime and threats to order, but the Chinese government increasingly used these campaigns in the first decade of the twenty-first century to deal with "separatism, extremism, and terrorism."<sup>56</sup> A heavy police presence is a constant in Xinjiang. The heavy-handedness of the multiple "strike hard" campaigns by the central Chinese government in Xinjiang may tamp down violence in the short run, but it fuels a sense of injustice and mistrust among the Uyghurs in the long run.

In addition to police and military crackdowns, Beijing believes that economic development can undermine Uyghur calls for independence and solve Xinjiang's problems. Xinjiang's economy has dramatically improved relative to the 1990s, although it still lags behind the industrialized coastal areas. However, the very improvements attributed to economic enhancement open China to risk in Xinjiang. For example, as part of its development plans, Beijing is connecting Xinjiang to Central Asia through roads, rails, and pipelines to Kazakhstan, Kyrgyzstan, and Tajikistan. These openings directly expose Xinjiang to Islamic militant

training and arms and also to the drug trade emanating from these countries and beyond.<sup>57</sup>

The response from Beijing officially has been reasonable but is less so in practice. In September 1999, the Office of the State Council released *National Minorities Policy and Its Practice in China*. The plan outlines a fairly generous policy toward minorities.<sup>58</sup> The problem is always in the actual adherence to policy in real-life situations in which minorities are often viewed with various preconceived notions of race and ethnicity. Tolerance of minorities declined further in Xinjiang after September 11, 2001, when China felt it was now internationally permissible to “crack down” on separatists in Xinjiang and nationally more urgent to protect its porous borders from an influx of violent forms of Islam from neighboring Afghanistan, Pakistan, Tajikistan, Kyrgyzstan, and Kazakhstan.<sup>59</sup>

Economic incentives, however, may well be the largest tool in the central government’s governance policies toward Xinjiang and the Uyghurs, especially the Western Development policies. The Western Development policies were first an economic development strategy to reduce poverty and later became an urgent social necessity of Chinese leaders. In the early 1980s, Deng crafted a policy to develop the eastern coastal regions, which already had a better economic foundation than the western regions, and then, once the development of the eastern regions reached a certain point, to increase the development of the western regions. In the following decades, the poverty gap between eastern and western China widened. The attempt to use economic tools to address ethnic separatism in Xinjiang reflects the Chinese leaders’ long-standing belief that most peoples, Uyghurs included, primarily want a good economic life for themselves and their children.

The current Chinese government is acutely aware of the challenges and dangers of lesser development in the western regions such as Xinjiang—not only for China’s overall continued prosperity, but also for political stability, possible enticements of Islamic extremism, and calls for ethnic separatism. In 2006, Wang Jinxiang, deputy director of the National Development and Reform Commission, assured the National Committee of the Chinese People’s Political Consultative Conference that the national strategy to develop the country’s western region had made great progress. He said that a total of 1 trillion yuan (\$125 billion) has been spent building infrastructure in western China, with an annual average regional economic growth rate of 10.6 percent for six years in a row.<sup>60</sup> China, continuing with its transportation infrastructure projects, will build twelve new highways in Xinjiang to connect with Russia, Kazakhstan, Tajikistan, and Pakistan. The longest road will stretch 1,680 kilometers from Xinjiang to Uzbekistan, Iran, Turkey, and Europe. It is scheduled for completion before 2010.<sup>61</sup>

The underlying idea is that if the western regions, most notably Xinjiang, have sufficient development, then the minorities will prosper, be more compliant, give less support for separatist activities, and be more integrated into the fortunes—

both economic and political—of China. A complicating factor that has become manifest along with this economic development has been migration, primarily of Han (or majority) Chinese, into the western regions. Not only is this making the western regions more ethnically Chinese, but it is also reinforcing the “minority” status of the Uyghurs, who watch the better-paying jobs go to Han Chinese, whereas Uyghurs receive poorer-paying positions. The other ethnic groups living in Xinjiang—Kazaks, Hui, Kirgiz, Mongols, and others—have more mixed feelings about Han money and people moving into the region.

In addition to the national Western Development policies, there are the provincial and local policies in Xinjiang.<sup>62</sup> Politics are local in China, as in many places. Although it would be a mistake to underestimate the importance of Muslim status and politics inside China, with a Muslim population of approximately 20 million,<sup>63</sup> there is a decidedly regional, provincial, and ethnic character to Islam in China as well. Policy assessments in the Xinjiang region itself are mixed regarding the Uyghurs.<sup>64</sup> On one hand, Zhang Xiuming, the deputy secretary of the Xinjiang Uyghur Autonomous Region Committee of the CCP and a Han Chinese, implied that separatism and terrorism in Xinjiang are issues when he said, “We need to take the initiative and go on the offensive, crack down on gangs as soon as they surface and strike the first blow. We must absolutely not permit the three vicious forces to build organizations, have ringleaders, control weapons, and develop an atmosphere. We need to destroy them one by one as we discover them and absolutely not allow them to build up momentum.”<sup>65</sup> On the other hand, Ismael Tiliwaldi, the chair of the Xinjiang Uyghur Autonomous Region government and a Uyghur Chinese, implied something quite different when he said, “In Xinjiang, not one incident of explosion or assassination took place in the last few years. . . . Last year Xinjiang’s public security situation was very good.”<sup>66</sup>

Nonetheless, it is clear that the central government and provincial authorities broadly fall on the side of avoiding becoming a victim of terrorist or separatist activities when it comes to the question of whether China is victimizing the Uyghur minority or whether China itself is a victim of Uyghur militants. For instance, following the mass protests and violent riots of April 1990 in Baren township, there were further Uyghur demonstrations and disturbances in various cities including Yining, Khotan, and Aksu in the mid-1990s. The Chinese government responded by initiating a “strike hard” campaign against crime throughout China in 1996, which made Uyghurs and separatists in Xinjiang a key target. After the forceful suppression of a demonstration by Uyghurs in the city of Yining in February 1997, several days of serious unrest reigned in the city. The government initiated a renewed national “strike hard” campaign against crime in April 2001, which has never formally been brought to a close. Police conspicuously and daily patrol the Uyghur sections of Urumqi. Han police officers patrol the streets in a six-man formation, wearing black uniforms and black flak jackets, armed with batons and sidearms.

China's official statement on "East Turkestan terrorists," published in January 2002, listed several groups allegedly responsible for violence, including the East Turkistan Islamic Movement (ETIM), East Turkistan Liberation Organization, Islamic Reformist Party Shock Brigade, East Turkestan Islamic Party, East Turkestan Opposition Party, East Turkestan Islamic Party of Allah, Uyghur Liberation Organization, Islamic Holy Warriors, and East Turkestan International Committee.<sup>67</sup> There is not always clarity in the way these groups are officially labeled, nor do these groups seem to stay static. For instance, in 1997 the Uyghurstan Liberation Front and the United National Revolutionary Front of East Turkestan (UNRF) overcame their differences and joined together in a jihad in Xinjiang. The UNRF fears Uyghurs who agree with China, and announced that it had assassinated an imam of the mosque in Kashgar in 1996 because of his pro-China views.<sup>68</sup> When the Chinese military destroyed an Islamist camp in Xinjiang in January 2007, killing eighteen suspected terrorists and capturing seventeen others, a police spokesperson, Ba Yan, said the training camp was run by ETIM.<sup>69</sup>

Some of the issues between Uyghurs and the Chinese government, however, seem unrelated to separatist issues and concern more mainstream governance challenges. In one incident, hundreds of Uyghurs protested outside government offices over plans to push them off their farmlands to build a dam, according to a Chinese police official and Radio Free Asia.<sup>70</sup> Police arrested at least sixteen protesters in Xinjiang's Yili county, the site of clashes between security forces and Uyghurs in 1997. The June 2004 protests began outside the offices of a reservoir and hydropower station planned for the local Tekas River. Authorities moved about 18,000 farmers, forestry workers, and herders to make way for the reservoir, but protesters said they were paid only 880 yuan out of 38,000 yuan promised to them. An officer at Tekas County police headquarters confirmed the June 11, 2004, protest, saying, "The protest was big. People don't want to move because they aren't satisfied with the amount of compensation for resettlement."<sup>71</sup>

The possibilities that most worry the Chinese are that the Uyghur Muslim movement in Xinjiang will either ally itself externally with international Muslim movements throughout Asia and the Middle East, causing an influx of Islamic extremism and a desire to challenge the Chinese central government, or radicalize other minorities inside China, such as the ethnic Tibetans or other Chinese Muslims. Although Beijing is currently successfully managing the separatist movements in China, the possibility of increased difficulty is linked partly to elements outside of Chinese control, such as political instability or increased Islamic extremism in neighboring Pakistan, Afghanistan, Tajikistan, Kyrgyzstan, and Kazakhstan. However, the progress of separatist movements in China will be partly determined by China's own policies and reactions. If "strike hard" campaigns are seen to discriminate against nonviolent Uyghurs and if the perception that economic development in Xinjiang aids Han Chinese at the expense of Uyghurs, the separatist movements will be fueled.

One must be cautious in drawing any broad conclusions about governance in China. Beijing faces serious challenges in maintaining sustainable growth and social stability, eliminating corruption, and improving government effectiveness in a one-party system. These problems could lead to additional challenges, especially from ethnic minorities that seek the same separate republic that their ethnic neighbors received as a result of the dismantling of the Soviet Union. Nonetheless, political and social dynamism, rather than political stagnation, are at work in China. The CCP's own choices may result in greater intraparty democracy, improving transparency, and leaders competing for party and public support and increasing the number of elections. The leadership may continue to make room for a more independent civil society, including business associations, environmentalist groups, and labor groups, to help further enhance institution building. Both the successes and the failures of all of these initiatives may result in better governance in 2010.<sup>72</sup>

In the midst of these governance challenges, the CCP would like to continue its one-party rule. Overall, China's general economic approach appears to be sound, but what is less certain is the connection between good governance and economic development. However, China, like other Asian countries, tends to do much better compared to other countries with similar per capita GDP on economic rights, quality of life indicators, and social stability. In general, East Asian governments tend to outperform other countries in their development group on good governance measures.<sup>73</sup>

#### NOTES

1. William Foreman, "Attack Kills 16 Police Days Before the Olympics," Associated Press, August 5, 2008, [http://news.yahoo.com/s/ap/20080805/ap\\_on\\_re\\_as/oly\\_china\\_security\\_11](http://news.yahoo.com/s/ap/20080805/ap_on_re_as/oly_china_security_11) (accessed September 1, 2008).

2. According to Randall Peerenboom's findings, "general empirical evidence [exists] that rule of law and economic development are closely related," and "[p]erformance on human rights standards, including measures of civil and political rights, is highly correlated to wealth." See Randall Peerenboom, *China Modernizes: Threat to the West or Model for the Rest?* (Oxford: Oxford University Press, 2007), 34–39.

3. *Ibid.*

4. See Christopher Edmunds, Sumner La Croix, and Yao Li, "China's Rise as a Trading Power," in *China's Emergent Political Economy*, ed. Christopher A. McNally (New York: Routledge, 2008), 103–21.

5. Organization for Economic Co-operation and Development (OECD), "Developments in Individual OECD Countries and Selected Non-Member Economies: China," *OECD Economic Outlook*, 2008, no. 1:282–87.

6. *Ibid.*

7. Peerenboom, *China Modernizes*.

8. *Economist* Intelligence Unit, "Economist Intelligence Unit Democracy Index 2006," *The World in 2007*, [http://www.economist.com/media/pdf/DEMOCRACY\\_TABLE\\_2007\\_v3.pdf](http://www.economist.com/media/pdf/DEMOCRACY_TABLE_2007_v3.pdf) (accessed August 18, 2008).

9. Veron Mei-Ying Hung, "China's WTO Commitment on Independent Judicial Review: Impact on Legal and Political Reform," *The American Journal of Comparative Law* 52, no. 1 (2004): 128–29.

10. See Melinda Liu, "The Man in Jiang's Shadow," *Newsweek*, May 6, 2002, 24.

11. "China's Hu Jintao Wants to Strengthen Democracy: Finnish President," Agence France-Presse, November 27, 2002.
12. "President Hu Jintao's Address to the Federal Parliament of the Commonwealth of Australia," Embassy of the People's Republic of China in the Republic of Estonia, May 18, 2004, <http://www.mfa.gov.cn/ce/ceee/eng/dtxw/t111902.htm> (accessed August 19, 2008).
13. "Chinese President Delivers Keynote Speech on National Development," Xinhua, June 26, 2007, [http://news.xinhuanet.com/english/2007-06/26/content\\_6290248.htm](http://news.xinhuanet.com/english/2007-06/26/content_6290248.htm) (accessed August 16, 2008).
14. As cited in John L. Thornton, "Long Time Coming: The Prospects for Democracy in China," *Foreign Affairs* 87, no. 1 (2008), <http://www.ciaonet.org/journals/fa/v87i1/0000785.pdf> (accessed December 10, 2008).
15. *Ibid.*
16. Ming Xia, "The Government Crisis and Democratization," *New York Times—China Rises Companion*, 2006, <http://www.nytimes.com/ref/college/coll-china-politics-006.html> (accessed December 22, 2008).
17. For instance, see Julia Kwong, "Democracy in China: Voting for Beijing People's Congress Delegates," *Asian Affairs: An American Review* 35, no. 1 (2008): 3–14; Qingshan Tan, and Qiushui Xin, "Village Election and Governance: Do Villagers Care?" *Journal of Contemporary China* 16, no. 53 (2007): 581–99; Linda Jakobson, "Neighborhood-Level Governance: The Growing Social Foundation of a Public Sphere," in *Governance in China*, ed. Jude Howell, 97–120 (Lanham, MD: Rowman & Littlefield, 2004).
18. Thornton, "Long Time Coming," 4.
19. Kwong, "Voting for Beijing People's Congress Delegates," 10–12.
20. *Ibid.*
21. *Ibid.*
22. *Ibid.*
23. There is limited evidence that the CCP is not necessarily incompatible with democratic development. To reconstruct rural governance, the CCP leadership introduced elections that have now spread to different parts of the country. He Baogang discusses the impact of elections on the role of the party creating a "mixed regime" of village democracy with authoritarianism. Chien-min Chao and Yeau-tarn Lee argue, from Taiwan's experience, that Chinese culture is not necessarily an obstacle to democracy and a Leninist party-state is not necessarily too rigid to transform peacefully. See Chien-min Chao and Yeau-tarn Lee, "Transition in a Party-State System: Taiwan as a Model for China's Future Democratization," in *The Chinese Communist Party in Reform*, ed. Kjeld Erik Brodsgaard and Zheng Yongnian (New York: Routledge, 2006), 210–30. According to Zheng Yongnian, capitalism is generating a Chinese bourgeoisie and this new rising class is not necessarily a threat to the ruling elite as long as the party is dominated by pragmatism instead of ideology. See Zheng Yongnian, "The Party, Class, and Democracy in China," in Brodsgaard and Zheng, *The Chinese Communist Party in Reform*, 231–60.
24. Thornton, "Long Time Coming."
25. See Brodsgaard and Zheng, *The Chinese Communist Party in Reform*.
26. See Maria Heimer, "The Cadre Responsibility System and the Changing Needs of the Party," in Brodsgaard and Zheng, *The Chinese Communist Party in Reform*, 122–138.
27. Thornton, "Long Time Coming," 4.
28. See Wang Xiangwei, "Left and Right Make Themselves Heard on Hu's March to Congress China Briefing," *South China Morning Post*, July 23, 2007, 5.
29. The strength of these conservative thinkers was evident when, during the March 2006 National People's Congress, they forced the government to delay the approval of a draft law intended to protect property rights, charging that the new law gave too much weight to the protection of private property. Gong Xiantian, who has been campaigning against the draft law as a jurisprudence professor at Beijing University, charged that it offered equal protection to a "rich man's car and a beggar man's stick." The fact that the law does not state that Socialist property is "inviolable" has also been particularly criticized by conservatives. The rejection of this law intended to codify the protection of private property that was enshrined in the constitution is just one symptom of the underlying debate about the future direction of China. See Pallavi Aiyar, "The Ideological Debate in China," *Hindu*, April 25, 2006, 1. Additionally, a group of retired CCP officials published an open letter to Hu and

the CCP Central Committee posted on the conservative Web site Mao Zedong's Flag (<http://www.maoflag.net>). See Wang, "Left and Right Make Themselves Heard," 5.

30. See Ignatius Wibowo and Lye Liang Fook, "China's Central Party School: A Unique Institution Adapting to Changes," in Brodsgaard and Zheng, *The Chinese Communist Party in Reform*, 144–58.

31. Mark Leonard, "China's New Intelligentsia," *New Prospect* 144 (March 2008): 2.

32. *Ibid.*

33. Hu is subtly refining his policies to build on the existing four cardinal principles in the CCP's understanding of Socialism: (1) to uphold the Socialist path, (2) the people's democratic dictatorship and the rule of the CCP, (3) Marxism-Leninism (which confirms the prominence of Communism and the need for the party-run state), and (4) Mao Zedong thought (based on Mao's understanding of Marxism-Leninism). See Wang, "Left and Right Make Themselves Heard," 5.

34. Lowell Dittmore, "China: Maturing Juggernaut" (paper, Asian Elections 2007–2008: Regional Security Implications, Honolulu, HI, August 10, 2008).

35. Aiyar quotes Professor Wang as saying, "Today we are no longer an isolated group of intellectuals. We have become a broad-based movement with real support from the people which gives us clout." See Aiyar, "The Ideological Debate in China," 1.

36. According to Liu Guoguang, a former vice-director of the Chinese Academy of Social Sciences and leading New Leftist, and Hong Kong-based economist Lang Xianping, privatization of state-owned enterprises through management buyouts are nothing but asset stripping. As with the property law, the New Left's criticisms seem to have had an influence on the 2005 decision to suspend the practice of management buyouts. See Aiyar, "The Ideological Debate in China," 1.

37. Wang, "Left and Right Make Themselves Heard," 5.

38. Leonard, "China's New Intelligentsia," 4.

39. Howell, *Governance in China*, 4.

40. One notable prediction of the CCP's impending collapse is Gordon G. Chang, *The Coming Collapse of China* (New York: Random House, 2001).

41. George J. Gilboy and Benjamin L. Read, "Political and Social Reform in China: Alive and Walking," *Washington Quarterly* 31, no. 3 (2008): 152.

42. Merle Goldman, "The Potential for Instability among Alienated Intellectuals and Students in Post-Mao China," in *Is China Unstable?* ed. David Shambaugh (New York: M. E. Sharpe, 2000), 123–24; Larry Diamond, "The Rule of Law as Transition to Democracy," *Journal of Contemporary China* 17, no. 35 (2008): 321.

43. Diamond, "The Rule of Law"; Martin King Whyte, "Chinese Social Trends: Stability or Chaos?" in Shambaugh, *Is China Unstable?* 149; Samuel Huntington, *Political Order in Changing Societies* (New Haven, CT: Yale University Press, 1968).

44. Diamond, "The Rule of Law," 321; Whyte, "Chinese Social Trends," 148.

45. Diamond, "The Rule of Law," 321.

46. Thornton, "Long Time Coming."

47. Howell, *Governance in China*, 17.

48. Hugh Davies, "China Today, the Waking Dragon," *Asian Affairs* 39, no. 1 (2008): 13.

49. Gerald Chan, "Review Article—The Rise of China: (How) Does it Matter?" *Global Society* 19, no. 3 (2005): 312; Thornton, "Long Time Coming."

50. Diamond, "The Rule of Law," 326.

51. See You Ji, "The People's Liberation Army as a Key Interest Group in Chinese Party Politics," in Brodsgaard and Zheng, *The Chinese Communist Party in Reform*, 59–76.

52. Davies, "China Today," 14.

53. Chan, "The Rise of China."

54. For a more complete discussion of this issue, see Elizabeth Van Wie Davis, "Uyghur Muslim Ethnic Separatism in Xinjiang, China," *Asian Affairs: An American Review* 35, no. 1 (2008): 15–29.

55. Pan Guang, "China and Central Asia: Charting a New Course for Regional Cooperation," *China Brief/The Jamestown Foundation*, February 7, 2007.

56. "Leaders Vow to Step Up Fight against Terrorism," *People's Daily*, June 16, 2006.

57. Justin Rudelson, "Xinjiang's Uyghurs in the Ensuing US-China Partnership," testimony, Congressional-Executive Commission on China, Uyghur Panel, June 10, 2002.



58. In 1994, the *Regulation Governing Venues for Religious Activities* defined acceptable activities. Registration allows the government to keep administrative tabs on all religious activities to prevent excessive dissidence against the government, but allows their practice in principle. See *Regulation Governing Venues for Religious Activities—1994*, Decree No. 145, National People's Congress, signed by Premier Li Peng (January 31, 1994).

59. See Gaye Christoffersen, "Islam and Ethnic Minorities in Central Asia: The Uyghurs," in *Islam, Oil, and Geopolitics*, ed. Elizabeth Van Wie Davis and Rouben Azizian, 45–60 (Boulder, CO: Rowman & Littlefield, 2006).

60. "One Trillion Yuan Spent On Western Infrastructure," *China Net*, September 6, 2006, [http://news.xinhuanet.com/english/2006-09/06/content\\_5055217.htm](http://news.xinhuanet.com/english/2006-09/06/content_5055217.htm) (accessed September 30, 2007). According to Wang, in the period 2001–5, net income grew on average 10 percent for urban residents in the west and 6.8 percent for rural residents. In addition, Wang says, the central government has invested more than 122 billion yuan on western environmental protection in the past six years.

61. "China to Build Twelve New Highways Linking Its West Region with Central Asia," *People's Daily*, April 6, 2007, [http://english.peopledaily.com.cn/200704/06/eng20070406\\_364250.html](http://english.peopledaily.com.cn/200704/06/eng20070406_364250.html) (accessed April 6, 2007).

62. See "People's Republic of China: Uighurs Fleeing Persecution as China Wages Its 'War On Terror,'" Amnesty International, July 7, 2004, <http://web.amnesty.org/library/index/engasa170212004> (accessed September 30, 2007).

63. See "The World Fact Book," Central Intelligence Agency, <https://www.cia.gov/cia/publications/factbook/> (accessed September 30, 2007); U.S. State Department, "China (Includes Tibet, Hong Kong, and Macau)," International Freedom Report, <http://www.state.gov/g/drl/rls/irf/2006/71338.htm> (accessed September 30, 2007); "Religion and Ethics—Islam," BBC News, [http://www.bbc.co.uk/religion/religions/islam/history/china\\_4.shtml](http://www.bbc.co.uk/religion/religions/islam/history/china_4.shtml) (accessed September 30, 2007). Estimates of the number of Muslims in China are rich in disparity and controversy. The U.S. government adheres to a number of 19.5–20 million. The BBC's Religion and Ethics Web site, however, assesses a range of 20 million–100 million Muslims in China. Official Chinese censuses, whatever their flaws, are closer to the 20 million mark.

64. See "China's Xinjiang Chief Urges Intensified Crackdown On 'Three Forces,'" *Zhongguo Xinwen She*, January 17, 2004; "Governor Says China's Xinjiang Has Seen No Terrorist Attacks for Years," *Xinhua*, April 12, 2004; "Uighurs Fleeing Persecution as China Wages Its 'War on Terror.'"

65. "China's Xinjiang Chief Urges Intensified Crackdown On 'Three Forces.'"

66. *Ibid.*

67. PRC State Council, *East Turkestan*.

68. See Christoffersen, "Islam and Ethnic Minorities."

69. One police officer was killed and another was injured during the gun battle with the suspects. Police seized twenty-two hand grenades and more than 1,500 others that were still being made, in addition to guns and other homemade explosives, according to Ba. "Police Destroy Islamist Camp, Killing 18," *China Daily*, January 8, 2007.

70. "Government Land Grab Plan Causes Stir in Muslim China," Associated Press, June 16, 2004.

71. *Ibid.*

72. Gilboy and Read, "Political and Social Reform in China," 158.

73. Peerenboom, *China Modernizes*, 43.

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