Scholars of Chinese politics have long noticed an apparently oscillating pattern of political relaxing and tightening in China, which is also known as fang (放: relaxing)-shou (收: tightening) cycle.¹ They could detect the cycle by observing the expansion or contraction of economic reform programs, ideological relaxation or control, and administrative decentralization or recentralization in Chinese politics.

The fang-shou cycle suggests that there are two contending schools of thought within the Chinese Communist Party (CCP): the reformers and the conservatives. The two groups take turns to lead the policy agenda: first, reformers expand the scope of economic or political reform, followed by a rapid release of pent-up social demand. But the resultant “social disorder” may trigger backlash from the conservatives, who then
move to regain control. A conservative retrenchment is accompanied by an ideological assault on “liberal” tendencies, and the previous reform programs may be halted or reversed. During this period of contraction, reformers remain silent for fear of persecution, but conservative policies may exacerbate the internal contradictions and stresses, which will renew the pressure for relaxation and reform. This way the whole cycle repeats.

Table 18.1: China’s Political Orientation 1949-2019.

<table>
<thead>
<tr>
<th>Period</th>
<th>Political Orientation</th>
<th>Fang-Shou Cycle</th>
</tr>
</thead>
<tbody>
<tr>
<td>1949-1957</td>
<td>Nation-building Projects</td>
<td>Fang 放 (Relaxing)</td>
</tr>
<tr>
<td>1958-1961</td>
<td>Great Leap Forward</td>
<td>Shou 收 (Tightening)</td>
</tr>
<tr>
<td>1962-1965</td>
<td>Pragmatic Adjustment</td>
<td>Fang 放 (Relaxing)</td>
</tr>
<tr>
<td>1966-1978</td>
<td>Cultural Revolution</td>
<td>Shou 收 (Tightening)</td>
</tr>
<tr>
<td>1979-1982</td>
<td>Reform and Opening Up</td>
<td>Fang 放 (Relaxing)</td>
</tr>
<tr>
<td>1982-1983</td>
<td>Anti-Spiritual Pollution Campaign</td>
<td>Shou 收 (Tightening)</td>
</tr>
<tr>
<td>1983-1986</td>
<td>Reform and Opening Up</td>
<td>Fang 放 (Relaxing)</td>
</tr>
<tr>
<td>1986-1987</td>
<td>Anti-Bourgeois Liberalization</td>
<td>Shou 收 (Tightening)</td>
</tr>
<tr>
<td>1987-1989</td>
<td>Reform and Opening Up</td>
<td>Fang 放 (Relaxing)</td>
</tr>
<tr>
<td>1989-1992</td>
<td>Neo-totalitarianism</td>
<td>Shou 收 (Tightening)</td>
</tr>
<tr>
<td>1993-2009</td>
<td>Soft Authoritarianism</td>
<td>Fang 放 (Relaxing)</td>
</tr>
<tr>
<td>2009-Present</td>
<td>Hard Authoritarianism</td>
<td>Shou 收 (Tightening)</td>
</tr>
</tbody>
</table>

Source: Author’s compilation.\(^3\)
Based upon the fang-shou cycle, the modern history of Chinese politics can be divided into distinct periods of political relaxing and tightening. The fang-shou cycle indicates that Chinese politics has shifted from fang to shou for the last 25 years between 1995 and 2019. It also suggests that Chinese politics is likely to shift back from shou to fang at some time between 2020 and 2045, assuming that future events, to some extent, will resemble the pattern of past events. That is, intensifying trends of economic slowdown and political dissatisfaction are likely to cause the demise of the Xi Jinping regime and the rise of a reformer faction in the next 25 years.

For the remainder of this chapter, applying the analytic framework of fang-shou cycle, I will explain (1) how Chinese politics has become more authoritarian with its foreign policy becoming more assertive for the period from 1995 to the present time, and (2) how political control can be relaxed again and a cooperative relationship between China and the West can be restored in the next 25 years.

**The Past 25 Years: From Fang (Relaxing) to Shou (Tightening)**

The past 25 years can be further divided into a period of political relaxation between 1995 and 2009 and a period of tightening between 2009 and the present. The two sub-periods, in combination, constitute the shifting of Chinese politics from fang to shou between 1995 and the present.

**The Fang (Relaxing) Period: 1995-2009**

The first 15 years from 1995 to 2009 in China was a period of deepening political reform. Since Deng Xiaoping’s famous Southern Tour in 1992, the Chinese leadership revitalized the economic reform and opening-up policies, accompanied by political reform programs. Faithfully following Deng Xiaoping’s advice, Jiang Zemin and Hu Jintao maintained the collective leadership. Although factional politics have not disappeared entirely, Jiang and Hu successfully implemented the generational change of the party leadership in a predictable manner based upon the age and term limits. The political reform within the party led to the liberalizing policies outside the party. The CCP launched legal reform in an effort to establish the rule of law in the Chinese society. The CCP also consolidated the village election to be held every three years in over 600,000 villages by passing the Organic Law of Village Committees in 1998. The Chinese government renewed its efforts to enhance the quality of public service. Last but not
least, the number of non-governmental organizations (NGO) has dramatically increased, which epitomizes China’s increasingly vibrant civil society. Even a critical observer of the Chinese politics, Minxin Pei, concurs that the years from 1995 to 2009 were a golden age for China.

The CCP also maintained, by and large, cooperative relationships with the West during this period. In their part, Western governments welcomed the CCP’s continued efforts to modernize its economic system and governance style. The aim of the West’s engagement policy was twofold: (1) to socialize China’s external behavior by integrating it with the international economy and (2) to liberalize the country’s domestic politics by supporting its governance reform programs. In this context, the United States supported China’s entry into the World Trade Organization in 2001. The United States and Western European countries funded various programs to assist the Chinese government’s legal reform and to empower Chinese civil society. The CCP positively responded to Western efforts to engage with China. The Chinese Ministry of Civil Affairs were encouraged to cooperate with Western organizations to facilitate China’s governance reform programs. At times, there were diplomatic incidents that occasionally put China at odds with the West, such as the United States’ accidental bombing of the Chinese embassy in Yugoslavia in 1999. But the Chinese government’s overall policy was to avoid direct confrontation with the West as much as possible, remaining mostly reactive to the diplomatic incidents rather than actively creating them.

This fang period can be explained by Deng Xiaoping’s dictum of “tao guang yang hui” (韬光养晦), which can be translated as “hide your capacities and bide your time.” The essence of Deng’s strategy was to focus on internal development while avoiding external problems with the West. Accordingly, the CCP was determined to concentrate its efforts on deepening economic and governance reform programs during this fang period from 1995 to 2009. To achieve this goal, Chinese leaders needed to attract foreign direct investment and acquire advanced technologies from the West. The need to maintain friendly relationships with the West motivated China to avoid problems with the West as much as it could. As a result, China enjoyed double-digit economic growth, and its governance capacities were significantly enhanced. These achievements helped Chinese to regain confidence for the future of China, a self-confidence that was expressed vigorously at the time of the Beijing Olympics in 2008, which coincided with the start of the global financial crisis in Western countries including the United States.
The Shou (Tightening) Period: 2009-Present

Although it is hard to pinpoint a single event that breaks the period between fang and shou, 2009 seemed to be an important year that the previously liberal policies took a sudden shift toward a more authoritarian direction. A series of events, such as the retirement of reformists like Zeng Qinghong from the leadership post, which coincided with the rise of conservatives like Zhou Yongkang, and external events like the “Color Revolutions” in some post-Soviet countries and the “Arab Spring,” paved the way for an authoritarian leader like Xi Jinping to rise to power. Many analysts in the West assess that Xi Jinping’s assumption of the highest office in the country signals the return of strongman politics in China as Xi was quickly elevated to a status comparable to that of Mao Zedong. Xi Jinping re-emphasized the importance of ideological education against Western influence. The social surveillance system and censorship have been strengthened under Xi’s watch. The CCP began to reinforce repressive policies targeting potential dissidents like human rights lawyers and ethnic Uyghurs in Xinjiang province. In short, Chinese domestic politics has been turning more authoritarian for the past 10 years.

China’s foreign policy also has turned assertive since 2009. China has visibly increased maritime activities in the South China Sea and East China Sea. It has built artificial islands and militarized them in the South China Sea. In 2016, the Permanent Court of Arbitration (PCA) ruled against China’s maritime claims in the South China Sea, but the Xi Jinping regime publicly denounced the international ruling, for which the West accused China of ignoring the rule-based international order. In addition to these activities that are perceived as outright provocation by many countries in the Indo-Pacific region, Beijing began to adopt coercive economic statecraft: China banned the export of rare earth to Japan over the issue of Senkaku/Diaoyu islands in 2012 and the travel of tourists to South Korea after the U.S.-South Korea deployment of the Terminal High Altitude Area Defense (THAAD) system in 2017. Clearly Xi Jinping abandoned Deng Xiaoping’s dictum of “keeping a low profile” in foreign policy.
Figure 18.1 explains how Chinese politics has shifted from *fang* to *shou* over the last 25 years. Continuing Deng Xiaoping’s economic reform and opening-up policies, Jiang Zemin and Hu Jintao were able to maintain double-digit economic growth during their terms. However, the rapid development caused various problems of an overheated economy, ranging from environmental degradation to widening inequality. Increasingly rampant corruption cases that involved government officials and the Chinese people’s anger against it gave rise to the incidents of mass unrests across China. But Hu Jintao was not a strong leader who could handle the increasingly chaotic order in China. Many China experts agree that party leaders were dissatisfied with the dispersion of power within the CCP, which created inconsistent policy implementation. In this context, Xi Jinping’s rise as a strong leader has been a product of the stagnation of policy-making in the second term of Hu’s leadership: Xi was mandated to attack the “vested interests” of networks of corrupted officials and break the policy deadlocks. However, Xi Jinping turned out to be a conservative in nature as well as a hyper-nationalist leader. While Western countries were struggling to recover from the global financial crisis, a sense of hubris over the decline of Western civilization seemed to amplify Xi’s confidence in the exercise of a more assertive foreign policy.

**The Next 25 Years: From Shou (Tightening) to Fang (Relaxing)**

The *fang-shou* cycle predicts that Chinese politics will shift back from *shou* to *fang* in the next 25 years. Again, the economic cycle of factional politics depicted by Figure 20.1 can explain how the shift may occur. If the
Xi Jinping regime turns out to be politically too conservative to pursue reformist economic policies, especially targeting the vested interests of state-owned enterprises and its vast networks with politicians, Xi Jinping is likely to fail to adopt the right policies much needed for China’s economic reform. Sluggish economic growth with ever-widening inequalities will further frustrate the population. A widespread sense of frustration for socio-economic problems will be amplified with political dissatisfaction among Chinese people due to Xi’s repressive politics. Consequently, the mounting frustration and complaints outside the party will strengthen the potential opposition force against Xi within the party. At some point, reform-minded politicians will raise their voices to pressure Xi Jinping to fundamentally change the course of policies or to resign.

There is already evidence that supports the possibility of such a scenario. China has exhausted the easy gains from previously cheap labor forces. Many empty buildings in so-called “ghost cities” in China symbolize the problems of over-production and over-investment, which is a consequence of the government’s stimulus package introduced in the wake of the 2008 global financial crisis. While the diminishing returns of wasteful investment deepens, the rapidly aging population would also put another massive burden on the Chinese economy. To upgrade China’s economic system from an investment-led infrastructure and export-oriented model to a consumption-driven, high-value added industry, the Xi regime has to loosen its excessive control of market mechanisms. Yet the playing field between the state sector and private firms has not been leveled. Mounting uncertainties from the U.S.-China trade dispute, combined with the decade-long debt crisis, has been spreading a pervasive pessimism among private entrepreneurs, which will certainly stifle innovation in China.

The coronavirus outbreak in China further reinforces the existing challenges for the Xi regime. Beijing initially tried to cover up the outbreak, which led to a massive death toll in China, expanding to a global pandemic crisis. Despite the CCP’s propaganda to boast its abilities to handle the crisis, domestic criticisms against the government’s censorship and draconian measures have been mounting, especially among young Chinese citizens. The global health crisis is most likely going to damage China’s economy. China already reported a 6.8% drop in gross domestic product (GDP) for the first quarter of 2020 compared with the same period last year, which marks the first contraction in 28 years. The downturn of global economy, including many countries that are China’s top suppliers of intermediate goods and export destinations, will surely prevent China...
from returning to its prior growth trajectory of some 5-6% annually. China could rescue its economy with credit-fueled stimulus package as it did in response to the 2008 global financial crisis, but that option is off the table due to the soaring debt levels this time. China’s economic outlook turns definitely gloomier in the wake of the COVID-19 crisis.

A gloomy prospect for the future of the Chinese economy contributes to the low record of the Chinese people’s general sense of happiness. According to the 2019 UN-sponsored World Happiness Report, China, the second largest economy in the world, ranked 86th in people’s feelings of happiness, which is below Russia and even war-torn Libya. The COVID-19 outbreak is most likely to depress the Chinese population to feel even less happy than before. The novel virus outbreak evolves from a public health crisis to an economic crisis to a kind of social crisis. The sense of crises from all aspects of life will motivate China’s ordinary citizens to question whether the Xi regime has been capable of leading the country in the right direction.

Therefore it should not be surprising that Xi Jinping will be faced with a growing force of resistance against his authority at home. Despite repressive policies against ethnic minorities and an ever-strengthening social surveillance system under Xi’s ruling, Chinese intellectuals, interest groups, entrepreneurs, and social activists continue to call for political reform and opening, questioning the heavy hand of the party-state. Within the party as well, although Xi successfully revised all key CCP rules, including the removal of term limits from the Constitution and replacing the collective leadership with strongman-ruling style, it remains unclear whether such changes have been fully accepted as legitimate by the CCP’s rank and file. While there is no indication of organized resistance against Xi’s authority, it is noteworthy that retired party-elders publicly accused Xi of reversing Deng Xiaoping’s legacies, which may be a sign of reform-minded politicians’ retreat of support for Xi Jinping within the party.

Given the widespread frustration with socio-economic issues in Chinese society and mounting dissatisfaction with the political agenda within the party, one should not take Xi’s power for granted. David Shambaugh, a renowned scholar on Chinese politics, observes that Li Keqiang and Wang Huning, two members of the Politburo Standing Committee, do have politically reformist records. There is hope that a new group of reform-leaning politicians may emerge, backed by Li and Wang, and will seize opportunities to defend their policy positions for market reforms and liberalizing policies. As reformists regain dominant support within the
The Fang-Shou Cycle in Chinese Politics

party, Xi will be under pressure to take the second seat in the policy-making process, if not officially stepping down from the top position. Then, as domestic politics steer toward fang, the CCP will moderate its assertive foreign policy for the need to focus on domestic affairs and the West may well return to support the liberalizing policies and economic transformation of China.

**DOES THIS MEAN DEMOCRATIZATION OF CHINA?**

Political scientists have insisted on distinguishing between liberalization and democratization: In a non-democratic setting, liberalization may entail a mix of policies such as less censorship, greater space for civil society and toleration of criticism against the authorities. Democratization entails a liberalization but is a wider concept, requiring open contestation to win control of the government and free competitive elections. Based upon these definitions, it seems obvious that there can be liberalization without democratization. 33

The fang-shou cycle forecasts that Chinese politics will be liberalized as it moves to fang, but its liberalization will unlikely be accompanied by democratization for three reasons. First, there is no opposition party or a political association that can effectively coalesce opposition forces against the CCP. Second, there is no external force that can pressure the CCP to move toward democratization. Japan, South Korea, and Taiwan became democratic because U.S. pressure worked together with the countries’ grassroots movements towards democratization. 34 But China is not a U.S. ally, and Russia, the closest that China has for a great power ally, has zero interest in democratizing China. Third, and most importantly, the general mass in China still appear to support the CCP, if not Xi Jinping himself. It is true that Chinese people have become increasingly frustrated with their government. However, researchers have consistently found that the Chinese people’s dissatisfaction have been mostly directed at local officials while remaining loyal to the authorities at the center. 35 Given the Chinese people’s long-standing support of the party’s leadership, China is less likely to adopt the model of Western liberal democracy.

In short, what the fang-shou cycle suggests is that China is most likely to return to soft-authoritarianism through the fang period of “liberalization without democratization.” 36 Although there were periods of chaos and violence like the Great Leap Forward and the Cultural Revolution in the past, the CCP has shown to have a remarkable capability to adjust its past policies and
adapt to new challenges. As the gap between the state’s need to control society and the society’s desire to pursue more freedom is widening in China, the CCP has been struggling to meet rising expectations from an increasingly vibrant and diverse society. In this context, the CCP’s efforts to stay in power will be recorded as a major test case in human history as to whether it is possible for a non-democratic regime to embrace a democratic-governance style without changing its political system. The fang-shou cycle precisely reveals this tension between (1) the need to adopt liberalization policies and (2) the need to maintain a non-democratic system for the CCP’s survival.

**Conclusion**

The policy implication from this chapter’s analysis is that the current trend of Chinese politics may well change its direction at any given time in the future. At this time of writing, Xi Jinping’s power looks strong and stable, and the U.S.-China relationship locked in strategic competition. The fang-shou cycle suggests that, however, Xi Jinping is more likely to lose power in the near future and Chinese politics will return to a liberalizing period with its foreign policy becoming more moderate than it is today. In this context, William Overholt, an expert on Chinese politics, argues that “it would be a mistake for the Western countries to lock themselves into a cold war mentality that only bolsters the hardliners in Beijing and to weaken the ties that, when change comes, might encourage a more positive future.”

In this vein, it also makes sense for the security practitioners in the Indo-Pacific region, who deal with China on a daily basis, to pay attention to the alternative ideas circulating within China, which can be more desirable than Xi’s repressive and aggressive policies, and to proactively find ways to strengthen the supporters of those ideas within China.

Of course, the fang-shou cycle is not a law of science, but merely an analytic concept developed from scholars’ intuitive observation of history. The validity of the concept is premised on the assumption that history repeats rather than evolves, which many people may find disagreeable. As such, the concept of the fang-shou cycle is not free from the criticism that it only provides one scenario among the large numbers of other possible futures. That said, the concept of fang-shou cycle is still useful to draw a hypothesis that the Chinese politics is likely to shift from political tightening to liberalizing period in the next 25 years and the hypothesis can serve as a baseline to assess
in which direction Chinese politics is changing in the future. It also highlights that, despite the optics of Xi Jinping’s hard power, we should always pay attention to the continuing calls for political reform and the expression of citizens’ activism within China.39

Notes

1 David Shambaugh, China’s Future (MA: Polity Press, 2016), 98.

2 For the fang-shou cycle through the 1990s and 2000s, I refer to David Shambaugh’s interpretation based upon the CCP’s overall political orientation. For the definition of neo-totalitarianism, hard and soft authoritarianism, see Shambaugh, China’s Future, 2-5. Of note, regarding the period from 1993 to 1997 under Jiang Zemin’s ruling, I categorize it as a period of fang (political relaxation) because, although the political mood then was still oppressive, it was relatively relaxed compared to the previous period of neo-totalitarianism between 1989 and 1992, which were the intervening years between the pro-democracy protest at Tiananmen Square and Deng Xiaoping’s Southern Tour.

3 I have divided the era of Mao Zedong into periods of the fang-shou cycle. For the fang-shou cycle through the 1980s, I refer to Richard Baum, “The Road to Tiananmen: Chinese Politics in the 1980s,” in Roderick MacFarquhar, ed., The Politics of China: Sixty Years of the People’s Republic of China, third edition (New York: Cambridge University Press, 2011), 338. For the fang-shou cycle through the 1990s to 2000s, as noted above, I refer to David Shambaugh’s division of periods. See Shambaugh, China’s Future, 99.

4 The work report of the 15th Party Congress in 1997 stressed “governing the country through law,” and the Chinese leaders began to emphasize that the CCP should protect the legal rights of Chinese citizens from the abuse of state power, especially at the local level. For a discussion on the concepts of “rule of law” and “rule by law” in the Chinese context, see Joseph Fewsmith, The Logic and Limits of Political Reform in China (NY: Cambridge University Press, 2013), 98.


6 The number of NGOs in China has increased from less than 100 in 1990 to more than 500,000 in 2014. See “Enter the Chinese NGO,” Economist, April 12, 2014, https://www.economist.com/leaders/2014/04/12/enter-the-chinese-ngo.


8 See the Worldwide Governance Indicators, compiled by the World Bank, for comparative data that measure countries’ governance capacities at http://info.worldbank.org/governance/WGI/#home.

9 Shambaugh, China’s Future, 115.


15 Fewsmith and Nathan “Authoritarian Resilience Revisited,” p.178

16 Alice Miller, “Only Socialism Can Save China; Only Xi Jinping Can Save Socialism,” China Leadership Monitor, issue 56 (Spring 2018): 56.

17 Shambaugh, China’s Future, 6.


32 Shambaugh, China’s Future, 133.


36 Shambaugh, China’s Future, 131.


39 Economy, “30 Years after Tiananmen: Dissent Is Not Dead,” 58.