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On 28 September 1995, Jiang Zemin delivered one of the most important speeches in his tenure as the General Secretary of the CCP in the Fifth Plenum of 14th CCP Congress, which is entitled “To Handle Correctly Certain Relationships in the Process of Socialist Modernization Construction”. On the top of the agenda was the relationships between reform, development and stability. To him, reform, in particular economic reform, must be pursued; development is the enhancing of national strength and stability is the pre-condition of development. Indeed, it is the equilibrium of these three sets of relationships that the CCP leadership strove for that shaped the major forces of dynamics of Chinese politics in the 1990s. The leadership’s overriding concern was stability of the regime. Economic reform, with a temporary haul in the early 1990s, was accelerated and culminated in the accession to the WTO, resulting increasing absorption into world economy. Political reform was considered secondary to economic reform and it was perceived to be an inherently destabilizing process and any measures that would cause controversies within the Party were to be shelved. Learning the lessons from the 4 June crackdown, ideological control was exercised unrelentingly and dissidents intellectuals were punished severely. Administrative streamlining was carried out two times in the 1990s. Grass-root democracy was instituted and anti-corruption drives waged but organized opposition was crushed mercilessly. So were the ideological debates within the Party. The result was that China’s economic growth attained admirable figures and it was rapidly becoming a powerful economic house. However, behind the growth phenomena, lies the abject poverty of the peasantry, massive unemployment, labor unrest, frustrated intellectuals and rampant corruption. Among the liberal intellectuals, the consensus was that only a genuine political reform program could alleviate the problems that the Hu Jintao-Wen Jiabao new leadership is encountering. Despite the political reform in several important area, however,
China political reform programs have not surpassed the speech on cadre and leadership by Deng Xiaoping in 1980, supposedly the most comprehensive political reform blueprint in the reform era.

"About the political structural reform, (our) greatest goal is to achieve a stable environment. I talk with the Americans, the highest interest for China is stability." 16 June 1989 Deng Xiaoping (1993:313)

Introduction

The 1980s began with the most comprehensive political reform packages ever devised by the Chinese Communist Party (CCP) announced by Deng Xiaoping in August 1980 in the expanded meeting of the CCP Politburo but ended with the massive purges of the liberal intellectuals and reformist leadership. The 1990s started with political stagnation in the aftermath of the June 4 bloodbath but ended, ideologically, with the exposition of a new theory for the CCP, the so-called ‘Theory of Three Represents’ in 2000 by Jiang Zemin. It looks as if the cycles of reform had emerged again. In fact, it has not. The pendulum shift of policies from one extreme to another disappeared in the 1990s. 1 Deng died in February 1997, five months before the historic handover of Hong Kong to China by the British government. Due to his failing health, Deng had gradually lost political influence since the 14th CCP Congress in 1992. The 1990s, especially the latter part, were dominated mostly by the personality of Jiang Zemin (Willy Lam 1999:13-18). At the 16th CCP Congress, his ‘Theory of Three Represents’ was inserted into the CCP Constitution and recognized by the whole party to be a further development of Deng Xiaoping Theory. On 28 September 1995, Jiang Zemin delivered one of the most important speeches in his tenure as the General Secretary of the CCP at the Fifth Plenum of 14th CCP Congress, which was entitled “To Handle Correctly Certain Relationships in the Process of Socialist Modernization Construction”. At the top of the agenda was the relationships between reform, development and stability. According to the top leadership, reform, in particular economic reform, must be pursued; development is the enhancing of national strength and stability is the
pre-condition of development. Indeed, it is the CCP leadership’s search for equilibrium in these three sets of relationships that shaped the major forces and dynamics of Chinese politics in the 1990s. Against this background, this chapter attempts to capture the pattern of political development in the 1990s in general and the political structural reform in particular.

**Tightening Ideological Control**

In the aftermath of the 4 June massacre, when Deng Xiaoping (1993:287,290,306) said that the greatest failure in the reform era was in education, he did not mean education in the traditional sense, such as knowledge acquisition, skill dissemination and moral imbuing process. What he meant was, in fact, the failure in the CCP’s ideological indoctrination in the education sectors, particularly among the university students. For, after all it was the university students who initiated the 4 June pro-democracy movement after the death of Hu Yaobang. In his view, the lack of ideological control had led to the spread of the so-called bourgeois liberalization and indirectly to the split of top CCP leadership and the ensuing chaos following the death of Hu Yaobang on 15 April 1989. The top leadership has learnt two important lessons from the 4 June bloodshed. First, knowing the full impact of powerful modern mass media, the conservative leadership realized that strict ideological censorship must be exercised upon the reformist intellectuals, and second, a leadership split at the top must be avoided at all costs for the split would endanger societal stability and threaten the CCP directly. These are the lessons that the CCP leadership is still taking in the 21st century.

Jiang Zemin ascended to power in the midst of 4 June purges, and he was involved in the decision-making process even before the curfew was imposed on 20 May 1989 (Nathan and Link 2001). His crackdown on Shanghai’s *World Economic Herald* pleased the hard-line leadership. In essence, Jiang was a conservative man (Willy Lam 1999:12-18). Having become the general secretary of the CCP, he quickly shifted economic policies to the left. On one occasion, he asserted that the CCP would make individual enterprises bankrupt. His speeches were full of leftist rhetoric (1989a;
After the crackdown, the term 'political structural reform' virtually became a taboo and it was banned in the mass media for almost half a year. Starting in late 1989, however, the term began to reappear in the newspapers and gradually in Party documents and policy announcements. However, the term was used with a different connotation. With the crumbling of the communist regimes in the Soviet Union and Eastern European countries, the CCP was determined to strengthen the Party authority and fostered government administrative and extractive capacities. In the meantime, Premier Li Peng stated that political structural reform had never stopped (1991). A condition had been attached to the political structural reform, that is societal stability. The CCP leadership tried now to refocus the contents of the political structural reform by using the term 'political reform with Chinese characteristics'. Li Peng (1991) stressed that 'political restructuring should be conducive to the stability and prosperity of the country rather causing social disturbance.' Jiang Zemin considered that the political structural reform should perfect socialist democracy and legal system. He emphasized that Western ideas of democracy and freedom were not compatible with China's 'national conditions'. He added that "The (political structural reform) must be commensurate with the country's tradition, history, culture, and the development levels of education and the economy." (in Willy Lam, 1995: 242)

Furthermore, in the commemorative speech on the seventieth anniversary of the CCP, in outlining the 'socialist politics with Chinese characteristics', Jiang Zemin (1991) declared that there must be a 'three insistence and three nos' policy',

We must insist on the people's democracy dictatorship, led by the working class and based on the alliance of workers and peasants; we must not weaken and abandon the people's democracy dictatorship. We must insist and try to perfect the NPC system and must not set up a system similar to Western parliament. We must insist and perfect the multi party cooperative system led by the CCP; we must not weaken or negate the leadership of the CCP and adopt a Western type multi party system (Wen Wei Po, 2 July 1991).
In early 1995, Jiang pronounced that a loyal CCP member must be able to distinguish the seven differentials between Marxism and adulterated Marxism or bourgeois liberalization (Mirror June 1996:22). The seven contrasting pair of concepts are as follows: First, the true Marxism must not be confused with anti-Marxism or pseudo-Marxism. Second, the socialist economy versus private ownership; third, socialist democracy versus Western parliamentary democracy; fourth, dialectical materialism versus subjective metaphysics; fifth, socialism versus feudalism; sixth, learning advanced things from the West versus blind worship of the Western; finally, civilized and healthy style of lifestyle versus a negative, decadent lifestyle.

In the wake of the 1989 crackdown, to protect himself from the ultra-leftist attacks, Jiang had put forward a theory of Surnames: the nature of reform should be defined as either socialist or capitalist. Reform capped with capitalist would be purged. With this move, the conservative leadership would characterize all the reforms during Hu-Zhao era as ‘capitalist’ and China’s reform and the open era would end. However, doctrinal purity was rejected by Deng Xiaoping, who, on the contrary, formulated a theory of ‘three favorables’: raising productivity, boosting the people’s standard of living, and elevating the comprehensive strength of the nation (Mirror April 1992:24-25). Any policy or measure that would be favorable to the three tasks would be considered ‘socialist’. This was the further development of his thesis of black cats and white cats. Having lost two of his most intimate proteges in two years and surrounded by bundles of conservatives, Deng began to be impatient about the pace of economic reform (Mirror January 1991: 30-31; February 1991:26-27). He planned to restart the reform engine. However, throughout the 1990s, the strategy that economic reform preceded political structural reform remained the cardinal principle. After the suppression of the pro-democracy movement, the CCP obviously encountered another major legitimacy crisis which, to Deng Xiaoping’s mind, could only be saved by more radical economic reform (Deng 1993:307).

Despite the political setbacks, Deng’s determination to pursue economic reform remained unshaken. In the second half of 1990, he allied with Shanghai Party secretary Zhu Ronji, to publish a series of
commentaries (pen name Wang Puping), criticizing the conservative backlash and insisting on the importance of the reform policies. At the same time, Deng formulated ‘no controversies’ to advance economic reform (*Mirror* April 1991:28-29). The series of tactical moves culminated in the trip to the Southern provinces (*Nanxun*), which successfully turned Jiang into a reformist, at least in the economic arena. The victory of the Southern trip by Deng was manifested in the 14th CCP Congress Political Report made by Jiang (1992). Ideologically, the Party should put its focus on anti-leftism and economically, the establishment of a socialist market economy was called for.

Riding with the wind of changes, the non-establishment intellectuals headed by Yuan Hongbing, a Beida lecturer, published an edited anti-leftism volume titled *Lishi de Chaoliu* (Currents of History). Hu Jiwei, former editor-in-chief of *People’s Daily*, was one of the writers. As soon as it was published, it was banned by the Propaganda Department of the CCP. The book was charged with three crimes. First, the essays were edited and written by the activists in the 4 June events; second, this was a counter-attack by the bourgeois rightist using Deng’s southern trip as an excuse; third, the book revealed the problems between two views of reform (*Mirror* June 1992:37-38). Not content with the ban, Yuan Hongbing organized an academic forum titled “Reform and Open Door Policy, Strengthening the Country, Enriching the People” at which more than a hundred of intellectuals including some writers of the volume and other reformist intellectuals such as Wang Ruishui participated. In a speech, Wang said that, in the reign of Maoist rule, leftism was the main current of thoughts, and this had destroyed China’s development for almost twenty years. Deng had reversed the leftist trend by emphasizing reform but the habitual influence would not eradicated so easily (*Mirror* July 1992:44-47). In the three years since 4 June crackdown, this was the first time for a spontaneous gathering organized by non-establishment intellectuals. The conservative force strongly condemned the forum and Deng Liqun personally attacked Yuan Hongbing for committing bourgeois liberalization, a great crime after 4 June (*Mirror* July 1992:30). On the eve of 14th CCP Congress, a group of respectable writers including Ba Jin, Wang Meng, Hu Jiwei, Yu Guangyuan and Sha
Yiexin, etc. published a volume entitled *Fang Zuo Beiwanglu* (Memorandum on Preventing Leftism) and the literary monthly *Chinese Writers* organized a forum in June and published the speeches in the magazine. The focus was on “eliminating the leftist obstacles, literary writings can flourish” (*Nineties* January 1993:47-48). It was banned soon and the forum was attacked.

In the aftermath of the 14th CCP Congress, the top leadership reached three points of consensus: first, quickening the process of reform; second, shelving political reform measures and third, tightening ideological control. In maintaining political stability, the Propaganda Department established an ideological monitoring unit consisting of fifty personnel to examine materials in the mass media at the central level (*Mirror* June 1993:28-29).

Clearly, the new CCP leadership was wary of spontaneous moves that were not controlled by the Party, even though they were critical of conservative forces. Despite the harsh measures, the non-official intellectuals tried to push political reform by petitions to the top leadership. One of the earliest attempts was organized by Chen Zimin who allied with eleven famous intellectuals, including Liu Xiaobo, a literary critic and Chen Xiaoping, a legal expert. On 25 February 1995, the group sent the petition, together with twelve signatures, to the NPC. The gist of their petition was to demand that the CCP curtail the rampant corruption. By writing a topic that was the concern of the nation, they hoped that their petition would not be perceived as a threat to the leadership. Following the first petition, it was followed by two other petitions. On 28 February 1995, the student leader Wang Dang took the lead of organizing a petition, signed by 22 people, demanding the CCP abolish the labor camp system. On 2 March, Chen Zimin group also sent their second petition to the Party, demanding the Party to “preserve personal freedom of citizens and abolish security detention” (*Nineties* April 1995:29-31).

The second wave of petition was sparked by the external events. 1995 was the year designated by the United Nations to be the Year of Tolerance. Echoing the appeal, on 15 May 1995, Xu Liangying, a veteran scientist in the Academy of Science, organized a petition signed by 45 intellectuals. The petition raised three demands: first, to stop suppressing so-called ideological enemies, observing strictly
the freedom of thought and religious beliefs; second, to launch a re-evaluation of the 4 June events and release all prisoners arising from 4 June events; third, to release all prisoners and detainees because of their thought or writings. Most surprisingly, the petition was headed by Wang Ganchang, one of the foremost nuclear physicists in China. On the eve of the sixth anniversary of 4 June crackdown, Wang Zhihong, wife of Chen Zimin, and 52 others wrote an appeal letter titled “To learn lessons of blood and pushing forward democratic and legal processes”. The letter demanded the CCP should enact a series of legal codes to ensure the protection of human rights for the citizens, which included Law of the Press, Law of Assembly, Law of Constitutional Court and finally publish a declaration of human rights and human freedom (Nineties June 1995:76-79).

Again, on the eve of the tenth anniversary of the 4 June events, 105 victims’ families, notably among them was former professor of the People’s University Ding Zilin, launched prosecution charges against premier Li Peng who violated the principles of protecting human life and freedom inherent in the Chinese constitution, United Nations Charter and the International Covenant of Civil and Political Rights which China had signed in the previous year (Open July 1999:8-9). All these petitions and letters certainly fell on deaf ears. Not only did the CCP not accept their moderate demands, but they were instead harassed (Chen Zimin), exiled (Wang Dang), kept under surveillance (Ding Zilin), and made to recant (Wang Ganchang).

Apart from petitions from societal sectors (from the so-called right), there were petitions or appeals from the ‘left’, coming notably from Deng Liqun, once the underground general secretary in the mid-1980s. In late 1995, the neo-Maoists circulated a ‘Ten-thousand Character’ petition titled “Certain Factors that Affect out National Security” among senior cadres, attacking marketization as if would undercut the basis of socialism and would lead to the demise of the CCP. It raised the specter of “the substitution of the dictatorship of the proletariat with the open and direct dictatorship of the capitalists.” (Willy Lam 1999:364). In early 1996, the neo-Maoists circulated another petition, warning of the emergence of a ‘Gorbachev-type’ of leadership within the Party. It further warned
that 'peaceful evolution' was highly possible in China and the West was looking for its representatives in China and neo-capitalists were becoming a class (Open May 1996:18-19). In March 1997, Deng Liqun and his associates circulated the third petition titled “Certain Theoretical and Policy Problems Concerning Insisting the Status of Public Ownership”, in an attempt to influence the agenda of the CCP Congress held later in 1997. As the title suggested, the focus of the petition was exclusively on the importance of public ownership. It asserted that “without the guiding status of the public ownership and national economy, there would not be socialism with Chinese characteristics” and it further argued that “if the guiding status of the public ownership was lost, then the economic basis of the ruling CCP would be gone and classes would be polarized. The state would become the appendage of the international capitalism.” (Open March 1997:54-61).

These orthodox Marxist treatises had little influence even in the Party. More influential was the rise of neo-conservatives. The origin of neo-conservatism can be dated back to the neo-authoritarianism in the 1980s (Kalpana Misra 1998: 208-209). Joseph Fewsmith has captured the spirit of the neo-conservatism by defining it as follows: “(It) indicated a desire to find a middle path between the traditional conservatism of the Old Left (as exemplified ideologically by more orthodox Marxist-Leninists such as Chen Yun) and ‘radical reformers’ (as epitomized culturally by the film River Elegy and economically by advocates of privatization). In general, neo-conservatism accepted market economics, albeit with some caveats, but desired a greater role for the state.” (Fewsmith 2001:80).

Fewsmith was right when he pointed out the middle ground position of the ideological orientation of the neo-conservatism but he was wrong when he said the position”.... must be understood as a loose term, indicating a set of concerns and a broad intellectual orientation rather than a well developed and consistent body of thought” (Fewsmith 2001: 80). By the beginning of the 21st century, neo-conservatism or the new Left, together with liberalism, had developed into the two main coherent and consistent bodies of thoughts covering analyses on aspects such as the nature of Chinese society, the nature of Chinese state, the notion of social justice, the views on international situation, whether freedom or democracy was
the developmental goal for China? the nature of civil society, the role of efficiency or equality, the notion of revolution or reform or tradition, the nature of modernity, etc (Ming Pao Monthly May 2002: 33-40; Open June 1995: 48-52; Open December 1999: 51-53).

The ideas of neo-conservatism were first systemically expounded by a group of young intellectuals associated with China Youth Daily in the aftermath of the failed Soviet coup in August 1991 (Fewsmith 2001: 98-100). They circulated a paper entitled “Realistic Responses and Strategic Options for China after the Soviet Upheaval”. The monograph was associated with some princelings such as Chen Yuan, son of Chen Yun, and Pan Yue, the son-in-law of Liu Huaqing. The gist of the tract was to attack both ideological extremes, the so-called ‘utopian socialism’ and ‘utopian capitalism’, and strive for a middle ground. The central concern was to how the CCP had changed from a revolutionary party to a ruling party. They were certainly for the continuous governance of the CCP but they were concerned about how politically stability could be maintained. The theses were repeated when Pan Yue submitted a paper on the changing status of the CCP in the late 1990s (Open July 2001: 28-38). In retrospect, the paper was ignored by the Jiang-Zhu leadership.

Sha Yiexin, a veteran drama script writer, pointed out that the propaganda machine of the CCP had four features. First, the Party is supreme. According to the “Theory of Three Represents”, the Party represents the whole nation and therefore could not be criticized. Second, the uniformity of public opinion, so it allows no dissenting voice. Third, all mass media are the mouthpiece of the Party/state. Fourth, no law would be passed to govern mass media. The late Chen Yun had told the following to the party members: “In KMT period, they had passed a press law. We studied it and made use of its loopholes. Now we don’t have to pass the law. We could do whatever we like” (Open September 2003: 89-91).

China claims publicly that there is no press censorship but, in fact, the censorship is most rigorous. All the propaganda departments of the Party Committees at various levels exercise censorship. Furthermore, the Party Committees in the mass media also exercise censorship and more sensitive materials would be submitted to the Propaganda Ministry of the CCP for decision. After
the reform policies were launched, control began to loosen. Since the Fourteenth CCP Congress, the Propaganda Ministry set up a “Press News Reading and Assessment Coordinating Unit” to exercise control. After the Fifteenth CCP Congress, the Ministry instructed different provinces and cities to set up “Reading and Assessment Teams” to serve as censorship units. The result was a long list of banned books, journals and magazines. Numerous editors and publishers were warned, penalized and driven out from the professions (Open August 2003:83-89).2

**Suppressing Organized Opposition**

The CCP is a highly unified Party/state/military structure. Despite the incessant ideological and political conflicts within the Party, it has never allowed external political societal forces to grow unhindered even in the reform era. Along with the marketization of the economy, the coercion over the society has shrunk considerably but the CCP has never tolerated organized opposition or even potential organized forces. The 4 June events certainly taught the Party a good lesson. “Nipping the disturbances in the bud” as the former Beijing mayor Chen Xitong said. In fact, this has been the guiding principle in tackling the non-CCP forces in the past two decades. Even in economic corporations, the Party very often occupies the dominant position. More recently, the Party called for the revival of the Party cells in all economic enterprises, even under the relatively relaxed climate of Hu Jintao-Wen Jiabao new leadership (Ming Pao 20 August 2003).3

The harsh crackdown in the aftermath of the 4 June killings silenced all political dissent within the Party as well as outside. Ideologically, the elites became more conservative and calling for stability became the focus of the regime efforts. In early 1992, 4 June student leaders Wang Dan and Guo Haifeng were given medical parole. As the final International Olympic Committee vote approached in September veteran activists Wei Jingsheng, Xu Wenli and Wang Juntao were freed in a move to impress upon the Olympic Committee members Beijing’s good will in observing human rights. But the activists had not organized together then and they were only marginally connected with each other (Teresa Wright
2002: 907-908). After the failure of the bid to host the year 2000 Olympics, the political climate became tense again and the activities of the dissenters became more intense, so the oppression came and Wei and Wang were arrested again.

In the late 1990s, the external environment provided a fertile soil again for the development of the dissent. In 1997, China signed the International Covenant on Economic, Social, and Cultural Rights. The US president Clinton was planning a visit to China in June 1998 and UN High Commissioner for Human Rights Mary Robinson came to China in September 1998. In October, China signed the International Covenant on Civil and Political Rights. In the meantime, internally, the ‘counter-revolutionary’ clause was repealed by the NPC in March and substituted by the clause of ‘national security’, a move showing the continuing de-ideologization of the CCP. In September the same year, the Fifteen CCP Congress called for the need to rule by law and made references, for the first time, to human rights. Under the relaxed climate, Wang Youcai, one of the 1989 student leaders, had the idea forming an opposition party and he was perhaps influenced by Wang Bingzhang who was the founder of China Spring and had earlier slipped into China to contact dissidents in early 1998. He was found and expelled. Wang and his friends in Hangzhou decided to announce the news on the eve of Clinton’s visit, hoping that the timing would preclude official suppression. On 25 June, the group presented an “Open Declaration of the Establishment of the China Democracy Party (CDP) Zhejiang Preparatory Committee” and a draft constitution. The aim of CDP was to “establish a constitutional democratic political system” and peaceful means must be used in processes. The group “opposes terrorist activities” (Teresa Wright 2002:910). Subsequently, preparatory committees began to form in twenty-four provinces and cities.

The UN Covenant on Civil and Political Rights guarantees the right to form political parties but no legal procedures had been developed in China to establish the status. The preparatory committee of the CDP tried to test the official limit by applying for a legal status at the Zhejiang provincial civil affairs bureau. Surprisingly, the bureau accepted the application. But later Wang was detained and interrogated. He was told his application was
rejected. In the following months, five provincial preparatory committees had tried to register in different civil affairs bureaux but some were refused and some received no response. Evidently, the leadership in Beijing was contemplating how to respond to these applications. In early November, the CDP members, among them the veteran activist Xu Wenli, declared the establishment of the “First CDP National Congress Preparatory Work Group”. Shortly after, they also set out to form a “CDP Beijing-Tianjin Regional Part Branch”, the first time a national opposition party was founded after 1949.

However, the repression was swift. With the departure of Clinton and Mary Robinson, the favorable external factors were gone. Most of the chief organizers were arrested. In July and October 1999, there were more detentions and imprisonment of the dissidents. Some managed to escape and some went into hiding. Beginning in December, almost all CDP leaders were rounded up and imprisoned. By the end of 1999, the CDP had ceased to exist. Despite its moderate demands and peaceful action, the CDP was still repressed. However far the reform stride may be, the official tolerance of opposition was extremely limited under the Jiang Zemin reign. However, there was a new characteristic which was the wide use of the internet in disseminating news and information (Teresa Wright 2002:919-921).4

Similarly, the Falun Gong sect saga provides another example of using the internet to make liaison among the followers and eventually to be perceived as posing a threat to the CCP leadership. The most publicized event of Falun Gong was the encirclement of Zhongnanhai, the nerve center of the CCP political establishment, by over 10,000 members from six provinces and municipalities on 25 April 1999 (Open May 1999:17-19). According to the Xinhua reports, before the 25 April incident, the Falun Gong followers had organized 18 encirclements, demonstrations, and attacks on media, TV stations, and even encircled municipal government buildings in different provinces. Between 19 and 23 April 1999, Professor He Zouxiu, a member of Academy of Science at Tianjin, wrote an article arguing against the youth to practicing qigong and he also criticized Falun Gong as unscientific. Subsequently, Falun Gong members assembled about 1,600 members to protest against the
article before the Tianjin municipal government. Several days later, the followers targeted at Zhongnanhai.

*Falun Gong* was a religious and quasi-religious group without any hierarchy and organizational structure, according to its adherents. But the authorities claimed otherwise and charged that it had a strict hierarchical order and structure and had Li Hongzhi as its head (James Tong 2002: 637-638). The society was founded in 1992 by Li Hongzhi. In the beginning, he gave qigong seminars and training sessions and soon gained enormous influence in various provinces. In October 1996 he went to the USA with a tourist visa and since then he was able to have a green card and stayed in the US. By the time the *Falun Gong* movement was banned in July 1999, the regime claimed that it had 39 main stations, 1,900 guidance stations, 28,263 practice sites across the country and 2.1 million practitioners inside China (*Brightness Daily* 15 August 1999). Some estimates were even larger. According to a Guangdong source *Nanfang Ribao* (*Southern Daily* 27 July 1999), it had a following of 130 million.

The sect has traditional Buddhist and Daoist elements. Essentially, it is not different from traditional religions (Kang Xiaoguang 2000:160-164). The reasons that in a span of several years the *Falun Gong* could appeal to millions of followers inside China as well as overseas must be sought in the context of the marketization reform since the late 1970s. All religions are sets of belief systems. The collapse of Marxist-Leninist ideologies and the cult of Mao after the reforms have had a profound impact on the psychology of ordinary citizens. The revival of traditional religions in the reform era was a substitute for the ideological void in a rapidly changing Party/state context. The spread of Christianity and Catholicism was heavily constrained by the CCP leadership and was forced to go underground in developing followers. *Falun Gong* emerged and spread its influence by disguising itself as one of the health-strengthening traditional qigong practicing groups. According to Kang Xiaoguang, a member of the Academy of Sciences, four factors contributed to the appeal of the *Falun Gong* (2000:169:178). First, the rise of *Falun Gong* was a spiritual response to the crisis in faith on the part of population in the context of valutational confusion created by the demise of communist ideology and Mao’s cult. Second, as a millennial movement, the notion of equality and justice
was important in the doctrine. The market reforms had created an extremely poverty gap and the concentration of political power enabled the CCP Party/state to exercise unrelenting coercion to stifle general discontent. Falun Gong at least, in the pursuit of justice in the future, satisfied the partial psychological and spiritual needs of the population. Third, as a health-strengthening organization, the sect's qigong and various training exercises were body strengthening moves. Moreover, the market reform in the public sector in general and the hospital sector in particular had made medical costs very expensive. Without a credible social insurance system, it is imperative to keep one's body healthy. The sect fulfilled the psychological need for security. Fourth, as a social organization, mankind is constantly in search of group identity. In the actual organizations or work units, one is confronted with interest pursuits and power intriguing struggles and only in this spiritual organization, one's equality was totally achieved and one need not worry about the greed, thirst for power, corruption and hypocrisy.

However, similar to the Christian church and the Catholic church, what the CCP feared most was not the religious beliefs but rather the organizational power that Falun Gong manifested during the 25 April 1999 incident. Most alarmingly, other religious groups were in its control, yet before the incident the CCP knew nothing about the group (Open June 1999: 11-13 ). As Kang Xiaoguang rightly pointed out (2000:2),"The conflicts between the CCP and Falun Gong were not in the belief or whether it was an evil cult or not, but in the organization, in the number of followers. It has too many followers, and thus is beyond official tolerance. A deeper issue is the question of who has the power to organize groups. Could people organize groups in pursuit of common interest? Or whether the power is in the hand of government or people?"

Strengthening the NPC-Three Cornered Power Game?

In the 1980s, the National People's Congress (NPC) was revived and transformed and its powers were greatly expanded under the new constitution of 1982. The institution had made substantial progress in the liberalization orientation. According to the official source, the total number of laws enacted by the NPC and the
Standing Committee (SC) of the NPC from 1979 to 1998 amounted to 332, which covered administrative, economic, criminal and civil areas (People’s Daily 23 March 1998). The NPC deputies had flashed their muscles on the voting of state presidents, premiers and chairmen of the NPC, mostly by negative votes or abstention votes.

The process of shaking off the rubber-stamp image of the NPC was accelerated in the early 1990s under the chairmanship and vice-chairmanship of Qiao Shi and Tian Jiyun, two noted reformists who had been appointed at the Eighth NPC held in March 1993. First of all, Qiao began to recruit foreign legal experts to reorganize the NPC’s Legislative Commission which drafted the country’s economics legislation and laws, as the economic reform went into full swing after Deng’s southern trip. Second, Qiao followed the late NPC chairman Peng Zhen’s policies of legal reform in the 1980s, making full use of the its SC as the operative mechanism. In fact, the SCNPC gained expanded power bestowed by the new constitution in 1982. The NPC has developed several other functions besides law-making. The function of supervising judicial and administrative apparatus was strengthened and it has also established administrative penalties for misconduct on the part of officials in administrative and judicial organizations. It has exercised the investigation power in law enforcement more often. From 1994 to 1996, the SCNPC had organized forty-six inspection groups for the purpose of monitoring the enforcement of the laws at the sub-national levels and reports were sent to the SCNPC after inspection. The SCNPC would discuss these reports and referred to relevant authorities for the solution (Wang J. 1999:91). The legislators were pushing for a Law of Supervision that would enable the deputies to call from State Council senior officials and judicial units to explain their policies or to impeach them if they failed to justify their policies by 1997 or 1998. It was resisted by the officials (Ming Pao 20 November 1996).

Since the late 1980s, the NPC had tried to assert its role independent of the Party and government. The 1995 statute of the declaration of the Martial Law was an example. Knowing the coerciveness of the martial law troops during June 1989, the law tried to restrain the troops by introducing stipulations such as that “Martial law personnel should as far as possible avoid using weapons.” In the Third Plenary Session of the Eighth NPC held in
April 1995, the NPC demonstrated its institutional assertiveness in three occasions. Firstly, Wu Bangguo and Jiang Chunyun, two close followers of Jiang Zemin, nominated to be vice-premiers, were elected with more than one-third of negative votes from the deputies, to the astonishment of the Politburo. Secondly, the Education and Banking laws were rejected by one-fourth of the delegates. Third, in the Fourth Plenary Session of the Eighth Congress held in March 1996, over a quarter of the delegates refused to grant approval to the work reports of both the Supreme People’s Court and Supreme People’s Procuratorate. Furthermore, the amendments to the Criminal Procedure Code were another piece of evidence on the NPC’s assertion of independent power. The amendments were drafted by the SCNPC and passed in the 1996 Plenary Session. The amendments greatly liberalized criminal procedures in the PRC. However, it was met with strong opposition from the Ministry of Public Security (MPS) and the Supreme People’s Procuratorate because the amendments included some lenient provisions such as the abolition of administrative detention. In China, it is still a widely practiced procedure that allowed the security organs to incarcerate suspected persons indefinitely without trial or gaining access to a lawyer.

There were other acts of rebellion by the NPC and sub-national people’s congresses. In January 1993, the provincial people’s congress of Zhejiang was supposed to elect a new governor. The Party committee, through the presidium, nominated the incumbent governor Ge Hongsheng, a new rising star, who had been recently elected as one of the Central Committee (CC) members. The deputies ignored the signals from the above and nominated two more candidates for competition. One withdrew and the other contestant Wan Xueyuan, one of vice governors, was elected. In the competitive elections for the vice governors, six of the nine candidates nominated by the deputies were elected (Cheng Ming April 1994:9-11). In May 1989, the Hunan provincial people’s congress moved to impeach the vice governor Yang Huiquan whose inability and corruption angered the deputies. The deputies were successful in dismissing him (Ming Xia 2000:168). In Minqing county of Fujian province in March 1994, the county people’s congress vetoed a government decision about the price of tap water.
However, the government did not accept this and proceeded with the decision. The congress openly condemned the move and forced it to cancel the decision (An Chen 1999: 201). The provincial people’s congress of Guangdong declined to confirm the appointment of the two department heads in February 2000. Shenyang municipal people’s congress of Liaoning did not pass the work report of the municipal court in February 2001. The municipal people’s congress of Hechi of Guangxi province rejected the government work report on the management of the internet bars. In January 2003, the municipal people’s congress of Yueyang of Hunan province failed to elect the mayor nominated by Party committee in the first round and he was finally elected in the second round but the election process was strongly condemned by the deputies (Apple 5 January 2003). In May 2003, in Shenzhen Futian district, a Party-nominated candidate was defeated in the election of the deputies and Wang Liang, a US educated master-degree holder, won the election as an independent (Apple 22 May 2003).

As the marketization of the economy proceeds and China’s merging with the world capitalist economy accelerates after the accession to the WTO, the NPC and the sub-national people’s congresses have been gaining enormous powers and authority, which were manifested in the following aspects. First, legislative effectiveness: notwithstanding the national legislature which has made more 300 laws since the late 1970s, more than 5,300 local laws were passed by the sub-national people’s congresses. Second, economic decision-making: As China’s economy becomes more internationalized and the burden to legislate lies in the NPC. In fact, most of the legislation was concerned about economics. Third, expanding power in the periphery: The NPC had given generous support to the legislative processes in the sub-national level, such as the support given to the Hunan provincial people’s congress in ousting the vice governor. Fourth, judicial review: the power to interpret the laws and determine the constitutionality of local laws and administrative decrees lies in the NPC. Fifth, informational power: the NPC has become a cohesive institution in the whole political system. Sixth, veto power, the NPC and sub-national people’s congresses certainly have the veto power vis-as-vis the personnel appointment. The potential restraint imposed by this
power served to remind the CCP of its limitations (Ming Xia 2000: 127-128).

However its secondary role in the Chinese polity has remained unchanged. During the 4 June crisis, despite the calling of an urgent meeting and potential impeachment of Li Peng by more than fifty SC members of the NPC, they were not able to convene a plenary meeting to investigate the Tiananmen chaos. The incidents show the feebleness of the NPC. The CCP leadership believed that the role of the NPC in the 1990s should not be changed. A few days after the crackdown, Deng addressed the officers of troops of the curfew, stating the inviolability of the existing political structure. He said “In the reform of the political structure, one thing is certain: we must adhere to the system of the people’s congress instead of practicing the separation of the judicial, executive and legislative powers upon the American pattern. As a matter of fact, not all the Western countries follow the pattern of separation of powers” (Deng 1994:299).

Despite the negative votes, the refusal to pass the Party-nominated candidates for official positions, and other supervisory mechanisms exercised by the NPC or local people’s congresses in the 1990s, there have been control mechanisms by the CCP over the legislative bodies that would make the collective rebellion of the members almost impossible. First, most if not all the NPC deputies were CCP members. Approximately, two-third of the deputies from 1988 to 1998 were CCP members. In particular for the SC members of the NPC, it was estimated that since 1983 the percentage of CCP members in SCNPC was not below 75 (An Chen 1999: 163). With the dominant influence by the Party members in the NPC and SCNPC, it was guaranteed that the legislative intent would not deviate from the Party line. Second, furthermore, there existed the Party committee within the SCNPC, which could command the loyalty of the Party members. The Party committee could at the same time serve as a bridge between the Party and state. Despite the lack of detailed analyses of the internal channels of communications within the Party/state, it is widely known that every piece of important legislation must be examined and approved by the CCP Politburo. In a move to control the provincial people’s congresses, starting with the 14th CCP congress, the Party’s first
secretary should at the same time hold the chairmanship of SC of the people's congresses and during the 1990s, this practice was widely adopted.

After two decades of reform and the strengthening of the NPC, has the political system become a three-cornered power game or are the three corners of equal angles (An Chen 1999: 166-171)? Or has the system become a 'semi-anticipatory democracy' (Ming Xia 2000: 128)? The answer is far from definite. In spite of greater tolerance towards intra-party/state dissent, it is clear that the CCP has always remained the power arbitrator.

**Administrative Reform**

Comparing with the strengthening of the NPC, which serves as a relatively minor check and balance on the State Council, the administrative reform or streamlining of the bureaucracy was the most important reform measure in the 1990s from the top leadership. Similar to the 1980s, there were two waves of administrative reform in the 1990s. The first one started in 1993 and the second one in 1998. The background to the administrative reform or organizational restructuring was, on the one hand, China's inexorable march towards a marketized economy and, on the other hand, the re-emergence of bureaucratism in the early 1990s. At the Fourteenth CCP Congress held in October 1992, the leadership called for the establishment of a socialist market economy. In 1993, the CCP even desired to achieve a socialist market system before the end of the twentieth century. Jiang Zemin's Political Report (1992) stated the importance of administrative reform in the process of rapid modernization. He stated that "If we are to reform the political structure, deepen the economic reform, establish a market economy and accelerate the modernization drive, we must make it our urgent task to streamline the organizational structure and to simplify administrative layers." He condemned the phenomena of bureaucratism, such as "bloated bureaucracy, over-staffing, merging of government and enterprises which directly hinder the deepening economic reform and influence the relationships between the Party and people."

The budget of the Party/government personnel had almost
become unbearable. In 1979, the number of Party/state cadres was 2.79 million. Ten years later, it had shot up almost double to 5.43 million and in 1998, there were 30 million cadres. In twenty years, the number of government personnel increased more than ten times. The population increase certainly was less than ten times in twenty years (Liu Zhifeng 1998: 63). In the first half of 1990s, the changes of the government function, which means the separation of the government and enterprises became the focal point of the political structural reform, along with the administration in the state machinery (Chan and Drewry 2001). The separation of government from the enterprises was seen as the beginning of the switch of government function. In addition, the ultimate goal of the administrative reform was to establish a socialist market economy, which would pave the way for the accession to the WTO. After the Sixteenth CCP Congress, the reform focus shifted to instituting so-called grass-root democracy in the countryside or villages. In engineering the 1993 State Council reform, Li Peng basically summarized the administrative reform in the 1980s as a failure. He criticized the bureaucracy’s failure to meet the challenges of modernization or economic development. The problems nowadays in the state apparatuses were “merging of the state and enterprises, the relationships not well defined, bloated staffing and low efficiency” (1993).

In the early 1990s, the organizational units including ministries, commissions, affiliated and working organizations had increased from 80 in 1988 to 86 in 1993. The total number of Party/state cadres at the end of 1991 was 9.2 million and fiscal expenditure was 140 billion yuan, accounting 37% of the GDP. The reform proposal attempted to reduce the total number of staff from 36,700 to 29,200 in the central administration, a 20% reduction, cutting 86 working units to 59 (Liu Zhifeng 1998:306-307). The reform concentrated on changing the pattern of the economic ministries. The sectoral reform or streamlining took place in three ways. First, some government ministries were changed to jingji shiti (economic entities) with no administrative functions. The administration and running of these entities were left to market forces, such as the abolition of the Ministry of Aeronautical Industry and setting up of the Aeronautical Industrial Company, etc. Second, some departments became
hangye zonghui (professional associations), which would be subordinated directly to the State Council, and they were established to replace some ministries such as the Ministries of Light Industries and Textile. The goal of these professional associations was to co-ordinate policies and exercise macro-supervision over the professions and facilitate services for the professionals. Finally, the carryover or newly-created administrative ministries featured were given streamlined administrative structures, which would engage in planning, coordination, servicing and supervision of the industries concerned. The retained Ministries included Railway, Transport, Forestry, and Agriculture, etc. The newly set up Ministries included Ministries of Mechanical Industry, Electronic Industry, etc. To improve the efficiency of the State Council, reshuffling also took place within the State Council’s affiliated organizations and it took three forms, first, retaining the important working units, such as Hong Kong and Macau Affairs Office; second, merging with the original ministries and becoming a sub-unit or ju (bureau), such as National Earthquake Bureau and National Property Management Bureau; third, merging with the Ministries and becoming a zhineng ju (functional bureau) such as the National Herbal Medicine Management Bureau. With these measures, the number of affiliated and working units was reduced from 44 to 18 (GOSC 1995:8-10).

Luo Gan, then secretary-general of the State Council, decreed that the government departments had to change functions, simplify administrative structure and decentralize decision-making power, in line with marketization reform. The government bureaucracy must be simplified and the enterprises have to enhance the competitive edge by entering the market. In the reform process, twenty-seven ministries and departments were eliminated, including seven specialized economic departments. The number of cadres was reduced by 20 percent, from 36,700 to 29,200 (GOSC 1995: 10).

The 1990s was a rapidly developing era for China. Economic growth was in double-digit figures and incorporation into the world capitalist economy quickened process. The negotiations with the USA over the accession to the WTO had been going on since the mid-1980s. However, by mid-1990s, the administrative reform seemed to be failing in the midst of the marketization of the economy. As Li Peng stated in his Government Work Report (1998)
Although achievement had been made in the previous reform attempts, because of the objective constraints, a lot of problems remained unresolved. The contradictions between the organizational apparatus and socialist development had become increasingly apparent, such as over-staff bureaucracy, inseparation of the government and enterprises, the growth of bureaucratism and corruption and fiscal burden.” In 1998, China had 33 million Party/state cadres whose salaries were paid by the state. Among them 25 million personnel belonged to various kinds of public institutions and 8 million were cadres at all levels of the administration (Chan and Drewry 2001:557). The financial budget of these staff accounted for almost 40% of the total budget of the state (Liu Zhifeng 1998:24-25).

The 1998 administrative reform was the most drastic and comprehensive organizational streamlining in the history of the PRC. 40 ministries and commissions in the State Council were slashed to 29, a reduction of 27%. More than 200 bureaus, about 25% of the total, were also abolished. Furthermore, the reform aimed to reduce the State Council employees to 16,700, a reduction of 47.5% (GOSC 1998:39). In 1997, Jiang Zemin had already laid bare the rationale and principles of this administrative reform. In his Report to the Sixth Plenum of the 15th CCP Congress, he said,

In accordance with the requirement of a socialist market economy we need to alter the functions of the government and separate them from those of enterprises so that enterprises will be truly given the power with regard to production, operation and management. Following the principle of simplification, uniformity and efficiency in reform, we shall establish a highly efficient, well-coordinated and standard administrative system, with a view to improving its service to the people. The departments in charge of comprehensive economic management should shift their functions to macroeconomic control, and specialized economic departments should be reorganized or reduced. We shall improve the works of departments supervising law enforcement and cultivate and expand social intermediary organizations. We shall deepen the reform of
the administrative system, statutorily delimiting the structures, functions sizes and working procedures of the state organs and ensuring that their sizes are kept within authorized limits and their redundant personnel are reduced.

There are three measures suggested in the Report, namely changing some ministries into enterprises or corporations set up under the State Council, streamlining or the outright abolition of some government ministries or commissions, and the downsizing of staff. The direction of the reform was similar to the 1993 reform and the overall goal of the reform was to create a ‘small government, big society’ environment which could facilitate economic reform. After the ninth NPC in March 1998, the administrative reform began to take full force. First, 15 out of 40 ministries and commissions of the State Council were eliminated, such as the Ministries of Electrical Industries, Mechanical Industries, Internal Trade and Labor, etc. Second, half of the 32,000 personnel within the State Council would be transferred or discharged. The guiding principle in the reform regarding personnel was that no one was to be unemployed. The personnel had to be either re-deployed or retrained. In three years, one million central and local government cadres positions were cut. Third, in the planned economy era, the ministries and commission were designed to micro-manage the economy and state enterprises. Some economic management units were downgraded from commission and ministry status to departmental status. Their powers and functions were limited to three major tasks: macro management, guidance in structuring industry and facilitation of fair competition among business sectors. The direct management of enterprises was prohibited. The State Planning Commission would be redesigned as the State Development Planning Commission. The State Planning Commission had been directing the economy since the 1950s but the new renamed Commission would take charge of macro management of regulation, long term development planning and the maintenance of general economic equilibrium. Market forces would be the chief determinant of the economy. In addition, the Organization Laws of the State Council would be revised to provide more flexibility in regulation. Fourth, four ministries and commissions were newly created to meet the challenges imposed by the advent of
globalization such as Ministries of Information Industry, Labor and Social Security, etc. There were 22 carry-over ministries and commissions. At the local level, the Organization Laws of Localities would give more autonomy to the local governments in implementing central government policies. Finally, local governments would have to follow the reform measures but local variations would be allowed and also the extent of marketization in the Western regions was different from the coastal developed areas.

Chinese social scientists have labeled the cycles of streamlining-swelling-re-streamlining re-swelling as 'historic vicious cycles' (Liu Zhifeng 1998:317). All previous attempts at re-organization had failed. Hsia Jingkui, a political scientist at Beijing University analyzed the 'vicious circles' or lack of success in organizational reform as being due to five factors. First, the CCP as a ruling party had designated Marxism and Leninism's democratic centralism as theoretical guiding line for the Party as well as whole country. Centralization was the key feature of the system. Second, the systemic features of the former Soviet Union had a shaping influence on the formation of the existing PRC socio-political-economic system. The influence was difficult to erase. Third, under the reign of Mao, efficiency was not an important factor worth mentioning. The PRC always emphasized the importance of quantity rather quality. Therefore, streamlining was not considered necessary in eradicating bureaucratism. Fourth, perhaps influenced by traditional dynastic conventions, the Party/state cadres had the psychological factor that they could not be demoted or downgraded. This allowed for the expansion of bureaucracy. Fifth, the Perhaps the most important factor was institutional. For a long time, there has not been any institutional check or curbing on the centralization of power of the CCP (Liu Zhifeng 1998: 323-324). Despite the fact that the marketization reform was in full force in China, it is difficult to believe that the organizational reform measures would succeed given the past experiences.⁶

**Instituting Grass-roots Democracy**

Besides the organizational streamlining which focused on the separation of the government and enterprises and efficiency
enhancement within the bureaucracy, the CCP leadership seemed to
play up the grass-roots or self rule elections since the mid-1990s.
Grass-roots elections or democracy was another big piece of
political structural reform in the second half 1990s. After 1949, there
were three stages of development in the organization of grass-roots
structure in the rural areas. First, from 1949 to 1957, was a stage in
which the xiang (town) administrative structure co-existed with
agricultural co-operatives. Second, from 1958 to 1982, People’s
Communes were established and then dissolved. Large and small
production teams also existed. Finally, after 1982, the new state
constitution was passed and decreed the establishment of village
committees in the rural areas. There were three phases in the
development of the village self rule. First, from 1982 to 1987, this
phase began with the 1982 state constitution which requires the
establishment of the resident committees and village committees in
the rural and urban areas as mass self rule organizations. Second,
from 1987 to 1990, the Provisional Organic Law of the Village
Committee of the People’s Republic of China was promulgated by
the 13th Standing Meeting of the Sixth NPC in 1987, stating that the
law came to effect on 1 June 1988. Third, after 1990, the self rule
governance was accepted by the top CCP leadership and extended to
the whole country (Bai Yihua, Yang Kaiwang and Chih-yu Shih
1998: 255-257). The origin of the village committees emerged in
two Guangxi counties (Yishan and Luocheng) in late 1980. The first
Villagers Representative Assembly was set up in nanlou village
(Hebei). The village committees were formed by local villagers and
cadres to manage village affairs in the midst of the breakup of the
People’s Commune and production teams. They reported to the
higher authorities and finally Beijing accepted and legitimized the
formal structure in the 1982 state constitution (O’Brien and

Officially, the 930,000 villages across the country were
required to hold elections on village heads and committee members
after 1988. Between 1988 and 1990, about 1,093 villages were
selected by the Ministry of Civil Affairs (MCA) to be trial cases. The
MAC set up special training workshops to recruit cadres to conduct
the village committee elections. In the early 1990s, the MAC
selected the “demonstration villages” by applying the official
guidelines which were adopted and made public in April 1994. The guidelines decreed that direct and competitive elections must be held at the village level. Second, the "village representative assemblies" should be established and oversee the elected village committees. Lastly, village charters and codes of conduct for cadres and villagers by the representative village assemblies were issued.

Direct democracy at the village level was backed up by the CCP leadership as a whole. Li Peng said that "In our country democracy starts with the grass-roots, because for an ordinary villager the person who is of direct concern is not the governor or the county magistrate... but the chairman of the village committee." (SCMP 1 December 1998). Zhu Rongji (1999) emphasized that "To develop democracy and perfect the mechanisms that reflect the public opinion so that public opinion could be absorbed into the government's decision making process. We must further strengthen the system of democratic decisions and cautiously and consistently develop the function of the village committees." In the Fifteenth CCP Congress in 1997, Jiang Zemin (1997) pointed out that "To extend grass-root democracy, guarantee the direct exercise of democratic rights, manage their own affairs and create a happy life, are the widest practice of socialist democracy." Evidently, from the official perspective, village elections both have the form and substance of democracy. According to the official documents, they fulfilled five purposes. First, the villagers have the power to manage their own affairs and are the masters of their future. Second, the elections show that the villagers have the ability to exercise democratic rights. Third, the elections improve the relationships between the villagers and Party/state cadres and eased tensions on both sides. Fourth, the elections improve the relationships and communications between the Party as a whole and the peasantry. Fifth, the elections generate incentives for the peasantry in managing their own affairs (Bai Yihua, Yang Kaiwang and Chih-yu Shih 1998:260-261).

Since the concept of self rule for the mass organization was first conceived in the 1980s and elections of the village committee heads started in 1988, why did the CCP leadership blow up the issue into one of the major pieces of political structural reform in the mid-1990s? During Clinton's 1998 visit to China, he was invited to
discuss village elections with the peasants in Xia He village near Xian (Ming Pao 27 June 1998). There were four reasons. Firstly, the most thorny issues in the Sino-US relationship were first the Taiwan problem and second the human rights issue. In the aftermath of the 4 June crackdown, human rights became the issue that the US government must handle with China. China's human rights record was so poor that it was practically defenseless in the face of the US accusations. Every year since the early 1990s the issue of human rights would heat up as the Congress renewed the Most Favored Nation trade status of the PRC. China began to use two tactics to counter attack. First, publishing a human rights report on the USA and charging the USA with adopting double standards or selective standards in assessing the human rights record of other countries. Second, trying to play up the self rule village committees elections and claiming that China, in fact, has more basic democratic rights for the people than the USA. Secondly, the village elections could serve as delaying tactics by the hard-liners to the reformists within the Party who was asking more radical reform pace. Thirdly, since the reform started in the late 1970s, the Party's totalistic power over society in general and in rural areas in particular, had shrunken considerably. The stability in the rural areas indeed worried the leadership. By allowing the elections to take place, at least the elected heads would have legitimacy and would perform as best as they could to win the next elections and thereby stabilize the situation in the rural areas. According to an internal document, the Party structure has collapsed in up to 30% of China's village. Fourthly, the village committees are mass organizations of self rule and they are not even part of the formal executive structure of the political system. They are extremely remote from the power core in Beijing and therefore certainly would not threaten the power base of the CCP.

Are the village elections truly democratic? In an empirical study, Robert A. Pastor and Qingshan Tan (2000) have observed many such elections and discussed with many Ministry of Civil Affairs (MCA) officials. They have come to the following conclusion. First, there was not a complete set of data on the entire country. In response to the question posed to the MCA officials about how many village elections were conducted according to the
election laws, the officials answered "Perhaps 50%, frankly we do not know." Party village secretaries usually served on the village election committee that supervised village elections and therefore could wield enormous influence in election outcomes. According to their estimate, probably less than half of the village heads ran competitively. There has been widespread use of proxy votes and secret balloting was not always used. There were also different voting procedures even though the MCA had been trying hard to standardize them. One thing the authors were sure was that "There is no evidence that national leaders are trying to control villages. This may be because the Communist Party is not threatened by village elections....The Party’s interest in free elections, however, might not be so impartial if the elections move up the ladder of the government" (Robert Pastor and Qingshan Tan 2000:508-509).

In another study identifying the locus of decision-making power in the Chinese village, Jean Oi and Scott Rozelle (2000) suggested that the broadly inclusive village assemblies and partially-elected village committees meet only infrequently. Moreover, there appeared to be wide variations in the actual power for the smaller village committees (5 to 7 persons). For some, the elected committee is the seat of power decision, for some the Party secretary decides everything. The variations seems to tie in with the nature of village economy and the changing bases of power in China’s countryside after the de-collectivization in the early 1980s. However, they found out that the percentage of Party members in the village committees (64% and 65% in two cases) were more than the MCA officials claimed (25 to 35% generally) (2000:521).

According to a Chinese social scientist, unlawful activities were widespread and they could be manifested in the following five ways (Bai Gan 2001)⁸. First, bribery to gain the necessary votes to be elected. One vote normally costs from 20 yuan to 30 yuan. However, a Party secretary of a village in Yangjiang City, Guangdong Province spent totally 300,000 yuan for votes and also manipulated the ballot to be elected as the director of the village committee. Second, appointed or assigned elections, this means that instead of allowing the villagers to vote, the township government directly appointed or assigned the director or committee members. Third, the election organizations broke the laws in different forms, such as not allowing
competitive elections to be held; not providing secret ballots; not selecting formal candidates in the villager representative meeting; sometimes electing the director or members of the village committees by the village representatives only, etc. Fourth, illegal procedures, for sometimes the electoral committees were selected by the township government; sometimes votes by proxy were not strictly carried out by relevant laws; ballots were not counted; sometimes voter participation failed to be reported, etc. Fifth, there were various ways to sabotage the elections by unlawful means. Sometimes the old members refused to transfer power to the newly-elected members and sometimes the town government dismissed the elected director or members without going through a village meeting (Bai Gang 2001: 17-21).

The revised Organic Law of the Village Committees was passed by the 5th SC of the NPC in November 1998. With that, the village elections or self government shed their trial status and elections procedures have been standardized. According to the Law, the elections must be competitive and the voting must be secret (article 14), and “the members of the village committees are to be elected directly by villager; they may not be designated, appointed or replaced by any organization or individual” (Article 11), etc. However, in a move to guarantee the dominance of the Party, the new Law stipulates that the Party branch is the village’s “leadership core” (lindao hexin) (article 3). Therefore, ultimately, “Elections are designed to increase mass support for the Party, and grass-root democracy is understood to be fully compatible with strong state control” (O’Brien and Lianjiang Li 2000:488-489).

Jiang Zemin at one time called for the expansion of direct elections from the village to the township level. The population of a township constituted about 100,000 people. According to Jiang, the local elected organs of power and self-governing mass organizations in both urban and rural areas shall establish a sound system of democratic elections. Indeed, there was breakthrough in the electoral system in the 1990s. In November 1998, a small township called Buyun in Sichuan province held a direct election for the township magistrate (Ming Pao 11, 12, 13, February 1999). The election was competitive. In the end the Party representative won by a majority of 12 votes and the election was declared valid by the Party. It was a
big step forward in the personnel reform. According to the PRC constitution, the township level has direct elections in the deputies to the local people’s congresses. The election was a breakthrough because people were electing an executive head not the legislators to the local people’s congress.

Unlike the Buyun election in Sichuan which gained widespread publicity, there was another form of election of the township government head in the late 1990s, which received much less attention. Arguably the question of constitutionality regarding the Buyun election was debatable but the election in Dapeng town, Longgang District, Shenzhen was perfectly constitutional when the CCP launched the so-called “two ticket” election in electing a township head. The electorate could forward their candidates and five were confirmed as candidates and they were voted (first round) on by the electorate of the whole town. The one with the highest votes was recommended to be the only candidate to be voted in the second round of election by deputies of the local people’s congress which was in congruence with the state constitution (Wang Weiping 2000: 17-22). However, the Biyun and Dapeng experiences seemed to have confined to Sichuan Province and Shenzhen. In November 2001, a circular issued by the central authorities demanded that the upcoming elections in township and village be conducted strictly according to law which had the effect of banning direct elections at the township levels (SCMP 22 November 2001). Since the Sixteenth CCP Congress in November 2002, the CCP top leadership has decided that to develop intra-party democracy is more appropriate than developing grass-root democracy (Ming Pao 10 October 2003; Ta Kung Pao 11 October 2003).

Fighting Against Corruption as a Reform Strategy

Corruption could be defined as the use of public power in pursuit of private benefits (Wang Hunin 1990: 145; Hu Angang 2001: 2-4). In the Chinese context, the immoral conduct is manifested in many aspects: misappropriation of public or government funds, receiving or offering bribes, involvement in smuggling activities, collecting taxes illegally, receiving kickbacks and exchanging benefits, etc. It must be admitted that in the 1950s and 1960s, there
were relatively fewer corruption cases in the PRC. The most serious case was the case in 1952 of the district Party secretary of Tianjian called Liu Jiansan who was involved to an amount of one hundred seventeen thousand yuan. At the same time there were repeated political campaigns such as Three Antis and Five Antis campaigns to stamp out corrupt elements of bourgeois or anti-revolutionaries. Anti-corruption then was taken as a form of class struggle. The mass purges in the political campaigns prevented people committing corruption because people were afraid of being perceived as class enemies by the new regime (Wang Hunin 1990:33-45). The political and ideological campaigns eliminated the chances of corruption.

The situation changed completely after the reform and open door policies were launched in the late 1970s. The focus of the Party’s work had shifted from ideological struggles to economic construction and mass political campaigns basically stopped. Huntington (1968: 59-63) argued that in the modernization process, corruption tends to increase tremendously because of three reasons: Firstly, the drastic social changes cause traditional values to change. Behavior that was accepted by traditional norms would not tolerable by modernized values, such as equality, freedom, openness and transparency, etc. Secondly, the process of modernization has created new venues of prosperity and wealth. New social groups of wealth were also created and this might cause the traditional power elite to exchange political power for financial benefits and social groups want to gain political access to the ruling elite through wealth. Thirdly, the process of modernization produces a demand to enhance the control of governance on the part of the central government and this creates the chances of corruption in the centralization process.

Evidently, the CCP leadership was aware of the seriousness of the rampant corruption and its impact on the legitimacy of the CCP. In November 1979, Deng Xiaoping made a speech (1983: 187-202) against special privileges be given to senior cadres because these would make the senior officials detached from the common people. In August 1981, the Central Discipline Committee sent a decree to the provincial and local Discipline Committee, demanding strict discipline be applied to all Party members. In November 1983, the Second Plenum of the Twelfth CCP passed the Decision to Rectify the Party. In December 1985, the State Council and the CCP
General Office decreed that all phenomena of corruption including fund embezzlement, briberies, and privileges of cadres be ceased. Important provisions and regulations were pronounced to guide the behavior of the Party members. For example, Certain Provisions about the Political Life in the Party in 1980, the Decision to Fight the Serious Criminal Activities in the Economic Arena in April 1982, the Provisions of Prohibiting the Party/state Apparatus Setting Enterprises and Involving in Commercial Activities in February 1986, the Temporary Provisions about the Penalties of the State/government Personnel Committing Corruption in September 1988, etc.

In the 1990s, nearly every year Jiang delivered a speech to the Central Discipline Inspection Committee, emphasizing the importance of a clean government and the style of work of the Party. He even raised the campaigns against corruption to the level of life and death for the CCP (Jiang 2001:475). Since the mid-1990s, unlike before, instead of emphasizing the Party’s exemplary functions and the role model emulation effect or the supervisory functions of the Party, the top leadership has been stressing the importance of zhidu (institutions). Jiang (2001:477-478) said that “We must rely on institutional innovation to root out corruption. This is one of the important lessons we have learnt from the past. Good institutions can prevent effectively the spread of corruption and, on the contrary, bad institutions can spread corruption.” Therefore, graft-fighting units were set up across the country. By mid-1996, more than 1700 Anti-corruption Bureaus had been erected in 29 provincial, 289 district and municipal levels and 1,400 grassroots Procuratorate. Mechanisms of public participation in fighting corruption were also established. There were 2929 centers or hotlines where citizens could file reports and complaints (Ming Pao October 9 1995).

Despite all these rhetoric and measures, corruption was sprouting across the country. There was a tremendous increase from the 1980s. The number of corruption cases can be seen from the following tables for the 1980s:
Table 1
Number and Amount of Corruption and Bribery Cases in the 1980s

<table>
<thead>
<tr>
<th>Amount</th>
<th>Corruption/bribery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 10 thousand</td>
<td>1908/368</td>
</tr>
<tr>
<td>Over 100 thousand</td>
<td>100/22</td>
</tr>
<tr>
<td>Over 200 thousand</td>
<td>30/6</td>
</tr>
<tr>
<td>Over 500 thousand</td>
<td>18/4</td>
</tr>
</tbody>
</table>

Source: Wang Hunin 1990: 66-68

In the 1980s, corruption and bribery cases involving an amount of more than 500 thousand yuan were relatively few.\textsuperscript{11} In 1980, when the minister of trade Wang Lei refused to pay in a Beijing restaurant and caused a public outcry, he was publicly criticized by the Central Discipline Inspection Committee (CDIC). This was the first senior official at the provincial level who was exposed and condemned. However, the first senior provincial level official who was charged with a criminal offence and subsequently imprisoned did not occur until 1987. By the late 1990s, the number of middle-ranking and senior officials who committed corruption had shot up sharply. In 1999, according to the annual report of the CDIC, the number of officials who were prosecuted was as follows: 4092 at county/department level, 327 at district/bureaus level, 17 at provincial/ministerial level. In 2000, 4146 county/department level, 331 at district/bureaus level, and 21 at provincial/ministerial level (The Mirror February 2000:31). Moreover, the amount involved was shockingly large. For example in 1996, there were 397 cases of corruption that involved amounts from one million to ten million yuan, and 59 cases amount of more than ten million yuan (The Mirror November 2000:35). The highest official who was executed over criminal charges of corruption had accepted bribes up to 40 million yuan in 2000. In 1999, the Party secretary of Ningpo city misappropriated public funds amounting to 1.2 billion yuan and the vice-mayor of Shenyang lost 36 million yuan gambling in Macau. In a district in Guangdong, an official who was in charge of a financial department appropriated public funds up to 150 million yuan (The Mirror April 2000:21).\textsuperscript{12} By the end of the century, even the CCP leaders admitted that five important feature characterized the rampant corruption: first, most cases involved a great amount of
money; second, senior officials were involved; third, organized/gang corruption occurred; fourth, officials joined criminal gangs; fifth, power greedy officials were making quick profit out of the post (The Mirror March 2000:26).

Without doubt, corruption caused great losses to the Chinese government. Many customs officials in Fujian, Guangdong and Guangxi provinces were involved in smuggling activities and the financial loss for the state levies could be seen from the following tables.

Table 2
Statistics on Exposed Smuggling Activities (in yuan)

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of cases caught</th>
<th>Value (100 million)</th>
<th>Value of each case (100 million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979</td>
<td>0.07</td>
<td>0.07</td>
<td>0.05</td>
</tr>
<tr>
<td>1980</td>
<td>0.51</td>
<td>0.51</td>
<td>0.14</td>
</tr>
<tr>
<td>1981</td>
<td>1.06</td>
<td>1.06</td>
<td>0.30</td>
</tr>
<tr>
<td>1982</td>
<td>1.02</td>
<td>1.02</td>
<td>0.31</td>
</tr>
<tr>
<td>1983</td>
<td>0.59</td>
<td>0.59</td>
<td>0.17</td>
</tr>
<tr>
<td>1984</td>
<td>1.36</td>
<td>1.36</td>
<td>0.50</td>
</tr>
<tr>
<td>1985</td>
<td>7.09</td>
<td>7.09</td>
<td>3.00</td>
</tr>
<tr>
<td>1986</td>
<td>6.11</td>
<td>6.11</td>
<td>3.31</td>
</tr>
<tr>
<td>1987</td>
<td>1.67</td>
<td>1.67</td>
<td>1.28</td>
</tr>
<tr>
<td>1988</td>
<td>2.34</td>
<td>2.34</td>
<td>2.29</td>
</tr>
<tr>
<td>1989</td>
<td>5.58</td>
<td>5.58</td>
<td>4.67</td>
</tr>
<tr>
<td>1990</td>
<td>6.01</td>
<td>6.01</td>
<td>5.15</td>
</tr>
<tr>
<td>1991</td>
<td>7.13</td>
<td>7.13</td>
<td>5.35</td>
</tr>
<tr>
<td>1992</td>
<td>13.18</td>
<td>13.18</td>
<td>13.24</td>
</tr>
<tr>
<td>1993</td>
<td>23.00</td>
<td>23.00</td>
<td>33.96</td>
</tr>
<tr>
<td>1994</td>
<td>22.88</td>
<td>22.88</td>
<td>34.59</td>
</tr>
<tr>
<td>1995</td>
<td>44.30</td>
<td>44.30</td>
<td>75.96</td>
</tr>
<tr>
<td>1996</td>
<td>92.89</td>
<td>92.89</td>
<td>151.53</td>
</tr>
<tr>
<td>1997</td>
<td>67.35</td>
<td>67.35</td>
<td>92.70</td>
</tr>
<tr>
<td>1998</td>
<td>83.81</td>
<td>154.00</td>
<td>183.57</td>
</tr>
</tbody>
</table>

Source: Economic Journal 26 January 1999 (Quoted from Hu Angang 2001:52)

Although the number of smuggling cases caught was relatively fewer in the 1990s than the 1980s, the amount uncovered was much
larger. This trend had been increasing since the late 1980s. In 1998, the amount was 15.4 billion yuan, a great loss to the state revenue. Moreover, according to Hu Angang (2001:34), the financial loss caused by different types of corruption amounted to 13.2% to 16.8% of China’s GDP by the second half of the 1990s. As he said, “Corruption has become the greatest social pollution in China” (2001:62). Furthermore, according to Vito Tanzi, an IMF analyst, corruption would bring consequences other than just financial loss to the government. First, corruption would paralyze the governmental ability to exercise effective supervision over public sectors. Second, corruption would distort the incentive mechanisms as people would indulge in non-productive activities. Third, corruption would add to the extra cost of production and services. Fourth, corruption would distort the government ability to enforce agreements and property protection. Fifth, corruption would decrease the legitimacy of the market economy and sometimes even democratic politics. Sixth, corruption would deprive the poor of the opportunities of earning potentialities. Hu Angang explicitly pointed out (2001: 22) that “The main source of corruption comes from the Party/state in which extremely complicated and possessing various degrees of influences of interest groups have been formed. A significant part of these groups have evolved into what the former Soviet Union bureaucratic privileged strata. They try to maximize their interest and at the same time they become the greatest obstacle to reform anti-corruption drive. This is an essential feature of social change since the reform and open policies were launched.” The root of the rampant corruption lies in the unchecked power of the CCP. The CCP has more than sixty million members and the Party members hold thousands of position ranging from village head to the state president. Moreover, the Party holds that the Party should dominate in every field. In the reform era, despite the shrinking power in the Party/state over society, the tremendous national resources are at the hands of the Party apparachik. Mass media have been under strict control from the Central Propaganda Department. In the name of political stability, many serious cases of corruption were forbidden to be reported. The problem is that basically nobody watches the watchdog.
Conclusion

Since the reform started in the Third Plenum of the Eleventh CCP Congress, Deng Xiaoping was the key figure in the whole reform era until he died in 1997. He claimed himself to be the core of the second generation of the CCP leadership since 1949. His anointed successor Jiang Zemin was the core of the third generation. In the twenty years of the reform process under them China’s economic structure and, to some extent, its political structure had changed significantly. First, the replacement of public ownership by mixed mode of ownership including private ownership. Now, individuals can own private properties and set up private business, and through the shareholding system the state sectors were transformed into non-state sectors. Second, China’s GDP growth rate between 1980-1990 averaged 9.5%. In politics, the Marxist orthodox line was abandoned and class struggles as the key link discarded. Then four modernization became the primary task of the CCP. In the past twenty years the NPC, Chinese People’s Political Consultative Conference and State Council underwent different degrees of reform. In addition, there were elections at the village and township levels. However, the limitations of these reforms were evident. The nature of these reforms in Deng and Jiang’s eras were different. The turning point was the Tiananmen pro-democracy movement in 1989. Before the crackdown, Deng’s political structural reform was hindered by internal “two front” struggles, i.e. ultra-leftist tendencies and bourgeois liberalization. In the 1990s, to enhance the legitimacy of the CCP in the wake of oppression, the consolidation of political power was the primary goal of the political line, to prevent “peaceful evolution” by the Western capitalist countries. The implementation of the political reform became a means to maintain the incumbent political system and its main goals were to facilitate economic marketization and maintain societal stability.

In the 1990s, the dilemma of the political structural reform was less complicated than that of the 1980s but the pace of the reform slowed down. The term political reform disappeared from the mass media for a while and it re-emerged only at the end of 1989. The goal and contents of the political reform had changed. The “separation” concept of the Party and government disappeared and
the strengthening of the Party leadership became the main threat in the new stage of political reform. Deng began to talk about the fine-tuning and perfecting “democratic centralism” within the Party, which means overt dissension from the Party would not be allowed. To avoid the repetition of the June 4 events, the center of the Party could not be split. There was no mention of the separation of the Party and government after the Political Report in the Fourteenth CCP in late 1992. The slogan had changed to the “perfection of socialist democracy” and the primary concern was with stability as the slogan went “stability must overwhelm everything.” At the Fourteenth CCP Congress, the scope of the political structural reform was narrowed to streamlining the Party and state administration, to carrying out a new civil service system, and to promoting multi-party cooperation under CCP and spiritual civilization.

In the 1980s, the main concern of Deng Xiaoping’s notion of political structural reform was the separation of the Party and government, but the main focus in the 1990s, was on the efficiency, or effectiveness of the NPC and administrative body. Moreover, the CCP leadership emphasized the separation of the government from the enterprises, which means the administrative units should cease the intervention with the state enterprises. The move to separate the Party and government took a backward step comparing with separation of the Party with government. Political power was more overtly concentrated. All the Standing Politburo Committee members filled the key Party/state posts. Jiang Zemin alone occupied the posts of the state presidency, the Party general-secretary and chairman of the CMC. Li Peng was the premier and Li Ruihuan became the chairman of the CPPCC and Qiao Shi the chairman of the NPC. The fusion of power or the concentrated power pattern had a beautiful name “cross leadership”. The tradition has stayed until today.

Notes:

1 Since the early 1990s, students of Chinese politics have lost interests in the concept of cycles and the academic discussions have been on the notion of corporatism and civil society. See Wong Yiu-chung and Chan Che-po (2002).

2 Censorship was even applied to the foreign dignitaries. Hillary Clinton’s
autobiography *Living History* was translated into Chinese and published in the PRC in 2003. However, references to Harry Wu’s imprisonment in China, 4 June events and human rights in China were deleted from the book (*Apple* 26 September 2003). Most interestingly, the Party newspaper *People’s Daily* was censored by local authorities. On 28 August 2003, the edition of *People’s Daily* carried an article titled “Who tore down the building, but for whose profit?”, criticizing the officials of Jiangxi province. The edition did not appear until two days later and four pages were removed.

3 I and my colleague have done some empirical studies on the role of the Party secretary and the director in the state enterprises. See Wong Yiu-chung and Chan Che-po (2002).

4 The use of electronic media had been instrumental in the demise of the former Soviet Union. The spread of internet in China had caused some observers to make a similar prediction (Gordon Chang 2001). Would the Soviet experience be repeated in China? For detailed analysis, see chapter 8.

5 For details in the number of staff in each ministry, commission and bureau, consult GOSC (1995). However, the number of personnel in the Ministries of Defense, National Security, Public Security, Supervision and the Commission of National Science and Technology, Office of Taiwan Affairs and Office of the Press, was not released. Some statistics are very interesting. For example the Ministry of Foreign Affairs had the largest established staff (2000), followed by the Ministry of Finance (950) and Ministry of Agriculture (925). However, a bureau dealing with patents has a staff of 1260.

6 The 10th NPC in March 2003, at which Wen Jiabao was elected to be the premier, did not introduce any reform program in the State Council make up. Only two ministries were cancelled.


8 According to Bai (2001), his report was based on on-site observations and investigations and letters of appeal or disclosure to the departments of civil affairs. I doubt very much that the Western observers of the village elections could ever gain access to these letters.

9 According to a report of *Southern Weekend*, in city of Qianjiang in Guangdong, for the term from 1999 to 2002, in a total of 329 elected village heads and members, 187 people were driven out of post because of ‘incompetence’ and 432 vice heads and members were removed illegally (*Apple* 27 September 2002).

10 There was a debate as to whether the election of the township government head was constitutional or not, because according to the Chinese constitution, the township head should be elected by the corresponding level of people’s congress not directly by the people.

11 However, in the 1990s even in one province Huipei officials committing corruption amounted to 2244 officials. 718 cases involved amount more than 100 thousand yuan, 59 cases between 500 thousand yuan and one million, 8 cases dealing more than 10 million (*The Mirror* March 2001:32).

12 In the 1990s, the two highest Party/state leaders who were convicted of corruption
were CCP Politburo member the former Beijing mayor Chen Xitong and vice chairman of the SCNPC Cheng Kejie. The highest senior official who was executed for the crime was vice governor of Jiangxi province Hu Changqing in 1999. Chen's case, in fact, was more political nature than financial. The amount was more than a million yuan, the case was not so serious as compared with other corrupted officials. Most believed that his power struggles with Jiang Zemin caused his downfall. Cheng's case involved more than 40 million yuan.

13 Quoted from Hu Angang (2001), pp.228-231.

14 One of the recent examples was the Shanghai billionaire Chou Chengyi. It was reported that he had conspired with the Shanghai officials in the 1990s to get hundred of hectares of urban land without spending too much. He was able to borrow billions of dollars from the banks through personal connections (Open July 2003:23-27).

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