

REGIME, SOCIETY, AND POLITICAL TRANSITIONS: A CASE STUDY OF CHINA

©2010

By Christina Thompson

A thesis presented in partial fulfillment of the requirements for completion  
of the Bachelor of Arts degree in International Studies  
Croft Institute for International Studies  
Sally McDonnell Barksdale Honors College  
University of Mississippi

University, Mississippi  
Spring 2010

Approved:

---

Advisor: Dr. Holly Reynolds

---

Reader: Dr. William Schenck

---

Reader: Dr. Robert K. Frost

## Table of Contents

<u>Introduction</u> .....	3
<u>Chapter 1</u> Civil Society and Gill's Model .....	5
<u>Chapter 2</u> The CCP Regime .....	16
<u>Chapter 3</u> The Development of Social Organizations in China .....	32
<u>Chapter 4</u> Characteristics of Social Organizations in China .....	50
<u>Chapter 5</u> Managing China's Social Organizations .....	55
<u>Chapter 6</u> Encouraging or Limiting Social Organizations?.....	66
<u>Conclusion</u> China in the Context of Gill's Theory .....	78
<u>Bibliography</u> .....	82

## Introduction

In the study of political transitions, Graeme Gill (2000) asserts that there are basically three different types of transitions to democracy: a transaction, in which the ruling regime decides to change the political system to a democratic one; extrication, in which the ruling regime and the opposition work together toward democratization; and replacement, in which the ruling regime is overthrown by the opposition (Gill, 2000). Economic development, liberalization, and regime disunity all play their part in creating the potential for a political transition. According to Diamond (1999) and Gill (2000), the literature on regime transition has largely ignored the role of civil society as a force for democratization. Gill (2000) has outlined the effects a strong civil society can have on regime transitions and he argues that it is civil society that is the “missing link” to a transition to democracy, as opposed to a transition to a new authoritarian government. Gill (2000) provides a theoretical model that predicts the type of transition a nation may undergo in the face of a crisis, which is often the catalyst that triggers a political transition. Gill’s model presents the relationship between regime unity and the presence or absence of a civil society to determine which method of transition may occur, if any, and whether or not that transition is likely to lead to democracy. My thesis aims to present a case study of the People’s Republic of China in the context of Gill’s model to make predictions about the type of political transition that might occur in the case of a severe crisis in China.

Over the past three decades, the nature of the Chinese Communist Party has been evolving. Growing factional strength within the party has worried CCP leaders. The phrase “one party, two factions” is commonly used in academic journals as well as news media when discussing the future of the CCP. In democratic societies, civil society organizations consist of various types of organizations including workers unions; environmental groups; and human and

animal rights groups that both promote awareness of a social problem or play a part in the political sphere representing the interests of their constituents. Under authoritarian regimes, the political space for civil society organizations is less clearly defined because there are usually more restrictions on their scope of activities, especially in terms of political activities. The growth of civil society organizations under authoritarian rule is, however, generally associated with the potential for a transition to democracy (Diamond, 1999; Gill, 2000). The number of legally registered social organizations has increased rapidly in China, from 4,446 in 1988 to 472,780 in 2009 (Teets, 2008 and MoCA, 2009).

The CCP has two major factions: the elitists and the populists. What are their differences in terms of background, policies, and power positions? Are they equally matched or is one stronger than the other? And how do these factions interact in terms of conflict and cooperation between each other? The offices of president and premier are both set to be handed over to new leaders in 2012, and the top leaders of the CCP have recently chosen one member of each faction to take these posts. The impending succession of power in 2012 makes my thesis particularly relevant to the study of China. How will the new leaders cope with factional differences? And will they encourage or stifle China's growing numbers of social organizations?

Social organizations have increased significantly in China since Deng Xiaoping (1978-1989) enacted the 1978 economic reforms. Why the CCP has allowed for a growth in organizations when it had not tolerated them under Mao Zedong (1949-1978)? What are the legal restrictions on social organizations? Are these organizations able to represent the interests of their constituents and promote those interests politically? What mechanisms might the government use to control or monitor social organizations in China? Do these organizations have the qualities of a civil society?

## Chapter 1: Civil Society and Gill's Model

This chapter will examine Gill's model on regime and society and its implications for political transitions. As mentioned in the introduction, Gill (2000) feels that the literature on political transitions to democracy largely ignores the significance of society, namely civil society. Gill (2000) claims that civil society is the missing link that explains a political transition to a democracy as opposed to a transition to a new authoritarian government. A clear understanding of Gill's model first requires a discussion of civil society. By examining the CCP and social organizations in China, I will be able to place China in the context of Gill's model and make predictions about China's potential for political transition. I will first examine the concept of civil society by discussing the different views on civil society and by discussing the qualities expected in a democratic civil society. I will then discuss the significance of civil society to a transition to democracy in terms of Gill's model.

### Defining Civil Society

According to the definition provided by Gill (2000), civil society might not be able to exist under an authoritarian regime. Gill (2000) says that action in the political sphere is imperative for civil society, and that the state and civil society must have a mutual recognition of each other's political space. If organizations are restricted from participating in the political sphere, then there is no true civil society. Instead, these groups can only set the stage for a true civil society to emerge (Gill, 2000).

Gill provides the following definition of civil society,

“Civil society exists when there is a sphere of activity outside direct state control, in which the citizenry may organize to pursue their own interests and concerns in their own

way (within limits). Most importantly, the activity of these organizations and the public sphere within which they operate is not only independent of state control, but is recognized as legitimate by the state and includes acceptance of the right to pursue interests through political activity” (Gill 2000:59)

There are arguments about the realm of civil society: is it separate from society and the state, acting as a go-between, or does it overlap with society and the state as a place of interaction between the masses and the regime? Gordon White (1996) writes that civil society has its own separate sphere, acting in a third realm between government and society, which White (1996) classifies as the “sociological definition.” White (1996) explains that the “sociological definition” relates civil society as an “intermediate realm between state and society, populated by social organizations separate and autonomous from the state.” Howell (2001) writes that civil society is “opposite and opposed to the state.” According to Ma (2003), civil society is meant to keep society informed of governmental policy and should be capable of actively influencing government policy or supporting policy change. In other words, civil society should be able to act as a balance on state power (Ma, 2003). Teets (2008) argues that civil society does not have its own separate sphere, but operates as an overlap between government and society. According to an article by China Business Review (2002), civil society is usually seen as one of three things: a sector that keeps an eye on and has the ability to confront the government; as a sector that restrains the power of market capitalism; or as a sector that helps non-market forces have a voice in the market and in the government (China Business Review, 2002).

These definitions of civil society largely agree on the broader purpose of civil society organizations to create a median between the state and society in order to communicate the

wishes and needs of the people to the government and to push for recognition of those wishes and needs through legislation or other measures. Civil society represents society's wishes and acts as society's influence on government policy.

### Qualities of a Democratic Civil Society

Whether or not a civil society is democratic is significant due to civil society's effects on democracy, both its consolidation and preservation. A democratic civil society is much more likely to consolidate and preserve a democracy due to six fundamental qualities described by Larry Diamond (1999) and Gordon White (1996). Diamond (1999) and White (1996) write that the seven fundamental qualities of a democracy-enhancing civil society include autonomy, voluntariness, democratic self-governance, non-power seeking, institutionalization, pluralism, and density.

The first quality of a democratic civil society is autonomy (Diamond, 1999). Autonomy refers to the organization's freedom from government influence; a civil society organization cannot legitimately represent the wishes or needs of the citizenry or communicate their wishes or needs to the government if it is under the influence of a government agenda. This leads many to think of financial independence as a way to measure an organization's autonomy. Autonomy, however, refers more to an organization's ability to determine its own goals and projects, and may be examined through legal restrictions on their activities. Several authors agree that civil society's autonomy from the state and from society is not "a matter of degree" but is "a situation of either/or" (White, 1996; Howell, 2001; and Shang, 1996). Autonomy is essential to civil society not only because it allows civil society to express its own interests, but because it also allows space for criticism of the regime and thus enables the organization to influence policy.

The second quality of a democratic civil society is voluntariness. Voluntariness refers to whether or not membership, participation, and operation of the organization are voluntary. For instance, if a workplace requires employees to participate in a civil society organization to remain employed, this civil society organization has not maintained voluntary membership (White, 1996). An autonomous and voluntary civil society more closely represents the interests of society because citizens have the freedom to choose which organizations they participate in, and those organizations have the freedom to pursue goals that suit their members' wishes.

The third quality of a democratic civil society is a democratic style of self-governance. This means that the organization must have democratic values in its operations, such as transparency, inclusiveness, and representation of members' interests. If the organization has a permanent leader, or even an "exalted leader" that members are subordinated to, then this organization undermines any cause for democracy due to its inherent lack of democratic values. By incorporating democratic values into an organization, that organization promotes democratic values in society as well (Diamond, 1999). It also allows for the evolution of the organization. New, elected leaders will better represent the changing goals of members over time.

The fourth quality of a democratic civil society is that it is not power seeking. The organization must know its boundaries under the rule of law and not be attempting to gain political control. This quality rules out political parties and reinforces the idea that civil society seeks to influence policy, not control policy (Diamond, 1999). An organization seeking political control assumes that its organization represents the interests of all citizens instead of only its own constituents.

The fifth quality of a democratic civil society is institutionalization. This refers to civil society's sustainability, vertical depth or horizontal reaches, all of which increase the ability of

an organization to mobilize constituents and to maintain an accountable, transparent leadership. An organization that is institutionalized will have developed procedures and structure, which allows the group to operate in a stable manner and also increases the ability of the organization to effectively adapt to new social and political environments (Diamond, 1999).

The sixth quality of a democratic civil society is pluralism. Pluralism means that civil society has various organizations representing common interests. The idea is that no one organization can represent the interests of its constituents (Diamond, 1999). For instance, one women's rights group may have one stance on the reproductive rights of women, whereas another women's rights group may hold a different stance.

The seventh quality of a democratic society is density. Density refers to having many social organizations. Having more social organizations makes social organizations a regular, legitimate part of social life, and also increases the likelihood that citizens will be able to pursue multiple interests by having memberships in multiple groups. When citizens have memberships in several groups, it increases the ties between organizations formed around differing issues, and it also increases the number of interests that are articulated by social organizations. Having multiple memberships increases citizens' political participation and political awareness because s/he will be more involved around various issues (Diamond, 1999).

### Significance of Civil Society for Democratization

Each of the seven qualities of a democratic civil society inherently encourages democratic governance and can have considerable influence over the behavior of regime elites leading up to or during a transition. Diamond (1999) cites numerous cases, such as in Poland, Brazil, Argentina, and Portugal to name a few, in which trade unions, religious organizations, or

other civil society organizations were able to disseminate information on government misconduct or to mobilize massive numbers of citizens in protest or demonstrations that affected the behavior of government elites and led to political transitions to democracy.

These qualities not only act to influence a transition to democracy, but they also aid in consolidating, or imbedding, that democratic system. A political transition of any sort is very uncertain. A democratic civil society is much more able to cope with and react to new political and social contexts. By effectively disseminating information and monitoring government activities, a democratic civil society enforces accountability of government officials (Diamond, 1999). Therefore, a democratic civil society is essential for a sustainable transition to democracy.

Economic development and liberalization are both precursors to political transition because they effect the expectations of society on the government (Gill, 2000). Economic development is thought to lead to greater expectations of government for several reasons. The first is that economic development usually leads to higher levels of education. As citizens gain in knowledge and understanding of government, they are more likely to feel entitled to a right of representation as opposed to leaving governance to the elites of society (Gill, 2000). A second reason is that as living standards improve, society is more likely to be concerned about those whose living standards are still very low, so they may make demands on government to improve social justice. Economic development leads to a more educated, wealthy and tolerant citizenry that may begin to push for more political freedom for themselves as well as for lower social classes (Gill, 2000 and Rowen, 2007). A smaller income gap between rich and poor can also reduce class struggle and lead toward a more cooperative citizenry (Gill, 2000).

Liberalization is defined as a widening of political space for the public or for the political opposition, such as increased press freedom or more tolerance for political opposition parties

(Gill, 2004). According to Sam Huntington (1991), liberalization is the rolling back of authoritarian control at the margins. For instance, an authoritarian regime may loosen censorship laws, allow some increased freedom of association, or begin holding elections for lower positions in government. Gill (2000) explains that the way in which liberalization is carried out can guide a regime towards a transition or may preserve the current regime's power, depending on the controls exercised by the state. Liberalization is only a "partial rolling back of state activity and control in some sectors of life," and therefore can be very limited. In this way, the regime allows citizens greater personal freedom while simultaneously allowing the regime to increase its legitimacy and maintain overall authority (Gill, 2000).

Gill (2000) writes that while economic development and political liberalization do help explain why states may experience a political transition, it is the formation of civil society organizations that best explains why a transition would be specifically toward democracy as opposed to a transition to a new authoritarian regime.

### Gill's Model

Gill's model is unique in its incorporation of the presence or absence of a civil society in determining whether a regime breakdown is likely to make a transition to democracy, a novel concept in the field of political transition analysis. Understanding Gill's model requires an understanding of its two variables: regime and society. First, we will examine the regime variable and its significance to a political transition. We will then examine the society variable and its significance to a transition, particularly a transition to democracy.

### *Regime Variable*

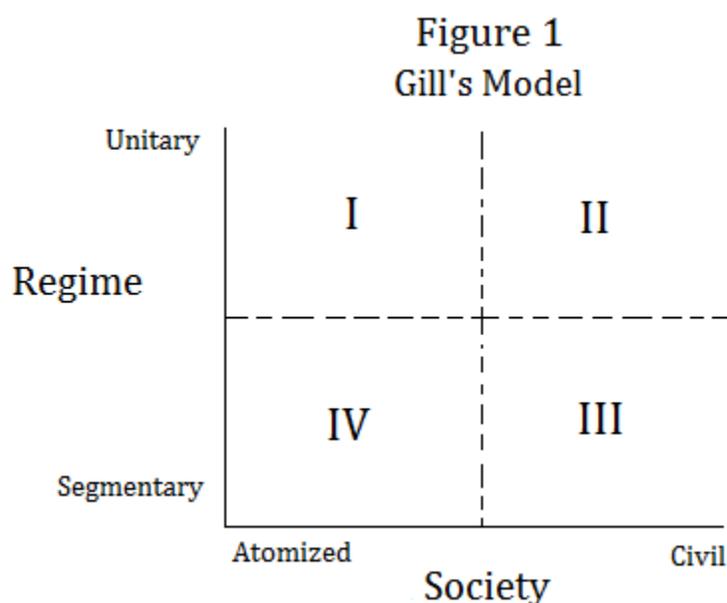
The first variable of Gill's model is the regime. The regime is either more unitary or segmentary. When a regime is unitary, there is little fighting within the regime over policy and power distribution. In this case, all of the regime leaders have a high stake in maintaining their positions of power. When a regime is segmentary, generally two factions form: the more conservative "hard-liners" who wish to maintain the status quo and use oppressive tactics to do so; and the less conservative "soft-liners," who, despite their stake in maintaining the status quo, are more inclined to heed the public will or opt for liberalization. Regime disunity may lead to increased compromise and cooperation within the regime to ensure that the leaders are able to maintain their positions of power, but there is the potential for rivalry to grow and one faction to seek to gain more political power and control over the other faction (Gill, 2000). Regime disunity creates a gap between the hard-liners and the soft-liners, which may lead to more fighting and rivalry over power distribution and policy outcome. Severe disunity can lead to regime breakdown and a political transition. In the three modes of transition to democracy, the extrication outcome, in which the two sides work together to move to democracy, is determined by how the hard-liners and soft-liners interact with each other (Gill, 2000).

### *Society Variable*

The second variable of Gill's model is society, which can be either atomized or civil. An atomized society lacks the qualities of a democratic civil society, described in the previous section, and thus the ability to effectively represent the interests of its constituents and to establish institutionalized, democratic organizations (Gill, 2000; Diamond, 1999). A civil society is characterized by the seven fundamental characteristics described above. Civil society is able to

effectively mobilize citizens based on their interests and create institutionalized mechanisms for citizens to participate in and influence government policy. It promotes democratic values through its own governance style, does not seek to gain control of government, and incorporates the interests of a wide base of constituents (Diamond, 1999). Civil society organizations may develop the means and following to make up a political base, meaning they could organize support for a certain political challenge to the ruling regime and, potentially, push for political transition (Gill, 2000). This depends on the nature of civil society and on the nature of the regime.

Figure 1 shows Gill's model, which relates regime and society in terms of political transitions.



Source: Gill, Graeme. 2000. *The Dynamics of Democratization: Elites, civil society, and the transition process*. St. Martin's Press: New York.

Gill's model portrays the relationship between regime and society in the context of political transitions. A unitary regime is one in which there is little rivalry among leaders and where there is general consensus on governance and policy preferences. A segmentary regime is

one in which there is much rivalry, infighting, and large differences in governance and policy preferences. An atomized society is one in which there is little public cohesion or organization, whereas a civil society is one in which there are many autonomous, independent organizations that may pursue their interests, including in the political sphere. Gill's model describes four different scenarios a state might face in the case of a severe economic crisis or other circumstance in which a political transition is a possibility.

In the first quadrant, if the state has a more unitary regime and a more atomized society, it is less likely to accomplish a democratic transition. An unorganized society is unlikely to put forth any effective political challenge; a political figure would most likely not be able to amass a political following and thus would have no basis for political action. A unified regime would also have the means to overcome any political challenge with a quick response. Any political transition would be left up to the regime to decide and plan and any transition would most likely be to a new authoritarian regime.

In the second quadrant, if the regime is unified and there is a developed civil society, it is likely a transition could become very hostile. The regime would have the means and solidarity to react to any political opposition, and civil society would most likely form a political opposition to voice their own interests. This kind of transition is the most likely to lead to a violent confrontation (Gill, 2000).

In the third quadrant, if the nation has a more segmentary regime and a developed civil society, it is more likely the state is headed toward a democratic transition. If civil society were to challenge state authority, the regime could easily become divided on how to respond to this threat; some soft-liners in the regime might seek to negotiate with society, whereas hard-liners may wish to respond with repressive measures. An organized, independent civil society would

have the means to put pressure on the regime for political change, and even create a political base to push for democracy. This situation is most likely to lead to a replacement transition, defined above as a transition in which the opposition overthrows the regime (Gill, 2000).

In the fourth quadrant, if the regime is segmentary and society is atomized, then it is more likely that a transition would lead to a new authoritarian regime, or possibly even a complete breakdown of the state. A factionalized regime would most likely fight over power, and an unorganized society would not be able to create a political following to play a significant role in a transition (Gill, 2000). In this case, the stronger faction would come out on top but would not receive enough public pressure to include society's input in the new government. The outcome of a political crisis would be determined by the stronger faction within the government (Gill, 2000).

Gill's theory offers an examination of the role civil society can play in the lead up to a political transition as well as in the transition itself. My thesis presents a case study of the People's Republic of China in the context of Gill's model. I will analyze the current state of the regime and of society in China in the context of Gill's model. I will first determine what type of regime China has, a unified or a segmentary one, by examining factions within the CCP. I will then determine what type of society China has, a civil or an atomized society, by looking for five qualities in China's social organizations: voluntary membership; pluralism; density; autonomy from government control; and unity between organizations. In placing China within the context of Gill's model, I present a clearer understanding of both China's current state and make predictions about China's potential for political transition.

## Chapter 2: The CCP Regime

This chapter examines the regime variable of Gill's model in the case of China in order to determine if China's regime is unitary or segmentary. This first requires a discussion of the inner-workings of the CCP regime. There are two main factions of the CCP: the elitists and the populists. Understanding how these factions interact within the CCP first requires an introduction to the top government organs of the CCP and the method of succession for the top leaders. This is followed by a discussion of the two factions in terms of differing educational backgrounds, family backgrounds, ties to factional leaders, and policy differences, to determine whether the regime is unitary or segmentary in the context of Gill's model.

The strongest organ of the Chinese Communist Party is the Standing Committee of the Politburo, whose members simultaneously serve as Politburo members as well as Party Secretaries or other CCP positions. This organ has 5 to 9 members and is headed by the president. The Politburo itself has between 19 and 25 members. Party Congress is held every five years in late fall. The National People's Congress (NPC) is held in Beijing every spring (Li, 2010). The Party Congress is where formal decisions are announced, particularly decisions about personnel placement and promotion. NPC meetings decide the coming generations of leaders by appointing members to the Standing Committee of the Politburo, the Politburo, the Central Committee of the CCP, which has 2 seats from each of the 31 provinces, as well as provincial and city positions. The latest was the 17<sup>th</sup> Party Congress held in 2007, followed by the National People's Congress in March 2008. (Li, 2008 and 2010). Each of China's 31 provinces and each of four cities, Beijing, Tianjin, Shanghai, and Chongqing, has two main government positions: Party Secretary and governor. Finally, the ministers of the various ministries comprising the State Council, such as the Ministry of Education, are also chosen at these meetings. Terms are limited

to 5 years, and most positions do not allow more than two consecutive terms (Li, 2009 “Intra-Party”).

According to Cheng Li (2007), an expert on Chinese government at the Brookings Institute, there has been a transition in China from “strong man politics” to “collective governance.” Under the rule of Mao Zedong (1949-1978) and Deng Xiaoping (1978-1989), a total of four decades, the CCP was ruled by one central leader who basically held absolute power. There were different, albeit weak, factions in the party at the time, and Huang (2000) writes that this was a major factor behind Mao’s Cultural Revolution, which involved a purge of dissidents within the CCP.

Since Jiang Zemin (1989-2002) came to power in 1992, two main factions have grown within the Chinese Communist Party, and they have become even more prominent under Hu Jintao (2002-present). The two major factions within the CCP today are the elitist faction, tied to former president Jiang Zemin and former vice president Zeng Qinghong; and the populist faction, tied to President Hu Jintao and premier Wen Jiabao (Li, 2009). After Jiang had already appointed many of the elitists in top government positions, Hu’s presidency allowed him to advance the careers of populists. The previous Politburo (2002-2007), a top government body that has twenty-five members, had three elitists and four populists, comprising 28% of the Politburo body. The current Politburo (2008-2013) has seven elitists and eight populists, comprising 60% of the Politburo body. Both factions are gaining political power, and are about evenly matched within the Politburo (Li, 2007, “5<sup>th</sup> Gen”). In fact, the two top positions in each of the five top political bodies, including the presidency (president and vice president), the Standing Committee of the Politburo, the State Council, the National People’s Congress, and the

Central Military Commission, are filled by one leader from each of the two main factions (Li, 2005).

Seven of the nine members of the Standing Committee of the Politburo (77%) and fourteen of the twenty-five members of the Politburo (56%) are expected to retire in 2012 at the 18<sup>th</sup> Party Congress, including President Hu Jintao and Premier Wen Jiabao (Li, 2010). This means that the 18<sup>th</sup> Party Congress of 2012 will be a very momentous occasion and will involve selecting a new president and premier of the People's Republic of China.

The method of passing on top government positions in China is largely based on generational batches of leaders. The leaders under Mao Zedong are termed the first generation of leaders, those under Deng Xiaoping are termed the second generation of leaders, those under Jiang Zemin are called the third generation of leaders, and those under Hu Jintao have been termed the fourth generation of leaders. The CCP is scheduled to pass on power to the fifth generation of leaders in 2012 (Li, 2008). The fifth generation includes all members born in or after 1950, a total of 538 members (Li, 2008). It is interesting to note that a CCP government survey revealed that one third of Chinese citizens are unhappy with this method of succession and one third are also unhappy with the performance of the CCP leadership (Li, 2009).

The top government positions of Party Secretary in four major cities, Shanghai, Beijing, Tianjin and Chongqing, are considered the “stepping stones” for the next generation of Standing Committee of the Politburo members because these four Party Secretaries are almost always initiated to the Politburo at the same time as being appointed Party Secretary (Li, 2007, “Leadership Change”). Leaders in these four cities also tend to have factional ties, and this will be discussed in the next two sections (Li, 2007 “Four cities”). The Central Committee is

considered a lower “stepping stone” for members of the later generation of leaders. Generally, the top leaders of the CCP were all once members of the Central Committee.

### Elitist faction

The elitist faction has strong ties to former President Jiang Zemin (1989-2002) and former Vice President Zeng Qinghong (2003-2008). Jiang Zemin began his career in Shanghai when he became the Shanghai mayor in the mid 1980s. Jiang would later become Party Secretary of Shanghai in 1989. Zeng Qinghong worked in the oil industry before advancing his career in politics. The elitist faction has had two core groups since it began to first emerge in the 1990s. The first core group was the Shanghai Gang, which consists of Jiang Zemin’s protégés from when he was Party Secretary of Shanghai (Li, 2010). The Shanghai Gang, formed in Shanghai, has been increasingly replaced as the core group by the younger “princelings” faction. This core group is described as “princelings” due to their wealthy backgrounds and the fact that their fathers were all previous members of the CCP, if not founding members. It is due to their family ties that they have been able to pursue careers in politics (Li, 2005). Not all princelings are elitist faction members, however. Two currently serving on the Politburo, Li Yuanchao and Liu Yandong, are considered protégés of Hu Jintao (Li, 2007).

Princelings are mostly from the east coastal regions, which are the more developed areas of China, and their stronghold is in Shanghai. The princelings generally have educational backgrounds in economics, finance and banking, and foreign trade and had careers in those fields before attaining party positions (Li, 2005 and 2007). Due to their location in more developed regions, many were appointed to the special economic zones where the economy flourished, and were subsequently favored for the advanced economic growth (Li, 2007). The elitists are much

more interested in continued high rates of growth in the coastal regions, even at the cost of high economic disparity and environmental degradation (Li, 2005 “One party”). This faction would be considered the “hard-liner” elites due to their unwillingness to alter policies in order to work toward more balanced regional development models. This faction has a strong tendency to stick to economic development models that favor coastal areas, which is meant to keep the wealthy elites happy, while largely disagreeing with policies meant to balance regional development (Li, 2009). Beijing and Shanghai are considered to be dominated by the elitist faction. Shanghai in particular is the central hub of the Shanghai Gang (Li, 2007 “Four cities”). Jiang also appointed several of his protégés to top positions within the Beijing government, the Tianjin government, along with the Shanghai government. These are three of the four most prominent cities in CCP politics.

This faction is not as unified as the populist faction (Li, 2007). Li (2007, “Leadership Change”) attributes this to disagreements over policy and rivalry over positions of power. Princelings also appear to be less popular in the view of the general public as well as by members of the Party Congress and the NPC. In the 1992, 1997, and 2003 National People’s Congress elections to decide new personnel positions, many princelings received very few votes. Li (2009) attributes this to the privileged backgrounds of the princelings. Still, many princelings with high leadership performance are well respected by the public and within the CCP, such as Chongqing Party Secretary Bo Xilai, a princeling elitist and a member of the Politburo who launched an anti-corruption campaign in late 2008.

## Populist Faction

The populist faction has strong ties to Hu Jintao (2002-present) and to Wen Jiabao (2003-present). Hu Jintao served as Secretariat of the Chinese Communist Youth League (CCYL), one of three major mass organizations in China, from 1982 to 1985. The leading members of the populist faction were all members of the CCYL during Hu's tenure as Secretariat (Li, 2010). Li (2010) notes that the CCYL is considered the factional base of Hu Jintao and as of 2002, it had 181,000 full time cadres. Hu also acted as president of the Central Party School, one of the largest resources of CCP members (Li, 2008 "China's 5<sup>th</sup>"). After Hu became president of the PRC in 2002, he appointed more former CCYL members to upper government positions. By 2005, former CCYL members comprised 21% of provincial Party Secretaries, 25% of State Council ministers, and 50% of heads of central departments of the CCP. A total of 150 former CCYL members had positions as ministers, vice-ministers, Party Secretaries, deputy Party secretaries, governors and vice-governors by 2005, a significant increase from former years (Li, 2005 and 2005).

Most of the populist faction members, around 81% in 2005, are from inland regions, which are much less developed than the east, coastal regions. This is likely why they are more inclined to Hu's policies of more balanced development. They also tend to have educational backgrounds in social sciences, such as politics, economics, and law and to have worked in the CCYL under Hu Jintao (Li, 2005 "Hu's policy"). They are likely to have a more socially liberal outlook, for instance, supporting efforts to eradicate poverty or increase access to education, than elitists, most of whom have business related educational and career backgrounds.

In response to growing protests over environmental degradation, the treatment of migrant workers, and economic disparity, Hu Jintao pushed for more balanced economic growth between

the coast and inland regions of China. The populist faction is known for promoting the idea of “social harmony” and Hu moved to lessen the burden faced by vulnerable groups by abolishing tax breaks for 70% of the special economic zones, abolishing some legal discrimination against migrant workers, and has emphasized “community building” to help the rural poor (Li, 2005 “Hu’s policy”). Hu Jintao and Wen Jiabao have also enacted certain policies over the past few years to help China recover from the global financial crisis and to address urban-rural economic disparity (Li, 2007 “Rivals”). In 2008, Hu and Wen passed a land reform policy in an effort to increase the income of farmers. They have also committed to increasing transportation infrastructure of rural areas (Li, 2007 “Rivals”). Due to the populist faction’s concern for rural development and economic equality, they are well respected by the public (Li, 2005 “One party”).

Several top leaders of the populist faction, including premier Wen Jiabao, Li Yuanchao, and Wang Yang, the current Guangdong provincial Party Secretary, have expressed favorable attitudes toward the idea of increased democracy within the CCP (Li, 2009). Wang Yang, while serving as Party Secretary of Chongqing in 2007, allowed full media coverage of a dispute with a home owner who refused to leave his home to allow the government to bulldoze it and begin new construction, instead of the usual tactic – a government ordered “media blackout”. Eventually, Wang and the homeowner reached an agreement and the dispute was settled peacefully (AT, 2007). This shows an increased willingness for transparency and tolerance.

The two main factions of the CCP have become more institutionalized over the past few decades, and Hu Jintao’s faction has been gaining prominence in national politics. The increasing strength of Hu’s faction has created a “bipartisan” attitude in CCP politics, and Li

(2007) writes that “factional power sharing, deal making, and compromise have become norms in Chinese politics today.”

### *Conclusion*

The political power of these two factions has grown significantly since Jiang Zemin took over leadership after Deng Xiaoping in 1989. The elitists, tied to former president Jiang Zemin and former vice president Zeng Qinghong and comprised mainly of the Shanghai Gang and princelings, were advanced mostly under Jiang Zemin’s presidency. The populists, tied to current president Hu Jintao and former premier Wen Jiabao and comprised mainly of former CCYL members, have advanced mostly during Hu Jintao’s presidency. Over the past decade, both factions have become more prominent within the higher positions of the CCP, currently holding 60% of the Politburo, up from 28% during the 2002-2007 term (Li, 2007, “5<sup>th</sup> Gen”). But has this increasingly evenly matched factionalism within the CCP been to the CCP’s benefit? Or has it led to increasingly harsh infighting and disunity?

### Factional Conflict and Cooperation

This section will determine whether the Chinese Communist Party leadership is unitary or segmentary by examining factional conflict and cooperation as well as potential future prospects for conflict and cooperation. A unitary regime is characterized by high levels of consensus among leaders over policy as well as by minimal rivalry over leadership posts. While most ruling regimes do not have full consensus of all their members, any opposition or reformists within the regime is weak and easily suppressed or purged out by the regime’s hard-liners, or conservatives. A segmentary regime is characterized as a regime made up of political factions

with varying ideologies, differing policy agendas, and more prominent fighting over leadership positions.

### *Factional Conflict*

There are three factors that may increase factional conflict in China's future: increased policy differences between top leaders; corruption charges; and discontent with favoritism.

The first factor, increased policy differences, is due to the wide differences in educational background as well as personal origins that characterize the fifth generation of leaders in particular. Whereas the fourth generation had more similar educational backgrounds, most in science and engineering fields, the fifth generation has had much more variety in educational background, mostly concentrating on politics, economics and law for the populists; and business related fields for the elitists (Li, 2005). The two factions often disagree on policy. The elitist faction's tendency to stick to the traditional policies that aid in coastal economic growth and increased international trade contrasts with the populist faction's tendency to propose relief for the poor, increased access to healthcare, and more balanced growth (Li, 2007).

Public criticism from CCP leaders of CCP policy has become more common. As mentioned in the previous section, several top populists have publicly expressed frustration at the CCP's "obsession with stability" and their unwillingness to try new policies. Policy differences are likely to become a problem due to increasing pressure on China to integrate into the global economy and continued rampant urban-rural economic disparity. The current Vice-president, Xi Jinping, is known for supporting policies aimed at market liberalization, coastal development, and trickle-down economics. In contrast, Li Keqiang, the populist who is expected to succeed Premier Wen Jiabao, is known for his support for social programs that aid the unemployed and

the poor (Li, 2007). Since they now comprise 60% of the Politburo and are expected to have equal footing in the Standing Committee of the Politburo, if the two factions are unable to compromise on policy, a conflict could easily escalate.

The second factor likely to increase factional conflict is corruption charges. The main weapon the elitist and populist factions use against each other is corruption charges by the Central Discipline Inspection Commission (CDIC), and whichever faction leader is currently CCP president uses these charges against members of the other faction in high positions that pose a danger to the president's authority. When factional disagreements become too difficult to manage, discreet purges are carried out in the name of "anti-corruption." It is unlikely that these corruption charges are always fabricated. Corruption is indeed a widespread problem within the CCP (Howell, 2003). Most corruption within the CCP, however, goes unnoticed as long as the member remains loyal to the party leader. Corruption charges not only allow the stronger to purge weaker rivals, it also improves the public image of the stronger faction because the purges are framed as fights against corruption.

Jiang Zenmin led corruption charges against the Beijing Party Secretary and Politburo member, Chen Xitong, in 1995, as well as against 40 other government officials over a five-year crackdown on corruption (BBC, 1998 and Li, 2009). Chen was eventually sentenced to 18 yrs in prison and was replaced by another protégé of Jiang Zenmin (BBC, 1998).

Hu Jintao has also used corruption charges to remove several of the elitist faction leaders from their government posts, posts they had maintained since Jiang was in power. Chen Liangyu, a Shanghai Gang elitist member and the Party Secretary of Shanghai, challenged Hu's authority as party president when Hu was appointed president in 2002 and in 2004 Chen spoke out against Wen Jiabao's policies for balanced regional development, which the elitists were against since it

would take away from coastal development (Li, 2007). Hu immediately ordered for Chen to be investigated, and it was found that Chen had lent over US\$400 million from the city pension fund to developers and friends in return for favors. Chen was charged with bribery and abuse of power from 1988 to 2006, and was eventually sentenced to 18 years in jail in 2008, the same sentence length as Chen Xitong (Xinhua, 2010). Xinhua Net quoted the party's Central Committee in regard to the sentencing, "Whoever it is, no matter how high their positions are; anyone who violates party rules or national law will be severely punished." (Xinhua, 2010).

A recent example of corruption as a political tool is the anti-corruption campaign currently being carried out in Chongqing, one of the major four cities for politically prestigious party positions. The current Party Secretary of Chongqing as of late 2009, Bo Xilai, is known to have factional ties to Jiang Zemin, is a "princeling" - the son of a "revolutionary hero." (Li, 2007 "5<sup>th</sup> Gen" and FT, 2010). Bo is currently the leader behind the anti-corruption campaign. According to a recent article by the Financial Times, 3,000 people, 50 of them government officials, have been arrested in Chongqing on corruption charges since the campaign began in late 2009, and Bo Xilai is thus garnering a very good reputation among the public for his strong stance against corruption. Bo is also very "media savvy," talking with the press about his stance against corruption and the article compares his current popularity to the popularity enjoyed by current US president Barack Obama during the 2008 election campaign (FT, 2010).

Bo also emphasized his fight against corruption by sending out "red texts," which are mobile phone texts of quotes by Mao Zedong. These "red texts" have stirred passionate support for Bo (WP, 2010). Bo is a very unusually open Chinese politician, and his bold stance against corruption may simply be a political ploy to further his own career. The previous leaders of the Chongqing government, now the current Party Secretary of Guangdong province, Wang Yang,

and He Guoqiang, are populists with strong ties to Hu Jintao and both are currently members of the Standing Committee of the Politburo (AT, 2010). He Guoqiang is also currently acting as head of the CDIC, the government organ mentioned above that investigates corruption charges. This incident is troublesome for the populists because this widespread corruption in Chongqing may be blamed on the previous Chongqing leaders. There could be political repercussions to the populists, who let it become so rampant in the first place, in order to maintain CCP legitimacy.

It is impossible to know if these instances of corruption charges were purposefully aimed at the opposing faction's leaders, but it is very likely that such selective corruption charges are indeed a political tactic to secure political power, both by publicly displaying a strong stance against high level government corruption to win public support as well as by disposing of one's political rivals. Li (2010) attributes the rise in corruption charges to what he terms "mid-term jockeying" for more powerful positions since it is two years prior to the 2012 18<sup>th</sup> Party Congress.

A third factor likely to increase discontent within the CCP is selection based on favoritism. Discontent with favoritism was most noticeable under Jiang. The elitist faction, particularly princelings, is much less popular with the public and less popular with the CCPC. Likewise, the elitists, both the Shanghai Gang and the princelings, are generally less favored by the Chinese public due to their privileged backgrounds. Jiang Zenmin's policies tended to favor coastal regions, particularly Shanghai. Li (2001) writes that a common joke in China at the time was to say "Let those from Shanghai go first," whenever people were waiting in line. There was also discontent within the party with the favoritism the Shanghai Gang and the princelings received under Jiang Zenmin. During the Party Congress in 1997 and the National People's

Congress in 1998, elitists received the fewest votes for promotions, and some were demoted (Li, 2001).

These three factors explain why the CCP may be headed toward increased factional conflict and instability. It is possible that the differing policy views of the two factions could reduce efficiency of government, which is inherent in any government that includes diverse views in its decision making bodies, and could increase regime rivalry and infighting. While there have been few instances of corruption charges against top-level CCP officials, increased factionalism within the CCP could easily escalate the use of corruption charges to remove political rivals from office. Finally, the selection of protégés to top level positions and favoritism toward coastal development, particularly for Shanghai, could increase conflict within the regime.

#### *Factional cooperation*

It is also possible that the two main factions will maintain cooperation in spite of increasing bipartisanship within the CCP. There are two reasons that cooperation, as opposed to conflict, may be the future of the CCP: complimentary expertise of the two main factions; and the desire among CCP leaders for the CCP to survive.

First, while the two factions' differing educational backgrounds and different policy stances cause their world views to be conflicting, they are also complimentary (Li, 2007). Most of the populists have experience in propaganda and party organization, and have social science degrees. On the other hand, most elitists have science or business degrees that focus on trade, finance, and banking. Whereas populists are better equipped to handle social programs, the elitists are better equipped to handle the economic and international trade sector. Of the current populists acting as ministers in the State Council, only a few are in ministries dealing with the

economic sector. Specialization in each faction may act as a force for cooperation because each faction is dependent on the other faction's specialization. Cooperation is necessary to increase efficiency and capacity in the different ministries. This mix of specializations may also lead to mixed policies that can accomplish both economic growth and increased social equality, as opposed to more polar policies that emphasize one or the other. Increasing policy compromise is necessary to ensure both factions are satisfied with the CCP. If one faction's goals completely dominate too aggressively over the other, dissatisfaction in one faction would increase and could destabilize the party, and infighting would likely increase. Compromising on policy is necessary to ensure that both factions are content and remain loyal to the current political system.

Second, it is very likely that both factions wish to see the CCP survive and will make compromises accordingly. Li (2005) states that the primary objective of the 5<sup>th</sup> generation of leaders, the generation that will comprise the majority of high government positions beginning in 2012, is to see that the CCP remains united in order to survive. Both factions have stakes in the current political system, and both sides have been guilty of high levels of corruption. Secretive factional compromise and negotiations are already a norm within the CCP, and since the judiciary branch and military branch are both controlled by the CCP, these leaders are not truly subject to the rule of law (Huang, 2008).

As mentioned above, the top two positions in the top five organs of the CCP, including the presidency (president and vice president), the Standing Committee of the Politburo, the State Council, the National People's Congress, and the Central Military Commission, consist of one leader from each faction, and this is intended to encourage the two factions to cooperate (Li, 2005). Xi Jinping, the elitist princeling with strong ties to Jiang Zemin and the elitist faction, has been selected as Hu's successor, while Li Keqiang, the former farmer and populist with

strong ties to Hu Jintao and the populist faction, has been selected as Wen's successor (Li, 2007 "Rivals" and WP, 2010). Both Xi and Li are currently on the Standing Committee of the Politburo serving as vice president and vice-premier, respectively (Li, 2010). Cheng Li (2007) claims that this selection is likely an attempt to foster continued cooperation between the two factors. If both factions have a leader at the top, they must work together and compromise to pass legislation. This power compromise is likely aimed at ensuring each faction that favoritism toward one faction will not affect the CCP's stability. Although Xi Jinping and Li Keqiang have well known differences in policy, putting party unity above factional disagreements is believed to be the reasoning behind the increasingly balanced appointments of populists and elitists to top positions within the CCP. Cheng Li (2009 "Rivals") writes that the Chinese media frequently cites Abraham Lincoln, in which Lincoln said that rivals must become allies "for the sake of the greater good."

These two factors explain why cooperation, as opposed to conflict, may be the future of the CCP. Diverse educational backgrounds may improve the specialization of party officials and increase the capacity and efficiency of the government to deal with China's changing social and economic needs. The balanced selection of CCP leaders from each faction shows a spirit of putting party unity before factional goals that will encourage leaders to cooperate and compromise on policy in order to maintain power.

### The CCP Regime in the Context of Gill's Model

From my research on the factions within the CCP, I conclude that the CCP regime is unitary in the context of Gill's model. The extent of factionalism within the CCP party has grown but has also become more institutionalized and accepted since Jiang Zenmin handed

power over to Hu Jintao in 2002. Now that the two main factions are gaining prominence in the higher echelons of the CCP, conflict could easily escalate and factional fighting could increase in the face of an economic crisis. Since Hu's populists have reached higher government positions, the two factions have become evenly matched, and so a purge by one faction would not be as easy in the event of a fight for authority. This means that if factional fighting were to escalate, there would be prolonged instability due to more evenly matched sides. Corruption charges are likely to remain a recurring method of factional fighting, especially as China nears the 2012 succession of presidential power.

Factional conflict, however, has not escalated and use of corruption charges to oust political rivals is rare. Furthermore, the institutionalization of the two factions, evidenced by their increasing hold on power within the Politburo and other top positions, shows that the CCP has accepted the two factions as legitimate players in the CCP government. The fact that the top two positions in each of the top five government bodies is now filled by one leader from each faction shows that control is being evenly split between the two factions. President Hu Jintao's reserve in showing too much favoritism to his own faction shows that CCP leadership is very aware of the need for stability.

### Chapter 3: The Development of Social Organizations in China

In a study of China's society, it is important to first discuss the historical background of social organizations in China and their evolution during Mao's rule up to Deng Xiaoping's reforms in 1978. I will discuss why social organizations have developed so rapidly in China by examining the factors affecting party legitimacy, which was the driving force for the party's decision for liberalization and the increased tolerance of social organizations, after the reforms. These factors include the party's shift in ideology; party corruption; departmentalism; and government violence. I then discuss the developments in China since the 1978 reforms that have given rise to an increase in social organizations: the social need; rise in income of middle class; the development of the internet; and increased foreign funding.

#### Historical Background

During the Sui (581-618 A.D.), Tang (618-907), and Song (960-1279 A.D.) dynasties, there were many different social organizations, ranging from professional organizations, charities, private schools, churches, academic organizations, art and literature groups, as well as foreign missionary-funded organizations (Y. Zhang, 2003). Before the Communist Party came to power in 1949, there were many social organizations and private institutions registered with the Ministry of Civil Affairs (MoCA) that worked to deliver social services to vulnerable populations. Zhang Ye (2003) explains that the CCP encouraged citizens to form organizations during the war against Japan as well as during China's civil war in an effort to increase forces and maintain solidarity of the revolutionary base. This policy played a large role in the CCP's success as it increased public participation in CCP efforts. These organizations operated independent from the state and included political, social, and cultural organizations (Ma, 2002).

According to Ma, private schools and private hospitals were numerous at this time (Ma, 2003). In 1942, the number and strength of mass organizations was at its peak and the CCP leadership also wrote the Organic Outline for the Registration of Mass Organizations emphasizing the elements of volunteerism, self-sustainability, charity, and legal registration (Zhang, 2003).

Just after the founding of the People's Republic of China in 1949 and the conception of the CCP, however, all social organizations and private institutions in China were nationalized, including 2,200 private schools (Kwong, 1997). The Interim Provision on the Registration of Social Organizations states that “[organizations] already incorporated and found engaged in counterrevolutionary activities should be stopped and dissolved.” (Y. Zhang, 2003). Those organizations deemed threatening to Party authority were disbanded, and the remaining organizations were merged into what are now termed “mass organizations”(Guo, 2007). These organizations included organizations related to social activities, public services, religion, and arts and literature (Y. Zhang, 2003).

Mass organizations today are not considered social organizations in China because they are organized and funded by the government (Guo, 2007; Townsend, 1969; Teets, 2008; and Ma. 2002). They are organized in order to address social problems and are required to keep a centralized structure, with final decisions left to higher levels. The three main mass organizations, the All-China Trade Unions Federation, the All-China Women's Federation and the Chinese Communist Youth League, along with various other organizations continue to operate today. The situation was very different for social organizations during this time.

During the Cultural Revolution, which spanned the 1960s and 1970s, there were very few operating social organizations due to state instability and oppression, and any that were operating

were not formally registered and were not public about their existence (Y. Zhang, 2003). It was not until after Deng Xiaoping assumed party leadership and began the economic reforms of 1978, which opened up foreign trade and established market capitalism in several cities across China that social organizations began to reemerge. Tony Saich (2000) writes that the government encouraged the growth of social organizations in China as a means of sharing the burden of economic development. In 1998, the CCP cut central government ministries from 40 total ministries down to 29, and reduced staff positions by half. The CCP then cut staff of 21 mass organizations by 25% in 2001 (D. Yang, 2004). In provincial areas, the reforms cut the number of local level government bureaus down from 59 to 40 and decreased staff by 47% (D. Yang, 2004). The reforms begun in 1998 were meant to make hiring practices more transparent and improve governmental accountability, but it also drastically impacted the government's abilities to carry out social service and development programs. In 1997, Jiang Zemin, General Secretary of the CCP, stated in a speech at the 15th Party Congress that social organizations must be expanded to aid the state in carrying out sufficient welfare, employment, and pension programs (Saich, 2000). Luo Gan, the General Secretary of the State Council, stated in 1998 that the government could not handle the task of economic development alone, and that management of some programs must be given to social organizations, but Luo also stressed the need to maintain control over social organization activity, which will be discussed in the section on regulations (Saich, 2000).

The political environment under Mao was very oppressive and was characterized by heightened suspicion of organized groups in particular. After Deng gained political control, the number of social organizations increased dramatically. The following sections discuss the

elements that led to the rise of social organizations: government tolerance and the new social and economic environment.

### Liberalization: Maintaining Party Legitimacy

Under Mao, economic growth had been very slow, and when Deng Xiaoping had his chance, he began implementation of the economic reforms in 1978. Rowen (2007) writes there are several forms of liberalization evident in China since the reforms. The 1988 Organic Law on Villager Committees established democratic elections of village leaders, and the village leaders are responsible for education, fiscal management and land allocation (Rowen, 2007). The media is also much freer to discuss a wider range of topics, although there is still much control, seen especially during the attempted cover-up of the SARS outbreak in 2002-2003 (Rowen, 2007). This section explores the main reason the CCP increased tolerance for social organizations to develop: the need to maintain party legitimacy. The party's legitimacy suffered several blows since the economic reforms of 1978: a change in ideology; corruption; government departmentalism; and government violence.

First, the party's shift in ideology from communism to capitalism left many middle aged and elderly citizens, as well as many party members, angry with the "behavioral 'deviations' of the Communist Party" (Østergaard, 2004 in ed. Howell, 2004). In 1978, the reforms of Deng Xiaoping began to change the underlying ideology of the Communist Party as the reforms opened China up to the global economy. Charles Burton (1990) describes the CCP's shift as one from a party of ideology to a party of "adaptation." The party has all but shed the Communist ideology and now bases its legitimacy on economic development. This change in ideology showed that the CCP was no longer a "defender of the proletariat worker" but wished instead to please those who could deliver economic growth, which was a central element in CCP

legitimacy (Dickson, 2003). Howell (2004) explains the contradiction of the CCP's new ideology: it claims to uphold the worker and the capitalist while its policies "reduce the prestige of workers and peasants while glorifying the capacity to 'get rich quick.'" The "get rich quick" mentality, however, is limited to those living in urban areas with residence permits, or *hukou* (户口), and excludes migrant workers from poorer rural areas.

Many felt that the party had simply discarded an ideology they had lived by for decades for an ideology that glorified materialism, consumerism, and modernity (Østergaard, 2004 in ed. Howell, 2004). Østergaard (2004) states that this disregard for the party's historical role as a moral leader may have led to cynicism and corruption among older party members. Indeed, corruption became a serious problem among party members as a culture of "personal relations of obligation and loyalty" permeated the party, and this will be discussed further in the next section (Howell, 2004). In 2001, Jiang Zemin said in a speech that the party should switch from a "revolutionary party" to a "ruling party" that will favor competence, knowledge, and entrepreneurship (Howell, 2004).

The economic disparity between urban and rural areas and between Eastern and Western China has also degraded party legitimacy because it goes against the communist ideology of equality and benevolent, paternalistic rule it had experienced under Mao. The economic growth caused by the reforms of 1978 led to a massive migration of rural workers to cities, causing a sudden increase in pressures on municipal governments to provide health care, schooling, housing, and jobs for millions more citizens (Ma, 2002). For instance, before the economic reforms in 1978, the public health care system worked very well and citizens either paid nothing or very low fees for health services (Østergaard, 2004 in ed. Howell, 2004). The reduction in state funding to the health care sector and to retirement pension funds, however, meant that

health service fees increased as pensions decreased, and so citizens were finding it difficult to afford health service costs, particularly the elderly who could not necessarily depend on the support of family members as they could in past generations (Østergaard, 2004 in ed. Howell, 2004). Overall, this change in ideology shifted the party's basis of legitimacy from morality and equality to capitalism and economic growth, which can easily lead to public discontent during economic recessions (Østergaard, 2004 in ed. Howell, 2004).

The second factor affecting party legitimacy is corruption, which quickly became a widespread problem within the Communist Party as economic growth continued. This has perhaps been the biggest blow to party legitimacy over the past few decades. The party has still not been able to reduce corruption or, as Howell states, the party has not taken the proper measures to fight party corruption (Howell, 2004). Howell (2004) writes that much of the funds for economic development are not allocated as intended due to extensive corruption, and so the party is unable to manage welfare services effectively.

CCP leaders would likely suffer severe consequences if political transition ever occurs. According to political Chinese activist Yang Jianli (2008), the level of corruption and political violence against the Chinese population has stripped the CCP of any chance at surviving a political transition, and so the CCP is attempting to delay any political transition as long as possible. If political transition were to take place, the CCP leaders would have no excuse for their immoral behavior. Whereas leaders can blame Communist ideology for political repression by claiming they believed their behavior was for the good of the whole, they cannot blame Communist ideology for economic embezzlement, as this only benefitted themselves (J. Yang, 2008). Tony Saich (2000) remarked that after official corruption reached extreme levels in the late 1980s, citizens no longer looked to their government as a moral leader (White, et al., 1996).

As Yang Jianli (2008) points out, CCP leaders are guilty of the “double-sin” of political corruption along with economic embezzlement. Not only have they used their political positions to maintain control of the populace, but they have also used it to steal, through land-grabs and sudden evictions, or through taking bribes from businessmen.

Corruption has also led to widespread crony-capitalism, in which relatives of government officials use their family ties to win business deals and contracts and other market advantages (Pei, 2007). Consequently, this new class of wealthy elites favors the current political system – any challenge to party authority would be unfavorable to their financial interests and are thus very supportive of the CCP (Pei, 2007).

Workers, farmers, and migrant workers began to organize protests in response to official corruption. Economic growth has been wildly unbalanced and this has exacerbated public frustration with corruption. Economic disparity between coastal and inland regions is severe. The Gini coefficient has risen from 0.30 to 0.47 in the past three decades, and now has the world’s most severe urban-rural income disparity (Pei, 2007 and Yao, 2010). Labor related protests involved around 1 million people in 1995, and this number increased to 3.6 million in 1998 (Chen, 2003). The reasons behind these protests included protest against “environmental pollution, loss of health care and pensions, hazardous working conditions, or the confiscation of homes and land for modern development” (Liu, 2007). In 2004, most of the 90,000 protests that were held that year were reportedly over unjust land-grabs (Liu, 2007; Li, Cheng, 2005). However, party officials often pressure judges to ignore suits over property rights (Rowen, 2007). There have been many protests over labor safety issues, particularly against officials who have accepted bribes to overlook safety regulations in coal mines. The number of protests reveals an increasing popular awareness of the effectiveness of grassroots organization to amass political

clout. People joined together to demand “unpaid wages, pensions, medical care, compensation for property, less official corruption, lower rural tax burdens, clean air and water, or freedom of religious worship.” (Liu, 2007).

In the past few years, various forces have begun a push for information transparency as a method to curb corruption. The deputy director of the State Council’s Legislative Affairs Office, Zhang Qiong, expressed his hope that increased information transparency regulations would help the public keep check and balance on government activities and reduce government corruption (CDB, 2007).

In 2004, Shanghai began its own information transparency program and publicly released 205,000 documents of government reports, policy statements, and government schedules by 2006, but this advancement in transparency is largely limited to Shanghai. In fact, 90% of all legal cases concerning government information transparency have taken place in Shanghai (CDB: “Open Government,” 2007). Nevertheless, the regulations vary and are very vague, which largely leaves disclosure at government’s discretion (CDB: “Open Government” 2007). According to the Freedom of Information in China website, by 2008, 11 provincial level governments, 40 municipal level governments, and 6 central government bureaus have enacted the new Regulation on the Disclosure of Government Information, which requires government offices to release information concerning development, social, and regional planning and policies; statistical information on economic and social development; fiscal budget reports; policies on poverty relief, health services, among many other items and also gives guidelines for when and how the information should be disclosed (FOI Website, 2008). SEPA (State Environmental Protection Administration) has also enacted the Environmental Information Disclosure Schedule

(Experimental) calling for government and businesses to release information on their own waste emissions (CDB, “Open Government”, 2007).

Corruption has played a large role in the development of social organizations in China and played a key role in forming the social movement leading up to the Tiananmen Square protests in 1989. Students, middle aged and retired party members joined together in protest against the extensive corruption in the bureaucratic system (Østergaard, 2004 in ed. Howell, 2004). The Tiananmen Square protests were the first real threat to the party’s control on power as the public, lacking legitimate means of voicing their own interests, joined together to voice their discontent over government corruption and the consequential incompetence of its offices (Østergaard, 2004 in ed. Howell, 2004).

The third factor affecting party legitimacy is government departmentalism and subsequent failure to deliver on state programs. After the reforms the government system continued to operate under a top-down, target-meeting system (Howell, 2004). Promotions are meritocratic, and as a consequence each department works to meet its own targets for approval from its superior bureau and is therefore protective of its own resources, funding, and authority. Due to the department leaders’ interest in their own career development, there is a lack of cooperation between departments in implementing government policy and ensuing frustrations with government incompetence (Howell, 2004).

After government funding and staffing was cut in 1992, programs previously carried out by the central government were transferred to local governments. For instance, education and public policy and spending responsibilities were all transferred to local governments, who were also faced with the staff and funding cuts (Kwong, 1997 and Teets, 2008). This has substantially reduced the capacity of the government to carry out efficient programs was reduced. Public

frustration with government has led to increasing instances of public unrest. After millions of people began receiving substantially reduced housing subsidies, access to health care, and workers' pensions China experienced a drastic rise in social unrest, with more than 87,000 instances of civil unrest in 2005 (McCarthy, 2007). Howell (2004) explains that departmentalism stems from the idea within the party that party members comprise a legitimate authority, and this causes government bureaus to be suspicious of other groups wishing to share political authority (Howell, 2004). While social unrest put pressure on the CCP to increase liberalization and allow for social organizations to grow, the reluctance to share authority has also been one of the main obstacles in social organization development. Government bureaus have insisted that social organizations and other citizens play a "subordinate role" in politics (Howell, 2004).

A final factor that has eroded party legitimacy is government violence, particularly during the Tiananmen Square protests in 1989 and the violent shut down of the Falun Gong in 1999. Østergaard (2004) states that China is in a continuing cycle of "spontaneous bursts of collective action met with increasing repression." This is attributed to a lack of policy development for dealing with illegal activities. The CCP "[reverts] to the familiar mode of autocratic rule" by military power (Howell, 2004 and Dai, 2000). Howell (2004) and Østergaard (2004) stress that the lack of a legitimate means of voicing public interests as well as the lack of clear regulations governing organizational activity create a serious weakness in China's governance and inevitably leads to public discontent. Discontent coupled with the common knowledge of widespread corruption and incompetence in the government further aggravated the public (Østergaard, 2004 in ed. Howell, 2004, and Howell, 2004).

The high pace of economic growth China had experienced, along with the aid provided by social organizations, had shown Chinese citizens the significance of social organizations and

the potential for citizens to have a role in the political system. Social organizations began to flourish in the 1980s after the economic reforms. In Shanghai alone the number of registered organizations rose from 628 in 1981 to a total of 2,627 in 1984 (Ma, 2002). In 1988 and early 1989, the political atmosphere was relaxed and citizens openly discussed political opinions, many calling for political recognition of the social organizations, and some even calling for political reform and democracy (White, 1997 and Shi, 1997). This dramatic increase in political space for the public did not last, however, and ended with the Tiananmen Square protests and the subsequent massacre of at least several hundred citizens, although most believe the death toll to be closer to 100,000 citizens (Østergaard, 2004 in ed. Howell, 2004).

The violent killing of hundreds of protesters in the Tiananmen Square massacre was followed by tighter controls placed on social organizations as government wished to strengthen its rule. Ten years later, the Chinese government experienced what it perceived to be another serious threat to party rule. A religious organization, or as some dubbed it, a cult, had developed across the nation at an impressive speed, growing to over 100 million followers by 1999 (Dai, 2000). The government did not react initially to the group's increasing strength in numbers. Dai Qing (2000) writes that it was not until after over ten thousand members of the group openly protested near government headquarters for its right to register with the government as a religious social organization that Jiang Zemin became aware of the group's organizational power. Afterward, Jiang moved quickly to order government bureaus to begin a shut down the Falun Gong group (Dai, 2000). Hundreds of followers were arrested, and over two hundred lost their lives while in police custody (Østergaard, 2004, in ed. Howell, 2004).

These factors show the challenges to CCP legitimacy and a serious need for the CCP to “overhaul its image” of corrupt and authoritarian bureaucracy (Howell, 2004). The Tiananmen Square protests along with the Falun Gong incident made it clear to the government that the political space in which social organizations could operate needed to be clearly defined as well as more closely controlled. Østergaard (2004) points out that the party’s late reaction to the Falun Gong group was due to the party not paying attention to public activity. After each of these incidents, the government made efforts to put more detail into regulations for social organizations and eventually created a “management-based system” for supervising social organization activity. The party badly needed to legitimize authority, and could do this by allowing more public participation and by meeting welfare expectations of the public. Social organizations soon became a sustainable solution for this goal, and it is for this reason that the party has not only tolerated but on occasion greatly encouraged the growth of social organizations in China.

#### Factors for the Development of Social Organizations in China

There have also been four developments since the market reforms implemented by Deng Xiaoping that have further aided in the growth of social organizations: social need; economic growth; the spread of the internet; and increased foreign funding.

The first development is the severe economic disparity between the rich and poor in China. Since the reforms began, a serious social need for the development social organizations that can deliver welfare services to vulnerable populations in the government’s place has emerged (Teets, 2008). Economic disparity in China is very drastic. During my study abroad trips to various cities in China in 2006 and 2008, sprawling, modern cities contrasted sharply

with undeveloped rural areas, some of which do not even have paved roads. After reductions in government welfare programs and rising unemployment, people from rural areas began to migrate to urban areas in search of work (Chen, J. 2008\*, Croll, 1999 and Teets, 2008). This migration has created vulnerable populations within the city. The *hukou* is based on one's birth place, so migrant workers are not eligible for formal employment, marriage, or a passport since they do not have an urban *hukou*. Those living in rural areas have difficulty paying for their children's education. Those that migrate to urban areas in search of work often bring their children along, and due to the *hukou* system, those children are not eligible to be enrolled in the urban area schools. It is estimated that by 2000, there were between 70 and 90 million migrant workers, bringing around 7 million children with them, in China's urban areas (Kwong, 2004). These children end up with little or no education. There is also a lack of access to education and health care across the country, particularly for ethnic minority groups. Rowen (2007) writes that as of the year 2000, adults 25 years and up had only received an average of 5.78 years of education. According to a 2007 Human Rights in China report, compulsory education at the county-level is only 57.9%, the literacy rate among minority women 15 years old and up is only at 32.3%, and most minorities do not have access to public medical care due to health care costs as well as physical distance from clinics.

With less staff and less funding, the role of the state shrank, meaning the local government agencies were in no position to take on additional responsibilities (Guo, 2007; Saich, 2000; Teets, 2008; and Xu, 2007). The CCP recognized the opportunity to take the burden off of the government and devolve those social responsibilities to non-governmental organizations (NGOs) (Teets, 2008 and Howell, 2004). As social organizations grew in number, the shift in welfare responsibility from government to social organizations has provided some relief to the

state in the overwhelming task of coordinating its own projects, while simultaneously allowing more resources for enacting projects to serve vulnerable populations.

The second development that helped the growth of social organizations was the dramatic increase in GDP per capita that gave many middle and upper class people the ability to donate to and join social organizations (McCarthy, 2007). People are giving more money to orphanages, emergency food aid and disaster relief organizations, schools, battered women's shelters, and old age homes. In 1998, domestic donations to flood relief programs reached US\$82,500,000 (Ma, 2002). Howell (2004) predicted in 2004 that more social organizations would form to represent the needs of working professionals, for instance, for greater regulation on accounting procedures or development in the legal system. Tony Saich (2000) writes that as people became more responsible for their own employment, housing, pensions, and social security, they would inevitably want a greater voice in how their society is run. Participation in social organizations is one way they are able to do this.

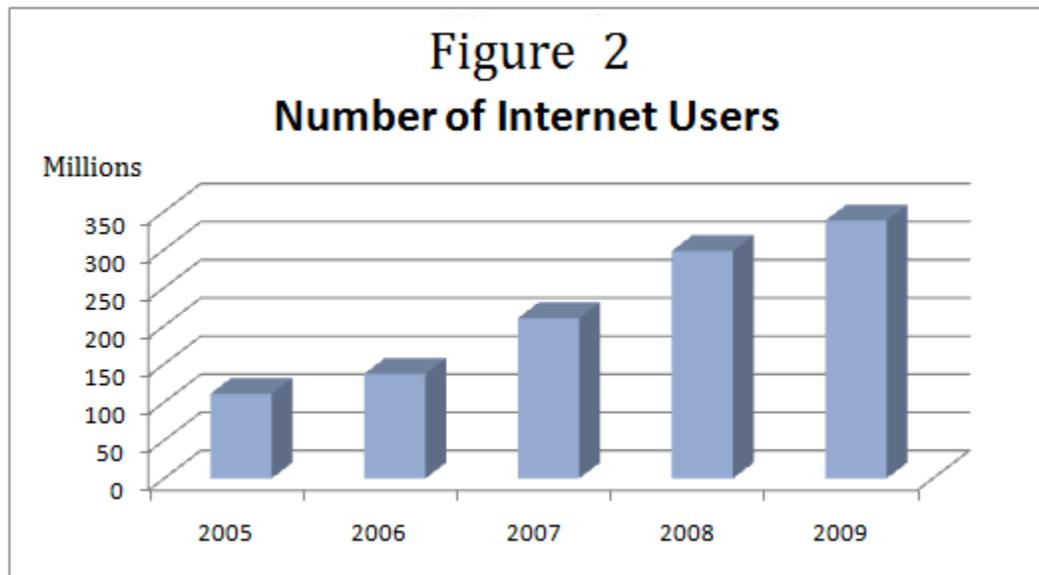
Young people have also become a major force in China's social organizations. It has been shown that the largest group of participants in social organizations and volunteerism has been youth and highly educated people (Ma, 2002). In 1996, a survey of 30,000 youth in twenty provinces showed that 73% of students had donated money to the flood relief effort and by 1998 there were 31 youth volunteer associations at the provincial level and 738 at the local level (Ma, 2002). Ma (2002) references a survey in China that reveals a widespread belief in contributing to society and citizen responsibility, as well as what Ma describes as a belief that the government is not fully responsible for meeting public needs. In the survey, 61% said they participated in voluntary efforts in order to contribute to society, and 26% said they felt it was a "citizen's responsibility" to participate in volunteer work.

The third development that helped social organizations to grow can be considered a double-edged sword: the growth of the internet in China. Yang Guobin (2003) describes the evolution of Chinese social organizations as a “co-evolution” with the internet in China, depicting an interdependent relationship between social organizations and the internet. Yang explains that the internet fostered social organizations by aiding in organization and communication of the masses, while these organizations simultaneously fostered the growth of the internet by bringing like-minded people of different backgrounds together on the World Wide Web (G. Yang, 2003).

It was not until 1994 that *http*, *www*, *ftp* and email internet functions were available in China (Qiu, 2000). Since the internet became widely available in China, the CCP created a system of internet censorship aimed at essentially creating a separate Chinese cyberspace. The China Internet Network Information Center (CNNIC), founded in 1997, reports to the State Council about the development of internet usage. The CNNIC regulates domain names, IP addresses, and internet providers. According to the 24<sup>th</sup> Statistical Report (2009) by CNNIC, as of June 30, 2009 there are 338 million internet users (25.5% of total population), up from 298 million in December, 2008, and 320 million broadband users (94.3% of all users) (CNNIC 24<sup>th</sup> Statistical Report). The rate of participation in social activities through the internet rose 4.5% since 2008.

According to the report, the government and relevant institutions have invested large amounts of money in increasing the infrastructure of the internet to aid in its development (CNNIC Statistical Report). The report also highlights the dramatic difference in user numbers between urban and rural areas; urban users account for 71.7% of all users and rural users account for 28.3% of all users. The report does, however, explain that the number of rural users is

increasing steadily (CNNIC Statistical Report). Figure 2 shows the increase in the number of internet users since 2005.



*Source: China Internet Network Information Center, 24<sup>th</sup> Statistical Report on Internet Development in China, 2009.*

Blogging and use of BBS (Bulletin Board Systems) account for 53.8% and 30.4% of internet use, respectively. 81.7% of internet users responded to the survey saying they had become more interested in social events since using the internet, and 56.1% of users have expressed their opinions online. In the year 2000, Qiu (2000) examined the use of BBS (Bulletin board Systems) to study what he terms OPC, Open Political Communication. By joining various BBS websites, he analyzed different postings to gauge users' views on internet censorship. At this time, there were only around 4 million internet users throughout China (CNNIC Semi-Annual Statistical Report, 2009). Qiu (and Huang) found that when Chinese users participate in Chinese BBS websites, they rarely talk directly about democratic development in China, while posts posted by Chinese citizens on overseas BBS websites are much more likely to talk about

democracy and other political topics. Qiu credits this to the intense internet censorship in mainland China (Qiu, 2000).

The development of the internet has indeed come with a great deal of censorship by the Chinese government, and Hu Jintao in particular is known for intense censorship of the internet and the media (Li, 2007). BBS sites have system monitors that screen for inappropriate content and identify violators. System operators are selected by the network Systems operators, or board masters, who are elected by BBS users, and each internet network reports to the Ministry of Public Security. In particular, CERNet regulates the content posted on BBS websites, limiting them to “the scope of academic exchange, which is mostly concerning science and technology,” specifically stating that system operators should “delete articles with political problems,” and if they cannot solve the problem through deletion, they must “immediately shut down the telnet and http interface linking up to the BBS.” (Qiu, 2000). The ChinaNet network stipulates that “those who overtly disseminate obscene, pornographic and anti-governmental speeches and opinions will have their user accounts suspended temporarily or deleted permanently in serious occasions.”

China has also been creating a China Wide Web since 1996, which has created a way for networks to use proxy servers to monitor internet use within the firewall, giving Chinese networks the ability to monitor emails, instant messaging, downloading and surfing (Qiu, 2000). In 2000, there were only 25 IAPs that could access international websites, while all other users were blocked from using websites from outside of China. According to the Internet Timeline of China (2008), SNS (Social Networking Service) websites, particularly *Kaixin* (开心 “happy”) and *Xiaonei* (校内 “on campus”) similar to Facebook in the US, have become extremely popular (CNNIC: Internet Timeline of China, 2008).

The fourth development that helped social organization growth in China has been the increase in grants from international non-governmental organizations (INGOs). After the 1998 reforms, social organizations, which had previously received government funding, began receiving funding from international non-governmental organizations (INGOs), such as the World Bank, which were increasing activity in China at the time. INGOs only gave grants and funding to social organizations, not to local governments (Teets, 2008). Some government institutions have actually used this to their advantage by establishing social organizations under the institution, since those organizations are eligible for foreign donations (Ho, 2001). As of 2007, there were around 2,000 INGOs operating in China (McCarthy, 2007). Some fund-granting IGOs include the Ford Foundation, the Asia Foundation (SSCA, 2009), the Global Green Grants Fund (CDB: Global Green Grants), and the World Bank (WB, 2004). The World Bank funds organizations in China that provide technical training to rural women, teach farmers to manage local irrigation systems, and promote HIV/AIDS awareness (WB, 2004). The increases in foreign funding may be changing in the near future due to new regulations passed just recently, which are discussed further in the Chapter 5.

The four developments leading to the growth in social organizations described above explain how increased political space and China's economic growth have fueled increased social awareness; increased communications abilities and information availability; and increased sources of funding. These factors help explain why social organizations in China were able to develop so rapidly.

## Chapter 4: Characteristics of Social Organizations in China

This chapter examines the characteristics of China's current social organizations and their relationship with the CCP regime. Relations vary between different types of organizations and the government. Some organizations receive much more tolerance than others.

### Social Organizations

When the CCP came to power in 1949, all private social organizations were disbanded. From that point on, social organizations were basically nonexistent until 1978 because they were considered too threatening to party security and citizens did not have the right to freedom of association (Guo, 2007; Ma, 2002; and Y. Zhang, 2004). Consequently, all social organizations in China today are new, and almost none are over 20 years old (Guo, 2007). Social organizations are generally formed and organized by its members, who come together out of common interest (Guo, 2007).

Teets (2008) writes that many social organizations are also headed by retired government officials, and some are even founded by retired officials who wish to "accomplish tasks they were unable to finish prior to retirement" (Teets 2008:21). Most organizations are established by people who have connections with the government and can therefore get an advantage in registration approval (Ho, 2001). Leaders in these organizations have government, personal, and other various ties that can give the organization access to resources it needs in order to register successfully and to achieve its goals. These resources are either in the form of financial resources or personnel networking.

A close connection with the government has its advantages for both the government and social organizations. Since the late 1980s, state retrenchment from welfare services meant the

increase in social organizations has benefited both the people and the government (Teets, 2008; Burton, 1990; and McCarthy, 2007). Saich (2000) describes the state-social organization relationship as symbiotic. One worker in the Yunnan Reproductive Health Association explained that government networks, particularly with the All-China Women's Federation, a mass organization run by the CCP, are essential to the success of the association's activities because the Federation's various local offices can help the association organize meetings or visit households if they are not familiar with a location's residents (Howell, 1999 and Teets, 2008). Social organizations often partner with local governments who provide the same type of community networks, as well as training to government workers, or even conduct pilot programs for the government (Teets, 2008).

Similarly, local governments benefit from working with social organizations due to the access to the public that social organizations can provide, as well as access to foreign funds, which government agencies are not eligible to receive. Working with local governments can provide social organizations access to government networks, while working with social organizations can provide local government access to the public and the ability to further that agency's goals (Teets, 2008). In fact, it appears that the state is becoming more and more aware of the benefits of cooperating with social organizations. The government's enthusiasm for the development of social organizations and the managing agencies' willingness to give some organizations greater control over their operations shows that the government has realized the potential usefulness of social organizations in meeting development needs.

The government has been more enthusiastic about the development of certain types of organizations. In particular, trade associations and social service organizations, those that provide welfare or healthcare services, have made the most growth since the early 1990s (Ma,

2002). Environmental organizations have also increased considerably. The party began to accept the seriousness of environmental degradation and the need to cooperate with social organizations to enforce and implement regulations, and therefore environmental organizations have also been favored by the CCP. In Beijing alone, environmental organizations went from 9 in 1995 to 18 in 1996 (Ho, 2000). The party favors those groups that can best help it deliver economic growth, welfare distribution, and meet environmental standards. McCarthy (2007) notes that in 2005, the CCP began a nationwide campaign to promote social organizations to embark on social welfare programs, and that government officials often honored social organization leaders and workers in public ceremonies in an effort to promote public participation in social organizations. There is also a growing trend for the “mother-in-law” agencies in charge of supervising social organizations to hand over funds for the organization’s programs and activities instead of overseeing and directing those programs. McCarthy (2007) notes two different instances of government giving grants to poverty alleviation groups. In 2002, the state handed over funds to a social welfare group that works with orphans, the elderly and various other vulnerable groups, marking the first instance of “outsourcing” government responsibilities to social organizations. In 2006, the state allocated 11 million RMB to 6 different NGOs to fund poverty alleviation projects, (McCarthy, 2007).

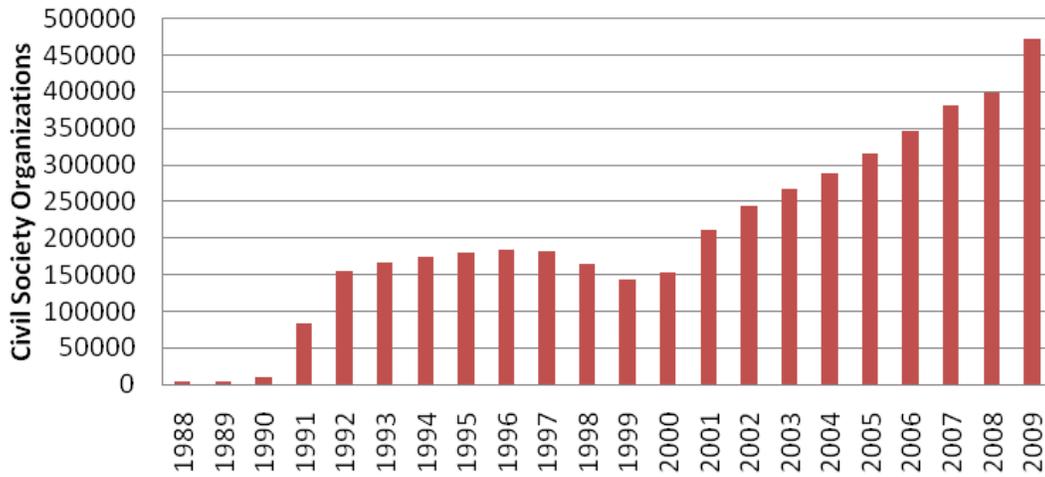
It is important to note that there is a large disparity between the numbers of urban and rural registered social organizations. Although there seem to be no statistics available to differentiate between urban and rural organizations, the majority of groups listed on the MoCA website have been based in urban areas, particularly in Beijing. This is most likely due to the financial and membership requirements of organizations to register, which are discussed in Chapter 5. Since the economy in rural areas is drastically underdeveloped and population density

is much lower, it is more difficult for people to organize and register organizations. Of course, lack of registration does not mean that there are no organizations in rural areas, but it would definitely hamper the organizations' ability to represent their constituents to the government due to their illegal status. It also makes them particularly difficult to study.

Although the regulation requiring organizations to register with a government agency has been described as the largest obstacle faced by organizations in China (CECC Annual Report, 2004, and Economy, 2005, and Teets, 2008), the number of registered social organizations continued to increase dramatically, from 10,855 in 1990 to 82,814 in 1991 alone (Teets, 2008). According to the 2009 MoCA Fourth Quarter Statistical Report, there are now around 472,780 organizations, consisting of 283,000 social organizations, 188,000 people-run non-enterprise units, and 1,780 foundations. Figure 3 on the next page shows the growth trend of social organizations in China.

Figure 3

**Registered Civil Society Organizations in China  
1988 - 2009**



Source: Ministry of Civil Affairs Statistical Reports, 2005-2009 ; Teets, Jessica C. 2008. "Improving Governance in China: The Role of Civil Society in Local Public Policy," working paper; and McCarthy, Susan K. 2007. "Mao, Metta, and Muhammad: Faith-based civil society in contemporary china," *Paper submitted to the Western Political Science Association Meeting in Las Vegas*.

The presence of social organizations is an important change in China. Most of all, it marks increasing public mobilization and public awareness around serious issues affecting Chinese people, particularly urban-rural economic disparity, the environment, anti-discrimination and healthcare. The disparities between the types of organizations that have formed in China also reflect the party's influence over which organizations are able to operate with the most tolerance from the government and show that state tolerance for social organizations has been largely aimed at increasing its political legitimacy.

## Chapter 5: Managing China's Social Organizations

Understanding social organizations' relationship with the regime requires an analysis of the legal framework in which social organizations must operate in China.

I will first introduce the central managing government agency, the Ministry of Civil Affairs (MoCA). I then explain the regulations established by MoCA for the registration and management of social organizations in China to understand the process these organizations go through for registration and the freedoms and limitations they are granted by government policy. I will then analyze the three main limitations faced both by these organizations and the managing bodies: registration difficulties; funding difficulties; and vagueness of the regulations.

### Ministry of Civil Affairs

Each administrative region has a MoCA bureau for managing the registration of social organizations in that area. As the number of social organizations increased, the CCP called for stricter regulations on organizations. In 1991-1992, 24% of registered organizations were rejected during the national re-registration ordered by MoCA (Ma, 2002 and Y. Zhang, 2003). In 1996, Jiang Zemin called for stricter management of social organizations (Ma, 2002). In 1998, the state changed regulations on social organizations in order to further tighten control. These new regulations required each organization to find a sponsoring government agency and immediately register with the MoCA through that agency, and the regulations also stipulated that only one organization per issue, for instance only one animal rights organization, can register with any bureau in each administrative region (Saich, 2000). Only government bureaus, such as the Ministry of Education or the Ministry of Health, or mass organizations, such as the All-China Women's Federation, can act as sponsors for social organizations (CECC Annual Report, 2004).

The CCP realized that the regulations set forth did not specifically say how the sponsoring agent was to supervise the organization and that many organizations were active without real government supervision. The regulations also required organizations to find a sponsoring agency specifying the sponsor department's responsibility to collect and review annual reports from the social organizations on membership, activities and sources of funding (Economy, 2005). In 1998, MoCA also ordered for national re-registration of all social organizations, and the number fell from 200,000 in 1998 to 136,841 in 2000, a rejection rate of 32% (Ma, 2002). This explains the dip in the number of social organizations in 1999 as seen in Figure 3.

The CCP is determined to keep track of the development of social organizations. Over the course of twenty years, from 1978-1998, MoCA has significantly tightened regulations on social organizations.

### Regulations on Social Organizations

As mentioned above, social organizations in China are classified into three groups by the MoCA agency: social organizations, people-run non-enterprise units, and foundations. The MoCA has produced a different set of regulations for each classification.

### *Regulations on Registration and Administration of Social Organizations*

The "Regulations on Registration and Administration of Social Organizations," were implemented October 25, 1998, and describe social organizations as non-profit organizations made up of voluntary citizens coming together to achieve a common goal, and as separate from state organs. The regulations specifically exclude organizations that participate in the State Council activities or were established by the State Council. They explain that organizations must

first apply and receive approval from a government sponsor before applying for registration with the MoCA. National organizations are required to register directly with MoCA and the first word in the organization name must not be “China (中国),” “National (全国),” or “China (中华),” and cannot contain any religious doctrine reference in its title.

The regulations state that the activities of social organizations must be lawful and must not “harm national security or social morality,” that the government will protect the lawful activities of organizations, and go on to outline documents needed for registration as well as offer guidelines for the registration of social organizations’ subsidiary bodies and branches. National level organizations are required to have at least 100,000 RMB (approximately US\$ 15,000) and at least 50 members, and local level organizations must have at least 30,000 RMB (approximately US\$ 4,500) and at least 30 members.

The regulations of 1998 also lay out the role of the registering unit, the “mother-in-law” responsible for the social organization, which had never been clearly stated before. The regulations stipulate that the government unit is responsible for reviewing the social organization’s application for registration, completing an annual review of the social organization, keeping records of the social organization and any modifications it undergoes, and also for “disciplinary sanctions” against organizations that do not comply with the regulations. Disciplinary sanctions may be enforced in the case of social organizations hiring or lending out its registration certificate; if its activities are not under the scope of its stated goals and area; if the organization refuses supervision or reviews by the managing agency; if the organization illegally establishes other branches; if organizations make profits; or any other violation of regulations. The regulations also state that the “mother-in-law” units may not extort bribes from the social organization and explain how donations to the organizations may be used only towards

its activities and must not be distributed to members of the organization (MoCA, Regulations on Social Organizations).

National social organizations are also allowed to establish provincial, city, or local branches of their organization. In order to do so, they must receive approval from their managing agency, register with a local MoCA office, and provide proof of property rights in the proposed location of the newly established branch (MoCA, 2010).

*Provisional Regulations on Registration and Administration of People-run Non-Enterprise Units*

“The Provisional Regulations on Registration and Administration of People-run Non-Enterprise Units” are very similar to those for social organizations. Non-enterprise units wishing to register with the MoCA must first register with a “professional leading unit” to act as manager and supervisor of the non-profit unit. The regulations specify that non-enterprise units should prepare verification of their address, staff members and documented assets sufficient to carry out the activities of the unit in order to register with MoCA.

The regulations also state non-enterprise units cannot include the word “China” in their title. Units must also prepare an organization charter to explain the aims of the organization, the management system, how the organization will use its assets, how legal representatives will be utilized, as well as how the organization will make amendments to the organization’s charter. It also explains that disciplinary sanctions will be carried out for non-enterprise units that violate the law. Unlike social organizations, people-run non-enterprise units are not allowed to establish branches. The regulations outline only one circumstance that may prevent registration. If there is already a non-profit in the administrative district (county, city, province, etc) “with the same or similar scope of activity” the application will be rejected.

The managing agency is also required to review and approve or reject applications for registration within 60 days, and provide reasons for any rejection. Reasons for rejection are outlined in Article 11 and include if the aims or scope of activity of the unit is not in accord with “national interest” or “social morality”; if the unit has falsified any part of its application; if there is already a unit with similar goals or activities in the same administrative level; if the legal representative of the unit has had a criminal record; or “other circumstances forbidden by laws or administrative regulations” (MoCA, Regulations on Non-profit Enterprise Units).

### *Regulations on the Management of Foundations*

In 2004, MOCA released the “Regulations on the Management of Foundations.” These regulations require organizations applying for registration to provide documents on the foundation’s goals and proposed activities, place of business, and resumes of responsible persons. The board of directors must be limited to between 5 and 25 members. They also require that national public fundraising foundations must have at least 8 million RMB, local foundations must have at least 4 million RMB, and local non-public fundraising foundations should have at least 2 million RMB. The regulations also state that government employees must not act as chair or secretary of foundations. They also briefly explain the role of the managing agency to monitor the activities of the foundations “day-to-day” to make sure the activities are legal and that they are in accordance with the foundation’s charter, and to review an annual report including information on finances, audit reports, fundraising, donations and grants, and staff changes, submitted by the foundation for approval. Foundations are also required to make their donation records public.

Circumstances in which foundations will receive warnings or may even have their registration revoked by their managing agencies include falsification of accounting records, irregular use of donations, not following regulations for registration properly, not submitting annual report to the managing agency for approval, or failing to make their use of donation information public. These regulations also required that foundations previously registered must apply for new registration within 6 months of new regulations taking affect. The regulations state that the agency reviewing application for registration must make a decision within 60 days of the application and must provide written reasons for any rejections (MoCA, Regulations on Foundations).

On March 12, 2010, the State Administration of Foreign Exchange, a ministry that the Associated Press reports usually does not deal with social organization matters, passed new legislation that requires foreign donations to be notarized by donors and have the translated documentation of the foreign organization's registration in its home country approved by the Chinese government. The new regulations will also require the donation to be wired to a "special foreign exchange bank account" before the recipient can use the donation (Associated Press, 2010 and Reuters, 2010). Organizations have reported to the press that these new regulations not only make running a social organization more difficult, due to increased paperwork, but were passed in order to allow the government to use donation regulation violations to arbitrarily shut down or fine organizations they feel threatened by (Reuters, 2010).

## Limitations of Regulations

These regulations present three different limitations on the activities of social organizations in China: the two-tier registration system, funding requirements for registration eligibility, and arbitrary limits on acceptable scope of organizational activities.

The policy requiring social organizations to first find a sponsor agency before registering with MoCA is very problematic for both the organization and the sponsoring agencies (Saich, 2000). Many organizations find the process of getting registration approval frustrating. If the possible sponsor rejects the application then it is almost impossible for the association to register anywhere. Each agency it applies to rejects it on the grounds that it was rejected before and there is no way to appeal a rejection (Ma, 2002 and Saich, 2000). Since organizations must find a sponsoring agency related to the organization's activities, those agencies receive so many applications that many are rejected automatically because the agency does not have the capacity to review and manage them all (Saich, 2000). For instance, Saich (2000) explains that the Chinese Academy of Social Sciences is responsible for all reviewing registration applications for all social science organizations, meaning the Academy receives more applications than it has the time to review, leading many applications to be rejected automatically.

This also presents registering bodies with the burden of managing all of the organizations it does register. As of the year 2000, the All-China Women's Federation, responsible for all women's related organizations, was responsible for 3,500 organizations (Saich, 2000). This enormous burden to the registering bodies is most likely another reason registration is so difficult for social organizations: departments do not want to added burden of managing another organization.

The regulation requiring social organizations to complete a “two-tier” registration procedure has been a main obstacle for organizations in China but is a key tool for the CCP to maintain control over social organizations’ operations. Some agencies have asked that the regulations requiring sponsoring agencies be retracted. In 1997, the General Secretary of the State Council, Luo Gan, angrily refused MoCA’s draft of new regulations that would remove the two-tier registration requirement and replace it with a requirement for general registration with MoCA, stating that was the point of the regulations was to tighten control of social organizations (Saich, 2000). In contrast, in 2004 the leader of the registration center at MoCA, Qiao Shenqian, announced at a seminar on international cooperation and public participation in Beijing that he hoped that the regulation requiring state sponsors for organizations be changed in the future and replaced by a “public supervision system” in order to make the process of establishing an organization easier. He was quoted, “It is imperative to drop the obligation NGOs now have to be sponsored by a government department. I hope it does not take too long.”(Asia News, 2004; China Times, 2004; and openDemocracy, 2005).

In an interview with an official with MoCA, Saich (2000) was told that the purpose of the two-tier registration requirement was meant to make it more difficult for social organizations to register. An official with the Department of Administration of Civil Organizations has stated that the government is very aware of the difficulties of registration, but that these cannot be changed currently because “we are in an experimental phase.” The official goes on to state that the CCP is in the process of studying the infrastructure for managing social organizations in other states, such as the United States and Australia (Saich, 2000). The CCP has been very cautious in monitoring social organizations’ activity, and Ho (2001) attributes this to the incident with the Falun Gong.

According to the Asia Times, due to the long process of registering with MoCA many social organizations instead registered with Department of Industry and Commerce instead in the early 2000s. Subsequently, on March 21, 2005 social organizations that were registered with the Department of Industry and Commerce were ordered to report for review and approval by government bureaus (Asia Times Online, 2005). The party is very wary of social organizations that do not register with MoCA because these organizations could be political or religious groups attempting to avoid detection (Saich, 2000). Saich (2000) writes that the party has also expressed worry that some organizations will take advantage of the “laxity of implementation and vagueness of previous legislations for social organizations to register as sporting and cultural events to escape detection.” Peter Ho (2001) writes that the majority of registered organizations are registered under names that do not accurately represent their activities in order to avoid state detection. OpenDemocracy, an NGO based in the United Kingdom that publishes daily news analysis and promotes democracy and human rights around the world, reported in 2005 that due to the difficulty of registering with a government bureau, many social organizations register instead as business entities, and are therefore faced with much higher taxes (OpenDemocracy, 2005).

Some organizations prefer to avoid registration altogether. Although the government does not have the capacity to enforce registration laws on all organizations, those that do not register face much more difficulty in operating than registered organizations. Unregistered organizations are not able to open organization bank accounts, making it difficult, but not impossible, to receive donations. They are also not able to act as a legal entity, which means they cannot sign contracts for projects. Unregistered organizations are also unable to pay taxes properly, and

cannot provide employees with pensions, medical care, or a *hukou*. These organizations generally are generally operated by retired persons or volunteers (Ho, 2001).

The regulations also require that organizations have a minimum funding level and a minimum number of members. The funding requirement, in particular, easily excludes organizations set up in more rural areas since these areas have much lower income levels. According to an article by openDemocracy (2005), the new regulations on foundations “intend to protect the legal rights of the foundation, donors and beneficiaries; promote participation of social organizations; simplify the process of establishing charitable foundations; and standardize the organization and activities of foundations,” as well as to give “preferential tax treatment” to the foundations, donors, and beneficiaries. This new regulation also retracted the limit of one foundation per issue per administrative region (CECC Annual Report, 2004). While the new regulation seems to be a triumph for foundations in China, the article also points out that while the regulation claims to help “simplify the process of establishing charitable foundations,” it also raised the minimum fee for registering a new foundation from 30-100,000 RMB up to 2-8 million RMB, which will actually make it extremely difficult for small foundations, and virtually impossible for rural foundations to register (openDemocracy, 2005).

Each set of regulations also contains an article stating that the organization applying for registration must not “harm the national interest nor go against prevailing social morality.” The vagueness of this requirement makes organizations extremely vulnerable to state interference because it leaves wide room for judgment. It does not outline what exactly might conflict with the national interest or social morality, and this allows the government room to act against organizations it does not approve of with legal grounds. The government can simply describe an organization it perceives as threatening to party authority as harmful to national interests or as

against social morality in order to present legal grounds to shut down the organization. For instance, the Open Constitution Initiative, a legal-watchdog organization based in Beijing, was banned in July, 2009, for “alleged tax evasion” (HRIC, 2009). The organization is said to have registered as a for-profit enterprise with the Department of Industry and Commerce due to the difficulty of registering with MoCA, and this may be the reason for their being shut down. Nevertheless, there is speculation that the organization may have come under government scrutiny for encouraging citizens affected by the tainted milk scandal, in which 300,000 babies fell ill and 6 died in 2008, to file lawsuits against “those responsible” (Google News/AFP, 2010 and HRIC, 2009). Another example is a discussion group for homosexual men shut down by the government in 1993. The founder was fired from his government position for promoting homosexuality and human rights (Saich, 2000). These two groups promoted legal and human rights, and were quickly neutralized by the government.

Since the reforms of 1978, the CCP has faced the dilemma of needing help from social organizations in delivering social services to the public while simultaneously needing to monitor popular mobilization to prevent political challenge to CCP authority. The MoCA regulations present an increasingly institutionalized process of managing social organizations by the CCP in order to thwart any political challenges that could arise. In Chapter 3, I described the CCP’s experiences with Tiananmen Square protests and the rapid rise of the Falun Gong. These instances both triggered calls for increased detail in the regulations and closer monitoring of social organization activities. Nevertheless, the regulations still leave ample room for CCP deliberation of acceptable social organization activity, leaving social organizations vulnerable to state interference.

## Chapter 6: Encouraging or Limiting Social Organizations?

This chapter provides a deeper understanding of how the state interacts with social organizations in order to contain social organization activities. I will also examine various social organizations' experiences with the government and how the legal regulations on social organizations have influenced their activities.

### Regime-Social Organization Interactions

Some social organizations in China have successfully worked with the government in carrying out projects to meet the needs of disadvantaged people. Nonetheless, these organizations seem to tread a fine line in their operations. They must maintain a subordinate, non-confrontational relationship with the government in order to survive. Social organizations are not protected legally from state interference, and it seems that this is what the government wants. Regulations on the activities of social organizations, as discussed in Chapter 6, contains an article prohibiting organizations from engaging in activities that go against the "social morality." This article leaves ample room for the state to shut down groups that it perceives as a threat to state authority. In fact, there are noticeable differences in state tolerance for different types of social organizations (Rowen, 2007). Ma (2002) writes that the CCP has made it clear that the role of social organizations in China is to help the state reach its constituents. Those that pursue government initiatives such as improvements in the health, education, environment, and welfare services are generally tolerated and even encouraged by the state, whereas the state has repeatedly harassed or even shut down groups that push for increased human rights or increased foreign ties. Such was the case for the discussion group for homosexual men and may have also been the case for the Open Constitution Initiative, both discussed in later sections. Another

example is the arrests of the key leaders of the China Democratic Party were arrested when they tried to register with MoCA in 1998 (Saich, 2000).

To further explore the government's attitude toward different types of organizations, Teets (2009) has categorized three different types of relationships between social organizations and their government sponsors: a relationship of oppression and control; a relationship of trust and protection; and a relationship in which the organization is able to push for certain government policy under the "shield" of the mother-in-law. Organizations that advance the agenda of the managing agency receive much better treatment than organizations that do not advance the agenda of its agency. An example of the first type of relationship, oppression and control, involves an agency which had conflicting views on what types of activities the social organization should undertake. The managing agency leader attempted to force the organization to pursue activities the leader felt would advance the prestige of his agency, and thus his own political career, even trying to use the organization's funds for the managing agency's own needs. In an example of the third relationship type, called "shielding", an environmental group founded by a government official from the State Environmental Protection Agency (SEPA) promoted government agendas and thus had a relationship of "shielding" since the founder's work colleagues acted as his managing agency (Teets, 2009).

The government uses various methods that evade the formal regulations to prevent organizations from operating and induce the breakdown of an organization. Saich (2000) notes three different ways the government can prevent organizations from operating effectively: transferring important members to jobs in other regions or busier positions to distract them; persuade the managing government agency to retract registration license from the organization; or fine the organization for violations of financial regulations.

One activity social organizations vehemently avoid is protesting against the government. Østergaard (2004) references a study by Chinese reporter Dai Qing (2000) that compiled a list of the CCP's "Four Nos" when it comes to protests: 1) no propaganda, 2) no reporting, 3) no criticism, and 4) no organizational affiliation. Guo (2007) explains that it is rare the government suppresses small protests, and usually the people protesting are appeased somehow, usually through modest compensation. The CCP is not, however, tolerant of organized groups that may challenge CCP authority (Guo, 2007). Hence, for the sake of their own survival social organizations rarely associate themselves with protests. Tong Yangqi (2005) writes that protests against environmental pollution or environmental policies rarely meet with any support from environmental organizations. In fact, most environmental organizations fear any association with public protests. According to an interview with Wu Dengming, an organizational leader, in 2005, "We have already had too much trouble with the government. If we get involved with these local protests, it will be difficult for us to define ourselves. If we are perceived by the government as the 'black hand' behind these protests, we won't be able to survive" (Tong, 2005:181).

Unregistered workers groups, however, often hold protests in the form of sit-ins and strikes, some almost daily. Chinese citizens also often hold protests against CCP policies they disagree with, but the CCP usually appeases individual protesters even when they cause public disturbances such as traffic jams (Guo, 2007 and Saich, 2000). If the protests are large and very coordinated, such as in the case of the Falun Gong in 1999, however, the government may perceive this activity as a threat and move to shut down the organization(s) encouraging the protest.

## Experiences of Social Organizations

Howell (2004) interviewed the Yunnan Reproductive Health Association, which is attempting to change government attitudes toward drug rehabilitation policies. Howell (2004) writes that most some organizations are able to participate in the policy making process with the government, but that this is initiated by the government, and not by the social organization. Organizations invited by the government to act as consultants for government policy usually have a history of implementing government programs or may have offered government officials positions in the organization. The organizations that do have the opportunity to assist with policy development must make sure to maintain a cooperative, non-critical attitude with the government, and are only able to participate if they are invited to.

There have been some instances of social organizations successfully affecting government plans through protests, but these are rare instances and in my research has only involved environmental organizations. It is important to note that environmental NGOs have had a particularly enthusiastic response from the CCP over the past decade due to China's new emphasis on environmental protection (Economy, 2005). Within the past few years, the State Environmental Protection Agency (SEPA) has repeatedly mentioned the need for social organizations to help the government enforce and even develop environmental policies (Economy, 2005). Pan Yue, the leader of SEPA, is described as a proponent of public participation in state planning activities, and SEPA even held a public hearing seeking advice on an emission permission license program in 2004, but no social organizations showed up (openDemocracy, 2005). Nevertheless, environmental organizations have effectively acted as watchdogs for government environmental policy and the government has actively encouraged this behavior.

Environmental organizations carried out the first successful protest against government decisions when they campaigned against government plans to build 13 dams over a river because of the environmental impact the project would have on the area. Eventually, the government abandoned the program due to “a high level of concern in society,” as quoted by Wen Jiabao (openDemocracy, 2005). In early 2005, environmental organizations coordinated protests of 30 different construction sites that had violated environmental regulations by not conducting environmental impact studies before beginning construction. SEPA recognized the violation of environmental regulations and ordered all 30 construction sites, including 3 owned by the China Three Gorges Enterprise, a state owned enterprise, to stop construction until the studies had been completed and to pay US\$24,000 each in fines (openDemocracy, 2005). Although there has been encouragement from SEPA for coordination between government and environmental organizations, Elizabeth Economy (2005) explains that progress for environmental organizations has stagnated, and lack of progress in their reports has made it difficult for these organizations to obtain funding from international sources, their main source of funding.

### *Shining Stone Community Action*

According to their website, Shining Stone Community Action promotes the idea of public participation in governance and community affairs. The organization also claims to “promote sustainable participatory governance reforms.” Shining Stone provides consultation services and training for public participation in urban areas and also “conduct pilot projects on participatory governance in urban communities.”(Shining Stone website).

Pilot projects carried out by Shining Stone include the Anshan program, funded by the Asia Foundation, and the Daxing program, funded by the Ford Foundation. The founder of Shining

Stone Community Action, Song Qinghua, responded to my email, in which I asked specifically about the organization's experience and interaction with the government in the Anshan project. According to the organization's website, during the Anshan pilot project Shining Stone coordinated with MoCA Anshan Bureau and the Zhanqian sub-district office to work with residents committees, enterprises, and community residents. The program was aimed at developing the capacity of self-help community groups to provide services to disadvantaged residents by coordinating with the government offices and the enterprises. In their annual report for 2008, the director wrote that the organization is broadening the goal of the organization from focusing on developing social support systems for disadvantaged people in urban areas.

In her response to my email, Song Qinghua explained that Shining Stone was established in 2002 and registered with the Department of Industry and Commerce as a for-profit enterprise, a common practice due to the difficulty of registration with MoCA. Shining Stone was not able to register as a legal social organization with MoCA Beijing office until 2009. The employee said that it is presently very difficult to register as a not-for-profit organization (*fei yingli zuzhi* 非营利组织). The group was only able to register because of continued coordinate and contribution to the Beijing East District Office Public Participation City Planning project, in which the city wished to encourage the public to bring forth constructive ideas about city planning. The government realized that coordinating and holding these discussion forums was not easy, so they decided having a third party organization would be useful. As a result of Shining Stone successfully coordinating these public events, the organization was registered by the Beijing MoCA office. It is not clear if the organization had ever attempted to register or if it had been continually applying for registration. Song wrote that after the success with one of the projects in which Shining Stone acted as an intermediary between the community and the public "the

government felt it would be a good idea to develop this kind of organization. As a result, the government offered to register our organization, so you could say we didn't run into any obstacles in registering our organization.”

On the benefits and difficulties of working with the government, Song wrote that the government's attitude toward them was very good and the government depended on SSCA's guidance in the program, and that during the program at Anshan SSCA began to change the government's top-down development mentality and help the government agency learn a bottom-up development mentality. She also wrote that before organizations began cooperating with the government, the government concentrated on developing recreational programs, but now the government is concentrating on providing services to disadvantaged social groups. The obstacles she listed included the persistent problem of the government's top-down mentality in state-society cooperation, as well as the problem of finding adequate funding since the government agency does not have the finances to fund these development programs.

In the case of Shining Stone Community Action, a social organization receives government favor for implementing pilot programs for the government, and the government utilizes internationally funded, technically specialized organizations to help it implement pilot programs. Teets (2008) explains this pilot program style of Chinese governance in which the government first implements a program in a small area or in one region and examines the successes and failures of the program. The government then attempts to adjust the program until it is acceptable before implementing it throughout the country. This experimental approach saves much time and money, and it is helpful if the government can coordinate with specialized social organizations, which most likely receives international funding, to carry out the pilot program.

*The Academic Society of the History of Philosophical and Social Ideas of Chinese Minorities*

In response to questions on their organization's interactions with its managing government agency, the Academic Society of the History of Philosophical and Social Ideas of Chinese Minorities (referred to hereafter as the Academic Society) was less clear, partly because the group is an academic group that works mostly on research and does not interact much with the public. The Academy was established in the early 1980s, and its main activities are research and academic exchange. The employee who responded to my questions wrote that he was in elementary school at the time the organization registered, so it is unclear how long it took or how difficult it was for the organization to register. According to this employee, however, it is presently very easy to register as a social organization, as long as they fulfill all the formal requirements for registration. The employee also explained that it is against regulations for a government employee to work at any social organization, and only retired government workers are allowed to do this. He said that none of the employees at the Academic Society had ever worked for the government, but were all professors doing academic research. He went on to explain that the biggest obstacle for the organization is not its relationship with the government, but funding. It has no direct ties to the economy, so it is difficult to come up with funding for academic exchange events. The employee replied that my interest in social organizations and their relationship with the government was odd because none of their activities have anything to do with politics and, for most organizations in China, as long as they are legally registered the government does not interfere with their activities.

The Academic Society presents a different sector of social organizations – those that do not have a close relationship with their managing agency and are relatively autonomous. Since this organization does not have a political hue or any political agenda, it does not interact with

the government. As long as it submits annual reports and complies with other regulations, it does not experience the same government supervision as organizations that seek to reach disadvantaged groups.

### China's Society in the Context of Gill's Model

In my analysis of China's society in the context of Gill's model, I require that a civil society have the following six qualities: voluntariness; autonomy from the state; density; pluralism; non-power seeking; and unity between organizations. It is not possible for me to determine the inner structure of organizations in China, and therefore I cannot include the quality of democratic self-governance in this analysis. These qualities are taken from the analysis of democratic civil society by Larry Diamond (1999). As discussed in Chapter 1, a democratic civil society is more likely to have the capacity to have an influence on a political transition, and so I consider these qualities the best indication of whether a society is atomized or civil.

First, I will briefly discuss each of these characteristics and why they help indicate whether society is an atomized society or a civil society. Second, I will use these qualities to determine whether China's society is an atomized society or a civil society.

#### *The Six Qualities of a Civil Society*

Voluntariness shows that members of organizations genuinely care about the issue of the organization, which means they are more likely to take action to pursue those interests.

Autonomy from state control shows that the organizations have the freedom to pursue the interests of their constituents and are free from state interference. This quality increases the integrity and legitimacy of social organizations as representatives of society's interests.

Autonomy also increases the capacity for the organizations to monitor government activity in the case of a transition.

Density shows that there are numerous organizations and that citizens have many choices in terms of which interests they can pursue. Density thus increases the number of citizens who actively participate in social organizations.

Pluralism shows that there are multiple groups around a similar issue. Pluralism helps maintain the presence of those interests in the event that one organization stops functioning. Pluralism can also lead to unity between organizations around a similar issue because although they may have some differences, their interests lie in the same issue and they are likely to have a common goal.

Non-power seeking social organizations are more legitimate representatives of the interests of their constituents. By not claiming to represent the interests of the entire society, non-power seeking organizations are more likely to have the capacity to monitor government activity and pressure the regime for change during a transition.

Unity is the outcome of pluralism, but merits its own discussion. Unity is the most important characteristic because it creates a greater strength among society, which would be essential in the crisis of a transition. Unity increases the capacity of society to effectively push for its interests in the event of a regime breakdown.

### *China's Society and the Six Qualities of a Civil Society*

First, social organizations in China do have voluntary membership. There does not seem to be any pressure from employers or from the government to participate in social organizations, and citizens seek out social organizations in order to pursue their own interests and passions.

Second, China's social organizations do not have autonomy from government control. The ability of a social organization to participate in the policy process or to coordinate with the government to reach their goals depends on their relationship with their managing agency. Those organizations that are able to pursue the interests of their constituents by participating in the policy making process must play a subordinate, passive role. As Howell (2004) pointed out, these organizations must not become too assertive or critical of government policy, but instead maintain a cooperative attitude. Therefore, China's social organizations are not autonomous from the state and remain at the mercy of state tolerance for their activities.

Third, the MoCA regulations severely limit pluralism. The MoCA regulations explicitly prohibit plurality at each provisional level (national, municipal, and local). Only one organization per issue is allowed to register in each provisional level. If one organization dissolves, there are no remaining organizations formed around that issue. Lack of pluralism severely limits the potential for unity between organizations because it prevents numerous organizations from uniting around a common goal.

Fourth, China's social organizations are increasingly dense, but that density is limited by the MoCA regulations and the difficulty of registration. Density refers to having many social organizations. The number of social organizations has greatly increased over the past two decades, and citizens have the option of having memberships in several groups. As discussed in Chapter 3, having multiple memberships can increase citizens' political participation and political awareness because s/he will be more involved around various issues. Density also increases the number of interests that are articulated by social organizations.

Fourth, China's social organizations are non-power seeking. Any organizations that pose a threat to the regime are quickly neutralized, and so it is unheard of in China for social

organizations to seek political power. Organized protests sometimes occur, as in the case of the Falun Gong, but as discussed in Chapter 6, most organizations avoid any display of organized protest for fear of government oppression.

Fifth, China's social organizations do not have unity between organizations. There have only been a couple of instances of unity between organizations, such as that of the environmental organizations discussed above. The restrictions limiting organizations from forming when another organization organized around the same issue has already been registered is a key part of preventing unity amongst social organizations. The CCP certainly learned from its mistakes after the Falun Gong incident, in which the Falun Gong organization spread, unimpeded, across the nation within the course of a couple of years, to pose a potential threat to CCP authority.

In summary, China's social organizations have voluntary membership and are non-power seeking, but plurality, density, autonomy, and unity between organizations is severely limited by government regulations and agency management.

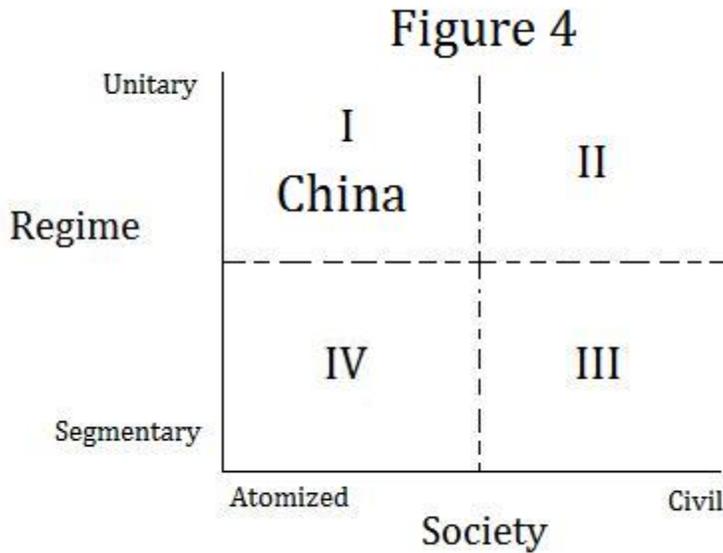
From my research, I conclude that society in China is an atomized society. These organizations' activities act more as "one great celebration of the regime and its achievements" by taking on a de-politicized scope of activities, as opposed to being able to represent their constituents and push for policies beneficial to their constituents (Gill, 2000).

### Conclusion: China in the Context of Gill's Theory

My research has led me to conclude that China's ruling regime is unitary and its society is atomized. China's regime is unitary. There is minimal infighting between the elitists and the populists, with only an occasional use of corruption charges against top leaders. The two factions instead tend to compromise in order to maintain unity, and this is evident in the promotion of one member from each faction to the top two posts in the top five government bodies, including to the presidency and the vice presidency. The two factions are currently more or less balanced in power, with 7 elitists and 8 populists serving in the Politburo (60%). It is expected that the two factions' hold on power will increase after elections at the 18<sup>th</sup> Party Congress in fall 2012 when 7 of the 9 members of the Standing Committee and 14 of the 25 Politburo members are expected to retire. If factional power remains balanced, it is unlikely that instability or disunity will occur. Furthermore, the appointment of one member from each faction to the two top level positions in the top five organs of the CCP (the presidency (president and vice president), the Standing Committee of the Politburo, the State Council, the National People's Congress, and the Central Military Commission) indicates that preserving unity is very important to the CCP leaders, and they are very aware of the potential for regime unity to deteriorate.

China's society is an atomized society. It is very difficult for social organizations to register, thus limiting plurality and density of social organizations, and their activities are monitored by the government managing agency. Due to vague regulations, organizations that engage in activity deemed threatening to the regime can be quickly shut down. The lack of pluralism, density, and unity means that in the case of a severe crisis any protests or uprisings would be disorganized and society would not have the capacity to form a real challenge to the regime.

Figure 4 portrays China placed in the context of Gill’s Model. China is currently in quadrant I: with a unitary regime and an atomized society.



In the first quadrant of Gill’s model, as described in Chapter 1, any severe crisis, such as a severe economic crisis, is unlikely to lead to a political transition at all. Although social unrest would increase, it is unlikely that an atomized society would have the capacity to organize effectively to bring about a regime overthrow. In China, social organizations are prevented from developing the qualities needed to form a civil society. Without the institutional basis for a democratic transition, society does not have the means to effectively organize and push for a transition. China’s unified regime, in contrast, would have the capacity to quickly suppress social unrest. Any decision to move toward a political transition would be largely the decision of the regime itself, and the regime would be able to control the transition process. Unless it is the regime’s desire, a democratic transition is highly unlikely in this quadrant.

A large uprising would likely result in a repeat of the Tiananmen Square massacre or the Falun Gong arrests, both of which involved regime violence and oppression. The regime would

have the unity and capacity to respond quickly to a surge of opposition from society. If a transition to democracy were to somehow occur, society would not have control over the transition, and would also not have the institutional capacity to maintain a democratic system. Without a rapid change from an atomized society to a civil society, any democratic transition achieved could easily break down.

### *Significance for China's Future*

I have concluded that China is now and will likely remain in the near future, including in the face of a severe crisis, in a static state of CCP rule and atomized social organizations. While the two factions have policy differences, these are generally kept discrete within the party and unity is very important to the CCP leaders. Those within the regime who have posed a threat to regime unity have ended up with very long prison sentences, as was the case with Chen Xitong and with Chen Liangyu (see Chapter 2). As the internet develops and CCP leaders become more public about their policy views, as Bo Xilai has (see Chapter 2), it may become more difficult for the CCP to shield its factional fighting behind corruption charges. If this happens, it will be more difficult for the regime to use corruption charges and jail sentences to quiet dissidents without incurring increased public criticism.

The election of a new generation of leaders at the 18<sup>th</sup> Party Congress in the fall of 2012 will mark a new phase of factional cooperation and conflict in China. It will be interesting to see if the regime clamps down on CCP officials' exposure in the media, or if increased media exposure increases regime disunity by giving a more public voice to those who disagree with policy. It is, however, highly unlikely that the CCP will liberalize regulations on social organizations in the near future because it is very aware of the risks a developed civil society

poses due to its experience with the Tiananmen Square protests and the Falun Gong incident. The CCP is very adamant about maintaining control and supervision of organizations and quickly shutting down organizations it finds threatening.

Gill's model on political transitions offers a useful method of understanding the current prospects for a political transition. By incorporating civil society into the literature on political transitions, Gill (2000) has brought to light the important role civil society can play in the prospects for a democratic transition. Diamond (1999) has provided the important qualities to look for in society in order to measure the presence of civil society, and in conjunction with Gill's model, we have a viable analysis of a nation's potential for a democratic transition.

## Bibliography

Academic Society of the History of Philosophical and Social Ideas in Chinese Minorities

<http://www.mpssc.org.cn/index.php>

(ADB) Asian Development Bank:

2001. "NGOs' Role in Poverty Reduction Growing, Agrees Landmark Conference"

<http://www.adb.org/Documents/News/2001/nr2001144.asp>

(AFP): 2010. "China says most tainted milk destroyed after new scare"

<http://www.google.com/hostednews/afp/article/ALeqM5iBr1xepZvStQ53TPjaauz7vWKQGw>

Asia News:

2004. Asia News, "China to Open its doors to foreign NGOs." Accessed December 12, 2009.

AT: Asia Times:

2007. "Wang Yang: A Rising Star in China"

<http://www.atimes.com/atimes/china/ie03ad02.html>

Accessed March 22, 2010.

2010. "Bo Xilai: China's brash populist"

<http://www.atimes.com/atimes/China/LC19Ad01.html>

Accessed March 20, 2010.

BBC:

1998. "The Corrupt Comrade: Chen faces his accusers" <http://news.bbc.co.uk/2/hi/asia-pacific/143163.stm> Accessed March 22, 2010.

Burton, Charles. 1990. *Political and Social Change in China Since 1978*. Connecticut: Greenwood Press, Inc.

(CECC) Congressional-Executive Commission on China:

CECC Annual Report, 2004. "*Civil Society: Nongovernmental organizations and the development of civil society.*" Accessed online December 12, 2009.

<http://www.cecc.gov/pages/virtualAcad/CivilSociety/annRpt04section.php>

(CDB) China Development Brief:

"Provisional Regulations for the Registration and Management of Popular Non-enterprise Units," translated by Jim Weldon. 1998.

<http://www.chinadevelopmentbrief.com/node/300>

“MoCA Regulations for the Management of Foundations, translated by Jim Welden, March 2004. <http://www.chinadevelopmentbrief.com/node/301>

“Regulations for the Registration and Management of Social Organizations,” translated by Zhang Yu and Nick Young, February 1999. <http://www.chinadevelopmentbrief.com/node/298>

Chen, Feng. 2003. “Industrial Restructuring and Workers' Resistance in China” *Modern China*, 29:2.

Chen, Jiandong. 2008. “Extending Social Assistance in China: Lessons, from the minimum living standard scheme,” *Southwest University of Finance and Economics*. Available at SSRN: <http://ssrn.com/abstract=1329973>

China Business Review:

2002. <http://www.chinabusinessreview.com/public/0201/young.html> Young, Nick. The China Business Review, January - February 2002 Issue. “Three ‘C’s: Civil society, corporate social responsibility, and china”. Accessed December 11, 2009.

China Digital Times:

2004. <http://chinadigitaltimes.net/2004/10/authorities-to-scrap-sponsor-rule-for-ngos/> China Digital Times “Authorities to Scrap Sponsor Rule for NGOs”, October 18, 2004. Accessed December 12, 2009.

(CNNIC) China Network Information Center:

2009. 24<sup>th</sup> Statistical Report. (English, PDF at bottom of page). <http://www.cnnic.net.cn/html/Dir/2009/07/28/5644.htm>

1999. Semi-Annual Survey Report on Internet Development in China.. downloaded on Dec. 5, 2009. <http://www.cnnic.net.cn/download/manual/en-reports/4.pdf>

2008. Internet Timeline of China. Accessed December 5, 2009. <http://www.cnnic.net.cn/html/Dir/2009/05/18/5600.htm>

Dai, Qing. 2000. “Members of Falun Gong in an Autocratic Society,” *Harvard Asia Quarterly*, 4:3.

<http://www.asiaquarterly.com/content/view/full/78/40/>

Diamond, Larry. 1994. “Rethinking Civil Society: Toward Democratic Consolidation,” *Journal of Democracy*, 5:3.

Dickson, 2003. “Threats to Party Supremacy,” *Journal of Democracy*, 14:1.

Economy, Elizabeth C. 2005. “China’s Environmental Movement,” *Testimony before the*

congressional Executive Commission on China Roundtable on “Environmental NGOs in China: Encouraging Action and Addressing Public Grievances.” Washington, DC.  
<http://www.cfr.org/publication.html?id=7770> accessed February 13, 2010.

(FOI) Freedom of Information in China:  
<http://chinesefoi.org/default.aspx>

(content in English) Provisions of the People’s Republic of China on the Disclosure of Government Information, Order. No 492  
<http://chinesefoi.org/regulation.aspx>

(FT) Financial Times:  
2010. “China: A populist rising”

Gill, Graeme. 2000. *The Dynamics of Democratization: Elites, civil society and the transition process*. New York.

Guardian, UK:  
2009. “Chinese human rights activist Liu Xiaobo sentenced to 11 years in jail”  
<http://www.guardian.co.uk/world/2009/dec/25/china-jails-liu-xiaobo>  
accessed February 21, 2010.

Ho, Peter. 2001. “Greening Without Conflict? Environmentalism, NGOs and Civil Society in China” *Development and Change*, 32.

Howell, Jude and Pearce, Jenny. 2001. *Civil Society and Development: A critical exploration*. Lynne Reiner.

Howell, Jude ed. 2004. *Governance in China*. Maryland: Rowman and Littlefield Publishers, Inc.

(HRIC) Human Rights in China

2007. “China: Minority exclusion, marginalization and rising tensions”  
<http://hrichina.org/public/PDFs/MRG-HRIC.China.Dev.pdf>

2009. “Law Research Center is Shut Down as Authorities Tighten Control on Civil Society Groups”  
[http://www.hrichina.org/public/contents/press?revision\\_id=170419&item\\_id=170300](http://www.hrichina.org/public/contents/press?revision_id=170419&item_id=170300)

Kwong, Julia. 1997. “The Reemergence of Private Schools in Socialist China,” *Comparative Education Review*, 41:3.

Li, Cheng. 2000. “Fourth Generation of Leaders in the PRC.” *The China Quarterly*, No. 161 (1-40).

Li, Cheng. 2001. “Was the Shanghai Gang Shanghaied?” *China Leadership Monitor*, No. 1.

- Li, Cheng. 2005. "Hu's Policy Shift and tuanpai Coming of Age." *China Leadership Monitor*, No. 15.
- Li, Cheng. 2007. "Leadership Factionalism in Four Major Cities." *China Leadership Monitor*, No. 21.
- Li, Cheng. 2008. "China's Fifth Generation." *Asia Policy*. No. 6 (53-93).
- Li, Cheng. 2008. "China's Political Trajectory: Internal contradictions and inner-party democracy." *Brookings Institution*, draft paper prepared for "Rise of China" conference, March 8-9, 2008.
- Li, Cheng. 2009. "Intra-Party Democracy." *China Leadership Monitor*, No. 30.
- Li, Cheng. 2010. "China's Midterm Jockeying for 2012." *China Leadership Monitor*, No. 31.
- Ma, Qiusha. 2002. "Governance of NGOs in China Since 1978: How much autonomy?" *Nonprofit and Voluntary Quarterly* 31: 305.
- Ma, Qiusha. 2003. "To Serve the People: NGOs and development of civil society in china." *Statement to the Congressional-Executive Commission on China, 108<sup>th</sup> Congress, 1<sup>st</sup> Session*.
- McCarthy, Susan K. 2007. "Mao, Metta, and Muhammad: Faith-based civil society in contemporary china," *Paper submitted to the Western Political Science Association Meeting in Las Vegas*.
- (MoCA) Ministry of Civil Affairs:
2009. MoCA Statistical Report 2009, Fourth Quarter (content in Chinese)  
<http://files.mca.gov.cn/cws/201001/20100128092527729.htm>
2008. MoCA Statistical Report on Industry Development.  
<http://cws.mca.gov.cn/article/tjbg/200906/20090600031762.shtml>, Accessed Dec. 6, 2009.
1998. "Regulations on Registration and Management of Social Organizations" – (in Chinese) <http://www.chinanpo.gov.cn/npowork/platform/shetuan/npo.do?catlog=n02#>  
 English translation can be accessed at  
<http://www.chinadevelopmentbrief.com/node/298>

2002. “With regard to the establishment of national social organizations off-site branch (representative) body issues notice”

“Regulations on Registration and Management of People-Run Non-Enterprise Units” – <http://www.chinanpo.gov.cn/npowork/platform/minfei/npo.do?catlog=n03>

English translation can be accessed at

<http://www.chinadevelopmentbrief.com/node/300>

“Regulations on Registration and Management of Foundations” – in Chinese

<http://www.chinanpo.gov.cn/npowork/platform/jjh/npo.do?catlog=n01>

English translation can be accessed at

<http://www.chinadevelopmentbrief.com/node/301>

Lists of registered civil society groups on MOCA page-(some with links to organizations websites)

<http://www.chinanpo.gov.cn/npowork/dc/searchOrgList.do?action=searchOrgList&corporateType=1>

NYT: New York Times

2010. “Politicians, Lobbyists, and Complainers descend on Beijing”

<http://www.nytimes.com/2010/03/04/world/asia/04beijing.html>

openDemocracy:

2005. Chang, Agnes. “Chinese Civil Society Comes of Age” openDemocracy,

September 21. [http://www.opendemocracy.net/democracy-china/civil\\_society\\_2859.jsp](http://www.opendemocracy.net/democracy-china/civil_society_2859.jsp), accessed online December 11, 2009.

Pei, Minxin. 2007. “How Will China Democratize?” *Journal of Democracy*, 18: 3.

Qiu. 2000. “Internet: Gateway between the cyberspaces,” *International Journal of Communications Law and Policy*, No. 4.

Rowen, Henry, S. 2007. “When will the Chinese people be free?” *Journal of Democracy*, 18:3.

Saich, Tony. 2000. “Negotiating the State: The development of social organizations in china.” *The China Quarterly*, 161. pp. 124-141.

Shi, Tianjian. 1997. *Political Participation in Beijing*. Cambridge: Harvard University Press.

Shining Stone Community Action (*shequ canyu xingdong* 社区参与行动)

<http://www.communityaction.org.cn/>

South Asian Analysis

2009. <http://www.southasiaanalysis.org/papers34/paper3322.html> China: Speculations About a Power Struggle. D.S. Rajan.

Timothy Brook and Michael Frolic. 2008. "The Ambiguous Challenge of Civil Society," *Civil Society in China*, (1997), as cited in Jessica Teets, "Improving Governance in China: The role of civil society in local public policy," (2008).

Teets, Jessica C. 2008. "Improving Governance in China: The Role of Civil Society in Local Public Policy," working paper.

Teets, Jessica C. 2009. "Independence and Mother-in-Laws: The effect of moca regulations on civil society autonomy in china," Middlebury College.

Tong, Yanqi. 2005. *Environmental Movements in Transitional Societies: A Comparative Study of Taiwan and China*. *Comparative Politics*, Vol. 37, No. 2. pp. 167-188: 181.

Townsend, James R. 1969. *Political Participation in Communist China*. Berkley: University of California Press.

(WB) World Bank

2004. "The World Bank and NGOs in China."

<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/CHINA/EXTN/0,,contentMDK:20600360~pagePK:141137~piPK:141127~theSitePK:318950,00.html>

White, Gordon. 1996. "The Dynamics of Civil Society in Post-Mao China." In *The Individual and the State in China*, ed. Hook, Brian. Oxford: Oxford University.  
(<http://www.questia.com/PM.qst?a=o&d=59063243>)

White, Gordon; Howell, Jude; and Shang, Xiaoquan. 1996. *In Search of Civil Society: Market reform and social change in contemporary china*, Oxford: Clarendon Press.

WP: Washington Post

2010. "Bo Xilai's charm offensive is paying off politically in China."

<http://www.washingtonpost.com/wp-dyn/content/article/2010/03/07/AR2010030703070.html>

Accessed March 8, 2010.

Xinhua Net:

2002. [http://news.xinhuanet.com/ziliao/2002-03/01/content\\_295698.htm](http://news.xinhuanet.com/ziliao/2002-03/01/content_295698.htm), Xinhua Net, 2002, Chen Zhili's public resume. Accessed Dec. 6, 2009.

2008. [http://news.xinhuanet.com/english/2008-04/11/content\\_7959627.htm](http://news.xinhuanet.com/english/2008-04/11/content_7959627.htm) Xinhua Net, Former Shanghai Party Chief gets 18-year term for bribery. Accessed March 17, 2010.

2010. "China's top political advisory body begins annual session"

[http://news.xinhuanet.com/english2010/china/2010-03/03/c\\_13195535.htm](http://news.xinhuanet.com/english2010/china/2010-03/03/c_13195535.htm)

Xu, Qingwen. 2007. "Community Participation in Urban China: Identifying mobilizing factors," *Nonprofit and Voluntary Sector Quarterly* 36(4): 622-643.

Yang, Dali. 2004. *Remaking the Chinese Leviathan*. Stanford University Press.

Yang, Dali. 2007. "China's Long March to Freedom," *Journal of Democracy* 18:3.

Yang, Guobin. 2003. "The Co-evolution of the Internet and Civil Society in China,"

Zhang, Ye. 2003. *China's Emerging Civil Society*. Brookings Institute.