Democratization in Greater China:
What Can We Learn from Taiwan’s Past for China’s Future?

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Panel I: The Impact of Economic Development on Political Culture and Social Structure

This panel featured two papers, “Political Value Change in Hong Kong, Taiwan and China, 1993-2002: Assessing the Influence of Modernization, Institutions and Traditional Culture” by Professor Yun-han Chu of National Taiwan University; and “The Nexus of Democratization: Guanxi and the Governance in Taiwan and the PRC” by Professor Dorothy Solinger of U.C. Irvine.

Chu’s paper sets out to determine the extent to which the political values of Chinese citizens have transformed in the direction of increasing democratic orientation as a consequence of rapid economic development. In addition, he also wishes to examine the explanatory powers of the three main research paradigms explaining cultural change – modernization and post-modernization theory, institutionalism, and culturalism. To that end, he employs longitudinal comparative survey data obtained respectively from Mainland China, Taiwan and Hong Kong at two time points, 1993 and 2002. A number of items from the surveys were selected as indicators of various dimensions of democratic orientation, including political equality, popular accountability, political liberalism, political pluralism and separation of powers. Other items were selected as indicators of traditional family values, traditional inter-personal ethics, and traditional work-related ethics. The study produced some fairly salient findings in support of modernization theory. On a macro level, Chu found that democratic orientation was indeed strongly correlated with a society’s overall level of socio-economic development. Hong Kong residents exhibited the highest level of democratic orientation, followed closely by respondents from Taiwan. Citizens of mainland China, on the other hand, scored the lowest in almost every dimension of democratic orientation. Within each society, there was a general movement toward a higher level of democratic orientation between 1993 and 2002, although the pattern here is much more consistent in mainland China than in the more highly developed societies of Hong Kong and Taiwan. On a micro level, Chu found that education exerts “by far the strongest positive influence on the strengthening of democratic orientation,” and that “a democratic culture is emerging among China’s youngest generation, the generation that has received the best education ever.”
Chu’s paper was discussed by Professor Tianjian Shi of Duke University. Shi commended Chu for the research design of the study although he suggested that theoretical clarity can be enhanced by drawing a sharper distinction between political values as the dependent variable and culture as the independent variable. In addition, he raised a number of more general issues: 1) The meaning of frequencies. Specifically, how should the frequencies be interpreted substantively? Is there a cutting point which matters for the political process in a society? Is that necessarily 50%? 2) The reliability of single-item indicators. Using a single indicator for each concept is likely to be vulnerable to measurement errors. He suggested using multiple indicators instead. 3) The movement of the three societies are not in the same direction. While Taiwan and China exhibited movement to a higher level of democratic orientation between 1993 and 2002, Hong Kong exhibited somewhat lower levels of democratic orientation in many dimensions. The pattern is consistent and striking enough to warrant additional exploration. Finally, Shi suggested an alternative method of defining a generation in the study. While Chu defined a generation as a 20-year cohort in his findings, Shi pointed out that given that the 2 surveys are 9 years apart, this would mean that members of one generation in the first survey would be scattered between two generations in the next. But by defining a generation as a 9-year cohort, people would always remain in the same age cohort. This in turn would allow us to determine whether people in various age groups have changed their orientation over the course of the study.

The second paper in the panel was presented by Dorothy Solinger. Focusing in particular on the property-owning capitalist class, she sets out to compare the political stances and roles of this segment in the political evolution of pre-transition Taiwan and contemporary China. Drawing upon her own research in China and secondary sources from Taiwan, Solinger argues that while the Taiwanese case more or less fits the conventional theory alleging a link between the emergence of a newly monied class and demands for democracy, the Chinese experience to-date appears not to be the case. In particular, Solinger hypothesizes that the nature of the social connections of the bourgeoisie provides “the most succinct and parsimonious explanation for business-people’s role in the movement toward new forms of governance in China and Taiwan.” Citing secondary sources from Taiwan, Solinger argues that the native Taiwanese “new middle class” was “the source of both the main members and the activists of the … opposition movement”, and that the pro-democratic opposition was “primarily funded by the contributions of small and medium-sized businesses.” The reason for this phenomenon can be traced back to
the KMT regime’s exclusionary economic policies, which excluded native Taiwanese entrepreneurs and limited the scale of their ventures, while monopolizing domestic market access and capital for mainlander elites with close ties to the State. Cut off from the State, native Taiwanese entrepreneurs were thus forced to compete in the international market and rely upon their own private networks for capital and other resources. Un-beholden to the regime, Taiwanese entrepreneurs nursed the seeds of grievance and anger for decades and readily lent their support to the opposition when the opportunity arose.

In China, on the other hand, the new middle class is characterized by its “common backgrounds and shared interests” with state officials. Private entrepreneurs intent upon expansion generally depend upon close collaboration with local governments or connections within the party. Many entrepreneurs are in fact former officials, or at least the children of cadres. Any business with good guanxi with party or state officials can count on an array of rewards and facilitations, and as a result most businesses seek to expand their opportunities by building ties with officialdom or donning the so-called “red hat”. Thus it was possible to speak of the two sides – bureaucrat and businesspeople – as “symbiotic”, and by the early 2000’s managers and operators of large firms could even be said to be influential in economic policy making. Thus Solinger characterizes the attitude of the Chinese regime toward businesses as “inclusionary”, and that in turn Chinese capitalists are generally loyal to the regime. Solinger concludes by arguing that the relationship between the growth of a middle class and political regime changes can be better understood by looking more closely at the conditions under which the business sector is apt to agitate for democracy, and that “a principle condition has been the existence or absence of supportive bonds between that class and the regime.”

Solinger’s paper was discussed by David Yang, a visiting fellow at the Center on Democracy, Development and Rule of Law. Yang began by endorsing Solinger’s emphasis on the situational, contextual nature of political support, and he expressed general agreement with Solinger’s reading of the current situation in China. However, he disagreed with Solinger’s empirical description of Taiwan on several counts. To begin with, he cautioned that any discussion of the nature of political support must specify the object as well as the content of the support. Desire for greater participation in policy-making is not necessarily support for democracy, since that is entirely compatible with support for what Dahl referred to as “inclusive hegemony”. Thus a
factory owner may well wish to have his views taken into account by local officials, yet he may be relentlessly hostile to his employees’ freedom of association. Likewise support for democratic principles in the abstract can exist side-by-side with support for an authoritarian regime in the concrete. In the Taiwanese case, Yang pointed out that based on his empirical research on that island, the bulk of the new middle class did not support the opposition in the pre-transition era, and that the opposition drew its supporters and activists mainly from the island’s working classes. And although some businesspeople did in fact provide financial support to opposition politicians, the importance of this support should not be exaggerated. The opposition’s financial needs were modest to begin with, and most of the money came from friends and relatives or a few individuals of independent means.

In fact, although Yang agreed that small to medium business owners were in fact proportionally more likely to support the opposition, the business sector was far from a monolithic block. And although the large State-owned enterprises were for the most part run by the mainlanders, they were not at the forefront of the Taiwanese economy. The largest and the most successful Taiwanese companies in the world today (e.g. Formosa Plastics, Uni-President, Tatung Electric etc.) were all founded by native Taiwanese. And the ambitions of these industrial giants were seldom frustrated by the regime without some form of compensation. In fact many of the leading Taiwanese industrialists were made members of the Central Standing Committee of the KMT, a feat no capitalist on the mainland can aspire to.

In conclusion, Yang suggested that the main distinction is not so much between Taiwan and the mainland, but rather between different business sectors, and indeed different individuals within the same sector in both societies. Connections to local officialdom may be less valuable in the export sector, but they can be extremely valuable in the domestic market. But political patronage by definition must be exclusionary, otherwise it would not be valuable. But as a result of this very nature, patronage always creates more disgruntled, left-out individuals than satisfied clients. The difference between Taiwan and the mainland is that in Taiwan, those disgruntled individuals who didn’t get a slice of the pie would turn to support the opposition. But in China today given the absence of any autonomous political space, there simply are not any visible counter-elites for disaffected societal elements to coalesce around. This does not bode well for the prospects of an orderly transition in the event of a political crisis.
The floor was then opened for discussion. Richard Baum pointed out that the indicator of pluralism used in Chu’s paper (whether a profusion of social groups would decrease stability) is not a normative question but rather a positive one. He also noted that according to the data the urban educated elite are not in favor of universal suffrage. With regard to the Solinger paper, he expressed agreement with the gist of her argument, which he summarized as “No alienated and no ethnically excluded bourgeoisie, no democracy.” However he also pointed out that guanxi per se is a dependent rather an independent variable. It’s the circumstances of one’s birth that determine the political relations. Andy Nathan then spoke and expressed skepticism about the comparability of China and Taiwan given their vastly different structural characteristics and external circumstances. He insisted that any comparison between the two needs to be carefully justified and qualified. With regard to Chu’s paper, he cautioned that changes in attitudes do not automatically translate into changes in regimes. With regard to Solinger’s paper, he pointed out that in the story that emerged the top-down process matters more than the bottom-up one. He concluded by reiterating that it is the regime that proactively shapes the story of how it evolves and that this crucial determinant of regime outcome appears to have received insufficient attention.

Nathan’s skepticism regarding the comparability of China and Taiwan was countered by Bob Weller. Weller asserted that “if you can’t compare Taiwan and China, then you can’t compare; and comparative politics would have no place in the discipline.” He then focused his attention on the Chu paper and echoed Baum’s earlier point that value changes do not necessarily lead to political changes. He pointed out that people can live with a great deal of “cognitive dissonance” and people do not always align their actions with their values. He concluded by questioning the use of terms such as “guanxi”, which he believed are perfectly translatable into English and risk “orientalizing” China. Larry Diamond then commented on the different roles played by different segments of the bourgeoisie in a comparative perspective, pointing out that in Latin America large segments of the bourgeoisie were co-opted by the State and that unlike the small, independent entrepreneurs, big capital was not prominent at all in the process of transition. Mau-kuei Chang agreed that in Taiwan the middle class was very much co-opted, although he emphasized that the KMT state was divided into a reform faction and an authoritarian faction, and that middle class support for the reform faction did facilitate the transition. Bruce Gilley likewise concurred that the role of the bourgeoisie is often misinterpreted and that in fact he
knew of no instance where the business sector played a leading role in the push for
democratization. The role of native Taiwanese in shaping economic policy was also brought up
by Ramon Myers.

In response to the comments from the floor, Yun-han Chu argued that value changes in and
of themselves are a part of political changes. They have consequences for the stability of the
regime, and its legitimacy. Although no one would argue that value changes would lead to
political changes in a mechanical sense, they do have consequences for the prospects of
democratic transition and consolidation. Dorothy Solinger clarified that she never claimed that
businesspeople were the leaders of the opposition movement, only that they were important
supporters of the movement.

Panel II: Civil Society and Civic Resistance

This panel included three papers, “The Growth of Intellectual Pluralism, Dissent and Civic
Space” by Professor Merle Goldman of Boston University and Professor Ashley Esarey of
Middlebury College; “Protest, Resistance and the Techniques of Responsive Authoritarianism”
by Professor Bob Weller of Boston University; and “The Emergence of NGOs and Social
Movements in China and Taiwan” by Professor Richard Madsen of U.C. San Diego.

Goldman and Esaray’s paper compares the growth of intellectual pluralism and dissent in
Taiwan and China. According to the authors, in both societies intellectual reforms enjoyed broad
popular support. In both cases, the State exerted repression which entered into the calculus of
intellectuals. Nonetheless the two societies also differed in important ways. For example, as a
capitalist party the KMT did not make the Marxist claim to monopoly over truth. Taiwan also
has a long tradition of civil society, which played a crucial role in nurturing and protecting
intellectual dissent. In addition, Taiwanese leaders have also accommodated political reforms,
under Chiang Ching-kuo. In contrast, intellectuals in China have encountered a more hostile
environment. Reform intellectuals closely connected to the Party leadership in the 1980’s were
largely purged after the 1989 Tiananmen Square movement. In the 1990s, for the most part, the
intellectual scene could be characterized as pluralistic as establishment intellectuals were
dispersed in various think tanks, universities, and journals. It ran the gamut from neo-
Confucianism to the New Left. Though the neo-Maoists journals were closed down, the only
intellectual group that the regime repressed was the liberals, who called for a system of checks and balances. At the same time, there was the emergence of disestablished intellectuals, who spanned two generations: the former Red Guards whose experience as sent-down youth in the countryside disillusioned them with the political system and the leaders of the 1989 student demonstrations, who were suppressed with the June 4 crack-down on the Tiananmen demonstrators. What was unprecedented in the People's Republic was that for the first time intellectuals joined with ordinary people in social protests. In 1998, there was an effort by disestablished intellectuals to set up an opposition political party-- the China Democracy Party, led by veterans of the Cultural Revolution and 1989 demonstrations, that gained the support of small entrepreneurs, workers, farmers as well as disestablished intellectuals. However, unlike their counterparts in Taiwan, this opposition party was unable to undermine the party-state and was quickly suppressed. The current fourth generation of party leaders, led by Hu Jintao, has in fact increased rather than loosened authoritarian controls over political dissent. Nevertheless, the authors see the emerging alliance between intellectuals and other classes as bringing pressure from below as a positive development for China's democratic prospects, similar to the pressure from below that occurred in Taiwan in earlier decades and led to a democratic system in the late 1980s.

Goldman and Esarey’s paper was discussed by Dr. Junning Liu of the Institute of China Studies. Liu began by pointing out that although intellectual dissent has not received a great deal of scholarly attention, every democratic movement has begun with intellectual dissent. Therefore understanding this phenomenon is crucial to understanding the democratic transition in Taiwan and potentially in China in the future. The point of departure Goldman and Esarey is to ask how these two regimes, which shared many similarities on the surface, wound up taking such different paths? The authors of the paper noted differences in sizes, education level, the development of civil society, and Taiwan’s colonial experience under Japanese rule. Moreover, Liu argued that the key factor in China’s case is the country’s “Red legacy”. The CCP subscribes to a Marxist-Leninist ideology of people’s democratic dictatorship and state ownership of the means of production. This never existed in Taiwan and in fact the KMT took this ideology and the CCP as its sworn enemies. Thus the divergence between the two societies today can be traced back to the CCP’s taking of power on the mainland, a divergence comparable to the radical divide between North and South Korea. And it is this Red legacy
which makes democratic transition very difficult if not impossible. Nonetheless, Liu pointed out that the Red legacy has been fading away since the late 1970s with the beginning of market-oriented reforms. And despite the long list of unfavorable factors, Liu shares the authors’ conclusion that it would be wrong to dismiss the impacts of various efforts already underway, even if they are generally quickly suppressed. Liu argued that these developments signify that China is on the verge of a meaningful regime change, despite the current leadership’s refusal to say goodbye to the Red legacy.

Next, Bob Weller spoke about protest and responsive authoritarianism. Weller began by pointing out that the desirability of democracy lies in its value as a mechanism to force the state to be responsive and accountable to the people. Nonetheless, there are a variety of mechanisms available to provide feedback to rulers, many of these dating back to imperial times, and it is when the state attempts to cut off the feedback that things go badly astray. In his paper Weller focuses on environmental NGO groups, which he identifies as a very common form of independent social action in authoritarian societies.

Weller made three broad points. First, Weller pointed out that all techniques of social protest involve creating more social space so that the ruled have a way of telling the rulers that things are going wrong. However, there is also an inherent tension in the arrangement. That is, any system capable of providing feedback to the state is also potentially capable of challenging the state through those same mechanisms. However, states can also use the same mechanisms to keep society at bay for a very long period of time. The existence of the tension does not necessarily translate into concrete changes, and linear projections are often wrong precisely because cognitive dissonance can be tolerated indefinitely. Although there’s always the possibility of a political “earthquake”, that only begs another question – What, then, is the tipping point? This brings us to Weller’s second point, which is that to understand the dynamics of the tipping point we have to look beyond the overtly political. Religious phenomena offer one possibility. In Taiwan local temples played a very important role in certain environmental protests. And on the mainland the temple of the fertility goddess has been used as a natural organizing nexus for protests against the state one-child policy. Thus temples as much as NGOs, literary movements as much as culinary trends, all can be indicators of broader social issues. Thirdly, Weller reminded us that not all elements of society are parts of civil society, and not all
associations are useful for building democracy. Certain ties are not terribly helpful for
democratic consolidation, and protest movements in authoritarian regimes can lead to violence
and escalate conflicts.

Weller concluded by addressing whether the Taiwanese model can be applied to the case of
contemporary China. Although he was cautious about the applicability of the Taiwanese model
given Taiwan’s unique historical and structural circumstances, he allowed that whatever tipped
Taiwan over can also develop and come into effect on the mainland. In short, although he did
not see any immediate push for democratization in China, nonetheless he believed that the
tension clearly exists and is well worth studying.

Weller’s paper was discussed by Professor Kevin O’Brien of UC Berkeley. O’Brien
welcomed Weller’s anthropological approach to studying Chinese politics, and in particular
identified two strengths in Weller’s paper. First, he endorsed Weller’s conceptualization of the
problem of resistance, and even democratization, as the tension between the regime’s need for
feedback and its fear of political collapse. Second, he applauded Weller’s efforts to “look
beneath the radar” and examine political phenomena at a cultural level.

With regard to the first point, O’Brien noted that over time authoritarian regimes can learn to
cope with the tension within the system extremely well, and that systematic pressures can be
ameliorated with piecemeal institutional reforms. However, this merely leads him to question
how symbiotic the relationship between state and society really is. Are the borders between state
and society slowly moving? Is more social space being carved out? As the regime “muddles
on”, is pressure for thoroughgoing structural reforms increasing or decreasing? When do ad hoc
solutions give way to more systematic efforts to fix problems? O’Brien offered no clear answers,
except to note that some protestors can be easily satisfied with a few approving words from
officials, while others escalate after repeated failures. The degree of symbiosis between state and
society thus remains an empirical question.

With regard to the second point, O’Brien remarked that the work on what draws people
together in social movements besides common interests is generally weak. Weller’s call to look
beyond the overtly political is worth heeding precisely because in the sort of social, cultural
networks that he studies, we may find a sturdier social basis for understanding protest movements.

The final paper on the panel was given by Richard Madsen on the emergence of NGOs and social movements in China and Taiwan. Madsen pointed out that while civil society is a fact of life in any modern society, the challenge is to maximize the benefits it confers and minimize the liabilities it incurs. While liberal scholars believe that civil society should be allowed to operate under conditions of maximal associational freedom, scholars from the corporatist tradition argue that civil society would inevitably coalesce along existing social cleavages and lead to escalating social chaos. Some of these concerns are vividly illustrated by the recent experiences of Taiwan and China. In both places civil society helped breed economic inequalities, exposed and enhanced ethnic and regional conflicts, and in general, raised the specter of social anarchy against the unrealistic assumptions of classical liberal thoughts. Thus both places have witnessed increasing demands for a strong government that would restore stability and restrain the activities of civil society.

However, Taiwan and China have followed different strategies in limiting the risks and liabilities of civil society. These strategies are generally mixtures of various ideologies but not necessarily coherent. The Chinese government’s response to the proliferation of civil society has drawn predominantly from its Marxist-Leninist tradition, with Chinese cultural characteristics, mostly based on the East Asian Legalist tradition. The attitude is to see civil society as a danger to be solved through political control. However, although the government continues to employ some Leninist methods, it can hardly justify its attempted control over civil society in classical Marxist terms. So the justification is increasingly corporatist: a strong state is necessary to prevent social chaos, to coordinate the various social groups so that they work for the “common good”. This is blended together with nationalist appeals, traditional calls for respect for authority and suppression of self-interest, all in the name of a “harmonious society.” In contrast, Taiwan’s authoritarian government employed a weak version of the corporatist strategy. Although on paper all civil society groups are required to be registered with a government agency, in practice the government proved utterly incapable of exercising significant surveillance and control over such groups. Thus there quickly developed something close to the free marketplace of associations embraced by classical liberalism, and the discourse of most of these groups seems to
have mimicked the rights-based individualism of many social movements in the United States. However, Taiwanese society did not thus descend into chaos. Madsen attributed the success of Taiwanese civil society to its indigenous roots, its friendly but autonomous relationship with the government, and its ability to help build bridges between class and ethnic factions and cool the passions of contentious politics.

Madsen’s paper was discussed by Professor Tom Gold of UC Berkeley and Professor Mau-kuei Chang of the Academia Sinica. Gold began by endorsing Madsen’s reminder that civil society can be a cause of chaos if there are no institutional rules to structure the participation. In particular, he remarked that although in 1989 we applauded the rise of civil society in Taiwan, given recent events there we should be careful what we wish for. Taiwan today looks like civil society run amok. Not surprisingly, using Taiwan as a reference the CCP now argues that China needs civil society with Chinese characteristics, or in the terminology of Hu Jintao – “socialist harmonious society.” Gold then went on to raise three specific points:

1) Civil society is an ideal type. But although China and Taiwan have very similar cultural legacies, due to their different historical circumstances civil societies have followed very different developmental trajectories across the Taiwan Strait. So maybe we need to rethink civil society even as an ideal type. 2) Religious organizations are not nearly as prominent on the mainland as in Taiwan. What kind of organizations, then, are there instead that can perform similar functions as those in Taiwan? 3) What exactly is holding Taiwan together today? Is Taiwanese democracy truly consolidated, and the rock on which Taiwanese unity is based? Is the rule of law holding Taiwan together? Or is fear of PRC holding Taiwan together instead?

Finally, Gold addressed the implications of Taiwan’s experience for the mainland. Gold pointed out that although China shared a similar Confucian tradition, its recent legacy is one of class struggle, which does not lend itself readily to the politics of toleration and compromise. Although the Party is now attempting to replace the ideology of struggle with an emphasis on “socialist harmonious society”, that very concept may prove an oxymoron. Gold instead looked to the positive unintended consequences of the development of civil society in China. Through participation in civil society people become empowered in many different ways, with positive consequences beyond the regime’s attempt to control participation.
The next discussant on the Madsen paper was Mau-kuai Chang. He focused on confusions in the very definition of the concept of “civil society” and its application in the concrete contexts of Taiwan and China. In particular, Chang found it “troubling” that various types of NGOs and social movements are being conflated into the same civil society category. There have been many different types of NGOs in the two societies – some of them progressive, some conservative, and some even reactionary. Can all these NGOs be thought of in the same category? On the concept of civil society Chang remarked that it has been used so broadly that it leads to lose all theoretical meaning. Finally, Chang acknowledged that the proliferation of social movements was indeed a distinctive feature of the Taiwanese social landscape in the early transition period. Likewise he recognized that over the past decade China has witnessed a sharp increase in the number of various forms of social protest. However, while many social movements in Taiwan transcended their original communities and transformed themselves into persistent social organizations, individual protest groups in China have thus far failed to developed into lasting social organizations.

On an empirical note Chang cautioned that the sharp increase in the number of NGO’s in the post-transition period in Taiwan can be misleading, as many NGO’s were in fact mere covers for commercial enterprises taking advantage of their tax-exempt status. Obviously “NGO’s” of this sort mean very little for the growth of civil society.

The floor was then opened for discussion. Dali Yang inquired about the crackdown on internet dissidents and speculated about the existence of an endogenous relationship between state repression and the number of non-establishment intellectuals working outside of the state sector. Tianjian Shi added that cell phone text-messaging has also become increasingly important, and responding to Junning Liu, pointed out that both the young Marx and the young Mao had subscribed to democratic ideals and that there is more than one tradition within the CCP ideology itself. Andy Nathan commented that up until now the independent space for intellectual pluralism in China has been occupied by the neo-conservatives, and that this phenomenon is by no means an accident. And Yun-han Chu suggested that more attention be paid to the tension between an increasingly market-oriented mass media and the Party’s propaganda departments.
With regard to the issue of civil society and “tipping points”, Larry Diamond suggested that we should identify those features of civil society and social movements most conducive to sudden regime collapse in a moment of crisis. To use the Iranian Revolution as an example, these features appear to include a) a social network with a high degree of moral legitimacy posing a comprehensive critique of the regime; and b) elaborate system of underground organization. Commenting on contemporary China, Diamond observed that these features may apply to the underground Christian churches, although the Falun Gong also deserves greater attention. Someone mentioned that activist lawyers in China tend to be members of Christian churches, although Dorothy Solinger pointed out that China doesn’t have what Poland had in the 1980’s – namely, an established Church (or trade union) that could serve as a legitimate rallying point for social protest.

Still on the issue of tipping points, T.J. Shi remarked that regime relaxation and liberalization may be due less to changing regime intentions than increasing societal pressures. Richard Baum pointed out that one method of allowing “feedback without pushback” is to design channels of consultation without pluralism. By depoliticizing of protest, society can be fragmented and compartmentalized, thereby extending the life of the authoritarian regime. Andy Nathan then suggested that we approach tipping points as either internal (domestic factors) or external (international factors), and changes as either trend line changes or contingent changes. The task here is to determine what is plausible and what is not. For example, a global economic downturn triggering a power deflation in China is one plausible scenario. In addition, Nathan reminded us that the Chinese regime has in fact played a proactive role in the development of certain civil society groups as tools to aid in the implementation of policies. The central leaders in particular are keen to employ public pressures to overcome resistance from local cadres and the ministries.

The authors then responded to comments from the floor. Merle Goldman acknowledged the importance of the Internet and cell phone messaging. Likewise she acknowledged that Marxist humanism played a major role in the 1980s, although it was largely discarded in the 1990s. She agreed with Andy Nathan about the general shape of the intellectual landscape, but pointed out that recently the neo-Maoists have lost their journals. The liberals are repressed, and the New Left is ignored. Finally, she agreed that the media in China have indeed become more commercial, but nonetheless the media today is much more controlled than during the latter days
of Jiang. In addition Ashley Esarey pointed to the difference in media ownership across the Strait. He pointed out that in the 1990’s Taiwanese intellectuals were tremendously empowered by the island’s underground media, which simply does not exist on the mainland.

Next, Rob Weller commented that although the Internet and cell phone messaging are becoming more important, they remain an extremely thin form of social capital unless bolstered by pre-existing ties. Otherwise these lack the strength of more localized ties. On the issue of religious organizations, Weller remarked that China has no equivalent of Islam in Iran and a great deal of institution building would have to be done before that can become possible. As to tipping points, Weller was modest about what anthropology has to offer, except to look at other latent sources of changes often neglected by political scientists. He then repeated the oft-made observation that Chinese societal actors are very good at playing off the stereotype of a benign central state versus a predatory local state, and concluded by pointing out that consultation without representation is simply the corporatist vision dating back to Franco.

Finally, Richard Madsen commented that in discussions about civil society, two things are often conflated: The way people talk about civil society, and what is actually happening on the ground. In China the government is still very resistant to the idea of allowing an autonomous civil society to come into being; whereas in Taiwan the official ideology is more congruent with Western civil society ideals. Nonetheless, Madsen argued that if we can achieve more clarity on how people talk about civil society, we can then also get more clarity on what’s happening on the ground.

**Panel III: Political Institutional Change**

This panel includes two papers, “The East Asian Model and the Development of Rule of Law in Taiwan and China” by Professor Randall Peerenboom of UCLA Law School and Mr. Weitseng Chen from the Yale Law School; and “Competitive Elections and the Transformation of the Hegemonic Party: Experience in Taiwan and Recent Developments in China” by Professor T.J. Cheng of the College of William and Mary, and Professor Gang Lin of the American University.
Peerenboom and Chen presented a general model of the development of rule of law in East Asia, emphasizing incremental institutional reforms over a long period of time. The model has 6 stages: 1) In the beginning, the emphasis is on economic growth rather than political reforms. 2) When reforms are undertaken, a pragmatic, gradualist approach is adopted. 3) As wealth is generated and reinvested in the human capital and institutions, the legal system becomes more efficient and professional over time. 4) Democratization is postponed until a high level of wealth is attained (though democratization is not inevitable). 5) Constitutionalism, the roots of which can be traced back to the authoritarian period, develops over time. 6) Civil and political rights are given greater protection after democratization, though not necessarily interpreted in a liberal way. The model is generally applicable to the more successful societies in East Asia.

With regard to Taiwan and China in particular, the authors made two additional points concerning the applicability of the model. First, Taiwan, like China, followed a dual track model of development in which the rule of law was first implemented in economic affairs before broadening to political affairs. Second, although the separation of the rule of law from democracy may appear attractive to the Chinese regime, as the Taiwanese experience demonstrates, the separation has its limitations and creates tensions which the system cannot resolve until full democratization.

In addition, the authors noted that Taiwan's relatively sophisticated legal system at the time of its democratization was made possible by a high level of economic prosperity. Lower-middle-income countries such as China face certain challenges in implementing rule of law. Having been promised rule of law, citizens expect it. Yet legal institutions are relatively weak, and lower-middle-income countries lack the resources to resolve what are often at bottom economic problems. Legal institutions are therefore incapable of handling the controversial, socially-contested issues that increasingly make their way into the legal system. Unable to turn to the legal system for redress, citizens take to the street in protest. The government then responds to the threat of instability with targeted repression.

As for the future, the authors expect the Chinese state to continue with targeted repression and selective liberalization in key areas. The problem for the government here is that once the
expectations and the habits of the rule of law have been established in some areas, they cannot be restricted to those areas forever.

Peerenboom and Chen's paper was discussed by Professor Tsungfu Chen of National Taiwan University. Chen's comments addressed the relationship between the rule of law and democratization. Chen began by expressing concerns about the normative implications of the "East Asian Model", a concern raised in the paper itself. In particular, he pointed out that some citizens do not fare well during the first two stages of the model, and he worried that the model may provide justification for authoritarian practices. Next, Chen questioned whether China will follow the model through to its last stages, as democratization would always be much more important to the people than to the government. Chen pointed out that although democracy does not guarantee the rule of law, it is a very important factor in the implementation of the rule of law. Chen cited Taiwan's legal system as an illustration. While in the past the legal system was a German-style inquisitorial system that emphasized the finding of facts, after democratization the system was reformed to emphasize the rights of the accused. Thus, although Taiwan has a civil law system just as in China, following Taiwan's transition the courts have exercised great power in protecting individual rights. (Although whether this can be attributed to democratization is not clear. The criminal law was not changed for more than a decade after democratization in Taiwan. More generally, criminal law systems vary widely. Japan, a democracy for decades, has a criminal law system that remains largely inquisitorial, despite recent reforms toward a more adversarial system).

Conversely, although the Chinese government has promulgated a large number of laws protecting individual rights and interests, Chen was suspicious of their enforcement as similar laws in Taiwan were not enforced sincerely until after democratization. Finally, Chen pointed to yet another major difference between the legal systems of Taiwan and China. Whereas Taiwan readily adopted the Western legal system without controversy, in China the so-called "socialist legal system" remains a politically powerful alternative, as illustrated by the recent debate over the adoption of capitalist property laws.

The floor was then opened for discussion. With regard to the Peerenboom and Chen paper, Kevin O'Brien questioned the extent to which the failure to close the gap between the promise of
rule of law and its delivery can be attributed to a failure of capacity. Instead, O'Brien suspected that the problem is not so much one of capacity but rather of blame-shifting – specifically, the central state simply makes promises it has no intention of keeping when the blame can be shifted to local officials. While Peerenboom and Chen believe that a certain amount of blame-shifting may be occurring, they maintain that institutional capacity is still a major obstacle, just as it is in other developing countries. Jacques de Lisle questioned whether a distinct “East Asian model” actually exists, given the region's wide range of experiences, including the British colonial systems of Hong Kong and Singapore and China's own unique historical legacies. To a large extent, this question turns on what constitutes a “model”, an admittedly vague notion, as pointed out in the paper. His sentiments were echoed by Bruce Gilley, who pointed out that the model is in fact quite similar to the recent experience of Uganda. Peerenboom and Chen do not claim the EAM is unique to China, and specifically note that other countries may have followed the EAM to one degree or another.

Next, Tun-jen Cheng presented his co-authored paper with Gang Lin, who examined the factors contributing to Taiwan’s democratization and their implications for China’s democratic prospects. For Cheng, comparing China and Taiwan is not “comparing apples and oranges,” as the CCP and the KMT are in fact political twins. However, he then proceeded to identify three factors contributing to the advance of competitive elections in Taiwan and their corresponding absence in China. The first of these factors is the cumulative effects of local elections. Local elections in Taiwan were real and competitive. Although it is true that these elections would not have been allowed to exceed the KMT’s “comfort zone”, through the years a number of cumulative effects have been generated: Elections force the ruling party to rely on the voters’ choice rather than internal mechanisms to monitor its cadres. Elections also nurture more responsive cadres within the party. Over the years the trickle-up effect of local elections was exerted pressure on the national leaders. And lastly, competitive elections do prepare the ruling party organizationally as well as psychologically for multi-party competition.

The second factor Cheng identified is the delayed effects of political promises. Cheng pointed out that the KMT was built on the promise of delivering constitutional democracy, and a promise once made generates expectations. The failure to fulfill the promise would have to be justified through the invention of “temporary projects”, but eventually old projects lose their
credibility and one runs out of persuasive new projects to invent. Lastly, in an international context the KMT regime in Taiwan was a security consumer. Thus it was sensitive to international pressure from its security provider in a way that China is not.

Commenting on the implications of these factors for China, Cheng pointed out that to date local elections in China have not expanded up to the county level, and intra-party elections may wind up as a substitute rather than the prelude to inter-party competition. Likewise, the CCP has been very careful in making political promises – liberal democracy remains anathema, and in its place the party only promises “socialist”, “people’s” democracy. In addition, as a regional superpower China is much less susceptible to international pressure than Taiwan. Cheng was not entirely pessimistic about China’s democratic prospects, however. After all, China is the only permanent member of the UN Security Council that does not have democratic elections. And in addition, the possibility always exists that co-opted local elites may defect once the opportunity to create democracy presents itself. Thus democratization is still possible, although the process may be slow and tortuous.

Cheng and Lin’s paper was discussed by Professor Ramon Myers of Stanford University. Myers remarked that the authors did not really offer an explanation for why democratic elections were delayed in China or why elections were held in Taiwan starting in the 1950’s. To answer questions such as these, Myers suggested that one must examine the connections between political ideologies and institutional outcomes. The ideological struggles between the KMT and the CCP dating back to the 1920’s, not to mention the inter-factional struggles within the respective parties, had a profound impact on the kind of promises made by these parties to their followers. The KMT’s ideology called for authoritarian tutelage to lay the foundation for future electoral democracy whereas the Sino-Marxist vision of the CCP had no intention of promoting liberal democracy and promised instead a dictatorship of the proletariat. Within the KMT the tension between the liberals and the conservatives culminated in the Free China Fortnightly incident, in which the imprisonment of Lei Zhen made clear that multi-party politics would not be part of the political process. However, anti-regime elements were merely silenced and did not disappear. By the late 1970’s liberal elements within the KMT were once again cooperating with dissidents outside the Party to expand the scope of political competition. (As an example, Myers
cited the 1977 agreement reached in the Legislative Yuan on the election and recall of elected officials.)

Turning to China, Myers observed that the CCP today can still design a very elaborate electoral system within the one-party framework to recruit the most loyal, able and competent local leaders. But such experiments can be designed to keep the Party in power indefinitely. If these efforts are successful, then the Party can claim to have a responsive and effective government. Thus any discussion of the electoral process must take into account the role of beliefs and ideology in the design of the formal and informal rules of the political game.

The next discussant on the paper was Professor Da-chi Liao of the National Sun Yat-sen University. Regarding the comparability of China and Taiwan, Liao remarked that although on one level, comparing China and Taiwan is like “comparing apples and oranges”, at a higher level of abstraction the two can still be compared as “fruits”. The higher level of abstraction that Liao proposed was rational institutional design. In particular, she argued that main actors are very calculating in protecting their vested interests, and their calculations are reflected in institutional designs. Addressing the various factors identified by Cheng and Lin, Liao argued that the existence of local elections, the promise of eventual democratization, and the regime’s response to external pressure are all conditioned upon the main actors’ belief that the regime’s vital interests could remain intact. And although we will never fully understand the actual calculations of top leaders such as CCK, the Taiwan experience does show that leaders are very important for a regime with a long tradition of the “rule of man.” Thus, Liao advocates an approach which takes cultural and human factors into account. And although the three main factors in Taiwan may not be relevant in China, we may still be able to draw heuristic lessons from the Taiwanese case regarding the role of leadership in transition.

The floor was then opened for discussion. With regard to the Peerenboom and Chen paper, Kevin O’Brien questioned the extent to which the failure to close the gap between the promise of rule of law and its delivery can be attributed to a failure of capacity. Instead, O’Brien suspected that the problem is not so much one of capacity but rather of blame-shifting – specifically, the central state simply makes promises it has no intention of keeping when the blame can be shifted to local officials. Jacques de Lisle questioned whether a distinct “East Asian model” actually
exists, given the region’s wide range of experiences, including the British colonial systems of Hong Kong and Singapore and China’s own unique historical legacies. His sentiments were echoed by Bruce Gilley, who pointed out that the model is in fact quite similar to the recent experience of Uganda.

Andy Nathan praised Cheng and Lin for specifying the causal mechanisms by which certain changes might lead to forces for democratization. He then maintained that none of these mechanisms identified in Taiwan is at work on the mainland, and concluded that Taiwan and China are in fact “apples and oranges.” In response Dorothy Solinger argued that the job of the comparativist is to set up categories of comparison – if one can come up with a useful checklist by which to make comparisons, then one has a good framework for analysis and comparison can proceed. Rob Weller added that just because what was crucial for Taiwan does not exist on the mainland, we should not assume that China does not have its own different set of mechanisms. On the issue of local elections, Bruce Gilley commented that if village elections in China do not have the same causal effects on democratization as in Taiwan, one may question whether foreign donors should continue to support such programs. Merle Goldman countered that based on her personal observations, village elections do give villagers a choice over their leaders and are thus genuinely meaningful to the people. For Baogang He, one of the reasons that village elections do not generate cumulative effects is because of the lack of dissident involvement – either through government exclusion or the lack of interest on the part of dissidents. He praised the numerous efforts at international assistance, arguing they have indeed made real difference. Finally on the issue of unfulfilled promises, Weller repeated his admonition that one should not assume cognitive consistency; promises can remain unfulfilled for a very long period of time. Jacques de Lisle likewise expressed skepticism regarding the power of “hypocrisy” as a motivating factor. If it were in fact important, how seriously should one take the CCP’s rhetorical shifts? On this point T.J. Shi remarked that the CCP has in fact made more commitments to democracy than people commonly realize. Using the People’s Daily as an example, he argued how the Party’s emphasis has shifted from “socialist democracy” to democracy as a universal value over the past decade.

The authors then addressed some of these comments. In response to O’Brien, Peerenboom remarked that failure of capacity is in fact a common problem for countries at a certain stage of
development. And on the relationship between democracy and the rule of law, Peerenboom reiterated that these concepts need to be kept conceptually distinct, and that the development of the rule of law can be used as a platform for democratization at a later stage of development. Premature democratization does not solve the rule of law problem because the institutions are still weak. On the uniqueness of the model, he explained that he did not claim that it is unique to East Asia, only that it describes some East Asian cases rather well.

Tun-jen Cheng pointed out that Taiwan is not predictive for China, only suggestive. But it does provide a checklist for comparison and narrows down the list of possibilities. And he insisted that promises are not simply promises, but rather constitute a belief system. Thus constitutional democracy was a belief system for the KMT but “mere lip service for Hu Jintao.”

Panel IV: The International Context

Professor Jacques de Lisle of the University of Pennsylvania presented a paper on “International Contexts’ Effect on Taiwan’s Democratization and the Implications for Democratic Prospects in China.” The two discussants were Professor Sam Suisheng Zhao of the University of Denver and Professor Samuel Ku of the National Sun Yat-sen University, Taiwan.

De Lisle’s paper posits a u-shaped relationship between the international environment and Taiwan’s democratic development: the international context helped sustain the KMT dictatorship in the early era, facilitated democratization beginning in the 1980’s, and developed a more complicated and constraining relationship with Taiwan’s democratic development during the 2000’s. During the Cold War era the US and its allies were more concerned about anti-Communism than democracy. Simply put, Chiang Kai-shek was not a democrat, but he was a good anti-Communist. Starting in the 1980’s however the international environment began to favor democratization. There were several aspects to this change: 1) With the decline of the Communist threat, the international opening and economic reforms and significant but not democratic political change in China, and China’s rise in economic and strategic importance, democracy became the one card that Taiwan had left to play. 2) With the fall of the USSR and the spread of the Third Wave, democracy became the “new normal” and polities claiming state-like status were encouraged to embrace democracy to satisfy Western conditions for recognition or more diffuse expectations. 3) The rise of nationalism in the former Soviet bloc created an
international environment more sympathetic to claims of self-determination and new nationhood for self-identifying “peoples.” 4) Taiwan’s expanded economic engagement with the U.S. and others created external pressures for economic reforms that helped support democratic reform, while Taiwanese dissidents who had found refuge abroad also pressed for such change. Finally, with Lee Teng-hui’s declaration that cross-Strait relations were a type of “state to state” relations in 1999 and the election of Chen Shui-bian as Taiwan’s president in 2000, a new phase began in which democratic development and ostensibly democracy-deepening reforms in Taiwan became deeply entangled with aspirations for independence and assertions about state status. As a result, the international context newly limited or distorted domestic reforms because Taiwanese leaders both faced pressure from Beijing and Washington not to press statehood or status issues and perhaps cast domestic reforms with an eye to their resonance with such issues. De Lisle discussed proposals since 2004 for constitutional reform and defensive referenda as a striking case study in this phenomenon.

However, de Lisle does not believe that the Taiwanese experience has much relevance to prospects for democratization in China. He pointed out that, although China’s reform-era engagement with the international economy and foreign norms has been transformative, China has remained much more insulated from international pressures and influence than Taiwan has been. China has always bristled at attempts at “peaceful evolution”, and its rising economic and military power, and in particular its self image as a regime-shaper rather than a regime-taker, cause it to resist foreign intervention in its domestic politics. China’s post-Jiang Zemin turn to populism, the longer-term turn to nationalism and even the rule of law can be considered substitutes for, or developments in tension with, democratization. At the same time, the rise of separatist sentiments on Taiwan has tarred Taiwanese democracy with guilt by association, and the issue of Taiwanese independence has also bound China to an out-dated 19th century black-box notion of sovereignty which has been the source of much Chinese friction with the West. On the other hand, Taiwan’s laws, institutions and political development already have provided often unacknowledged models for reforms in the PRC and could offer the CCP an attractive model for a long-term transition to democracy without brining the demise of a formerly monopolistic and originally Leninist party.
De Lisle’s paper was discussed by Shuisheng Zhao and Samuel Ku. Zhao asked the author to more clearly define the international context when comparing Taiwan and China. He suggested several variables in this effort: 1) national security; 2) economic incentives; 3) attitudes of the U.S. and other Western powers; 4) domino effects of the international environment; 5) foreign intervention in domestic politics; and 6) domestic openness. On the relationship between international factors and domestic Taiwanese elites, Zhao argued that Taiwanese leaders did not simply react to international pressures but instrumentally employed international factors to achieve their objectives in a proactive manner. Finally, he argued that China is just as exposed to international pressure as Taiwan, although China’s response may differ due to different domestic structures. He saw a paradox between rising Chinese confidence on the one hand and continuing Chinese insecurity regarding American containment on the other, and wondered whether American attitudes toward China would change even if China were to democratize.

Likewise, Samuel Ku also agreed that China is much less sensitive to international pressures than Taiwan, although he noted that Chinese attitudes toward Taiwan have changed a great deal in recent years. Beijing refrained from intervening in the Taiwanese presidential election of 2004. Recently it has also made several friendly gestures including reductions in college tuitions for Taiwanese students, the elimination of import duties on Taiwanese agricultural products, and the granting of rights of overflight for Taiwanese airlines. Ku argued that at least to some extent these gestures are a sign of Beijing’s greater respect for Taiwanese democracy. Ku added that China’s more accommodating line might affect Taiwanese preferences for additional democratic reforms and independence.

The floor was then opened for discussion. Ashley Esarey pointed out that while information about China is freely available in Taiwan, information about Taiwan is very limited in the Chinese media – partly as a result of Chinese media censorship, and partly as a result of Taiwanese exclusion of Chinese journalists due to the ruling party’s displeasure with their coverage. So long as the Chinese mass media remains so controlled, Esarey argued, it will be difficult for the Chinese to learn from Taiwan. Richard Madsen made the observation that while American pro-democratic rhetoric seemed to have a positive impact in Taiwan, they had exactly the opposite effect in China. In response Larry Diamond pointed out that Taiwan democratized
in the thick of the Third Wave, whereas today we are witnessing a period of global democratic recession. Many of China’s neighbors have experienced authoritarian reversals (in particular Russia) and the global political and normative momentum is not as favorable at this point. In addition, as a relatively weak power Taiwan was a recipient of international pressure, while China as a superpower aspirant is a re-shaper of the international environment. Diamond noted in particular the Shanghai Cooperation Organization as a successful Chinese effort to subvert and divert democratizing pressures in its neighbors.

Richard Baum made the distinction between China’s direct response to explicit international pressures and diffuse pressures to conform to international norms. In particular, he urged the author to examine the unintended and perhaps unconscious responses to globalization, and to various international organizations, as well as Chinese concerns to extend their soft power. Baum argued that these things affect how China perceives the world and its place in it, and they have domestic institutional consequences. Thus one does not have to accept international pressures in order to have those pressures indirectly felt. Tom Gold concurred and pointed to the Chinese White Paper on human rights in the U.S. as an example of Beijing “protesting too much”. Rana Siu Inboden added that while antagonistic pressures may not work, the Chinese are sensitive to public relations and may be induced to do certain things to reap PR benefits.

De Lisle briefly responded to the comments. He noted that his point about the impact of the international context on Taiwan and the PRC was comparative. International contexts and foreign criticism and advice have affected China’s internal politics in ways relevant to democratization, just not as much as they have affected Taiwan’s. In response to Ku, de Lisle characterized changes in China’s approach to Taiwan since 2000 as being more accommodating and subtle in practice but more uncompromising in principle, as shown in Beijing’s response to the 2000 and 2004 Taiwan elections, Beijing’s 2000 White Paper and the 2005 Anti-Secession Law. De Lisle concurred with Diamond’s points and pointed to other, reinforcing developments, including China’s quest for greater status as a possibly dominant regional power and its attempts to deploy soft power in its rivalry for regional influence with the U.S., and a degree of retrenchment in U.S. foreign policy’s emphasis on broadly democratic change in China.
Panel V: Future Political Change in the PRC: Adaptation or Decay?

This panel featured two papers, “Why the Regime is Decaying and Headed for Crisis” by Professor Guoguang Wu of the University of Victoria; and “Can the Chinese Regime Adapt? Reforms and Institutional Adaptations” by Professor Dali Yang of the University of Chicago.

Wu began by characterizing the current Chinese regime as a developmental autocracy that combines economic development with political repression. Such a regime is fraught with tensions, and if the regime can no longer resolve these tensions within its institutional framework, a crisis will occur. An institutional crisis occurs, therefore, when the institutions are so challenged that fundamental institutional transformation has to be carried out. If the transformation cannot be conducted in an orderly fashion, profound social unrest ensues.

Wu then made three main arguments: 1) The Chinese regime is decaying; 2) an institutional crisis is inevitable; and 3) a transitional crisis is also possible if necessary institutional transformations are postponed. However, how can one detect an institutional crisis? Wu suggested two indicators: first, the persistence of popular discontent despite high economic performance; and second, the persistence of popular discontent despite the resort to brutal repression.

Wu saw the sharp increase in social unrest as a sign of the fading power of political repression in China. The number of group protests, the number of people participating in them, and the involvement of white collar workers are all increasing. While at the moment these protests are disjointed and easy to control, they nonetheless undermine social stability and place the regime in a state of prolonged nervousness. This prolonged tension between state and society has the potential to reconfigure the power balance between national and local governments, fragmenting the regime and undermining its overall coherence, making successful democratizing reforms from above less likely. Although the regime has made various policy adjustments in an attempt to head off the crisis, Wu agreed with Minxin Pei that these efforts have failed at the level of implementation. As a result the regime relies increasingly on coercive repression. But repression can only delay the crisis for so long.
Wu concluded by clarifying that he does not believe crisis in China implies collapse or chaos. Crisis means danger but also opportunities. Thus when crisis comes, there will also be an opportunity for democratization.

Yang began by endorsing Wu’s closing remarks regarding the implications of crisis, but he pointed out that there is no need to be overly alarmist over the rising number of disputes. After all, the phenomenon is not atypical during times of rapid economic changes, and 65% of the disputes are property-rights related. Once these issues have been resolved, instability would decrease. However, he stressed that the adaptation and survival of the regime is a topic for discussion, and should not be presumed. Complex systems are subject to surprises, and we can’t rule out the possibility.

Having said that, Yang went on to argue that the current Chinese regime had been reasonably successful at coping with new challenges, although these adaptations are usually not rationally planned in advance but driven by crises and the massive need to deal with pressing problems. He cited evidence of relatively widespread public support for the current system, the above average performance of the Chinese State given the country’s current level of economic development, and presented a list of various administrative reforms designed to address issues of income inequality, corruption, administrative fragmentation etc. The apparently successful tightening of the banking system (the percentage of non-performing loans has dropped to 7.5% from over 40% a few years ago) was cited in particular. In short, the government has maintained organizational cohesion, strengthened coercion, reformed its institutions and climbed the “walls of worry” to address the new challenges of the global era. Yang acknowledged, however, that the regime must learn not only to rule but to lead an increasingly well educated population with rising expectations. He believes that in 10 to 15 years the opportunity for liberalization will present itself considering the changing structure of the population.

The two panel discussants then offered their comments. Professor Minxin Pei of Carnegie Endowment for International Peace began by pointing out the pitfalls of post-hoc theorizing, using the East Asian developmental theory and the town-village-enterprise (TVE) theory as examples that were soon turned on their heads. Although he praised Dali Yang for providing a fresh perspective on the issue of authoritarian resiliency, he also pointed out Yang may have
over-stated the effectiveness of the administrative reforms. Even after the regulatory tightening, for instance, Chinese banks do not operate as commercial banks, and Nick Lardy has found that the net effect of the government’s poverty alleviation schemes was practically zero. Actual spending on health and education remains very modest, and even agricultural tax cuts are offset by tax increases in other areas. Pei stressed that we cannot look at policy pronouncements without examining the underlying incentive structure. As long as the incentive structure remains the same, the net effects of piecemeal reforms will remain very limited. On the other hand, he urged Guoguang Wu to look for off-setting factors that would counter the effects of institutional decay. As some potential areas of interest, he suggested regional competition, intra-elite competition, as well as incremental adaptations – all of which may generate very positive effects. Overall, Pei urged both authors to carry out micro-level studies explaining how elites deal with the challenges of governance on a day-to-day basis. Macro-level analysis can only tell so much of the story.

As a concluding remark, Pei observed that although the current Chinese regime may be genuinely interested in building a prosperous, powerful nation, in his view the regime’s top priority remains its own survival. Therefore, any institutional adaptation will ultimately be limited by the regime’s main focus on its own continuation in power.

The second discussant on the panel was Professor Richard Baum of UCLA. Addressing Yang’s paper, Baum set out to temper the author’s confidence in the effectiveness of institutional adaptation. In particular, Baum pointed out that institutional tinkering may simply disguise problems rather than fix them. It may not have the desired effects on the ground; and it may create new moral hazards with a whole new set of problems. At any rate, the effectiveness of institutional tinkering should be measurable, and as indicators he suggested the key indicators of social stress. As to whether institutional tinkering can lead China down the path to “Singapore”, Baum cautioned that China is still lacking the rule of law, competitive elections, and most critically, “semi-autonomous feedback mechanisms that can articulate complex societal needs and demands.” Baum saw the CCP state as trying to substitute top-down mechanisms of administrative controls for bottom-up mechanisms of social representation. But the key question is whether administrative mechanisms alone can improve the responsiveness and accountability of the CCP state. Baum’s own feeling was that political mechanisms for conflict resolution are
in fact indispensable. “You cannot eliminate politics from the equation,” he said. “If you do you will get a rogue elephant in the church.”

The floor was then opened for discussion. Randall Peerenboom commented that given the complexity of the Chinese state it is difficult to characterize, let alone predict, all the processes underway. Merle Goldman questioned the alleged adaptability of the Chinese system, citing the government’s lack of plans to deal with corruption on the local level as an example. “Can you deal with corruption without more mechanisms of accountability?” she asked. Andy Nathan urged the authors to elaborate further on the institutional changes underway. Specifically, what are the changes that allowed the Chinese state to make the adaptations they made? Nathan also cautioned against predictions as social scientists, he said we can talk about what is happening now, what are the dynamics that current events can produce, and foreseeable exogenous shocks; beyond that to claim that unpredictable things can happen is just a “waste of breath.”

Rob Weller then addressed the reliance on social protest as an indicator of societal stress. He pointed out that protest is not a direct indicator of pressure or stress within a society. To say that the more protests there are the worse off everybody must be would be a naïve way of understanding the dynamics of protest. In fact, the number of protests increases when people perceive that protests would be effective. Citing the Taiwanese Environmental Protection Bureau as an example, he pointed out that the number of protests increased ten-fold precisely when the Bureau began to respond to public complaints. He then endorsed Pei’s call for more micro-level studies especially on the level of policy implementation, and concluded by characterizing the debate between Wu and Yang as a debate over tipping points, which he felt can only be approached comparatively.

Bruce Gilley then suggested comparing China today to Taiwan in 1972, asking, “If this were 1972, what would we be saying about Taiwan?” T.J. Shi then offered four possible types of comparisons – namely, China today with the past, China today with the established liberal democracies, China today with the new democracies, and China today with established democracies in the past. He suggested a comparison between China today and the United States during the progressive era, as China today is grappling with many of the problems facing the United States then. In particular he urged closer attention to the feedback mechanisms, as he
believed effective feedback would facilitate effective problem solving. In response, Szu-chien Hsu argued that the greatest challenge facing the Chinese leaders is not so much the lack of feedback, but simply dealing with problems that they already know well. Addressing Yang next, he pointed out that all of the mechanisms of supervision discussed in Yang’s paper are in fact top-down mechanisms – all of which were proposed by the Party Central and failed to work as designed. Although mechanisms of horizontal supervision were attempted, due to the institutional logic of the regime these were always quickly pulled back. He therefore wanted to know what type of a process of democratization Yang envisions based on the type of institutional reforms that have taken place thus far.

Next, Baogang He reminded us that even as we speak, the regime is already undergoing the process of change. He urged the authors to go directly to rural China, since we may be asking the wrong questions by looking at the issues at a high level. He pointed out that although from the outside China may appear to have many problems, people at the local level are already working on local solutions. Thus even as we speculate about future turning points, the turning point on the ground may have already passed. Finally, Junning Liu urged us to bear in mind the distinction between what is true and what is right, and not take what is true for granted and assume that it is right. Both Fidel Castro and Kim Il-sung are very good at trouble-shooting, he pointed out. Thus, any discussion of democratic transitions should bear in mind the “subtle balance between what is true and what is right.”

The presenters then responded to the comments. Dali Yang pointed out that a transition at a per capita GDP level of $4000 would be very different than one at a level of $950, and he would like to see a transition at a level of four or five thousand. On the issue of horizontal mechanisms of accountability, he pointed out that there are in fact such mechanisms, although he believed that vertical mechanisms are more important for the study of democratization. He also explained that while his own work focuses on structural factors, he is aware of the importance of contingency. In conclusion, he remarked that he expects to see some sort of an exogenous shock leading to a regime transition, although such things by their nature are unpredictable. However he would be happy to see China follow in the path of South Korea.
Guoguang Wu began by agreeing with Andy Nathan’s emphasis on institutional changes. Commenting on the use of protests as an indicator of social stress, he pointed out that in the Chinese case such protests must be understood within the context of a repressive environment. For the regime, coercive means remain the major instrument of responding to social pressures. And as a result, there can be no progress without crisis. Likewise feedback mechanisms must be approached within the context of Chinese history. After all, there were plenty of feedback mechanisms even during the Cultural Revolution, and Tiananmen movement was yet another feedback mechanism during the 1980’s. Addressing the issue of turning points on the ground, he wanted to know if the turning point is already past, how does one go about identifying it? He concluded by acknowledging the difficulties involved in making predictions.

Minxin Pei made three points. First, tactical brilliance should not be confused with strategic correctness. Second, to date no totalitarian regime has succeeded in making a gradual transition to democracy, and in all instances the ancien regime had to be overthrown first. Third, he proposed four benchmarks for measuring institutional transformation: is the CCP being dislodged from state-owned enterprises (SOEs), the PLA, the court system and the regulatory agencies? Until these benchmarks are met, real rationalization of the State has its limits.

Richard Baum reminded the conference that up till now, the pessimists have always been wrong. Time and again the laundry list of problems facing the CCP regime seemed insurmountable. Yet in the end the regime has somehow survived all of these problems. Baum remarked that political systems are sticky and organic, and as social scientists we have to study the mechanisms by which integration occurs on their own terms, even if that means we have to set aside our own normative preferences.

Panel VI: China’s Economic Development and Its Consequences

This panel featured two papers, “The Predictable Consequences for Freedom of China’s Economic Development” by Professor Henry Rowen of Stanford University; and “Is Chinese Growth Sustainable? Can China Make a Transition to Capitalism with Accountability?” by Professor Barry Naughton of U.C. San Diego. The panel discussants are Professor Scott Rozelle of Stanford University and Professor K.C. Fung of U.C. Santa Cruz.
Henry Rowen’s paper sets out to answer the question: “What will be the future character of China’s political system?” In particular four questions are addressed: 1) What is the prospect for sustained economic growth? 2) What does recent scholarship inform us about the development-freedom nexus? 3) When is a relatively free China likely to emerge? And 4) What are the implications for war and peace?

Rowen’s answers can be summarized as follows: 1) The economy looks likely to stay on a high growth path, although it will slow as it converges on the leaders, and it is not immune to serious disruption. 2) On development leading to freedoms, Lipset’s is the best supported hypothesis. 3) By 2015, there is a good chance that China will be in the middle, “Partly Free”, group and by 2025 be in the “Free” category. 4) A democratic China is unlikely to fight with its democratic neighbors. The prospect of the dangerous relationship with Taiwan being settled peacefully would be higher between a democratic Mainland and a democratic Taiwan.

Rozelle began his comments by expressing his admiration for the paper. He then identified two problems with Rowen’s paper. First, he emphasized that correlation is not causation. Rowen’s paper focuses on correlations and does not really address the underlying causal mechanisms. Secondly, the regressions cited by Rowen are not perfect fits, as is usually the case, but that leaves many abnormalities such as India and Singapore to be explained. What, then, are the unobservables that would allow a totalitarian regime to survive even as it grows wealthier or conversely lead to its demise?

Another issue that Rozelle addressed was Rowen’s account of the rural economy. Responding to the extensive discussion of social protests in the earlier panels, Rozelle argued that the story of the rural economy has been sidetracked by an excessive focus on unrest. He pointed out that in fact the rural economy has generated both growth as well as demands for more political and economic openings. In that sense elections promote growth but they also tear at the fabrics of rural society. They lead to the emergence of new institutions such as rural cooperatives and micro-credit organizations in the countryside, but such innovations threaten the leading role of the Party. Thus the Party has worked to slow down many of these innovations and has attempted to stimulate growth from another direction through massive central infusions.
of cash. As the economy grows again, would the CCP again try to wrest resources away from where they should be going in the interest of safeguarding its own political positions?

Barry Naughton presented next on the sustainability of China’s economic performance. Naughton’s began by arguing that the idea that China can collapse is profoundly misleading, because the fundamental driving force in the Chinese economy today is the exact opposite – namely, an “astounding” increase in productivity which is the impetus behind so many other social processes. However, the institutions that give the Chinese government the flexibility and the resilience to deal with specific economic crises are also implicated with certain ongoing problems in the political economy, and these problems are far from trivial.

Naughton noted a few key issues facing the Chinese economy today. First, as the Chinese population ages, China’s labor force growth will rapidly slow down to zero and China will have a subtraction of one of the major drivers of its current economic performance. China will no longer be a young country but a middle-aged, even elderly country with high dependency ratios. This brings us to the second issue, whether the economy today is on track to deliver the kind of financial stability to support the country’s aging population in the future. Naughton believed that the fiscal capabilities are in fact there, and he cited the country’s shrinking budget deficits, the SOEs’ return to profitability (after laying off some 25 million workers), the improved solvency of the banking system and the $1 trillion in foreign reserves as some of the factors in China’s favor. However, he was also quick to caution that just because China has the financial capabilities does not mean that China also has the institutional structure to meet the challenge. The chief cause for concern is that it is unclear how China will make the transition from muddling through with high growth to a more accountable market system. The current government solves problems through the high concentration of economic and political power, but it is precisely this concentration that will create future problems. There are profound recurrent challenges which may require some tough choices, and he was not sure if those tough choices are being made today.

Naughton’s paper was discussed by K.C. Fung. Fung generally agreed with Naughton’s main arguments, but he offered his own take on the sustainability of Chinese growth by drawing upon the theoretical literature on economic growth. The new-institutional literature, for example,
emphasizes the quality of institutions as a key determinant of economic growth. In this regard, Fung judged China to be making satisfactory improvements. Another school of thought stresses geography as a constraint on growth. This suggests that the Chinese interior would experience more difficulty developing given its lack of access to the coast. Lastly, models of endogenous growth emphasize research and development. Again China appears to be doing reasonably well when measured by the number of patents held.

Fung believed that the Chinese economy is still in a phase where it is growing primarily via input growth on an economy-wide level. Thus, shortages in labor supply may prove a serious constraint on growth in the not too distant future. Another area of concern is China’s financial system. Although China weathered the last Asian financial crisis remarkably well through the use of capital control, it is conceivable that as China gradually liberalizes its financial system down the road, the country will become more vulnerable to speculative attacks.

The floor was then opened for discussion. On the linkage between development and political liberalization, Dali Yang pointed out that China’s aging demographic structure may in fact positively affect the country’s prospects for democratization. That is because the cohort of 15-24-year olds are more likely to commit crimes than any other age group, and 93% of the prison population are males. As the population ages the 15-24 year-old cohort will become smaller, the crime rate will decrease and there will be less social demand for law and order. As a result the government may also become more relaxed about social control. However, Randall Peerenboom pointed out that the effect of demographic changes will be neutralized by higher rates of urbanization and higher income inequality. As a result the crime rate may in fact increase.

A number of people expressed doubts about the linkage between development and liberalization. Merle Goldman pointed out that limited media and legal reforms do not necessarily lead to political liberalization. Melissa Brown expressed concern about the sort of mechanistic linkage between development and democracy that “looks a lot like 19th century progressive social evolution.” Richard Madsen raised the issue of increasing social inequality. He pointed out that Taiwan had a relatively low level of inequality and that might have contributed to the transition to democracy. But given China’s high level of inequality, oligarchic rule may result. He mentioned the work of Chinese sociologist Liping Sun, who argued that the
majority of Chinese peasants live in a social world separate from the coastal urbanites and have almost no hope of upward mobility. And although some 80 million people have left the land, by and large they moved into low status jobs in the urban sector and have little realistic chance of gaining white collar employment. A crystallized lower class would negatively impact economic stability as well: Madsen pointed out that if the urban lower class does not have adequate purchasing power to consume the products they produce, China would be especially vulnerable to the closure of foreign markets. Madsen’s concerns were echoed by Dorothy Solinger, who described the poor quality of the education available to the children of migrant workers.

On the sustainability of Chinese growth, Andy Nathan questioned why the accountability problem cannot be solved within the constraints of an authoritarian system. In particular, he wanted to know how many unfunded externalities have to be added to predict unsustainability. Regarding the future labor shortage, he speculated that the Chinese may be able to alleviate the problem by allowing laborers to come in from surrounding countries. However, Alice Miller cautioned that if China were a democracy, the government would have to be more responsive to nationalist sentiments, which may place greater constraints on Chinese immigration policies.

The panelists then responded to the comments. Henry Rowen reiterated the importance of the ordering of economic and political reforms. On the correlation between the rule of law and political liberalization, he argued that the rule of law does have a significant effect on economic development, although it may not have an independent effect on political liberalization beyond that. Barry Naughton added further comments on the slowdown in the growth rate of the Chinese labor force. He pointed out that the slowdown is not necessarily a bad thing, and may in fact be the turning point where a significant number of rural Chinese will attain a higher standard of living. However, he cautioned that the flex point will be difficult to manage, as economic planners tend to assume the continuation of high growth even when external conditions have changed. On the linkage between economic and political phenomena, Naughton was agnostic – there is no necessary linkage between increasing inequality and/or mobility and political liberalization. And in response to Nathan’s question about Chinese productivity, he was of the opinion that there were at least modest increases in productivity. Finally, Scott Rozelle pointed out that according to the latest available data, inequality has in fact declined somewhat in the last few years.
Panel VII: Scenarios For Change

This panel consisted of two papers, “Deliberative Democracy in an Unlikely Place: Deliberative Polling in China” by Professor James Fishkin of Stanford University and Professor Baogang He of Deakin University; and “Democratic Transition Scenarios for China” by Professor Bruce Gilley of Queen’s University, with commentates by Professor Szu-chien Hsu of the Academia Sinica and Professor Andy Nathan of Columbia University.

Fishkin presented an account of an experiment in deliberative polling in China based on the framework he first proposed in 1988. In the experiment, conducted in a rural township in Zhejiang province, local citizens were selected by random samples to participate in a deliberative forum to decide among a list of proposed infrastructure projects. At the beginning of the forum participants were polled on the issues to be discussed. They were then supplied with balanced briefing materials representing diverse viewpoints, and gathered for several days of open debate and discussion. At the end of the deliberation, the participants were polled again. As a result of the deliberation, a number of showcase projects advocated by local officials were rejected in favor of more pragmatic basic infrastructure projects. And the choices of the forum were subsequently accepted and implemented by local authorities.

The findings from the experiment clearly addressed several concerns surrounding the deliberative approach, in particular relating to the potential dominance of privileged individuals and the practical efficacy of the deliberative approach. For example, the experiment found that over the course of the discussion, the opinion of the forum moved away rather than toward the direction of the most privileged members of the group. In addition, the transparency of the discussion legitimated the popular decision in the eyes of the cadres and compelled them to implement the forum’s decisions. The success of the experiment is encouraging because this is in fact a form of public policy-making that lives up to very high deals of democracy.

Fishkin’s collaborator Baogang He then spoke on how institutional innovations such as the experiment may effect regime changes. He pointed out that there are two aspects to democracy, electoral and deliberative. The first concerns the selection of leaders and the second concerns public participation in decision making. The two aspects supplement and complement each other, and deliberative democracy does not take the place of electoral democracy. He hypothesized
that while Taiwan’s democratization began with electoral multi-party competition, China’s democratization may begin instead with deliberative democracy without multi-party elections. Thus, deliberative polling can not only enhance the quality of electoral democracy, but may also open an entirely new pathway of democratic transition. He argued that hundreds of such efforts already underway in China will promote democratization in the long run, since the process has an “internal logic” which demands a close linkage between popular deliberation and government policy-making in order to maintain its popular legitimacy.

Fishkin and He’s paper was discussed by Szu-chien Hsu. Hsu acknowledged that the experiment offers very enticing prospects for China’s eventual democratization, but doubted whether it can be replicated on a large scale. In particular, he identified a few key questions: 1) Who sets the overall agenda for deliberation? 2) Who prepares the briefing material for the participants? 3) Who controls what aspects of the issues are subject to discussion? And 4) Who selects the participants and how they are selected? Hsu pointed out that so far there is no institutional guarantee that a sincere implementation of the process would take place in other locales. The major challenge is not the method itself, but rather the intent of local leaders around the country.

Hsu noted a few further problems. First, he expressed concern about possible overlaps and conflicts between the deliberative mechanisms and local People’s Congresses. Second, he was skeptical whether the regime would continue to tolerate such mechanisms if genuine challenges to the Party were to emerge. Finally, he pointed out that these mechanisms may become an instrument for the regime to depoliticize social demands, thus neutralizing the emergence of a genuine civil society. In other words, it is not clear whether such deliberative experiments will lead to democracy, or simply a different form of authoritarianism.

Next, Bruce Gilley spoke on possible scenarios of democratic transitions in China. Gilley began with a brief discussion on why he believed transition would occur. In order for an authoritarian regime to make the transition, he argued, it must first face an actual or probable legitimacy crisis. Although China does not appear to face a legitimacy crisis today, at higher levels of development Gilley does not believe the Chinese regime would be able to buy off the populace indefinitely with nationalist appeals and economic growth, and ultimately it will not be
able to withstand the “massive separation of state and society values.” However, he believed that the state will remain strong enough to preclude a massive popular uprising, and expected instead a state-led transition in the face of a legitimacy crisis. In other words he expected reformers within the regime to introduce preemptive reforms in the hope of retaining their power for some time.

Although he was quick to emphasize that the actual triggering event for such a large scale legitimacy crisis is unpredictable, Gilley argued that structural factors facilitating both crisis and reform possible can be identified. Structural conditions for crisis certainly exist, and he identified a few Chinese leaders as likely leaders of a reform movement. In this light the passing of conservative elders in the Party is a very positive development indeed. Gilley expected China to benefit tremendously from its status as a late-comer to democracy, although he also believed that the transition to liberal democracy will take decades to complete due to the state-led nature of China’s transition.

Gilley observed that Taiwan is relevant not only because of its objective similarities to China, but more importantly because political elites in China consider Taiwan to be relevant on a subjective level. Democratization is essentially an internal affair and outsiders’ influence is always limited. But Taiwan can insinuate itself into the minds of the Chinese elite and thus enhance its own relevance. Gilley advocated that until China democratizes, Western powers should refrain from according China the sort of international prestige that it craves.

Gilley’s paper was discussed by Andy Nathan, who expressed significant reservations. To begin with, Nathan asked Gilley to clarify his definition of democracy, since Gilley’s use of the term does not appear to be limited to the Schumpeterian definition usually assumed. Likewise, the definition of “legitimacy” also needs to be clarified. Nathan pointed out that the desirability of particular institutions or the presence of better alternatives do not necessarily mean that certain institutions are lacking in legitimacy, as legitimacy is a complex concept which can be arrived at from multiple causal pathways. Legitimacy may be derived from superior policy performance, for example, although legitimacy of this type is intrinsically fragile. Likewise coercion may not create genuine legitimacy but it can certainly create the semblance of legitimacy. In addition legitimacy can also derived from traditional deference and voluntary assent a la Weber. Nathan
found Gilley’s scenario “hard to imagine” for two reasons: 1) Given the vastness of China it is very difficult for local protests to accumulate into a national movement; and 2) Personalities are fickle and Nathan was skeptical of the pro-democratic credentials of certain leaders identified by Gilley.

The floor was then opened for discussion. Regarding the experiment in deliberative polling, Ashley Esarey questioned whether the authors had “oversold” their achievement and in particular whether the forum had been perceived as a top-down exercise by its participants. In response Jim Fishkin reiterated that the forum could not have been perceived as a top-down affair since all the projects preferred by the cadres were in fact rejected. Addressing a broader issue, Gang Lin questioned whether “deliberative democracy” without the framework of democratic institutions such as popular direct elections is really all that different from deliberative authoritarianism, or even Mao’s mass line. He was skeptical whether a meaningful “third way” between multi-party democracy and one-party authoritarianism is in fact possible. Tianjian Shi then pointed out that the deliberative experiment in China was in fact quite similar to Tocqueville’s description of democracy in America. Why then is deliberation in China being suspected of being authoritarian? In response Guoguang Wu pointed out that Tocqueville’s deliberations took place within a democratic national framework with genuine political competition, something entirely absent in China today.

A couple more people brought up concerns about the procedures of deliberative polling. Rana Siu Inboden wanted to know whether officials were present during the polling, and cautioned that even if they were not there, the participants may still assume they are being watched. Rick Baum pointed out that in similar experiments elsewhere, what researchers found was that although there was genuine public input during the debates, in the end the actual decisions were still made in an opaque black-box, thus raising serious concerns about accountability.

On Gilley’s paper, Randall Peerenboom questioned whether people at different levels of income emphasize different issues in evaluating legitimacy. Gilley replied that there was in fact no significant variation among different income levels. Alice Miller applauded Gilley’s focus on the role of the elite, but raised doubts about both the job security of current “designated
successors” as well as their supposed ideological distinctions. Regarding Taiwan as an example for the mainland, TJ Shi argued that Taiwan can be a positive model only if people do not perceive democracy purely as an instrumental value. He pointed out currently most people in China place a higher priority on economic growth than democracy, and as a result they are especially susceptible to CCP propaganda painting democracy as a threat to continual prosperity. As for the individual personalities identified by Gilley, Shi remarked that Li Keqiang, depicted as something of a hardliner in the paper, was known to have told people that he wanted to reform the Party from within. But now that he is well within the establishment, he is very much constrained in his actions because one false move can knock him out of the game.

The authors then responded briefly to the comments. Jim Fishkin clarified that the idea for the experiment was born in a public hearing where people expressed dissatisfaction with inequalities in public deliberation. The exercise was sponsored by the township government, and conducted just like a New England town meeting. He also defended the practice of paying the respondents to participate, pointing out that it is in fact consistent with the original Athenian model of democratic deliberation. Regarding how the experiment may be replicated on a broader scale, Fishkin referred to popular perceptions of corruption and pointed out that local officials can in fact increase their legitimacy by engaging in such exercises. Thus, the potential for dealing with public discontent may provide the incentive for local leaders to adopt the practice. He Baogang added that if we broaden the definition of democracy, then the emergence of such exercises can be considered part of the process of democratization. He also pointed out that experiments of this type echo similar efforts carried out by the Confucian agrarian reformer Liang Shu-ming 50 years earlier, and thus have deep Chinese roots.

Bruce Gilley responded to questions about social mobilization and the dynamics of state-led transition. Regarding social mobilization, he pointed out that broad social movements often get started on a very small scale. He did not really expect to see a large scale Tiananmen-type movement, but some degree of social mobilization would be necessary. As for the dynamics of state-led reforms, he reiterated that the most important factor is the absence of conservatives with veto powers at the critical juncture, and this is what really matters for elite-led democratization. Beyond that, we can speculate about personalities but the specifics don’t really matter.
Panel VIII: External Factor

In this panel, former State Department officer Ms. Rana Siu Inboden presented a paper on “What Can External Actors Do to Promote Democratic Change in China?” Her presentation was discussed by Mrs. Louisa Greve from the National Endowment for Democracy.

Inboden pointed out that although a lot can be done by outside actors, and she had a number of ideas to contribute, most of these ideas would require a significant level of commitment from foreign actors. Inboden offered general as well as specific suggestions. On a general level, Inboden offered six key advices. First, external actors should understand the relationship between civil society, the rule of law, religious freedom, human rights and democratic changes, as these factors are inter-related and should not be compartmentalized by artificial distinctions. Second, they should remember Hong Kong, in particular how hopes of Hong Kong influencing political reform in China have been replaced by the reality of China retarding the democratization of the former British colony. Third, they should understand that China is not a country currently engaged in a transition toward democracy – the issue is not one of capacity but of will. Fourth, they should make an effort to integrate democracy promotion into various developmental assistance and exchange programs, such as requiring public participation and consultation in developmental projects. Fifth, they should avoid excessive focus on short-sighted benchmarks, such as prisoner releases, and aim instead for long-term, structural changes. Finally, they should reach out to Chinese leaders and discuss the normative desirability of democracy.

Inboden also offered a number of suggestions for various specific international actors. For example, Western governments should reinvigorate the human rights dialog with China, make democracy promotion a higher priority, and develop better expertise of democracy promotion in China. International agencies such as the World Bank and the UNDP should require countries receiving assistance to engage in public participation and consultation outside the government, and aim to mainstream human rights throughout their organizations. NGO’s should develop stronger China expertise, make longer-term commitments to working in China, and employ more flexible strategies working from the bottom-up, as well as from the top-down. Multinational corporations, especially internet companies, should be more conscious about their role in limiting the freedom of expressions, adopt broader social responsibility programs and be more mindful of
the rights of labor. In this regard Inboden applauded Reebok for making the substantial commitment to organize competitive union elections in their Chinese plants. Finally regarding the attitude of foreign governments, Inboden argued that they should not simply attempt to export their model of democracy, but should instead share various models with the Chinese and let them decide what works best for China.

Inboden’s presentation was discussed by Louisa Greve. Greve endorsed Inboden’s suggestions in general, and drew attention to two additional actors – the mass media and the academic community. In addition, she also suggested several approaches to democratic promotion both outside and inside of China. Externally, she said observers should not underestimate the importance of articulating the norms of a “civilized society” on a macro level, as well as the norms of specific governmental institutions on a micro level. In addition, Western powers engage in “raising the costs to China of not democratizing”, e.g. by maintaining the EU arms embargo. With regard to domestic actors inside China, Greve agreed with Inboden’s emphasis on bottom-up reforms, urged greater assistance to dissidents and activists in order to expand the political space, and endorsed cooperation with reformist government officials even if that entails tolerating a greater amount of uncertainty and “cognitive dissonance.”

The floor was then opened for discussion. Larry Diamond led off by suggesting a few questions for the conference participants to mull over. For example, how does China’s transformation into a global superpower affect China’s democratic transition? What are the implications of the contemporary international environment as opposed to that of the previous eras for China’s transition – does globalization create a more fertile environment or does it work in the opposite direction given China’s size and markets? What type of external effects is likely to be more important – direct effects generated by targeted programs or indirect effects generated by exchanges of various kinds?

The comments offered in the discussion can be divided into several categories. The first relates to the significance of external actors in general. Junning Liu argued that although external factors are usually last on the list in discussions of democratic transitions, he believed that every democracy is achieved through very significant external efforts. He urged external actors not to underestimate the importance of their work. Conversely, he asked Inboden to
assess activities by American organizations and individuals in China which may be detrimental to the democracy promotion effort. Randall Peerenboom commented that efforts to promote democracy in China embody many assumptions about what’s good for the country, which are not uncontested. That said, there are many different approaches that can be taken – shame and blame is one, and engagement in a less judgmental discussion is another. But there is a role for different actors doing different things. TJ Shi generally endorsed Peerenboom’s remarks, but he also wanted to know how collaboration with incremental reformers within the Chinese government can be combined with collaboration with the dissident community. Henry Rowen pointed out that in talking about the effect of external actors, we should not forget Chinese returnees educated abroad. The influence of the returnees is enormous, and by focusing only on the direct and intentional efforts of external actors we are missing a big part of the picture.

Another issue brought up by several speakers was China’s standing within the international community today. Merle Goldman remarked that as a member of the U.N. human rights delegation under President Clinton, she was impressed by the length the Chinese would go to in order to shield itself from international human rights criticisms. In fact the U.S. did succeed in pressuring the Chinese into releasing several political prisoners, and she criticized the current administration for abandoning the issue altogether. In response Peerenboom pointed out that China is a much more confident country today, well aware of the American loss of credibility in the international community, and it won’t be pushed around on human rights issues any more. Larry Diamond also expressed agreement.

On the impact of Hong Kong and Taiwan on Chinese domestic developments, K.C. Fung mentioned Hong Kong’s current blueprint for universal suffrage and asked whether that plan would have any demonstration effect for China’s democratization. In response Diamond pointed out that in the current plan there is in fact no real intention of universal suffrage. Dali Yang wanted to know to what extent is the assertion of Taiwanese identity helpful or unhelpful for China’s democratizing prospects.

A few more technical issues: Baogang He pointed out that the layers of administration involved in some foreign democracy-promotion programs are very wasteful and that funds can be better spent by giving directly to their ultimate recipients in China. He also criticized the
policy community for excessive unprofessional networking, where projects are too often arranged on the basis of guanxi rather than merit. Dali Yang brought up the inclusion of minimum labor standards in international trade agreements, and pointed out that according to a recent survey the idea received overwhelming support among respondents in China.

Finally, Rick Baum questioned the appropriateness of the inclusion of a panel such as this in an academic conference. He argued that in academia there should be a line between analysis and advocacy, and it is not appropriate for scholars to be missionaries for any political ideology any more than for any particular religion. There should be a distinction between one’s private role and one’s professional role in an academic capacity, and he “would not have participated in the discussion as a scholar.” In response, Andy Nathan expressed sympathy for Baum’s desire to separate scholarship from activism, but pointed out that academic activities do not operate in real life under the ideal conditions of the sociology of knowledge.

The panel concluded with a few brief remarks from Inboden in response to the comments. Inboden acknowledged that currently the Chinese government has a confidence that they did not have before, and as a result public criticism and condemnation would be less effective, though not completely ineffectual. Regarding the significance of external actors, Inboden stressed that pressure must be applied both within and without, that external pressure alone is not enough, and the focus is on those actors working to create the conditions under which democratic politics can take hold. She also felt that many U.S. corporations are in fact undermining American democracy-promotion efforts in China, and cited American internet companies’ willingness to provide technology which limits media access. Finally, on incremental reformers versus dissidents, Inboden remarked that the State Department generally works with reformers within China and seeks to fund activities in China.

**Roundtable: What Lessons Does Taiwan’s Past Hold For China’s Future?**

The concluding session of the conference was a roundtable discussion on the lessons Taiwan’s experience can teach us about China’s future. The session was chaired by Professor Larry Diamond of Stanford University, and the main discussants were Professor Yun-han Chu of National Taiwan University, Professor Andrew Nathan of Columbia University, and Dr. Junning Liu of the Institute of China Studies in Beijing.
Chu revisited four points in his remarks. First, he emphasized that rather than being “apples and oranges”, Taiwan is indeed a highly relevant case of reference for studying China’s future. For example, although the lifting of martial law was a watershed event unique to Taiwan, by the time it was lifted some 90% of the provisions of the martial law were unenforceable. Thus Taiwan’s democratization was no less incremental than China’s, and many of the labels used to describe the CCP today were just as applicable to the KMT in the authoritarian era. Second, he argued that Taiwan is important as an important subjective example for domestic actors in China. A model is in the eyes of the beholder. Comparability in the objective sense is not all that important. According to Chu, Taiwan is one of the most closely observed cases in China today, and Taiwanese public personalities are household names among educated Chinese. Third, he pointed out that Taiwan can serve as an agent of change for China. Taiwanese experience with democracy is sought after by Chinese officials in their own experiments with grassroots democracy. Finally, Taiwan in a limited sense is also a constraining factor for China’s future democratization. Taiwan’s current political uncertainties are viewed by Chinese leaders as an unstable ticking time-bomb, and give the CCP leadership little appetite for reforms.

Andy Nathan spoke next. He began by pointing out that in talking about Taiwan we examine the past, and in talking about China we should also examine the past rather than focus exclusively on the future. An examination of the past, Nathan argued, would show us that both Taiwan and China are in many ways exceptional cases to which the standard theories of regime transition do not apply. Regarding Taiwan for instance, Nathan argued that Taiwan democratized as a result of conditions unique to Taiwan – the ethnic division, the dependency on the U.S. as security provider, and CCK’s lack of a suitable successor were all key factors. Likewise, China is exceptional in many ways. There is China’s exceptional geo-strategic position, which makes it unlikely to bend to external actors. Then there’s also China’s size, which makes nationwide political mobilization difficult. Also there is the world-time of the contemporary era – China has learned many lessons from the FUSSR and the Eastern bloc, and is not likely to go down the same path. Then there are also structural factors such as China’s huge peasantry, cultural factors such as China’s traditional sense of cultural centrality, and historical factors such as the CCP’s legacy as a hard-line totalitarian regime. Thus none of the general theories of regime transition readily applies to either the Taiwan or the Chinese case, and Taiwan and China are in a substantial sense “apples and oranges” that resist comparison.
The last speaker on the panel is Junning Liu, who spoke on Chinese perceptions of Taiwan’s democratic experience. Liu argued that generally speaking, people in China are not familiar with Taiwan’s democratic experience. In fact pro-democratic activists in China are more familiar with the cases of the FUSSR and Eastern Europe. But at the same time, Liu faulted the Taiwanese for not caring about democratization on the mainland. He pointed out that although he was often asked to arrange meetings with Chinese activists by visitors from the West, he has never been asked to arrange such a meeting by visitors from Taiwan. Liu argued that Taiwanese indifference toward the mainland is the main reason why mainlanders fail to see appeal of Taiwanese democracy.

Regarding the attitudes of the two major parties in Taiwan, Liu asserted that people on the mainland are disappointed by the KMT’s softening stance against the CCP on the one hand, and the DPP’s preoccupation with ethnic mobilization rather than democracy promotion on the other. Liu criticized Taiwanese visitors to the mainland for being “more interested in engaging with CCP officials than pro-democratic activists.”

Liu concluded by listing the two lessons he learned from Taiwan: First, intra-party democracy does not work. Democracy cannot start from the place where control is the most effective. Second, local elections are not very significant in starting the transition process.

The floor was then opened for discussion. On the issue of Taiwanese and Chinese exceptionalism, a number of speakers expressed disagreement. Dali Yang argued that the experiences of Taiwan and China are not all that exceptional if seen from the context of Przeworski’s findings. He also optimistically predicted that given China’s current income level (especially when measured by PPP) democratization should not be that far off. He conceded that China’s size and current level of inequality are obstacles to democratization, but pointed out that the CCP is also much more attuned to the global norms of democracy and human rights than the typical Communist Party. Richard Madsen argued that the exclusive focus on Taiwan and China may be misguided. Instead, they should both be seen within the context of the East Asian development model, and China’s future will be heavily influenced by regional trends in East Asia as a whole. Barry Naughton pointed out that China’s size may in fact be an incentive for its eventual democratization – after all, China has the potential to be first among equals, but as long
as it remains authoritarian, it will never be accepted as a first rate power. China’s leaders realize this and it may well prove to be a powerful incentive for democratization. Similarly, TJ Shi argued that several factors mentioned by Nathan should be heavily qualified. For one thing, the ethnic factor in Taiwan’s democratic movement should not be exaggerated. For another, although China is not a security consumer, China does depend on the U.S. market and that is a major consideration for Chinese leaders. Third, although direct international pressures on China to democratize are not great, the expectations for Chinese democracy are quite high. He reiterated Naughton’s point that to be a respected actor in the international community, China would have to live up to certain obligations, which include the “sacrosanct” ideal of democracy.

Along the same vein, Rick Baum observed that it is always easy to find uniqueness in every particular case. Nonetheless, we can find in China by any standard of observation those effects predicted by various theories of regime transition. However, these effects are always mediated by local factors which are not entirely unique but always path-dependent. Szu-chien Hsu likewise pointed out that just because China won’t democratize in the same way as Taiwan does not mean that China won’t democratize in some unique way. David Yang argued that a careful distinction should be made between questions of how and questions of why. Although the exact circumstances of Taiwan’s democratization (how Taiwan democratized) are certainly unique, the structural conditions which made transition possible (why Taiwan was able to democratize) are not. The task of the comparativist is to identify those social and institutional transformations which make regime changes possible. In the Taiwanese case the emergence of a large urban popular sector beyond the reach of the KMT corporatist organs was a crucial enabling factor, and similarly the migrant populations of urban China may well prove the backbone of any pro-democratic protest movement. Finally, Randall Peerenboom pointed out that different factors will always come into play at different times. The CCP may not be the KMT, but it has also done things that no other Community party has done. Given its exceptionality within the Communist camp, there is no reason to assume it will behave like a typical Communist party.

A number of speakers also expressed concerns regarding the implications of China’s democratization. Ashley Esarey pointed out that newly democratizing states can be very “nasty”, especially if they resort to nationalist appeals. Along the same vein, he wondered what type of institutions will be necessary to keep the country together given restive minority populations in
far-flung regions. Dorothy Solinger remarked that for most ordinary Chinese, the gravest problem they face on a day-to-day basis is wanton bullying by corrupt local officials, and she was skeptical whether the problem can be solved by elections alone.

There was also a mini-debate regarding the conceptualization of “democracy” employed in the discussions. Bob Weller encouraged the conference participants to engage in an in-depth debate regarding the merits of modernization theory, but urged them to provide clearer, better-articulated definitions of democracy. Jim Fishkin suggested “the use of adjectives throughout” to clarify the concept of democracy, although he also agreed with the centrality of the Schumpeterian definition. Rick Baum pointed out that many of the dependant variables used in the discussions, such as accountability, transparency, the rule of law etc., may well be possible within a non-democratic political system. In response Larry Diamond stressed that the issue at hand is not to come up with a universally valid definition of democracy, but for each author to clarify what he or she means when discussing “democracy.”

The conference then drew to a close with a few closing remarks from Larry Diamond. Diamond made several points. First of all, he reiterated the need to carefully sift through the whole field of transition theory, and also to pay more attention to a larger number of cases beyond China and Taiwan. Second, on the implications of Chinese democratization for cross-strait relations, he suggested that if Taiwan were to approach the mainland in a more conciliatory manner, that is to say a less separatist manner, China may prove more willing to embrace Taiwanese democracy. Third, on the ability of democracy to meet the challenges of governance, he argued that although democracy will not solve all of China’s problems, it will undoubtedly increase the country’s capacity for problem solving. Finally, as an empirical observation, he offered that the vast majority of the U.S. foreign policy establishment would in fact welcome China’s democratization.

With that last remark, the conference came to its successful conclusion in a round of thundering applause.