

## **CHINA'S DEMOCRATIC FUTURE**

**Ryan Rappa**

In the next few decades, China is likely to begin democratizing. Two trends clearly evince this conclusion. Broadly speaking, they are (1) economic, and (2) cultural. I will elaborate on the recent development and likely trajectory of each of these trends, explaining how they are eroding the current system and leading China toward democracy. Also, I will note potential black swans (shock events) that may derail the democratization process.

### ***I. Economics***

China's blockbuster economic growth has already begun to slow, and is projected to decline steadily (albeit slowly) for years to come. This is bad news for the current ruling regime because its legitimacy is significantly based on its ability to deliver a certain level of prosperity to a certain cohort of citizens. These citizens are unlikely to lower their expectations about what levels and forms of prosperity the government should deliver (if anything, their expectations will rise), although the state's ability to deliver these public goods will be increasingly strained as economic growth stagnates.

In theory, there are a few things the government could do to meet increased relative demand for public goods without democratizing, but in practice, none are likely or are a catch-22. First, the government could print money. But this has its limits; only so much money can be printed without harmful inflation. Worse, there is evidence that inflation is already approaching undesirable levels in China.

Second, the government could cut unnecessary non-transfer spending, such as its spending on perquisites – e.g. banquets, cars, travel, overpriced government contracts, office

buildings that put Versailles to shame (Fauna 2012), etc. – for government officials. However, this too has its limits; the government cannot cut enough to outpace China’s economic slowdown forever (Liu and Chen 2012, 42-44). Plus, what is the point of being an autocrat if you cannot enjoy your fancy cars and blood diamond-encrusted iPhones?

Third, the government could raise taxes. However, only a progressive tax system that redistributes wealth from the rich to the rest – which has a snowball’s chance in hell of being implemented under the current regime – would solve the government’s legitimacy problem with the people (and would bring a different legitimacy problem with elites). Again, there is no point in being an autocrat if you and your cronies cannot enjoy the spoils.

Fourth, the government could take steps to increase workers’ wages such as allowing labor unions or establishing regulations. However, this move would likely drive manufacturing jobs out of China and into other parts of Asia and Africa where people will toil for less. Moreover, wages in China are rising relative to those in other countries for reasons the government cannot control, and a long-term manufacturing job exodus has already begun (Roberts 2010), so the government is loath to do anything that might raise wages and thereby exacerbate unemployment.

Another pro-democratization trend affecting manufacturing jobs is that economic growth will become increasingly dependent on higher-skilled work, technological innovation, and entrepreneurship, which will flourish only if China allows freedom of expression and establishes robust intellectual property rights. Here one might argue that China could manage without these tokens of democratization and foster innovation from the top down via state-owned enterprises. However, very few of history’s noteworthy innovations have come from

top-down processes – the vast majority result from bottom-up tinkering by enterprising/lucky individuals. China’s reluctance to grant rights that allow innovation to thrive and to contribute to society is the main reason that the Chinese have not invented anything of significance since gunpowder.

One other economic trend that is tilting China toward democracy is income inequality. Although China’s exact Gini coefficient is unknown because accurate data about China’s ultra-wealthy is unavailable, it is estimated to be at least among the top forty in the world at about 0.48 (Liu and Chen 2012, 44-45). Add to this the widespread and increasing belief among Chinese citizens that income inequality in their country is the result of an unjust and corrupt political system that also iniquitously inhibits social mobility (Ruili 2006), and it is clear that prevailing trends can only further erode government legitimacy and lead toward democratization.

## ***II. Culture***

Studies show that Chinese citizens born after 1980 have significantly lower levels of trust in the government than those born before 1980 (Wang 2010), and that this younger cohort is more likely to favor western-style democracy over the configuration of the current regime (Liu and Chen 2012, 48). Studies also show that Chinese civil society has grown exponentially in recent years (Bingzhong 2008), and that the government is spending more money than ever on domestic security and “maintaining stability” (Bloomberg News 2011). These trends, assuming they continue, will augment and be augmented by the aforementioned economic trends. More and more young people will have less and less trust in the government, as well as an increasing affinity for democracy.

Also consider the effects of the Internet: despite the government's best efforts, nearly five hundred million Chinese citizens are using this resource not only to find out information that makes the government look bad, but also as a launch pad for organizing political collective action (Liu and Chen 2012), hence the government's impetus to censor the internet, which it fears has the potential to do in China what it did in Tunisia, Egypt, Libya, and Yemen. However, if the kind of popular discontent that led to the Arab Spring is present or even incipient in China, Internet censorship can probably only delay mass protests and democratization, not stop these processes altogether.

### ***III. Conclusion and Black Swans***

All of the above does not bode well for the current regime's legitimacy, and if these trends continue on their current trajectories, we should see the beginnings of democratization within the next few decades.

However, there are a few black swans that could upend this forecast. China's economic growth could speed up again; although this is unlikely, it cannot be ruled out. Renewed growth could meet the demand for public goods that would otherwise gradually undermine the current regime's legitimacy. Alternatively, China could embark on some kind of highly redistributive taxation scheme (although this is dilemmatic and probably self-defeating for the reasons stated above) or undertake increasingly brutal, Tiananmen Square-style oppression of pro-democracy movements even as the economy crumbles.

Finally, I would qualify this forecast as follows: although democratization is almost certainly in the pipeline, the form democracy will take in China is far from certain. China may go the way of Russia, and institute procedural but not substantive democracy; it may go all out and

institute substantive democracy; or it may occupy some middle ground. Although it is exceedingly hard to foresee at this point whether the transition from autocracy to democracy will be an Arab Spring-esque, people-driven revolution, or whether it will occur by means of a more controlled, elite-driven phenomenon, it is clear that the form of democracy adopted in China will have far-ranging ramifications.

## Bibliography

- Bingzhong, Gao, et al., eds. 2008. "The Bluebook on the Development of Civil Society in China." Beijing: Beijing University Press.
- Bloomberg News. 2011. "China's Spending on Internal Police Force in 2010 Outstrips Defense Budget." *Bloomberg Businessweek*, March 6.  
<<http://www.bloomberg.com/news/2011-03-06/china-s-spending-on-internal-police-force-in-2010-outstrips-defense-budget.html>>.
- Fauna. 2012. "Harbin Pharmaceuticals Plant Looks Like European Palace." *ChinaSMACK*, September 8.  
<<http://www.chinasmack.com/2011/pictures/harbin-pharmaceuticals-plant-looks-like-european-palace.html>>.
- Liu, Yu, and Dingding Chen. 2012. "Why China Will Democratize." *Center for Strategic and International Studies*, January 1.  
<<http://csis.org/files/publication/twq12winterliuchen.pdf>>.
- Roberts, Dexter. 2010. "Why Factories Are Leaving China." *Bloomberg Businessweek*, May 13. Web.  
<[http://www.businessweek.com/magazine/content/10\\_21/b4179011091633.htm](http://www.businessweek.com/magazine/content/10_21/b4179011091633.htm)>.
- Ruili, He. 2006. "An investigative report on the wealth gap in China." *ChinaValue.net*, October 11. <<http://www.chinavalue.net/Finance/Article/2006-10-11/45553.html>>.
- Wang, Zhengxu. 2010. "Generational Shift and Its Impacts on Regime Legitimacy in China." *The University of Nottingham—China Policy Institute*. <<http://www.nottingham.ac.uk/cpi/documents/discussion-papers/discussion-paper-64-regime-legitimacy.pdf>>.