

Staying in Power
What does the CCP have to do?

Presentation for the Center for US-China Cooperation, Institute of US-East Asia
Cooperation, University of Denver May 18, 2007

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Different view about what will be going on in China (Survey Statistics)

● **Keep the Economy Going**

- Urban and rural residents' evaluation of their standards of living

64% people in survey acknowledge that their income has gone up in the past 5 years.

- Satisfaction with individual economic circumstances (very good, 1.5%, fairly good, 36.6%)

- Distribution of views on the circumstances of China's economic and social development, 90% say the party and state are capable of managing out country well
89% agree that China's current status in the world is something to be proud of.

- Survey on Social Trust Perception: which do you trust best? Central government ranks the highest, back alley news is least trusted.

- Survey on Citizen's Trust in government's management of social tasks

Urban residents' trust in government's management 2001-2006, trust in social affairs is relatively low and keeps going down.

- Relations between cadres at various levels and masses

County level: large of uncertainty, cadres are distant to common people.

Village level: a fair number of people agree it is not good or agree it is bad, government gets closer to people in the lower level.,

- Views of different strata on interest conflict between Cadres and Masses

Role of middle class in China: take a long time to form, because of the large population, social conflict among large different interest groups.

-Most important factors for social stability

Survey on cadres about decisive factors for political reform

Highest rank-- transforming government's functions, step up struggle against corruption, manage well party-state relations; Inner party democracy

Lower rank-- support of expand functions of Democratic Party.

● **China appears to be stable.**

Example of Zhejiang Province. Private economy, one of China's richest provinces,

Wenzhou is a unique and interesting place, population 5 and a half million, Wenzhou

business people are all over the world. Historically they were very isolated community, surrounded by mountains. Their dialect is difficult to understand, they self-liberated in the Chinese revolution, did not have armies coming in. They have long entrepreneur history-making money around China.

Innovation: Three examples:

- Growth of chambers of commerce
- Democratic consultation and budget
- Public recommendation and public

With lots of problems in individual levels are propping up.

Why chambers of Commerce are important: providing public good for local community.

They aim to establish local brands; avoid poor quality of products; maintain reputation; protecting intellectual property rights; they are completely independent of the government, do not have government officials in charge, run competitive elections, which are remarkable democratic improvements in China. Quality control was a major problem:

- 5000, shoes burned in Hangzhou, 1987
- Lucheng Shoe and Leather Association established the following year.

● Geographic Reach

Vertical association (preferred by Chinese government) VS. Horizontal association (such as Falonggong)

Over 130 affiliates of Wenzhou Chambers of Commerce throughout China

One industry, one area, one association.

Wenzhou Chamber Commerce in Wuxi, Jiangsu Province: there are more than one association of Wenzhou Commerce.

---Is this emerging civil society in China? No, actually it has retarded the development of law of civil society in China by reinforcing informal infrastructure, since it provides great certainty, predictability to entrepreneurs on informal basis.

There seems to be no need for law enforcement with reduction of certain level of local conflict.

---This is a distinct Chinese style, a measure of social stability.

Implications:

- The Party is not dead
- Legitimacy issue really exists.
- Innovations may: expand the life of party; improve Governance and frustrate the US.
- China is Not going to democratize in the near future.

Question and Answer Section:

1. Do Wenzhou and Wuxi Chamber of Commerce have conflict?

No. Take a classical example of government organ, informal association in Tianjin.

Wenzhou Chamber of Commerce as a management department is recognized by Wuxi government.

2. Q: Does US chamber of commerce has relationship with or support this Chinese chamber of commerce?

A: There are some interactions between US and China in this field , but not involved by US chamber of commerce; EU chamber of commerce become very aware of wenzhou business association for their ability to protect interests of local businessmen.

3. Q: Is Wenzhou model applicable to other parts of China

A: There are many areas voluntarily following this model, but they are falling behind. Because wenzhou style needs the government's assistance. This is not a typical model very applicable to overall China.

4. Q: If China will be democratized, will national people congress representatives in central congress be freer to express?

A: They will become more important but not more independent

5. Q: party stability encounter with gender imbalance

A: The problem of gender raises lots of concerns such as sex trade, health.

Gender imbalance is Not a huge immediate problem for social stability

Zhejiang local population is becoming wealthy, educated, asking for environmental protection.

6. Q: For the rise of local protest, it is Not moving horizontally. Is there active campaign of central government to restrict the movement?

A: local people petition at local government, any interaction with other areas local petition is forbidden. If pretest is moving horizontally, local government is in trouble. Township level seems to be restricting protest among village levels, and stop them from going to other local protest in other provinces. Certain regulation rules exist, if you do not follow you will lose jobs.

7. Q: What is the nature of industries in zhejiang province; Are they more susceptible to chamber of commerce style?

A: Zhejiang province in general, offer lots of small industries, producing small light industrial commodities such as leather goods, textile, glasses, electronics center in Yiwu, 90% leathers and buttons of the whole world are produced by Zhejiang.

8 Comment: For Chinese official to be more efficient : their number is 1 / 8 of the US officials

A: The problem is the number of officials, Chinese government probably has too few officials and many of them are misplaced by the government. Township government has too many officials, problem lies in poor qualification of these people.

8. Q: pollution , health care, environment concern of people surveyed

A: China is a rapidly aging society with increasing dependents ratio. There are lots of unfound pension; On the other hand, people enjoy good advancement in the longevity.

9. Q: Pollution problems

A: Energy is an enormous problem for China, pollution problem,
The incumbent premier in China has background in economics, engineering
had wrong people in wrong positions, example as the Three Gorges Project.

10 Q: As of some Chinese girls for foreign adoption. I heard that parents who want to have more than one children should pay fines; the implication of this phenomenon.

A: There are prevalent Cynicism in Chinese society. If being asked: which group of people is the chief of beneficiary for reform? People's answer is the cadre while cadres would respond: definitely not us.