

China is Moving Towards Democracy

Henry S. Rowen
2010

“Should China’s economy and the educational attainments of its population continue to grow...China will by 2025 be...classed as belonging to the Free nations of the earth.”

Henry S. Rowen is director emeritus of the Asia-Pacific Research Center at the Freeman Spogli Institute for International Studies. In the following viewpoint, he argues that China’s economic growth, if sustained, will lead to democratization by 2025. Rowen claims that expanding education and open markets are not compatible with autocratic rule and the China will therefore be forced to grant its people more rights.

As you read, consider the following questions:

1. According to Rowen, by 2025 China should have a gross domestic product (GDP) per capita roughly equivalent to that of what nation today?
2. In 2000, China’s entire over-twenty-five population had an average of how many year of schooling?
3. In 2025, what percentage of Chinese respondents agreed with the proposition that the best economic system is “the free-market economy?”

Little more that a decade ago, my answer to the question (when will the Chinese people be free?)...was the year 2015. My assessment, published in the Fall 1996 issue of *The National Interest*, began by observing that all countries (leaving aside states that make nearly all their money from exports) which had attained a Gross Domestic Product per capita (GDPpc) of at least US \$8,000. per year...stood no worse than Partly Free in the ratings of political rights and civil liberties published annually by Freedom House (FH).

As China’s economy was growing at a rate that promised to carry it to a level near or beyond the GDPpc benchmark by 2015, I reasoned that this, the world’s largest country, was a good bet to move into the Partly Free category as well. Since then, China has remained deep in the Not Free territory even though its civil liberties score has improved a bit – from an absolutely abysmal 7 to a still-sorry 6 on the 7-point FH scale – while its political-rights score has remained stuck at the worse level.

Yet today (in 2007), as I survey matters from a point slightly more than mid-way between 1996 and 2015, I stand by my main conclusion: China will in the short term continue to warrant a Not Free classification, but by 2015 it should edge into the Partly Free category. Indeed, I will go further and predict that, should China’s economy and the educational attainments of its population continue to grow as they have in recent years, the more than one-sixth of the world’s people who live in China will by 2025 be citizens of a country correctly classed as belonging to the Free nations of the earth...

Growth Leads to Liberty

China's per-capita growth over the last decade has averaged a highly impressive 8.5 percent annually (reaching a GDPpc of \$6,000...). Serious challenges lie ahead, yet given China's competent economic policy makers, a supportable projection is an average per-capita growth rate of 7 percent a year, enough to raise GDPpc to \$10,000. ... by 2015. After that, slower workforce expansion (a production of changing demographics) plus China's expected approach towards convergence with the world's leading developed economies suggest that the growth rate will climb less steeply. Annual growth of 5 percent in GDPpc starting in 2015 will bring China to roughly \$14,000. ... by 2015, or about where Argentina is today.

Short-term disruptions would do little to disturb this projection. There was such a hitch after the Tiananmen Square massacre in 1989 but the growth rate subsequently recovered so robustly that the slow period was soon offset with no lasting economic effects. The prospect for sustained growth over at least the next decade appears strong.

The next question to be explored is the relation between economic development and democratic freedom. There are three possibilities: 1) development might lead to democracy; 2) democracy might foster development; or 3) there might be a common cause driving both.

My 1996 projection was based on the first direction. This is the hypothesis, associated with political sociologist Seymour Martin Lipset, that only a society with educated wealthy people can resist the appeal of demagogues. Stable democracy presupposes a certain level of accumulated human, social, and physical capital. A related view is that institutions which promote limited government (particularly via constraints placed on executive power) support growth.

Education promotes growth, and might also independently promote political pluralization by reducing the costs of political action in support of relatively democratic regimes. Schooling makes democratic revolutions against dictatorships more probable and successful antidemocratic coups less probable. After analyzing more than 100 countries, Harvard economist Robert J. Barro found that higher incomes and higher levels of (primary) education predict higher freedoms. He also found significant time lags between the appearance of a factor positive for electoral rights and its expression in politics. He interpreted such lags as tokens of inertia in institutions affected by changes in economic and social variables, and noted that after about two decades "the level of democracy is nearly fully determined by the economic and social variables." This observation helps one to understand why a rapidly growing country such as China has a freedom rating today well below the level that its current income would predict ...

Other Possibilities

The second possibility is realized if the rules of electoral democracy turn out to be better on average for development than are those of dictatorships. Democracies tend to foster governmental transparency and the production of public good while placing some limits on what rulers can steal. Yet a democracy with a populist bent can insist on economically damaging schemes for redistributing income and wealth. Barro and New York University economist Adam Przeworski are among those who find that democracy does not lead directly to higher growth. According to Swedish economist Torsten Persson and Italian economist Guido Tabellini, the evidence that democratizations yield economic growth is weak. They also write that “democracy” is too blunt a concept and that institutional details matter greatly. The theoretical picture remains unclear and the literature is divided.

The third possibility, that democracy and development have a common cause, finds support from MIT economist Daron Acemoglu and his coauthors, who argue that “though income and democracy are positively correlated, there is no evidence of a causal effect. Instead ...historical factors appear to have shaped the divergent political and economic development paths of various societies, leading to the positive association between democracy and economic performance.” These scholars see political and economic development paths as interwoven. Some countries embarked on development paths associated with democracy and economic growth, while others followed paths based on dictatorship, repression, and more limited growth.

Might there be a regional, specifically Sinitic (Chinese), effect involving the politics influenced by Chinese civilization? These also include Japan, the two Koreas, Vietnam, Singapore, and Taiwan. Today they present a mixed picture. Japan, South Korea, and Taiwan are rated Free; Singapore is Partly Free; and North Korea, Vietnam, and China are Not Free. Nonetheless, the paths carved out by Japan, South Korea, and Taiwan show that Western-style democracy can take root in Sinitic societies.

Education is crucial, and here China does not impress. In 2000, the country’s entire over-25 population had only an average of 5.74 years of schooling (between all developing countries at 4.89 years and the East Asia and Pacific countries average of 6.50 years). Yet large educational improvement efforts are underway, especially in rural areas and the rapidly expanding postsecondary sector. My projection is that by 2025 the average Chinese person over 25 will have had almost 8 years of formal schooling.

Between 1999 and 2005, postsecondary admissions tripled, reaching five million during the latter year. Currently China has about twenty million people with higher degrees; by 2020 there will be more than a hundred million. Although there are problems of educational quality and jobs, China’s rising educational indicators bode well for both economic development and democracy.

Democracy Will Win Out

What conclusion should we draw from the scholarship so far on democracy and development? I think it is that growth-friendly policies, if consistently pursued (historically determined institutions may present this), lead to the accumulation of human and physical capital and the rise of limited government. Autocratic regimes in economically growing countries can delay but not ultimately stop this from happening.

China's so-far slight improvement in the FH rankings has been in the Civil Liberties category, where it has gone from a 7 (the absolute worst score) to a 6. Looking behind the FH numbers, we can identify several factors that have led to a substantial growth in personal liberties and promise more freedom to come.

The first is that a modern economy is simply not compatible with the Leninist (i.e., the style of communism developed by the Russian leader Vladimir Lenin) requirement of comprehensive party and state control over society. The Chinese Communist Party (CCP) has faced a hard choice: Maintain control and risk economic stagnation and political disaffection, or let go and risk eventually losing dominance. The CCP has chosen to pull back in several domains. Most notably, it allows markets to function. It also has accorded certain legal institutions and media outlets a degree of autonomy. The CCP has become Marxist-Leninist in name only. In reality, it seeks to rule a system that might be called party-state capitalism, setting broad rules while leaving much authority to local Party figures and various private sectors. Central authorities can intervene, but they ration their energies.

One might think that a party which promotes markets, has formally enrolled "capitalist," and has allowed the state sector's share of the economy to shrink has lost any plausible claim to be called communist or socialist. Phrases such as "capitalism with Chinese characteristics" and "democratic socialism" do not disguise the reality of the CCP's massive but mostly unacknowledged ideological shift. Not that there is much nostalgia for socialism – or even a Confucian (after ancient Chinese philosopher Confucius) contempt for profit: In a 2005 survey of twenty countries, China featured the highest share of respondents (74 percent) who agreed with the proposition that the best economic system is "the free-market economy."

The regime's legitimacy seems to rest on three main pillars: 1) It has brought social order after a century and a half of upheavals; 2) people's incomes are growing rapidly (even if the growth is unevenly distributed); 3) Chinese enjoy a sense that the Beijing government is restoring China to its rightful place of prominence in the world.

Surveys show that confidence in the government is high, and people seem satisfied with the way that “democracy” is unfolding. Yet sources of discontent such as corruption, environmental damage, and sharp income inequality remain. In a departure from Chinese tradition, there is a developing attitude that individuals have rights.

Local elections, along with the aforementioned rise of certain relatively autonomous legal and media institutions, are helping to expand personal liberties and may have the potential to transform Chinese society.

Footnotes

1. Gross Domestic Product per capital is the total goods and services produced by a country divided by the total population.
2. Chinese government forces suppressed and killed many pro-democracy demonstrators during protests in Beijing’s Tiananmen Square in 1989.

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