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## **China After the Reform Era**

*Carl Minzner*

# CHINA AFTER THE REFORM ERA

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In an era of democratic decline, authoritarian rule is receiving a careful new look. Their fingers having been burned in Iraq and Afghanistan, U.S. policy makers have backed away from the democracy-promotion agenda identified with prior administrations. Authoritarian regimes in Cuba, Iran, and Burma were once scorned by Washington elites. Now these regimes are targets of cautious diplomatic outreach.

A new tone has entered academia as well. During the 1990s, experts spoke confidently about a “third wave” of democratization. Now they characterize the decade since 2005 as one of “democratic recession” and “authoritarian resurgence.”<sup>1</sup> Even Francis Fukuyama has altered course. Struck by a plethora of unsuccessful democratic transitions—in Russia, Africa, and the Middle East—he now cautions readers to focus less on the high-minded goal of building liberal democracy, and more on constructing the basic machinery of rule by an efficient state.<sup>2</sup>

Given this, one can understand why China might seem attractive today. Compared with the steadily escalating turmoil in the Middle East and the slow-moving train wreck of Russia and Ukraine, China appears a relative haven. There is no revolution and no civil war. For roughly three decades, economic growth averaged 10 percent a year. On the surface, China seems the very incarnation of the efficient state machine that Fukuyama calls for. But a closer look at the four decades of China’s reform era reveals a different truth. China’s heady accomplishments have been grounded in a set of norms and policies—political, economic, and ideological—adopted in the last quarter of the twentieth century. These are now unraveling.

Since 1989, Beijing has firmly adhered to one core principle: Uphold the rule of the Chinese Communist Party (CCP) at all costs. Naturally,

this has led Chinese leaders to take political liberalization off the table. But it has also led them to undermine the very governance reforms that have been key to the resilience shown by China's authoritarian regime. Put simply, in their drive to retain political power, CCP leaders have eroded the late-twentieth-century bedrock on which China's success has been built. Rather than serving as the poster child for successful authoritarian governance, China is actually an example of the perils of failing to undertake political reform.

### **The Birth of Reform, 1978–89**

In the late 1970s, few would have deemed China a successful authoritarian model. It was unstable, isolated, and poor. Socialist planning had rendered it an economic basket case, with a per capita income lower than that of Afghanistan, India, or Zaire. Decades of political radicalism under Mao Zedong had left China in disarray. Mao's preference for ruling as supreme leader ("the great helmsman") through mass movements destabilized state and society alike. During the chaos of the Cultural Revolution (1966–76), bureaucratic and legal institutions collapsed entirely. Universities shut their doors. Intellectuals were sent to do hard labor in remote rural areas. Nor was the political elite above the fray. Individual leaders and their families regularly rose and fell with the shifting winds of court politics. Serving as Mao's heir apparent was positively hazardous to one's health. The first two ended up dead, while Mao's wife, who had tried to usurp power in his waning years, was arrested after Mao's own death in 1976.

Deng Xiaoping's rise to power in 1978 marked a dramatic shift. The searing experience of the Cultural Revolution convinced him and other leaders of the need for deep change. They stabilized elite politics. Unlike Mao, Deng never exercised one-man rule. In part, this was because CCP elders elevated other figures, particularly Chen Yun, to the top ranks as a check on Deng. But Deng's own preferences also played a role. He eschewed Mao's cult of personality, opting instead for a low-key management style marked by a search for consensus among top leaders.

Under Deng, party governance was regularized. Mass movements faded. There was less stress on ideology, and more on results. In his famous words, "It does not matter if a cat is black or white, so long as it catches mice." Merit-based systems were established to recruit and promote new officials. Orderly retirement procedures were adopted to clear out the elderly. China thus avoided the fate of the Soviet Union in the 1980s, where leadership ranks resembled a slowly decaying geriatric ward. Political purges, once so fierce, grew rarer and milder. Although Deng's first two handpicked successors were forced to resign following outbreaks of student unrest during the late 1980s, neither was physically harmed, nor were their families targeted.

The rest of the Chinese bureaucracy swung back toward institutionalized governance as well. No longer were the rules of the game supposed to shift with each new leader.<sup>3</sup> Legal reform became a hallmark of the post-Mao era. Authorities issued hundreds of new statutes and regulations, constructing a comprehensive framework of criminal, civil, and commercial law. They reopened law schools. Thousands of new graduates began to flow into the courts and other government legal bureaus that rose from the ashes of the Mao years.

Economically, the 1980s saw dramatic improvements in standards of living. Collectivized agriculture unraveled. Market incentives were introduced. Rural incomes soared, lifting hundreds of millions out of crushing poverty. The urban-rural gap narrowed. As Yasheng Huang points out, “Chinese capitalism—in the 1980s—was also a poor man’s affair.”<sup>4</sup> Financial liberalization led to expanded credit in the countryside. Rural entrepreneurship boomed as township and village enterprises grew.

Socially, China gradually opened up. Authorities backed away from the pervasive ideology that had characterized the Mao era. The Party no longer had any deep interest in controlling citizens’ internal beliefs, just their public actions. Churches, mosques, and temples reopened. So did colleges and universities. Official controls over the lives of citizens eroded. As ration coupons and state employment gave way to market forces, people became less dependent on bureaucrats. When greener pastures beckoned in the next county or province, many began to simply pick up and leave. And as China turned outward, foreign students, businesspeople, and ideas began to flow in.

By the late 1980s, such trends had culminated in an unusually open atmosphere. Relaxed religious policies had generated improved relations between the state and ethnic groups such as the Muslim Uighurs and Buddhist Tibetans, including a series of talks between representatives of Beijing and the Dalai Lama. Intellectuals gathered in Beijing salons to debate liberal reform. In these years, even state television could air controversial programs such as *River Elegy* (1988), which critiqued traditional Chinese culture and urged greater exposure to the outside world as a means to modernize China.

Chinese authorities themselves began to experiment with yet deeper reform. Controls over the media were relaxed. And in 1987, under reform-minded CCP general secretary Zhao Ziyang, they edged tentatively toward separating the Party from the organs of government—the furthest steps toward meaningful political reform that China has seen to date.

### **Constrained Reform, 1989–2003**

Then came Tiananmen. After a period of seeming indecision, the party-state came crashing down on the 1989 student democracy movement with savage repression. Reform experiments were cut short. Party elders

sacked Zhao, purged reformists from the bureaucracy, and reinstated tight controls over the media and government. Horrified by the fate that began to overtake the communist regimes of Central and Eastern Europe just a few months after the Tiananmen Square crackdown of June 1989, the CCP chiefs set their faces implacably against fundamental political reform.

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With an existential crisis looming, Deng Xiaoping moved carefully. Viewing the politics of leadership succession as a major driver of the Soviet collapse, Deng eased the older generation of CCP leaders into retirement. He crowned his own political heir, Jiang Zemin (1989), and anointed Hu Jintao as Jiang’s eventual successor. Combined with increasingly regularized

promotion and retirement standards, this brought an unusual degree of stability to the Party bureaucracy for roughly two decades, lasting even beyond Deng’s death in 1997.

Party authorities took other preventive measures as well. In 1991, they established an embryonic new bureaucracy to coordinate responses to social unrest and nip incipient protests in the bud.<sup>5</sup> That same year, they launched a nationalistic “patriotic-education” campaign in schools and the media.<sup>6</sup> During the 1990s, movies focusing on atrocities that Japan had committed in China during the 1930s and 1940s steadily migrated to the center of the state-run entertainment industry. “Patriotic education” also spread to Tibet, which had experienced its own unrest in 1988. Party authorities sent cadres into Buddhist monasteries to press monks to publicly renounce the Dalai Lama.

Although fundamental political change was out, limited institutional reforms were not. Central authorities desired better means to cope with the mounting conflicts brought by rapid social change. Administratively, they sought new ways to monitor their local agents. Giving citizens limited powers—to challenge local officials in court, offer opinions through legislative channels, or choose village officials through grassroots elections—looked like a solution. The 1990s saw law and litigation become a new state mantra. Authorities professionalized the judiciary and privatized the bar. In 1997, “rule according to law” became a core CCP slogan, enshrined in the constitution two years later.<sup>7</sup>

Deng remained convinced that economic development was the key to modernizing China and avoiding the USSR’s fate. Overcoming resistance within the CCP, he reinvigorated market reforms in 1992. Labor markets were liberalized. State-run systems for allocating jobs and housing gradually dissolved. By the late 1990s, this culminated in the full privatization

of urban housing in China. As the economy boomed, college graduates were left to their own skill, luck, or connections to make their careers and fortunes. Instead of going to work in state-owned enterprises, many sought jobs in the now-recognized private sector, including the growing numbers of foreign firms seeking to do business in China. Party leaders stood ready to welcome the newly wealthy with open arms. By 2002, they had managed to turn communist orthodoxy on its head—redefining Party tenets to accept self-made billionaires into the CCP itself. Money and power thus fused into “red capitalism.”<sup>8</sup>

In the 1990s, China was increasingly open to the outside world. Students flocked to learn English in preparation for overseas study. Joining the World Trade Organization in 2001 meant that China, after decades of isolation, was about to reconnect with global commerce. “Linking up with the outside world” (*yu guoji jiegui*) and adapting Chinese practices to mesh with international norms became national obsessions. Globalization was a source of national pride and state legitimacy.

Such sentiments infused a broader range of state policies. China spent vast sums on a crash expansion of higher education in the late 1990s, seeking to create universities of global repute equal to Harvard or Oxford. Numerically, at least, the effects were dramatic. In just the short period from 1998 to 2000, the number of entering college students *doubled* to two million as classrooms and dormitories overflowed. The surging tide of students fed another trend—the explosion of the Internet. Growing numbers of students began using loosely controlled college online chat rooms to discuss a wide range of topics.

Offline, the 1990s saw a boom in civil society organizations. Some groups were religious; others worked for causes such as women’s rights, poverty alleviation, and the like. As Beijing steadily backed away from providing services under a socialist economic model, it left many health and development tasks to citizens. Voluntary organizations naturally sprang up to fill the void. Overseas influences played a role too. International events such as the 1995 UN World Conference on Women, held in Beijing, helped to raise the stature of Chinese domestic organizations, while overseas Chinese in Southeast Asia, Christian churches, and international NGOs such as the Ford Foundation provided crucial financial assistance.

The party-state remained wary. When activists used civil society channels to form political organizations (such as the China Democracy Party, founded in 1998), the regime crushed them. In 1999, Falun Gong members leveraged new online tools to help them stage a surprise demonstration at CCP headquarters in Beijing, during which they peacefully appealed for official recognition of their spiritual movement. After a brief tactical pause, authorities responded by expanding the “stability-maintenance” organs set up in 1991 and turning them against Falun Gong in a brutal eradication campaign.

By the turn of the millennium, Chinese leaders appeared to have surmounted the crises of the early 1990s. As Andrew Nathan noted in 2003, they had seemingly managed to institutionalize single-party political rule, fusing it with market capitalism and global trade networks to create a “resilient authoritarian” regime that would carry forward into the twenty-first century.

### Reform Stagnates, 2003–12

Beneath the surface, however, the reforms of the 1990s were creating new challenges for the regime. By the early twenty-first century, economic shifts had given birth to a new range of institutional forces. Increasing commercialization meant that media outlets such as the *Southern Weekend* group were no longer simple extensions of the CCP propaganda apparatus. Now, they had to compete for readers and advertising. A generation of crusading and muckraking journalists arose. They began to test the limits of censorship, reporting aggressively on corruption and abuses of power by local officials throughout China. The burgeoning Internet supercharged these efforts as more and more citizens took to new media to voice complaints. Legal reforms led some judges and bureaucrats to suggest that it was time to give China’s written constitution real weight. Outside the circles of government, meanwhile, there emerged a cadre of public-interest lawyers—figures such as Teng Biao and Xu Zhiyong—who were skilled at wielding media pressure and legal rhetoric to press for deeper institutional reforms.

In 2003, these trends reached their high-water mark. The beating death in police custody of Sun Zhigang, a young college graduate and internal migrant to booming Guangzhou (Canton), triggered an explosion of both online and offline outrage. Liberal legal activists quickly emerged as opinion leaders, articulating legal and constitutional deficiencies with the case. Faced with overwhelming social pressure, Beijing annulled the nationwide detention system under which Sun had been held.

China’s leaders began to take a hard look at their society. They saw similarities with conditions in the East European and Central Asian countries where “color revolutions” had toppled authoritarian regimes during the first half of the 2000s. Thus began a steadily escalating crack-down aimed at reasserting official control where it had slipped. The Party’s leaders turned against many of its own late-twentieth-century legal reforms. Within the courts, new political campaigns reminded judges of the supremacy of CCP rule over the constitution and laws. Pressure on public lawyers escalated. Regular police visits came first, followed by denial of law licenses, closure of organizations such as the Open Constitution Initiative (2009), and the arrests or lengthy disappearances of key activists.

Similar controls spread on the Internet as well. In 1987, the first email

from China to Germany had read: “Across the Great Wall, we can reach every corner of the world.” Two decades later, Beijing sought to prevent precisely that. State authorities steadily adapted their methods of censoring print and television to the online world, strengthening systems for blocking and filtering information to the point where they became known as the “Great Firewall of China.” Rather than a total barrier, the Firewall aims to make certain information outside China so hard to access that most Chinese citizens will give up looking for it. Within China, it attempts to induce self-censorship on the part of most users and Internet providers. The regime sanctions those who refuse to cooperate. Such pressures led Google, which had entered China in 2005, to shutter its domestic Chinese search engine five years later. More compliant domestic firms such as Baidu now dominate the mainland-Chinese search market.

Tighter controls produced an especially dire turn in Xinjiang and Tibet. Since the 1990s, repressive policies in both regions had fueled rising popular resentment. After 2000, Beijing’s development policies brought a tide of Han Chinese migrants to each area, but limited benefits for locals. Festering tensions exploded into violence in Tibet in 2008 and Xinjiang a year later. Brutal ethnic riots wracked Urumqi, killing hundreds of residents, both Han and Uighurs alike. Authorities cracked down hard with mass arrests and extensive use of force.

By the early twenty-first century, economic reforms were filling China’s cities with the emblems of modern success: skyscrapers and Starbucks. State investment was steered into massive infrastructure and urban-development programs. But in stark contrast to the 1980s, the benefits of such development now flowed disproportionately to a much narrower elite—state companies and foreign investors—rather than to the populace at large. Credit policies increasingly disfavored rural entrepreneurs. Township and village enterprises that had helped rural China to boom during the 1980s faltered. Many went bankrupt.

The impact of these changes rippled through all levels of society. In the early 1990s, the best and brightest of China’s college graduates had sought their fortunes in the private sector. By the 2000s, this had reversed. State employment offered more attractive possibilities for enriching oneself—if not through legitimate earnings, then through corruption. Applications to join the civil service surged through the century’s early years.<sup>9</sup> Shifts occurred among the working poor as well. With fewer jobs to be had in the countryside, rural residents flowed to the cities in search of work. The migrant population, which had hovered between 60 and 70 million in the early 1990s, surged to 137 million in 2000, and 206 million a decade after that.<sup>10</sup> In the cities, however, only established residents had access to urban social benefits—health, education, and pensions. New migrants went without. Trends such as these fueled dramatically accelerating income inequality; by 2008, it reached levels found in Latin America and sub-Saharan Africa.



Chinese authorities were acutely aware of these problems. In 2007, Premier Wen Jiabao warned that China's development path was "unstable, unbalanced, uncoordinated, and ultimately unsustainable." And under Hu Jintao, authorities took steps to improve the lot of the rural poor. Agricultural taxes were abolished, and rural health care expanded. Such measures helped to stem rising inequality but did little to address underlying imbalances, particularly the steadily expanding privileges of state-owned enterprises. After a bout of reform in the 1990s, a silent counter-revolution had occurred in which state-owned enterprises (SOEs) saw their financial and political privileges reconfirmed. By 2006, Beijing was openly promulgating policies to help state-owned "national champions" compete with the foreign firms that had arrived to do business in China during the reform period.

These economic shifts reflected a deeper political ossification. As Deng's generation of leaders with roots in the 1949 communist revolution passed from the stage, political power diffused among a broader elite. Jiang was weaker than Deng, and Hu was weaker than Jiang. Chinese politics increasingly resembled a feudal oligarchy. Top CCP figures controlled extensive networks of personal influence comprising loyal followers spread throughout middle- and lower-level posts. The fusion of money and power that had taken place since the 1990s meant that these networks sprawled across Party organs, SOEs, and private financial institutions. Such was the case with Zhou Yongkang, a Politburo Standing Committee member, and thus one of China's top nine leaders between 2007 and 2012. On paper, his official portfolio consisted of the massive security apparatus that had ballooned over the prior decade to deal with internal dissent. But his actual turf extended deep into the state energy sector and the Sichuan provincial administration as well. Such cliques defied the basic Leninist principle of centralized rule in a one-party state, facilitated rampant corruption, and stymied systematic reform by fostering nests of resistance to increasingly weak central leaders.

As China approached 2012, politics appeared frozen. With economic and institutional reform seemingly blocked by the twin forces of internal CCP politics and total resistance to political liberalization, the country appeared to be locked in a "trapped transition."<sup>11</sup>

### **Reform Unwinds, 2012–15**

Behind the scenes, however, things were beginning to break loose. The year 2012 marked the end of the clear line of succession set by Deng back in the early 1990s. Factional struggles intensified over who would be elevated to positions of power. Opportunistic politicians sought to catapult themselves to higher office. In the southwestern metropolis of Chongqing, local CCP secretary Bo Xilai attempted to turbocharge his efforts to obtain a seat on the Politburo Standing Committee. Break-

ing with long-accepted political norms that emphasized low-key public personas for up-and-coming cadres, he aggressively cultivated a charismatic populist image during his tenure from 2007 to 2012. His signature tactics included mass rallies, a revival of Maoist “red” culture, and an intense campaign against “organized crime” that swept up criminal suspects, legitimate businessfolk, and their lawyers alike.

China’s decades-long economic boom was ending. After averaging a phenomenal 10 percent a year between 1979 and 2010, the growth rate slipped to 7.7 percent by 2012 and continued to sink in following years. In part, China was experiencing the same structural and demographic transitions that other developing East Asian economies such as South Korea and Taiwan had gone through. But Beijing’s specific development choices exacerbated problems. Since the late 1990s, state-led investments in roads, airports, and housing had loomed large as drivers of economic growth. This reached manic proportions after the 2008 world financial crisis. Seeking to jump-start a slowing economy, Beijing began a massive stimulus program that included building the world’s most extensive high-speed rail network almost overnight. Such policies helped to prop up growth in the short term, but at the cost of soaring public debt, anemic domestic consumption, and a threefold overdependence on China’s frothy real-estate market to act simultaneously as an engine of growth, a source of local-government revenue (via land sales), and a place to invest private wealth. When the housing bubble began deflating after its 2011–13 peak, the pain made itself felt throughout the Chinese economy.

It was amid this mounting economic and political stress that Xi Jinping took power. Like Bo, he was a “princeling” with an impeccable revolutionary pedigree. Xi was born in 1953; his father had served with Mao. Xi had emerged as a compromise candidate, acceptable to the competing factions identified with Hu and Jiang. Yet once Xi had ensconced himself in China’s triad of top offices (general secretary of the CCP, president of the People’s Republic, and head of the Central Military Commission) in 2013, he quickly broke through the bonds of established patterns and norms and shook the political landscape.

Xi moved to solidify his position by taking down his rivals. First in line was Bo Xilai. Bo had fallen from grace when his wife was implicated in a sordid murder plot involving the 2011 death of a British businessman, after which Bo’s police chief had fled to the U.S. consulate in Chengdu in early 2012. Xi quickly weeded out officials loyal to Bo and placed Bo himself on trial for corruption and abuse of power in 2013. Such a move was not entirely unprecedented. Similar investigations had been used in the 1990s and 2000s to fell individual Politburo members whom Jiang and Hu had regarded as threats during their respective ascents to power.

What followed, however, was new. In 2013, Xi moved against his next target—former security czar Zhou Yongkang, who had apparently

dissented from the decision to purge Bo. In doing so, Xi broke with unwritten Party rules that exempted former and current Politburo Standing Committee members from prosecution. Xi's decision radically upended

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conventions that had existed since the beginning of the reform period. The targeting of family members (in this case, Zhou's sons) by investigators further intensified unease among members of the political elite. Wild rumors began to proliferate as to which other former leaders might be next.

Xi coupled his efforts to solidify control with a tough campaign against graft. Run under opaque rules by the secretive CCP disciplinary apparatus, it was the severest such campaign since the reform era began. Week

after week, lists of officials sacked or placed under investigation flowed forth. Xi thus shattered 1990s-era norms that had tolerated both the fusion of money and politics and the unabashed displays of excess that resulted. Once self-confident cadres began to grow palpably afraid. Sales of Prada handbags and the receipts of Macau gambling houses nosedived. China's ultra-rich busied themselves with efforts to move their assets and families abroad, while midlevel bureaucrats hunkered down in fear that a wrong move would end their careers, or worse.

By late 2014, rumors began swirling that retired top leaders such as Hu and Jiang had warned Xi to curb his efforts. If indeed they had urged him to avoid tangling with too many of the elite patronage networks, there is little evidence that he has heeded their message. On the contrary, the early months of 2015 saw the anticorruption campaign sweep through top military ranks, claiming a former Central Military Commission vice-chairman and dozens of generals. Most recently, it has even begun to envelop Hu's and Jiang's own factional allies.

With both the bureaucracy and other top leaders cowed, Xi centralized his formal power. A galaxy of new internal Party leadership groups has taken shape in the areas of foreign affairs, economic reform, and Internet security. Their shared feature is Xi Jinping at the apex. The domestic-security apparatus that Zhou Yongkang and his predecessors had assiduously built has been folded into a new national-security commission, chaired (unsurprisingly enough) by Xi. Such moves run contrary to internal CCP practices dating from the 1980s. Under these old customs, top Party officials had divided power among themselves, seeking elite stability through a rough balance of power. Xi has overturned this, stamping himself as the most powerful Chinese leader since Deng, and perhaps since Mao.

During his rise, Xi has borrowed directly from the playbook of his fallen rival Bo Xilai. He has projected a populist image, aided by the star quality of his wife, a renowned folk singer. His confident, easy interactions with the public have formed a sharp contrast with those of his predecessor Hu Jintao, a wooden speaker given to stiff sloganeering. Xi has tapped into a real vein of support among citizens who are disgusted by official graft, and who love seeing the rich and powerful being brought to their knees by a strong leader who knows how to get things done.

Xi has built on this sentiment. His image-building has begun to give off the whiff of a personality cult, with aromatic notes steadily strengthening over time. His public appearances have received a level of television coverage dwarfing that accorded to any other top official. Starting in 2014, he has begun delivering an annual personal address to the nation. Popular adulation for “Papa Xi”—a nickname that began online and has now drifted into the state press—has become a noticeable phenomenon. After Xi’s surprise December 2013 visit to a Beijing dumpling restaurant to dine with ordinary customers, it became a pilgrimage site for tourists. By early 2015, art students at one Beijing college were sketching his portrait as part of their entrance examination. The 2015 edition of the annual Chinese New Year’s gala on state television—the world’s most-watched annual broadcast, with a viewership approaching eight-hundred-million people—featured singers crooning “I give you my heart” while scenes of Xi visiting citizens and troops flashed behind them. This is a long way from the low-key style of collective leadership that had prevailed since the end of the Cultural Revolution in the 1970s.

Playing the populist card has gone hand in hand with reinforcing hard-line policies launched under Hu Jintao. The crackdown on public-interest lawyers has tightened. Social-media sites have been subjected to tighter controls. Even those used to a degree of immunity have found themselves targeted. Foreign businesses have been alarmed by stepped-up corruption probes into pharmaceutical companies, dawn raids by antimonopoly regulators on firms ranging from Microsoft to Mercedes-Benz, and proposed antiterror rules that would require foreign software companies to hand over their encryption keys. New civil society laws have tightened restrictions on foreign NGOs. As of early 2015, central CCP organs had begun to speak of the need to “rectify” higher education, purge “Western values” from textbooks, and redirect art and architecture back toward traditional Chinese forms.

Such moves reflect a deeper shift. For decades, state ideology has remained in limbo—a matter of perfectly coiffed television anchors mouthing increasingly anachronistic Marxist slogans. Xi has deepened efforts to find a new basis for the legitimacy of single-party rule. This son of a Maoist revolutionary has pivoted back to the pre-Maoist past, making a pilgrimage to the hometown of Confucius, extolling traditional Chinese culture, and embracing reformers from the time of the Qing

dynasty (1644–1912) who were once derided as “feudal” or “reactionary.” Under Xi’s mantra of the “China Dream,” a new ethnonationalist narrative has been taking shape. Slowly, China has begun to turn away from the late twentieth century and its policies of cultural openness. In schools, the role of English in the national college-entrance test has been deemphasized. On television, risqué knockoffs of Western dating programs have been eclipsed by game shows that test contestants’ knowledge of Chinese-language characters.

For many, the new emphasis on China’s own cultural roots has fed a welcome sense of national pride. But it has intensified tensions with those who do not fit the new state narrative. Unregistered Christians in Zhejiang Province, tacitly tolerated for decades, have been hit by a sweeping official campaign of church demolitions. Relations between the vast Han Chinese majority and ethnically distinct minority populations have worsened. In Tibet, continued state repression has produced a wave of self-immolations by more than a hundred young people. In Xinjiang, state suppression of Uighur identity and the Muslim religion have fueled radicalization and a rising wave of domestic terrorism. In Hong Kong, increasing mainland influence and Beijing’s heavy-handed controls have stirred discontent among Cantonese-speaking citizens fearful about the fate of their distinctive cultural and political identity, resulting in the 2014 Occupy Central movement—the largest protests anywhere in China since 1989.<sup>12</sup>

## After the Reform Era

Political stability, ideological openness, and rapid economic growth were the hallmarks of China’s reform era. But they are ending. China is entering a new era, the age *after* reform.

This is not entirely bad. For some in China, it may mean a chance to address such reform-era excesses as rampant ecological damage, stark social inequality, and a cultural heritage badly damaged in the rush to modernize. Yet there is also a dark side.

What kept China stable during the reform era can be summed up in a single word: institutionalization. The last two decades of the twentieth century saw the rise of an increasingly steady set of norms in China to govern state and society alike:

- An increasingly norm-bound politics of elite succession;
- A depoliticization of the bureaucracy, marked by the decline of factional purges and the rise of meritocratic norms;
- Steady institutional differentiation, with top CCP leaders handling more clearly defined portfolios and SOEs responding to market pressures;

- The emergence of bottom-up “input” institutions—local elections, administrative-law channels, and a partly commercialized media airing popular grievances—that gave citizens a limited political voice and helped to boost state legitimacy;
- New channels that helped to give the rising new economic elite a sense of being invested in both China’s future as well as in the existing party-state;
- An ideological stance open enough to welcome a broad range of domestic social constituencies and foreign institutional innovations alike.<sup>13</sup>

These all are now unwinding. Some—such as semicompetitive local elections or assertive domestic media outlets—quietly gave way over the past decade in the face of renewed state controls. Since Xi’s rise in 2012, other norms have been broken more dramatically.

The reasons for the unwinding are twofold. First, Beijing has systematically undercut its own bottom-up reforms. Over the past two decades, a regular pattern has developed. Individual leaders sponsor reforms to address latent governance problems. Doors open. Citizens start to use them to participate politically. Villagers begin to organize around semi-open elections. Public-interest lawyers explore new legal channels. Social media start to take shape as a forum in which citizens can air grievances. At that point, central Party authorities get nervous. They see shades of 1989 and step in to put a lid on things. Reforms are smothered, activists detained. For precisely this reason, China has remained locked in a one-step-forward, one-step-backward dance since the 1990s, with the Party regularly deinstitutionalizing everything outside its own walls.

Naturally, this is a problem for Chinese society. It robs social activists of the gradual evolutionary path toward becoming a moderate, institutionalized political force. But it is a problem for the rulers too. Absent any external checks, the semi-institutionalized nature of Party rule since the 1990s has fused with the fastest accumulation of wealth in human history to produce vested political and economic interests that are both highly corrupt and deeply resistant to change—the Chinese analogue of the K Street lobbyist–U.S. Congress nexus, but without even the shadow of elections, judicial oversight, or a free press as checks.

Now put yourself in Xi Jinping’s shoes. You know that China faces deep economic and social challenges. You sense that the Party itself has gone badly astray. Yet you lack any external institutions to rectify it. Nor is there an alternative political force—such as the organized opposition movements that emerged despite authoritarian rule in Taiwan and South Korea—that you might employ as a counterweight. (Not that you would even remotely entertain such a notion: The lessons of 1989 run too deep.) What would you do?

Here we come to the second reason for the shifts noted above. Xi appears to have concluded that his only path to a breakthrough requires him to tear up the existing rules—reversing many if not all of the partly institutionalized internal Party norms that Andrew Nathan noted back in 2003. Hence Xi has opted for politicized anticorruption purges of rivals, centralization of power in his own hands, cultivation of a populist image, and an ideological turn toward nationalism and cultural identity. These are not mere transitory policies. For Xi, they are absolutely fundamental shifts necessary to address the crisis he sees facing China.

He may be right. Optimists can point to his efforts at fiscal and economic reform. They can cite his efforts to strengthen Party disciplinary and legal systems as indications that he will build new political institutions on the ashes of the old.<sup>14</sup> Perhaps Xi does indeed belong to that rarest of all rare breeds—the benevolent authoritarian emperor who presides wisely over the remodeling of China, while ruthlessly crushing dissent in the process.

Moreover, there are still several key reform-era norms that have not yet been breached. The ideological redefinition of China remains embryonic. Marxist dialectics still figure in CCP speeches even as Confucian quotations proliferate. And Chinese state television, unlike its Russian counterpart, continues to promote interethnic harmony rather than rank appeals to majority-group chauvinism. Most important, Xi has drawn a clear line at social mobilization. For all of his invocation of Mao-era symbolism, there has been no sign that he intends to resort to mass movements.

Yet China is now steadily cannibalizing its own prior political institutionalization. Observers such as David Shambaugh, who once pointed to such institutionalization as a source of stability for the party-state, are revising their evaluations of the system's sustainability sharply downward.<sup>15</sup> Others have begun to speculate openly whether reform-era policies limiting top Party leaders to ten years in office might be next to go, with Xi Jinping perhaps trying to extend his rule well beyond 2022.<sup>16</sup> Uncertainty hangs in the air. Chinese with the most to lose are diversifying against risk—placing their money in Vancouver real estate and their children in U.S. colleges, and maybe even seeking passports from one or another of the small Caribbean nations that is known to put citizenship up for sale.

The events of 1989 did not resolve the core question of China's political future. Nor did they put it on hold indefinitely. Rather, they launched a cascading set of effects that have swept through China's politics, economy, and society in the years since. The resulting reverberations have now begun to dislodge core elements of the institutional consensus that has governed China for decades. A new future is slouching toward Beijing to be born.

## NOTES

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