

Interest-based Politics in Current China: Challenges & Prospects

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This presentation consists of the following four parts:

1. A brief description of interest groups in current China.
2. Two different attitudes towards interest groups.
3. The reactions of Chinese government towards interest groups.
4. How to look at such kind of practice.

Part One:

What does Interest Groups(IG) Look Like in Current China?

1. Background
2. Three ways of the formation of interest groups
 - (1) from within the system

- a) self-interest of local governments in the process of decentralization.
- b) departmental interest of government at top level
- c) state owned enterprises (SOEs)

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- d) variety of intermediate associations
- with government background
- e) mass organizations, officially-set
- f) marketized media

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- (2) from outside the system
- New interest groups were emerging in the era of reform and opening up, including three sub-types:
 - a) private companies.
 - b) non-official associations and organizations.
 - c) entrepreneurs

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- (3) Interest groups from abroad
 - a) joint-venture and exclusive
 - b) business Associations
 - c) China branches of international NGOs

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- 2. The impacts of Interest Groups on Policy Process in China
- The influence of IG is all-around, especially in policy making and implementation.

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- (1) Policy (Law) Making
- ——— The case of enactment of Labor Contract Law, 2005-2007.
- ——— The enactment of Real Law, 1993-2006

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■ (2) Policy Implementation

The endeavor of central government at macro regulation on overheating in housing prices since 2003 has been resisted by an interest-coalition consisting of local governments, real estate, banking institutions, some economists and media.

There is a vivid saying to describe
such kind of situation:

中央政策出不了中南海。

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- 3. A brief conclusion
- (1) Today's China is deeply embedded in interest politics. We can not understand it if we neglect the influence of interest groups on public policy.

- (2) The influence of interest groups on public policy is highly imbalanced. Some are so-called strong interest groups, while other has only weak or limited influences.

In most cases, the unbalance of influence is largely due to how well the relevant interests are organized. There exist formal or informal institutional limits on free-association in current China.

- (3) However, the expression and articulation of interest is not simply a function of independence and well-organized interest.

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Due to high tech (internet, micro blog etc.) and newly emerged public space mainly consisting of mass media, the process of interest politics in China becomes complicated. In some cases, the weak group's interest can be represented with the help of government, media, intellectuals, and public opinion etc..

- (4) Although interest groups are actively involved in policy process, generally speaking, the government has a final say.

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- Part Two:
- How to deal with IG?
- 1、 7-point of consensus (agreement) on interest-based politics among Chinese scholars and governmental officials.

(1) Interest structures have changed fundamentally with the transition from planned economy to market economy.

(2) Under such a condition, China is and will be experiencing a period of interest conflicts.

(3) In most cases, interest conflict goes around with basic goods (material interests), thus among people, not between people and enemy, according to the official ideology.

(4) The existing interest coordinating mechanism is facing severe challenges from economic transition and interest differentiation.

- (5) Generally speaking, the social and political stability can be maintained in coming future. However, the pressure from society will increase, and the cost for maintaining social order is very high.

- (6) A new kind of interest coordinating mechanism should be established in coping with these challenges.
- (7) The goal is to build up a “Harmonious Society”.

- 2、 Two divergent views on the new interest coordinating mechanism
- (1) Pluralist-oriented view, arguing for free association, letting interest groups compete fully, check and balance etc..

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In its recent report, a research group, based on the department of Sociology at Tsinghua University, suggests that six sub-mechanisms should be set up in order to fulfill this goal.

- a) mechanism for information acquiring, based on the principle of publicity of information.
- b) mechanism for organizing interest, based on free association.

c) mechanism for interest expression, based on citizen participation and free media.

d) mechanism for imposing-pressure channel, so people can rally, strike, parade and petition etc.

e) mechanism for interest coordination, that is, rational dialogue and negotiation between interest groups.

f) mechanism for mediation and arbitration, an independent judiciary agency is needed.

(2) The alternative, which can be called a “conservative view” (in a neutral sense), stressing the adjustment and adaptation within the framework of existing political system.

This is the very standpoint adopted by Chinese government.

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- Part three
- The practice of Chinese government in coping with interest-based politics.
- 1. theory and ideology dimension
- (1) the attitude towards interest group: from positive to negative

The term “interest group” was first used by the top leader on March 15, 1988. Zhao Ziyang, then the party general secretary, said, in his working report, “The contradictions between interest groups among Chinese people still exist even under socialist institution.”

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- However, twelve years later, when this term re-appeared in Party or government document, it became a derogatory one.

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In his famous speech delivered on July 1st, 2001, celebrating the 80 anniversary of the CCP, then president Jiang Zemin pointed out: we never allow the exercise of public power for private purposes and never allow the formation of vested-interest group. (People's Daily, July 2nd, 2001)

(2) Against the pro-pluralism proposition, instead stressing the Party/government-led protection of mass' interest.

(3) This argument presumes that the CCP and government stand above the society.

Thus, two statements are deduced logically: the first one is prevention of government agencies being turned into vested-interest groups; the second is the CCP, as an exclusive ruling party, should represent the whole society. Actually, this is one of the key points made by President Jiang in his speech, as mentioned above.

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- 2. practical measures dimension——
- (1) deliberative management and control of all social organizations
 - —— double-management system
 - —— selective strategy
 - —— permeation of CCP
 - —— resource-dependency strategy

- (2) Adjustments of important public policy and revision of law
- ——— abolishing peasant' tax and other fees nationwide (2006)
- ——— strengthening the function of trade union in order to protect the rights of workers.(Labor Law, 2001)

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- (3) development strategy re-adjusted on national level: from GDPism to inclusive development.

The 12th five-year plan is a tuning point.

(4) Improving social welfare gradually

- trying to reduce the huge gap between the poor and the rich
- improving the living conditions of the weak social groups

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- (5) improving policy process
- ——— enhancing the quality of decision making in a democratic and scientific way through more participation by experts (both local and top level) and ordinary people (local level).
- ——— public discussion on selective hot issues through media.
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(6) Making a service-oriented government

- government bodies realigning
- increasing transparency of government affairs
- institutional supervision on the exercise of power
- government procurement

By doing these, governments at different levels try to close its ties with people, and establish a mechanism of demand–reaction between government and people in policy domain.

In a political system lacking free election, which creates so called “anticipated reaction”, such practices are crucial for functioning of the system. To some extent, it can be viewed as a very important functional substitute for election, in terms of dynamic relations between people and its government.

- **Part Four:**
- How to look at the practice of Chinese government?
- 1、 A sharp difference between Chinese interest group politics and that of USA.
- feel puzzled: Is “interest group politics” a right term to describe what happened in China today?

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(2) The interest-based politics is greatly shaped by the nature of relationship between state-society in current China.

More and more Chinese scholars began to realize that the forming of Chinese society is under the umbrella of government, with the similar feature of corporatism, instead of civil society and pluralism.

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- 3、 Several questions need to be
- answered, but no agreement
- reached yet.

(1) To what extent, can we say that the practice of China is effective or not?

(2) Is it a temporary phenomenon, or a new forming pattern with Chinese characteristics?

- (3) Is the Party-State compatible with an interest-differentiated society based on a market economy? Or, how far can it travel without fundamental reform?

(4) Whether or not all these differentiated social interests can find their representations within the CCP, thus stimulate, foster and promote the intra-party democracy?

The answers to these questions, in my point of view, do not exist in textbooks, nor mainstream theories of social sciences today.

More attention should be paid to the evolution process of the Chinese party-state, in terms of interactions between challenges and reactions, in which the learning ability of CCP plays a key role.

Moving of Party-state's pendulum

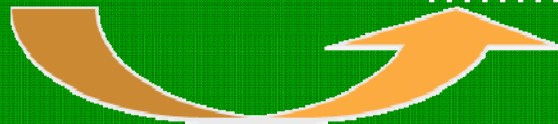
Version A
class struggle

planned economy
work-unit system
closeness

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Version B
economic development
and harmonious society
market economy
free move
open to outside

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Up to now, scholars know quite well about version A of Chinese Party-state. However, it is hard to say that we have clear ideas about where version B is and what it is and will be like.

- Personally, I prefer an open-mind stand, by considering what is undergoing in China as an unprecedented “social experiment” in the context of globalization, with its long historical tradition.

Thank You!

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