

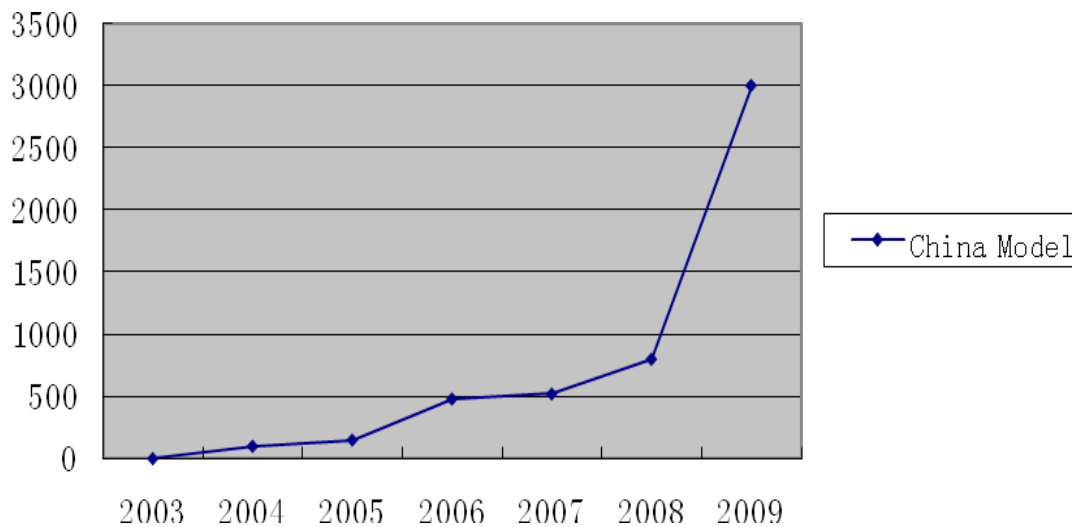
# Reflections on the “China Model” Discussion

Pan Wei

I

By the end of the first decade of the 21<sup>st</sup> Century, the “China model” had become a hot topic inside China.<sup>1</sup>

“CHINA MODEL” IN WEB TITLE ENTRIES (2003-2009)



In December, 2008, my research center, the Center for Chinese and Global Affairs (CCGA), Peking University, held a widely reported conference on “Sixty Years of the PRC and the China Model,” to improve understanding of the contemporary Chinese political and socio-economic systems. Around sixty well-known Chinese scholars participated. A volume of conference papers and a conference discussion record were

<sup>1</sup> Created with Baidu (百度) Index, quoted from Qian Gang. (钱钢:《盛世话语之涌腾: 以“中国模式”为例》,《传媒透视》, 02-2010, Hong Kong).

published in the following year, and they immediately gained public attention.

## II

There are three kinds of views opposing the concept of the “China model.”

Determinists argue that the Chinese story is essentially an economic one – a market economy managed by an authoritarian regime. It represents a variation of a common phenomenon rather than a “model.” Since an “authoritarian” regime could only “temporarily” promote the economy, an eventual “democratization” is in sight, delayed only for now. Thus, when the Chinese economy slows down, the regime will be bankrupt and give way to a Western-style competitive democracy. However, that idea could be accused of historic determinism.

It is easy to find countries that are stagnating with markets “freer” and regimes more “authoritarian” than the Chinese ones. The three-thousand year old traditional Chinese economy was no less of a “free market economy” than any other of the time, but miserably failed China in the modern era, and so did the Republic of China for nearly forty years. The rapid PRC economic progress in the first three decades since 1949 was achieved with increasing state intervention and intensifying social regulation; and the second three decades of rapid progress was

marked by decreased state intervention and increased social freedom. That history shows the fallacy of “market plus authoritarian regime.” The two simple dichotomies, market vs. intervention and democracy vs. authoritarianism, promote ideological warfare rather than scientific understanding.

Cynics quote as the evidence of “system failure” the multifarious phenomena of underdevelopment in China today, such as the widespread corruption, abuse of law and regulations, increasing gap between the rich and poor, nation-wide environmental damage, unequal opportunities in housing, education, medical care, etc. Therefore, the “China model” is no less than a joke. Some look to a return to Maoist policies, and some others await salvation from the Western system.

It is exactly China’s achievements that give rise to the current new problems. The loosely organized Chinese became a “nation” under the Communist Party, but with less “freedom” than before. China became the “world factory,” but also the “world chimney.” The Chinese economy has been dynamic, but with an ever widening gap between the rich and poor. New areas of marketization are being developed every day and chances of corruption increase with them. Progress comes at a cost. What is important is that both benefits and costs have occurred under essentially the same socio-political system.

Skeptics acknowledge the outstanding PRC achievements on the

“road” of changes, while also arguing that many more institutional reforms are needed to solve the enormous problems around and ahead of China. Thus, there is a “Chinese road,” but there is no “fixed” thing called the “China model.” This argument often hides its suspicion of China’s basic socio-political system in the use of words. Words such as “road,” “mode,” “pattern,” “paradigm,” etc., are preferred to “model.” They claim that “model” means no more institutional change; and worse still, it implies a “model” for other nations to imitate, which may irritate the Western advocates of the “universal” model.”

The Chinese civilization is not a missionary or preaching one, but one of learning; it is not interested in imposing its system on others, still less in doing so with weapons. What’s wrong if the six decade long achievement under the Chinese system is inspiring to other nations? In addition to the many new difficulties, a lack of confidence in the existing basic system is understandable among Chinese scholars who have been imbued with the official pledge of non-stop “institutional reforms” for three decades. Under the same system, however, the largest nation in the world has in the past sixty years overcome innumerable and enormous problems. On what grounds can we predict that the basic Chinese system will in the near future fail China in solving the new problems?

In short, the debate on the China model focuses on the institutional

settings, the Chinese socio-political-economic system. Despite the opposing views, most intellectuals in China no longer impatiently and romantically embrace the idea of an institutional panacea. A survey in 2009 shows that nearly 75% of Chinese intellectuals believe in the existence of the “China model”; 21% deny it, and 4% chose “no idea.”<sup>2</sup>

### III

“Model” is a common academic tool, as “modeling” is taught in the course of social science methodology. For the purpose of analytical comparison, it is used to extract reasons from success. Academically this is as important as extracting lessons from failure. Academics have easily accepted the “Western model,” the “Argentine model,” the “Japan model,” the “Korea model,” and even the “Taiwan model.” Why cannot the six-decade success of the world’s largest nation be called a “model”? The PRC started from a poverty-stricken nowhere sixty years ago; and it now comes to the very forefront of the world economy. It did not send out soldiers and conquer other peoples and lands to achieve that.

For more than one and a half centuries, the Chinese have asked the question: “Why has China failed?” The answers covered all imaginable areas, from technology, culture and language to institutional system and even race. To some scholars of the 21<sup>st</sup> Century, there could be a new

---

<sup>2</sup> Zou Dongtao (邹东涛)ed., 《中国经济发展和体制改革报告 NO.2: 中国道路与中国模式 (1949-2009)》,北京: 社会科学文献出版社, 10-2009, p.502

way to ask the question: “Why has China become successful?” That is not the same kind of arrogance as advocating the “universal” destiny of Western-style democracy. Rather, it is defending China from the attempt to tear down the Forbidden City and replace it with a version of the White House. Compared to the many nations struggling in failure, institutional sovereignty is the key word in understanding the Chinese story of success.

The Chinese achievements have come under a system which fits Chinese needs and has grown out of Chinese history. As a parallel to the Western system, the contemporary Chinese system derives directly from the traditional Chinese system. The two look strikingly alike, with today’s system similar to that of the first dynasty more than two thousand two hundred years ago, a likeness many scholars have identified. Those who advocate the concept “China model” represent a strong tendency to regain self-confidence in the revival of an ancient civilization, particularly in its institutional tradition, a progressive conservatism, so to speak.

I perceive that all civilizations contain three core contents: material, institutional and spiritual. The institutional setting is to regulate human material aspiration, and the spiritual is to curb it, asking people to sacrifice this world’s material gain for an after-life world of utopia. Due to geographic conditions, Chinese civilization has evolved into one of the most materialistic and least spiritual among civilizations. That has given

rise to a unique and sophisticated institutional setting with high flexibility, and hence to the most sustained organization of the largest population of enormous diversity under a single government.

With the change in forms of wealth, from agricultural wealth to manufacturing wealth, China's slower organizational adaptation could explain the fact that the level of wealth accumulation in China lagged behind that of the West for about one and half centuries. China is catching up, fast. Many scholars have clearly foreseen that.

I am not a fan of institutionalism. Accidents and heroes do play vital roles in human history. Nevertheless, the continuity of Chinese civilization is amazing; and amazingly its institutional setting—the backbone of Chinese civilization—is continuous up until today. The institutional setting is surely not the whole cause of success and failure in China, but it stands together with other causes whether one likes it or not. If we have faith in a future global government, the Chinese system will shed light on it.

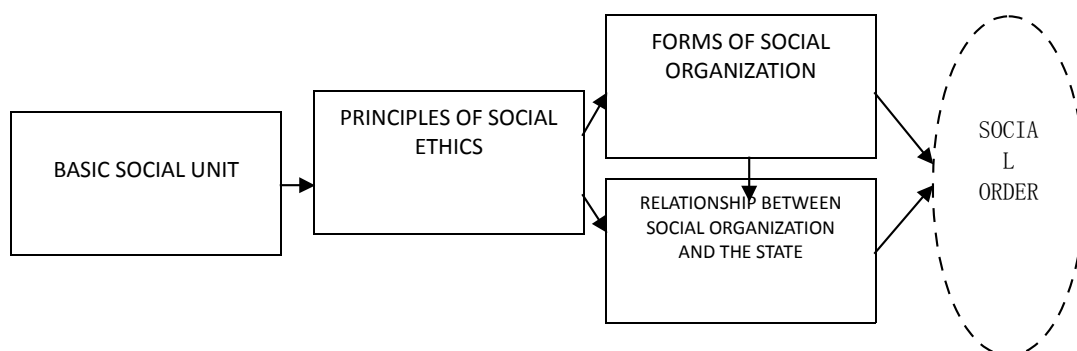
## IV

Humans are essentially the same; and so are the ways of organizing and managing human societies. Politicians often exaggerate institutional differences to fan the flames of bias against each other, mainly for material gain. The differences of Athens and Sparta of ancient Greece

were exaggerated by the politicians of the time so they could wage the Peloponnesian War. Nevertheless, even if our institutional settings are 99% the same, the 1% difference is not negligible; it could be inspiring, particularly to academics who study the differences in order to learn instead of to wage wars against each other.

The contemporary Chinese system, as I see it, contains three unique ways of organizing society, politics and the economy respectively. The way of organizing economic life has to do with the way of organizing politics, which in turn is based on the way of organizing society.

The way of organizing societies could be studied in four major areas: the basic social unit; the principles of social ethics; the forms of social organization; and the relationship between social organizations and the government.



Accordingly, we could discern four pillars with which the Chinese organize themselves.

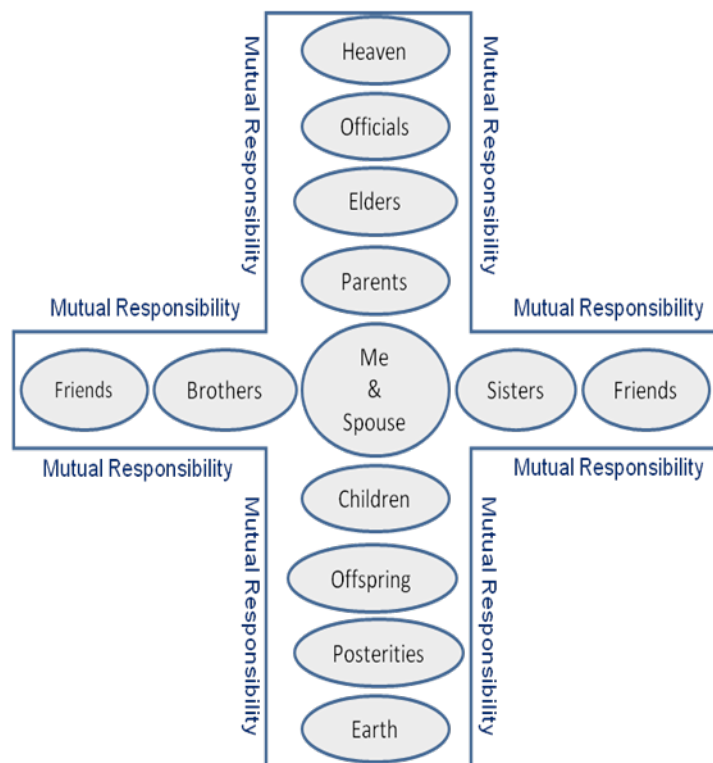
1. Instead of individuals with class backgrounds, the family is the



basic social and economic unit. In rural China, family was and still is the basic economic unit; and in urban China, more than 99% of the registered firms are mini-scale family business. Therefore, Chinese society has been an undifferentiated one with rich and poor but without clear class consciousness.

2. Instead of the legalism of the “social contract,” traditional family ethics permeates the Chinese logic of social organization and administration. The following graph explains the family ethics.

**Ethics of Family Responsibility  
(A Spiritual Cross)**



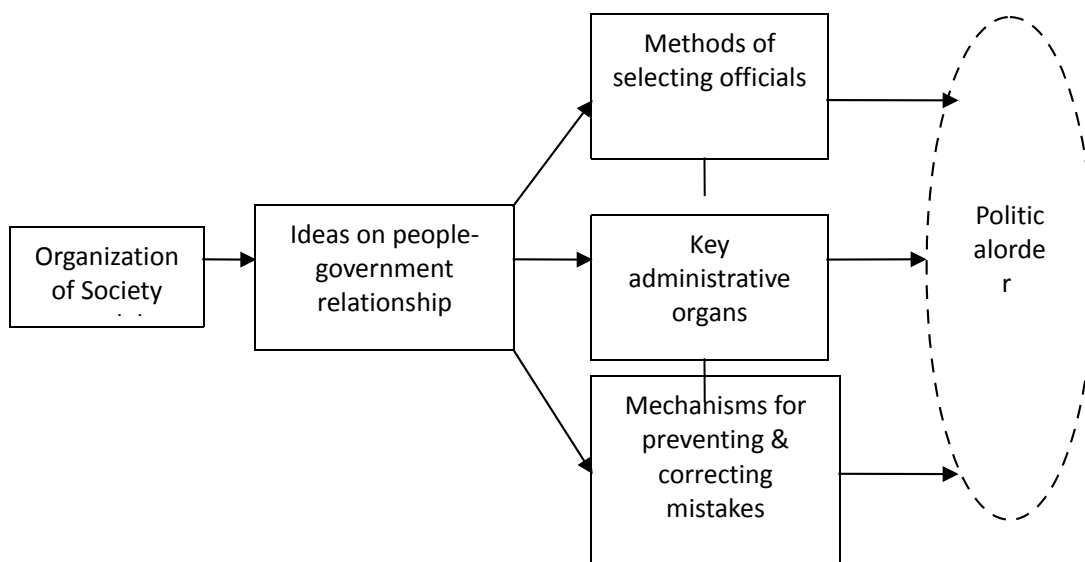
3. Instead of civil societies with class backgrounds, communities and work units (*danwei*) are the main forms of social organization in

China, as in traditional times.

4. Instead of a clear boundary between the dichotomy of state and society, the social network in China is intertwined with the administrative network at the grassroots level, mutually supportive to form a cubic network.

“*Sheji*” (社稷) is the name for the above way of organizing society. It originally referred to the temples where the common people and officials worshipped social prosperity and harmony. This *sheji* gives rise to a way of organizing politics.

The ways of organizing politics could be studied in four major areas: political ideas on the people-government relationship; methods of selecting government officials; key administrative organs; and mechanisms for preventing and correcting administrative mistakes.



Accordingly, we could discern four pillars with which the Chinese

organize political life.

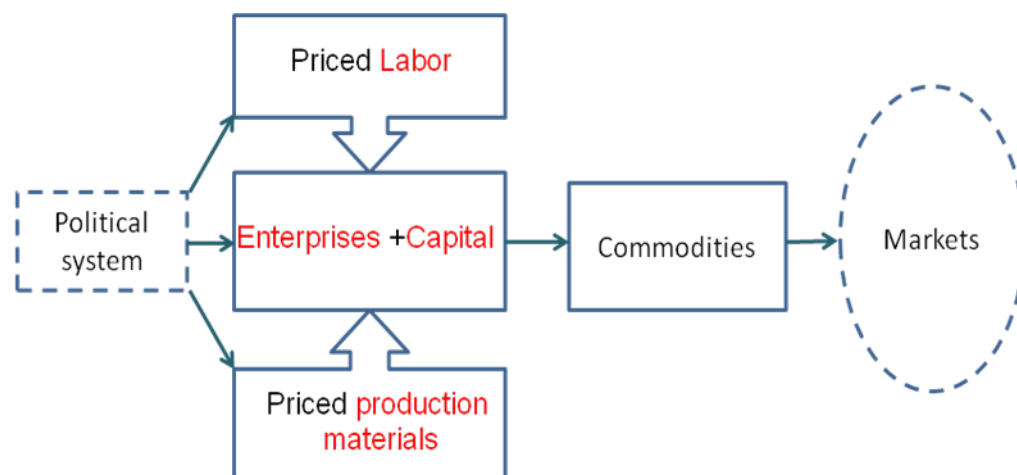
1. In contrast to Western democratism, what has prevailed in traditional and modern China is *Minben*-ism (民本主义), – the very existence of the government is for the welfare of ALL the people; if not, it should be overthrown. It obviously derives from the family ethic.
2. In contrast to the majority principle for elections, the traditional meritocratic principle (selecting officials through examination and performance evaluation) still prevails in today's China, which as before leads to bureaucratic dominance.
3. In contrast to partisan politics emphasizing competitive accountability, the CPC — a vanguard “party” — is the politically unified governing group emphasizing responsibility, just like the traditional Confucian governing group.
4. In contrast to the separation of powers, checks and balances are achieved mainly through division of labor (e.g. the dual administrative mechanism), as in traditional China.

By empirically comparing mainland China, Hong Kong, Taiwan and Singapore—predominantly Chinese societies—we find that a vanguard “party” supports rule of law and bureaucratic dominance, while electoral politics undermines them and destroys the vanguard “party”.

The above way of organizing political life could be called “*minben*”

(民本), due to the central place of this political idea. This *minben* gives rise to a way of organizing the Chinese economy.

Ways of organizing the economy could be studied in three major areas: labor, land (production materials), and capital, as standard textbooks would say. However, enterprises bring in capital to combine labor and production materials; thus the nature of enterprises is as important as the other three factors.



Accordingly, we could discern four pillars with which the Chinese organize economic life.

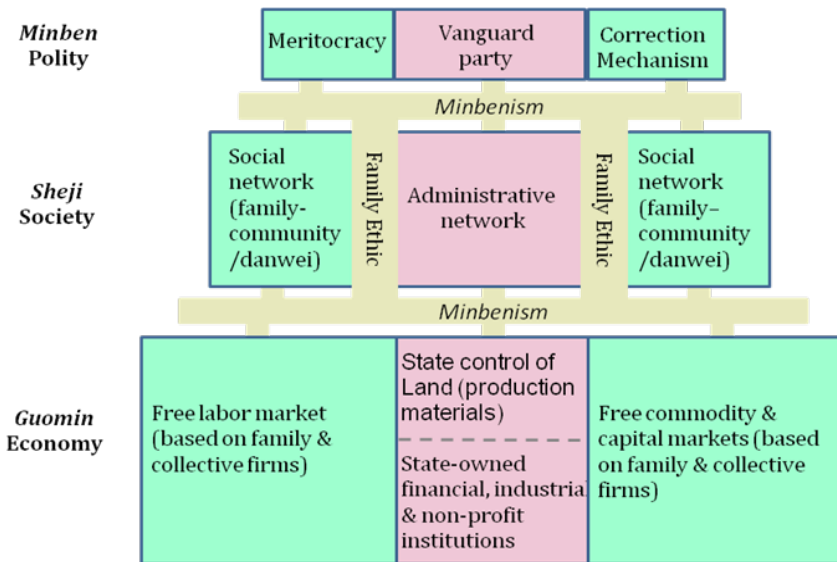
1. The state control of land and production materials.
2. The state ownership of large corporations for infrastructure and raw materials overseas; state ownership of major financial institutions; and state ownership of non-profit organizations in research, education, health, sports, culture, etc.
3. Free market for labor based on family-owned and collectively

owned firms.

- Free market for capital and commodities based on family-owned and collectively owned firms.

The above way of organizing economic life does show features of both “capitalism” and “socialism”; but those who are familiar with the traditional Chinese economy could easily trace its roots back to the Han dynasty, long before the two “isms” were invented. As the two sectors (the state sector “国” and the non-state sector “民”) are mutually supportive, “guomin” (国民) is the name I give to this way of organizing economic life.

Thus, the contemporary Chinese system appears as follows.



V

The Chinese system has lifecycles. It declines when the governing group deteriorates, no longer believing in “minben-ism,” but indulging in

their own self-interest. Then the meritocracy principle and the mechanism for preventing and correcting mistakes break down, which leads to the collapse of the governing group. Then the administrative network becomes detached from the social network, and the state's economic sector fails to perform its due function. That will be the time of rebellion, and the old governing group will be replaced by a new governing group, which will call itself a new dynasty.

This “model” of the Chinese system could be inspiring on three counts. *Sheji* society challenges our sociological knowledge of the “state-civil society” dichotomy. *Minben* polity challenges our political knowledge of the “democracy-autocracy” dichotomy. And the *guomin* economy challenges our economic knowledge of the “market-state intervention” dichotomy.

No system in reality is perfect or performs perfectly in reality. A perfect system exists only in the other world. However, the Chinese system has had a very long life; it has been sustained for more than two thousand years, longer than any in the world. Like the strange Chinese written language, we have a good chance of living with the Chinese system throughout the 21<sup>st</sup> Century.