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"Reform and Openness": Why China's Economic Reforms Have Delayed Democracy

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Extract

Most theories that seek to explain democratization look to changes in the economy as the precursor to significant political liberalization, locating the main causal factor in either severe economic crisis or rapid economic growth. In the Chinese context, by contrast, the Communist Party has extricated itself from the socialist social contract with the urban working class without losing its grip on political power. Moreover, China has maintained a rapid pace of economic growth for over twenty-five years without significant political liberalization. Comparative analysis of China's post-1978 reform policies yields insights both across types of socialist transition, comparing China with Eastern Europe and Russia, and across time, comparing China with other high-growth East Asian economies. A key factor in China's ability to reform the economy without sacrificing political control is the timing and sequencing of its foreign direct investment (FDI) liberalization. There are two key variables that are important to this comparative analysis: China's pattern of ownership diversification and China's mode of integration into the global economy. The article relates these two variables to the success of economic change without political liberalization, in particular, how FDI liberalization has affected relations between workers and the ruling Communist Party. "Reform and openness" in this context resulted in a strengthened Chinese state, a weakened civil society (especially labor), and a delay in political liberalization.