

Austerity, Polarity and the Prospect of Regime Change: China

1. The Challenge of Polarity

Since the dawn of this millennium, and long before the current financial turmoil and the subsequent bitter pill of austerity therapy hit the United States and the European Union, the Chinese Communist Government has publicly recognized the monumental challenge of polarity. Against the background of a persistent rise in the Gini coefficient for China as a whole, already reaching .53 in 2004 according to Chinese government surveys, the Hu-Wen leadership announced the urgent need to construct a “harmonious society” as a response to instability, triggered by rapidly widening income gaps. There is now a large and sophisticated scholarly literature on the measurements, trends, dimensions, politics and attitudinal surveys of social inequality in China (e.g. Davis and Wang 2009; Whyte 2010; Khan and Riskin 2001; Lee and Selden 2007).

To broach the question of regime change in the wake of intensified polarity in China, and perhaps in any other society, it is useful, indeed, imperative to go beyond objectively measured inequality and to consider “inequity”. Only when inequality is perceived as morally unjust, i.e. “inequity”, will the aggrieved population compel to do more than just tighten their belts or acquiesce to it as if it were bad weather, part of the natural order of the universe. The political sociologist Barrington Moore remarks in his classic study *Injustice: the Social Bases of Obedience and Revolt* that, “Without strong moral feelings and indignation, human beings will not act against the social order. The history of every major political struggle reflects the clash of passion, convictions and systems of belief.” (1978: 469).

Surveys and popular discourses reveal that the Chinese populace accepts a high level of distributive inequality, but is highly critical of procedural injustice (Whyte 2010). My own research concurs and shows that structural inequality in political power is transparent to ordinary Chinese. That structural gap in power, according to them, produces and reproduces distributive, redistributive and legal injustice (Lee 2009). In other words, if the global financial crisis has politicized and exacerbated the polarity of wealth in the US and Europe, the polarity challenge to the Chinese regime is one about power gap, one that combines political and economic polarity. In tandem with the rising cognitive and moral intolerance of polarity, official statistics also registered a rising wave of social protests, termed “mass disturbance”, now averaging 500 a day in recent years. From a distance, the specter of regime change is only accentuated by incidents such as Wukan and Wengan which were marked by mass violence and even temporary evisceration of state power. But what does it look from within China and from the lower reaches of the state tasked with maintaining stability? Is regime change imminent from these vantage points?

2. Regime Change: from Below and from Within

This panel has been asked to assess the prospect of “regime change”. There are several ways to think about “regime change”. First, it could mean a formal, overt replacement of the Chinese Communist Party as the ruling party, or the change from a one party state to a competitive electoral democracy. I think this kind of regime change is unlikely to happen in the foreseeable future. First of all, there is a conspicuous lack of a viable alternative political party, a result of the CCP’s relentless and persistent use of selective repression against organized political dissent. The second reason for not anticipating formal and overt regime change is that other forms of change within the regime has preempted it.

My argument today is that informal, hidden regime change from below and from within China has preserved the existing CCP dominated system. In what follows, I am going to shift our focus away from the changing of the guard at the top towards the molecular, grassroots and quotidian negotiations between state and society, especially at the critical *moments of social unrest*. These micro-political dynamics have amounted to a significant change in the nature of regime domination *without* formal regime change. I will briefly discuss the various kinds of state strategies used by the Chinese state to absorb the numerous incidents of popular unrest that have toppled authoritarian regimes in other parts of the world in recent times. These strategies include: protest bargaining, legal-bureaucratic absorption, patron clientelism, selective repression and adaptive policy reform (Lee and Zhang, forthcoming). Their overall effect is to depoliticize and make manageable popular challenges

3. Strategies of Authoritarian Resilience

i. Protest Bargaining

In Chinese, this is called “paying cash for peace” or buying stability. Basic level governments are all allocated “stability maintenance funds” which culminate into an enormous budget for domestic security in the central government budget. Dishing out cash payment or other material benefits in exchange for compliance has become a routinized response to unrest caused by labor, land and property rights violations. It is so common that a widely circulated popular jingo sums up the pattern as: “big disturbance big resolution, small disturbance small resolution, no disturbance no resolution”. Through 4 years of ethnographic research since 2008, I also come to see that the effectiveness and effects of protest bargaining lies in the transformative non-zero sum bargaining process which often fragment protesters, redefining and limiting citizens’ conceptions of rights, turning leaders of dissent into informants for the government, and above all construct a pragmatic and precarious alliance between officials and citizens to capitalize and generate benefits from instability. The alliance works as follows: as citizens use instability as the bargaining chip to obtain monetary and material returns from the state, grassroots officials also use instability to justify demands for bigger budget and promotion into higher level government. To the aggrieved citizens, despite seeing the unequal playing field on which bargaining takes place (they describe them as agreeing to “unequal treaty”), protest bargaining generates

an experience of authoritarian state is as totalizing as it is permissive of rooms for maneuvering. For all the short term stability effect protest bargaining brings about, the authority of authoritarianism suffers, with uncertain implications for regime stability. If the Chinese government ever finds itself in a fiscal crisis, stability can no longer be bought expediently.

ii. Legal-bureaucratic Absorption

Extending from Beijing down to each street government are a variety of legal and bureaucratic institutions that function as the Chinese state's frontline tentacles and provide a structure of engagement, incorporating citizens into its machinery of rule. The grassroots judiciary bureaus, mediation committees, the labor bureaus, labor dispute arbitration offices, and petition bureaus in a locality are explicitly given the task of resolving conflicts. In ordinary circumstances, the protracted and arduous processes of petition, arbitration and litigation demobilize collective action by consuming aggrieved citizens' time, emotion, energy, and solidarity through endless rounds of red tapes, paper chases, interminable waiting and appeals (Lee 2007).

Economic reform has energized the promulgation of laws and the promotion of an ideology of law-based government. There are now laws targeting labor, land and property rights – the Labor Contract Law (2008), the Property Rights Law (2009), and the revised Law on Land Management (2004), as well as laws and regulations on petition and administrative litigation. The apparatus for the bureaucratic absorption of social conflict has no doubt expanded, aided by a rapidly expanding legal profession keenly interested in creating a market for its service, spawning a steady rise in petitions and litigations nationwide. In our research we found that a salient procedural game of choice in recent years is to substitute and flexibly combine one set of rules with another. To resolve collective conflict expediently, judges impose mediation for litigation. Land right disputes can either be channeled to the court or into village elections. Protest leaders who become elected village heads provide handles for the grassroots officials to coopt.

iii. Patron-clientelism

The grassroots state in urban neighborhoods and villages has maintained an elaborate network of weak but instrumental ties that can be mobilized to stabilize popular unrest. The targeted clients mainly consist of social groups who are still relatively dependent on the Party-state for jobs or status. These include: party members, civil servants, elderly and retirees and former protest leaders. By providing individuals in the neighborhood with various forms of material rewards, employment and business opportunities, personal favors, and symbolic recognition (an honorary title), the clients of the grassroots state assist the regime by feeding information about brewing discontent, incipient mobilizations, ring leaders of protests, and as in the case of elderly, by leveraging their status in the family and community to shape the views and behavior of the disgruntled property owners and villagers.

Compared to the state socialist period, political effectiveness of patron clientelism is today more subject to processes of bargaining than to formal top-down institutional

command or the periodic campaign-style reassertion of party discipline in the Maoist era (Walder 1986). Now that deference and dependence are gone, material rewards, ranging from petty job opportunities to hiking outfits or dance costumes for elderlies' competition, are the main nexus between activists and the state, and these have to be replenished continuously in order to elicit cooperation.

iv. Selective Repression

Selective but systematic repression is still meted out to dissident intellectuals and human rights lawyers who have the capacity to influence a large number of ordinary citizens. Another target of selective repression is organized dissent, be it religious or political, that shows any inkling of cross-class and cross-locality mobilization. The NGO sector also illustrates the state's strategy of selective repression and incorporation. Those emphasizing service delivery and education are allowed to operate or even encouraged to grow under the watchful eyes of the state (Teets 2013; Lee and Shen 2011), while those with explicit rights advocacy agenda are ruthlessly suppressed. Even at the grassroots levels, in dealing with everyday socio-economic protests, the use or the threat of police force is intentionally displayed, and selectively deployed to deliver the results officials preferred. Officials told us how they would ask the police to arrest protest activists only to ask for their release so as to turn these activists around into collaborators of the state. These days, grassroots governments also flexibly augment their repressive capacity by hiring security guards from commercial security service companies on an ad hoc, often piece rate, basis. In the countryside, as many reports indicate, the local state has behaved more thuggishly than its urban counterpart.

v. Policy Reform: Responsive Governance without Accountability

Despite the autocratic nature of the Chinese government, and perhaps exactly because of the lack of formal democratic procedures, its legitimacy has to be grounded in the delivery of substantive results, such as improvement in material livelihood, national economic development, and the country's international status. Over the past three decades, we have seen national level policy reforms that were issued in response to the most salient socio-economic grievances. Eliminating the millennia-old agricultural taxes, introducing a rural social insurance scheme, and imposing programmatic increments in minimum wages indicate the Chinese state's responsiveness, albeit one without accountability, to decades of farmer and worker unrest. More recently, the state's reactions to popular livelihood concerns such as pollution, land grab and income inequality seem to become even more expedient and pro-active. Last but not the least, the Chinese state's overall capacity to orchestrate and maintain economic growth, even as the global economy slows, has allowed it to continue making claims of "performance legitimacy".

Conclusion

Popular discontent against economic and political polarity in China has indeed generated palpable pressure on the Chinese Communist regime in the past decade. The large numbers of mass incidents is just the most salient manifestation of a specter of

instability. Such specter, I have argued here, has already led to transformation of authoritarianism from within and from below, and such transformation has stabilized rather than destabilized the regime. Both at the moment of unrest and in routine governance, the Communist state, undemocratic and unyielding to any organized political opposition, has absorbed unrest by allowing room for *non-zero sum* bargaining at the grassroots on a daily basis, and thereby reconstituting the experience and interest of the people living under a formally autocratic state that they too have a stake in maintaining the resilience of the current authoritarian regime.

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