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Making Sense of the Distrust of the Chinese Government in Light of China's Successes in Economic Modernization

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***Making Sense of the Distrust of the Chinese Government in Light of
China's Successes in Economic Modernization***

An Honors Thesis submitted in partial fulfillment of the requirements for Honors
in the Department of Sociology and Anthropology.

By

Rachel L. Neuhauser

Under the mentorship of Dr. Pidi Zhang

ABSTRACT

This paper explores the contrast of China's spectacular economic development and the low scores of trust for the Chinese Communist Party's (CCP) legitimacy among the Chinese people. The sharp contrast may reflect flaws in the shaping of de facto authority of the Chinese government. The de facto authority is examined in connection to the notion of the Mandate of Heaven from the Confucian tradition. The severe imbalance of economic growth and lack of political reform is discussed against the backgrounds of the domestic and international political circumstances. This paper argues that, in spite of the phenomenal economic development of the past three decades, the Chinese people's mixed feelings about the legitimacy of the Chinese authorities may be rooted in the combination of the rescued Mandate of Heaven through economic growth and the CCP's flawed legitimacy based on de facto authority.

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Introduction

Since the economic reform of the late 1970s, China has been one of the fastest-growing economies in the world. From 1979 to 2013, China's real gross domestic product (GDP) increased at an average rate of about 10%. Compared with the growth rate of 4.4% from 1953 to 1978, the highest growth rate of 14.2% seems staggering. The global economic crisis that hit in 2008 dealt a blow to the rapid growth trajectory. GDP grew 7.7% in 2012 and 2013 and it was expected to grow 7.4% in 2014 (Morrison, 2014). After three decades of rapid growth, the Chinese economy is now getting into a period of what is called a "New Normal" of lowered economic growth (Xi, 2015). China's economic surge in the last few decades has brought prosperity, but its modernization is imbalanced. This paper explores China's recent experiences of modernization, and how China's unique modernization experiences affects the legitimacy of the Chinese government among its people and on an international stage.

China's Early Modernization Efforts in a Nutshell

Efforts toward modernization in China started in the nineteenth century. Early attempts by activists toward the end of Qing Dynasty involved adopting the functions of Western modernity while preserving the essence of Chinese tradition (Rosker, 2014). The efforts to modernize within the framework of royal power failed because of a lack of coherence, a lack of continuity, and because of a disconnect between sources of knowledge in the West and in China (Bergere 1994; Rosker 2014).¹ Sun Yat-sen used the Nationalist rhetoric and led a series of painstaking endeavors in the Nationalist movement

¹ The modernization efforts since the late nineteenth century are beyond the concerns of this paper. They provide a background for the more recent modernization efforts.

that overthrew the Qing Dynasty, which was perceived “foreign” because it was originally a non-Han nomad nation to the northeast of China that had destroyed the Han-Chinese Ming Dynasty. Sun Yat-sen became the founding interim president of the Nationalist republic government but soon had to give up that position.

Nevertheless, Sun Yat-sen developed the “Three Principles of the People” as a form of political guidelines for nation-building and “The International Development of China” as his envisioned economic modernization blueprints (Bergere, 1994). The Nationalist government headed by Jiang Kai-shek, which bore the frontal resistance to Japanese invasion during the Second World War, was substantially weakened at the end of the War. During the brief period between the end of Second World War and the Civil War, the Communists applied various rhetorical strategies in the struggles with the Nationalists for political power. They accused the Nationalist government of suppressing democracy and exercising military autocracy. Mao Zedong claimed that the Communists were fighting for a democratic society, a feat commensurate to what Washington and Lincoln did in the United States. The Communists were able to gain cooperation and support from other small political parties in China. The Nationalists, who appeared to be (temporarily) totalitarian, were deeply frustrated by the suspicion from Western countries (Deng 2014). Substantially weakened during the Second World War, the Nationalists were losing the Chinese Civil War that broke out after the Second World War to the Communists even with the various sources of aid from the United States.

After the Communists defeated the Nationalists, they did not establish a democracy. In the eyes of Western scholars, “China did not pursue the ideal of ‘progress’ in the Western sense” and the People’s Republic of China (PRC) was perceived as a new

dynasty under the control of the CCP that failed to establish a modern Western-style democracy (Kissinger, 2012, p.96). The first three decades of the PRC was punctuated with political movements. Mao started them in rapid succession to consolidate the power of the CCP in China. Meanwhile, Mao obtained absolute control by building up his own charisma in the nation and in the Party. Economic development was brought to the top priority occasionally during the Great Leap Forward (1958-1961), which was supposedly an initiative directed towards an economic feat; the movement, however, had a strong color of a political campaign. It was based more on ideological fervor about the superiority of socialism over capitalism than on sound economic policy. In 1966, a few years after the failure of the Great Leap Forward, Mao launched the Cultural Revolution in order to purge those who advocated economic growth over class struggles. The movement brought the Chinese economy to the brink of collapse (Kissinger, 2012). The shift from the revolutionary rhetoric to economic reform did not occur until the late 1970s. The first Chinese leader in the post-Mao era began to implement Sun Yat-sen's modernization plans (Bergere, 1994)

Domestic and International Politico-Economic Structure

China's experiences of modernization in recent decades occurred when domestic, economic and political situations demanded a change of policy directions. This period was also characterized by a major shift in the international geopolitical dynamic. The Cold War had lasted four decades after the Second World War. Within the Communist camp, China was faced with increasing pressure and threat from the Soviet Union. Overall, China was in need of a way out of the conundrum of having two stronger adversaries who were adversaries to each other. US National Security Advisor Henry

Kissinger's secret visit to China in 1971 paved the way for U.S. President Richard Nixon's visit to China in 1972. Kissinger (2012) addressed the importance of necessary conditions for historical events to occur and discussed the significance of craft and agency of statesmanship and the critical timeliness of decision making and policy implementation:

“Leaders cannot create the context in which they operate. Their distinctive contribution consists in operating at the limit of what the given situation permits. If they exceed these limits, they crash; if they fall short of what is necessary, their policies stagnate. If they build soundly, they may create a new set of relationships that sustains itself over a historical period because all parties consider it in their own interest. (p. 215)”

Kissinger's remarks are not restricted to extolling the historically significant feats wrought by American and Chinese leaders of the day. They can be used to make sense of failures of early efforts toward modernization in China. For example, Sun Yat-sen was not able to create the context in which he operated. In hindsight, his “Three Principles of the People” and “The International Development of China” displayed profound foresight, but these desires unfortunately exceeded the limits of his era and his efforts crashed (Bergere, 1994). Nonetheless, his visions were to be put to practice when the domestic and international circumstances became ripe toward the end of the 1970s.

The rapid rapprochement after over twenty years of hostility between the United States and China benefited both countries, as it significantly alleviated the pressure of both countries from the difficulties in their respective relationships with the Soviet Union. The Shanghai Communiqué forged an alliance in which each side committed itself to avoiding hegemonic intentions in the Asia-Pacific region while voicing their opposition against further Soviet expansion (Kissinger, 2012). As further evolvments demonstrated,

the rapprochement not only improved the geopolitical situations for both countries, it served as the initial political preparations for the economic benefit both countries were to receive in the decades that followed.

The rapprochement opened opportunities for US capital to tap low-cost resources in China. In the mid-1970s the economies of war-torn European and Asian countries resumed production of goods for export and became competitors with the United States. American corporations were faced with declining profit rates. The US business sector supported policies that would reduce the power of organized labor, reduce government regulations on U.S. businesses, and reverse a declining work ethic among American workers. One important response of the corporate leaders was to embark on a forty-year program of increased foreign investment, mergers and joint ventures with foreign corporations while outsourcing and offshoring domestic production. (Wysong, Perrucci & Wright, 2014). The increasing imperative for American and other Western sources of capital to look overseas, particularly in less-tapped countries, for cheap labor and other resources coincided with the emerging needs for direct foreign investment in China. This international structure facilitated the creation of an economic partnership that complimented the political partnership that was established at the end of the Cold War.

The rapprochement also brought unprecedented economic opportunities for China. After Mao's death in 1976, China broke away from the Maoist variant of the classical Stalinist model. Economic development then became a national priority. The switch became practical when the relation with the United States was beginning to normalize. A favorable international environment made it possible to consider implementing policies similar to "The International Development of China" proposed by Sun Yat-sen in 1912

(Bergere, 1994). One essential factor made the changes not only possible, but also effective. The timing of the making and implementation of government policies at the moment the external conditions were ripe and most favorable was essential to China's economic development (Kissinger, 2012). The Chinese government seized the opportunity to implement a series of new economic policies with a clear orientation toward a market economy. Although the needs for rapprochement by both the United States and China were initially motivated by geopolitical considerations, the normalization of relations paved the way to economic cooperation that was to follow almost immediately. Early economic policy changes occurred in the fields of agriculture and external economic relations (Ellman, 1986). China's economic modernization was beginning to set into a rapid track in late 1970s.

China's Imbalanced Modernization and Unconvinced Legitimacy

Modernization theory has numerous sources. It addresses not only tradition versus modernity in terms of conceptual schemes such as the rationality, individualism, activism, and bureaucratization, but it also deals with empirically testable propositions about GDP per capita or life expectancy and the related economic, social, political and personality structures of a society. Since industrialization was seen as the driving force of modernization, GDP per capita has been commonly used as a measure (Marsh, 2014). Early modernization theory has been criticized for taking modernization as Westernization. The Western conception of democracy became a dominant global ideology (Torfason and Ingram, 2010). It has been widely recognized later that the core processes of modernization – industrialization, urbanization, technology, structural

differentiation, bureaucratic rationality – are not inherently Western as demonstrated by the experiences of Japan and other Asian societies (Marsh, 2014).

In 1978, Deng Xiaoping raised the idea of Four Modernizations for China, namely the modernization of agriculture, industry, science and technology, and national defense (Marsh, 2014). In a tone similar to the modernization efforts in the nineteenth century, under Deng Xiaoping's policies, China "adopted what is useful in Western modernization theory and discarded its unfit components," and formed "a modernization outlook with Chinese characteristics" (Cao, 2009, p. 10-11). It should be noted that the livelihood of the people was the most important of Sun Yat-sen's Three Principles of the People (nationalism, democracy and the livelihood of the people) (Bergere, 1994). It is not surprising that the Four Modernizations have a clear focus on industrialization and the economy. However, it may appear unacceptable that political modernization or the globally accepted ideology of democracy is not even mentioned in the Four Modernizations. Critics pointed out that a fifth modernization – democracy is needed in order for China's modernization project to be complete.

The primordial importance of the livelihood of the people may be found throughout Chinese history. Wasserstrom (2010) discusses the repeated Chinese dynastic cycles that transfer the Mandate of Heaven from a regime less mindful of the people's need to a more virtuous and deserving one. He suggests that, like previous dynasties, the Nationalists lost the Mandate of Heaven as the last power turnover in Chinese history. Nuyen (2013) explores the concept in the contextual era of 2,000 years ago without imposing anything additional on what the concept originally meant. Mencius, the most important Confucian beside Confucius himself, would allow for a popular revolt against a

despotic ruler although he would consider it inappropriate to claim that ordinary people know Heaven's will. If a corrupt regime is replaced by a new one, the latter presumably assumes a certain level of political legitimacy. Even if Heaven does not speak, later on "political legitimacy (illegitimacy) is confirmed as the consequence of seeing that the people are prospering (suffering)" (Nuyen, 2013, p. 122). According to Confucius, or Mencius more specifically, the ideal society is one in which the Emperor rules with the Mandate and provides the order under which the people are able to make a prosperous living. In this sense, the Nationalists were unfortunate to preside over a distressed war-torn and semi-colonized society. Probably not entirely by their own fault, they lost the Mandate of the Heaven which was passed to the Communists, who, similar to leaders of many rebellions in Chinese history, seized power and assumed de facto authority as a result of military victories. The Mandate of Heaven may be tacitly passed from the Nationalists to the Communists as a de facto transfer of political control and authority. To prove the regime established by the Communists has been granted the Mandate of the Heaven, they must enable the Chinese people to live a prosperous life.

The Communists did not prove their worthiness of the Mandate of Heaven after they seized power as they spent the first few decades on stabilizing control of the society. Mao "sought radical and instant transformation and a total break with the past" (Kissinger, 2012, p.94). This strategy, however, ironically solidified his position on top of the traditional Confucian-style institutions through the rhetoric of continuous revolution (Kissinger, 2012). Mao's excessive reliance on political movements failed to provide an order to allow the people a prosperous life. The legitimacy that came as a de facto authority when the Communists took control of the country from the Nationalists

was being squandered. However, the successful execution of the Four Modernizations since the late 1970s has improved the standard of living, created a growing middle class, and drastically reduced poverty in China. This paper argues that the economic achievement during the past three decades came to the rescue of the Communist government from completely losing the Mandate of the Heaven. The rapid increase of the gap between the rich and poor may be a threat to the government's legitimacy. In addition, although the modernization project without a political component has brought the Chinese people with prosperity, it keeps pestering the Communist Party of China with its unconvincing legitimacy. Such a dubious legitimacy should manifest itself in the level of people's support to the Party. Meanwhile it should serve as a pushing force toward political reform in China².

Methods

China's recent modernization efforts started in the late 1970s. World Bank has published relatively more complete data about China's economic performance since 1980. Aggregate data about China between 1980 and 2013 published by World Bank are used to illustrate the economic modernization of the country in the past three decades. The measures include gross domestic product (GDP), GDP growth rate, GDP per capita, foreign direct investment (FDI), agricultural and nonagricultural employment as a percentage of total employment, rural population and urban population as a percentage of total population. Data from World Bank also provide measures of the quality of life of Chinese people such as the percentage of poverty at \$1.25 a day based on purchase power

² Through the course of this study, it has come to light that the CCP is implementing what it calls the Fifth Modernization (modernization of the national governance system and governing ability) which is beginning to emphasize the rule of law but avoids mentioning democracy in the Western sense.

parity (PPP), total health expenditure as a percentage of GDP, and income shared by the five population quintiles as a percentage of GDP.

Legitimacy is measured by four proxy variables obtained from a public survey conducted in China by the online *People's Tribune*, a subsidiary of the official *People's Daily* in China. The survey asked the following questions: 1. "Do you agree that CCP has sufficient courage and wisdom to speed up reform?" 2. "Do you agree with the statement that 'sticking to the development of socialism with Chinese characteristics is beneficial to the fundamental interests of the broadest masses of people'?" 3. "Do you agree with the statement that 'it is only the CCP that is able to lead the people well down the route of socialism with Chinese characteristics'?" and 4. "How do you take on the system of 'ruled by one party (CCP) and participated by many' practiced in China?" The survey result was published synchronically online as participants submitted their answers.

Findings

Economic Growth

Figures 1 and 2 report China's GDP and Foreign Direct Investment between 1980 and 2013. China's GDP in 1980 was \$189.4 billion. In 2013 it was \$9.24 trillion, an increase of 48.8 times. In 1980 Deng Xiaoping expected that Chinese economy would "double two times" from 1981 by the end of the twentieth century, which would require an average annual growth of 7.2%. Many took that as a bold unrealistic prospect because that level of growth would only be sustained during a period restoring from a war or natural disaster. Using Chinese data Lin found that China's annual economic growth was 9.7% between 1978 and 2007 (Lin, 2014). Data from World Bank (Table 1) shows that the annual GDP growth rate reached two digits at 10.9% in 1983. During the thirty-four

years from 1980 and 2013 there were fifteen years in which annual growth reached or exceeded 10%, with an average of 9.86%. As the base sizes of earlier years' GDPs were small, the net increases were also small. For instance, the growth rate of 10.9% converted to a per capita GDP increase from \$201.4 of 1982 to \$223.3 of 1983, a net increase of only \$20.90. As the GDP base sizes kept increasing, the net increases became much larger as shown in Figure 1.

Growth slowed between 1989 and 1991 after the Beijing Massacre of June 1989. Those were the few years the new leader, Jiang Zemin as established by Deng Xiaoping, displayed uncertainty about further economic reform. Deng Xiaoping's speeches during his Southern Tour in 1992 reiterated the necessity for continued economic reform. The same year, GDP growth rate surged a 14.2% and remained at two digits for five years. In the period between 1997 and 2002, GDP grew at rates between 7.6% and 9.3%. From 2003 the growth rate reached two digits again and plateaued for a few years until it peaked again at 14.2% in 2007. Growth rate dropped dramatically to 9.6% in 2008, the year the world-wide recession broke out, which no doubt stunted the dramatic growth that China experienced from 1999 to 2007. Furthermore, it is noteworthy that GDP growth rates persisted at the above 9.2% level for the next few years, until they dropped to 7.7% since 2012.

Table 1 also shows foreign direct investment. World Bank data indicate that the FDI in China in 1982 was only \$430 million. FDI increased slowly but steadily until 1991. It should be noted that the Tiananmen Square massacre did not seem to affect FDI. Similar to the performance of GDP growth, after Deng Xiaoping's reassurance of continued economic reform in early 1992, FDI experienced a sharp hike that year to

\$11.16 billion. Then, there was another steady increase of FDI until 2004, which was followed by a second hike in 2005 to \$111.21 billion. Since then FDI has been in a third period of steady increase. The high correlation between FDI and GDP does not warrant speculation of causal relations but it is strong indication that increasing FDI contributed to the growth of GDP.

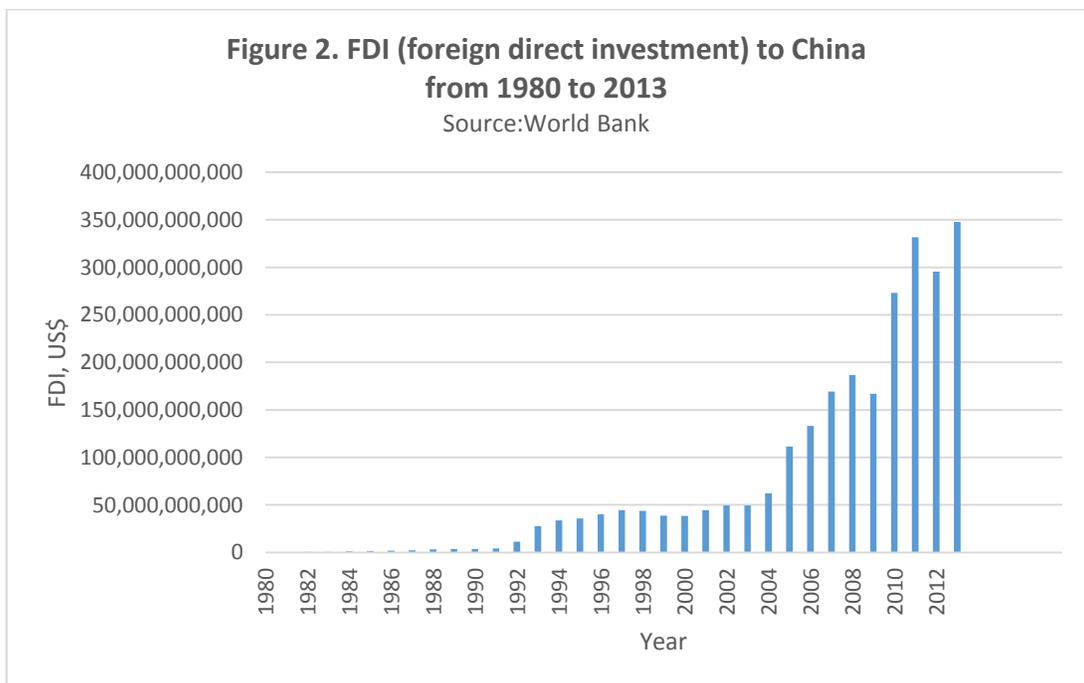


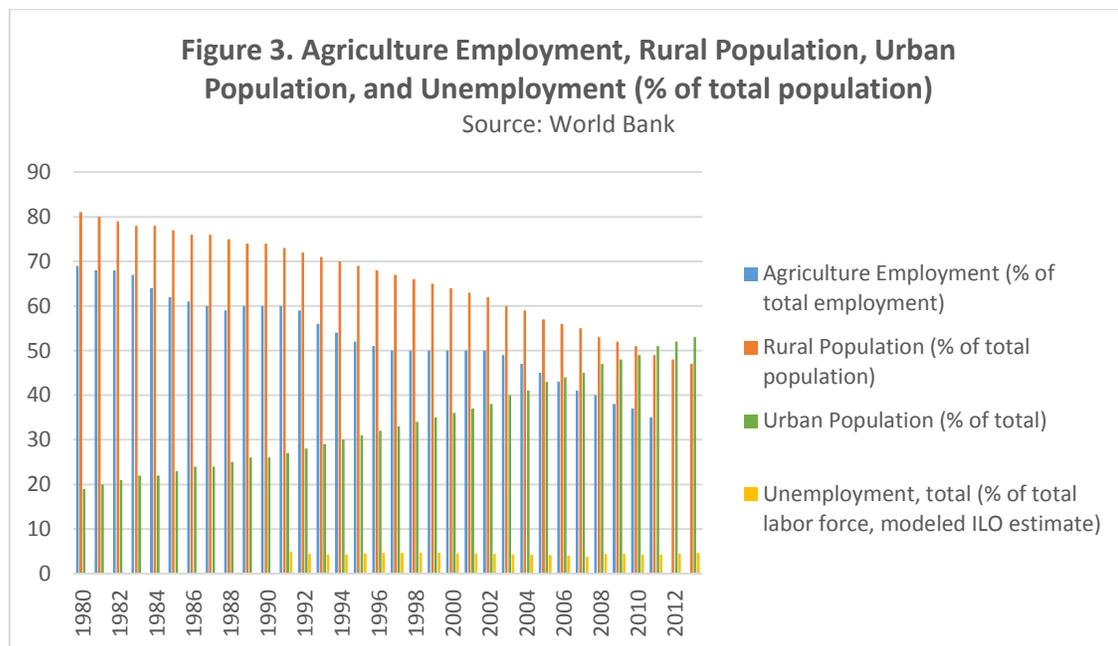
Table 1. GDP, GDP Per Capita, GDP Growth Rate and FDI from 1980 to 2013

Year	GDP (current US\$)	GDP Per Capita (current US\$)	GDP Growth (Annual %)	FDI (foreign direct investment, current US\$)
1980	189,400,991,348.90	193.0	7.8	
1981	194,109,567,421.60	195.3	5.2	
1982	203,181,343,416.90	201.4	9.1	430,000,000
1983	228,454,092,247.40	223.3	10.9	636,000,000
1984	257,430,422,884.00	248.3	15.2	1,258,000,000
1985	306,667,904,949.80	291.8	13.5	1,659,000,000
1986	297,831,277,506.80	279.2	8.8	1,875,000,000
1987	270,372,534,122.40	249.4	11.6	2,314,000,000
1988	309,523,098,698.40	281.0	11.3	3,194,000,000
1989	343,974,067,007.60	307.5	4.1	3,393,000,000
1990	356,937,329,023.30	314.4	3.8	3,487,000,000
1991	379,468,645,984.90	329.7	9.2	4,366,000,000
1992	422,660,548,425.40	362.8	14.2	11,156,000,000
1993	440,501,207,081.70	373.8	14.0	27,515,000,000
1994	559,224,201,926.10	469.2	13.1	33,787,000,000
1995	728,007,549,739.40	604.2	10.9	35,849,200,000
1996	856,084,628,929.80	703.1	10.0	40,180,000,000
1997	952,653,115,236.50	774.5	9.3	44,237,000,000
1998	1,019,461,964,545.90	820.9	7.8	43,751,000,000
1999	1,083,278,591,739.60	864.7	7.6	38,753,000,000
2000	1,198,474,937,919.30	949.2	8.4	38,399,300,000
2001	1,324,806,909,018.30	1041.6	8.3	44,241,000,000
2002	1,453,827,558,024.40	1135.4	9.1	49,307,976,629
2003	1,640,958,734,587.30	1273.6	10.0	49,456,847,102
2004	1,931,644,329,934.30	1490.4	10.1	62,108,043,001
2005	2,256,902,590,825.30	1731.1	11.3	111,210,225,749
2006	2,712,950,885,444.10	2069.3	12.7	133,272,548,472
2007	3,494,055,942,162.30	2651.3	14.2	169,389,842,758
2008	4,521,827,271,025.60	3413.6	9.6	186,797,550,544
2009	4,990,233,518,751.70	3748.5	9.2	167,070,808,699
2010	5,930,502,270,313.00	4433.3	10.4	272,986,562,273
2011	7,321,891,954,608.10	5447.3	9.3	331,591,710,742
2012	8,229,490,030,100.00	6092.8	7.7	295,625,587,109
2013	9,240,270,452,047.00	6807.4	7.7	347,848,740,397

Source: World Bank <http://data.worldbank.org/indicator>

Urbanization and Employment

Figure 3 provides information about China's rural and urban populations and employment rates. In 1980, only 19% Chinese lived in urban areas and the remaining 81% lived in rural areas. In 2013 after 33 years, the urban population increased to 53% and the remaining 47% still live in rural areas. Agricultural employment decreased correspondingly from 69% in 1980 to 35% in 2011. The unemployment rates essentially remained around 4.4% from 1991 when data became available to 2013.



Life Expectancy, Prenatal Care and Infant Mortality

Table 2 provides information on life expectancy, prenatal care, and infant mortality. Life expectancy for females increased from 69 in 1980 to 77 in 2012, an increase of 11.6% in 32 years. Life expectancy for males increased from 66 in 1980 to 74 in 2012, an increase of 12.1%. Seventy percent of pregnant women received prenatal care in 1992. The percentage increased to 95 in 2012. Infant mortality rate was 48 per 1,000 live births in 1980. The rate steadily decreased to 11 per 1,000 in 2013.

Table 2. Life Expectancy, Prenatal Care and Infant Mortality

year	Life Expectancy at birth, female (years)	Life Expectancy at birth, male (years)	Pregnant women receiving prenatal care (%)	Infant mortality rate (per 1,000 live births)
1980	69	66		48
1981	69	66		46
1982	69	66		45
1983	69	66		43
1984	70	67		43
1985	70	67		42
1986	70	67		42
1987	70	67		42
1988	71	68		42
1989	71	68		42
1990	71	68		42
1991	71	68		42
1992	71	68	70	41
1993	72	68	73	40
1994	72	69	76	39
1995	72	69	79	38
1996	72	69	84	36
1997	73	69	86	35
1998	73	70	87	34
1999	73	70	89	32
2000	74	71	89	30
2001	74	71	90	28
2002	74	72	90	26
2003	75	72	89	24
2004	75	73	90	22
2005	75	73	90	20
2006	76	73	90	19
2007	76	73	91	17
2008	76	73	91	16
2009	76	73	92	15
2010	76	74	94	14
2011	76	74	94	13
2012	77	74	95	12
2013				11

Source: World Bank <http://data.worldbank.org/indicator>

Poverty Rates and Distribution of Income

The poverty rate was calculated with the threshold of \$1.25 a day. In 1981, 84.3% lived below \$1.25. The rate declined to 54% in 1987. However it climbed up to 60.7% in 1990, and then steadily dropped to 6.3% in 2011. The decrease of poverty population was drastic in the 30 years (Table 3). However, the distribution of income to the lowest quintile declined from 8.7% of the total income in 1981 to 4.7% of the total income, a sharp decline in share. The second lowest quintile received 13.5% of the national income in 1981 but the share decreased to 9.6% in 2008. The third quintile retained essentially the same share of slightly above 15%. The fourth quintile managed to retain over 22% of the total share of income until 2008. From 2010 the income shared by the fourth quintile declined to below 19%. The group that reaped the most income increase was the highest quintile. Their share of total income increased from 37.9% in 1981 to a high of 48.6% in 2002 and declined very slightly in 2010. As GDP increased nearly 49 times from 1980 to 2013, the highest quintile's steadily increasing share of total income in such a rapidly growing economy indicates a rapid growth of gap between the rich and poor. Poverty rates, however, have drastically declined during the same period of time, which may indicate a significant improvement in the quality of life in general. This general improvement in the quality of life may improve the legitimacy of the government, but this improvement is potentially undermined by the rapidly enlarging gap between the rich and the poor. This gap may offset the improvement of the legitimacy based on pure GDP growth.

Table 3. Poverty Rates and Distribution of Income among Five Quintiles

Year	Poverty at \$1.25 a day (PPP) (% of population)	Lowest 20% income shared	Second lowest 20%	Third 20%	Fourth 20%	Highest 20%
1981	84.3	8.7	13.1	14.7	22.9	37.9
1984	69.4	8.9	13.5	17.8	23.2	36.6
1987	54	8	13.1	17.6	23.4	37.9
1990	60.7	8	12.2	16.5	22.6	40.7
1993	54.9	7.4	11.3	15.8	22.3	43.2
1996	37.4	7.2	11.3	15.8	22.3	43.3
1999	36	6.4	10.3	15	22.2	46.1
2002	28.1	5.5	9.4	14.3	22.2	48.6
2005	15.8	5	9.9	15	22.2	47.9
2008	12.3	4.8	9.6	15	22.7	47.9
2010	9.2	4.7	9.7	15.3	18.7	47.1
2011	6.3				19.2	
2012					19.7	

Source: World Bank <http://data.worldbank.org/indicator>

Domestic Perceptions of the CCP and Its Political Legitimacy

China is realizing its modernization dreams in terms of economic development. The rapid GDP growth, urbanization, increasing health care expenditure, decline of poverty, increasing life expectancy, prenatal care, and decreasing infant mortality rate should point to improvement of Chinese government's legitimacy. However, the rapidly growing gap between the rich and the poor may make people question the very nature of the Communist Party. Does the Communist Party fight for the working people as it traditionally claims? What does the enlarging gap between the rich and poor tell about the Party? Questions such as these may cast doubts over the slogans generated by the system.

Table 4 presents the online survey conducted by *People's Tribune*, an online version of the magazine affiliated to the most important official newspaper in China, The

People's Daily. The information was copied from the ongoing survey which was being updated with incoming responses daily in April, 2013. In other words, the information in Table 4 does not represent the final result of the survey. It was captured while the survey was still going on. The uncompleted survey is used, because the author of this paper did not have access to the final result, which may have been published online but soon removed.

To the question “Do you agree that the CCP has sufficient courage and wisdom to speed up reform?” only 7.41% respondents selected “Strongly agree.” Another 5.88% agreed. That makes a mere 13.29% of the respondents that made a positive answer. With the 13.25% who chose “Don’t know,” there was a high of 73.45% of the respondents that selected “Disagree.” Responses to the next three questions display the same tendency with an overwhelming proportion of respondents who selected “Disagree.”

To the question “Do you agree with the statement that “sticking to the development of socialism with Chinese characteristics is beneficial to the fundamental interests of the broadest masses of people?” only 5.25% answered “Strongly Agree.” Another 4.51% selected “Agree.” That makes a combined less than 10% of the sample who believed that the development of socialism with Chinese characteristics is beneficial to the fundamental interests of the broadest masses of people. The overwhelming 81.26% of those surveyed disagreed with the statement.

Furthermore, slightly fewer than 9% of those surveyed agreed or strongly agreed that “it is only the CCP that is able to lead the people well down the route of socialism with Chinese characteristics”. This data is complicated by the inability to discern if the

people disagreed with the CCP's competence, the CCP's rhetoric, or both. Regardless, this question suggests that the CCP's competence and the CCP's rhetoric may be at odds with what the Chinese people see as beneficial.

Finally, 12.34% of those surveyed agreed or strongly agreed with the system of "ruled by one party (the CCP) and participated by many practiced in China. This data suggests that further political reform is in order that would better solidify the legitimacy of the CCP. Overwhelmingly, the data suggests discontentment with the political system and the CCP's official rhetoric. In effect, this discontentment demonstrates the insecurity of de facto authority.

Table 4. *People's Tribune* Survey of Confidence, Conviction and Faith, 2013

Question	Response	Frequency	Percentage
Do you agree that the CCP has sufficient courage and wisdom to speed up reform?	Strongly Agree	170	7.41
	Agree	135	5.88
	Don't Know	304	13.25
	Disagree	1685	73.45
Total		2,294	100.00
Do you agree with the statement that "sticking to the development of socialism with Chinese characteristics is beneficial to the fundamental interests of the broadest masses of people"?	Strongly Agree	120	5.25
	Agree	103	4.51
	Don't Know	207	9.06
	Disagree	1856	81.26
Total		2,286	100.00
Do you agree with the statement that "it is only the CCP that is able to lead the people well down the route of socialism with Chinese characteristics"?	Strongly Agree	130	4.80
	Agree	96	4.18
	Don't Know	194	8.46
	Disagree	1094	82.56
Total		2,294	100.00
How do you take on the system of "ruled by one party (CCP) and participated by many" practiced in China?	Strongly Agree	159	6.93
	Agree	124	5.41
	Don't Know	177	7.72
	Disagree	1833	79.94
Total		2,293	100.00

Source: *The People's Tribune*. <http://www.rmlt.com.cn/>

Discussion

China's economic achievement in the last three decades has been breathtaking. As data from the World Bank indicate, GDP grew nearly 50 times in the last three decades or so. The statistics display remarkable improvement in the areas of poverty, health care, prenatal care, infant mortality and life expectancy. Based on the traditional understanding of the Mandate of Heaven, the Chinese government should enjoy wide support from the people. Nonetheless, the Chinese official online *People's Tribune* survey showed the contrary. An overwhelming majority did not believe that the official rhetoric of "sticking to the development of socialism with Chinese characteristics was beneficial to the fundamental interest of the broadest masses of the people." This attitude may be related to the distribution of the results of the economic growth.

Although the standard of living substantially improved for all groups, including the poor, the top quintile received the largest share of total income. On the other hand, the income share of the lowest quintile has continually declined. A large part of the population may have escaped or are escaping absolute poverty, but they may be headed into the great pressure that comes with looming relative poverty. It would be difficult for these people to be fully convinced of the benefit the overall socio-economic changes of the society have brought to them. This perception of relative poverty is further exacerbated by the CCP's tendency to favor 'quasi-monopolies,' which were created and protected by the state; they have contributed remarkably to China's on-going economic development (Wallerstein, 2000). The re-investment of wealth into the quasi-monopolies explains, in part, the significant growth in the wealthiest quintile's share of the country's

economic rewards. The quasi-monopolies also explain discontentment with the distribution of wealth as a form of relative poverty rather than absolute poverty.

The overwhelming majority of those surveyed did not believe that “it is only the CCP that is able to lead the people well down the route of socialism with Chinese characteristics.” If the people are not convinced of the benefit the economic development has brought to them, it is difficult for them to support the system wholeheartedly. Besides, the Chinese characteristics remain poorly defined. If respondents were suspicious of the rhetoric of socialism with Chinese characteristics, they might have given the CCP low scores because they rejected the concept itself rather than whether they thought it was CCP or any other political party that would be able to lead the country properly.

The lack of belief in the official rhetoric of socialism with Chinese characteristics is also reflected in, if not explained by, the response to the question “How do you take on the system of ‘ruled by one party (CCP) and participated by many’ practiced in China?” There seems to be a deep suspicion among Chinese people over the one-party political system. The Chinese government set up by the Communists in 1949 has been a de facto authority that came as a result of the military victory over the Nationalists. The Mandate of Heaven, or the presumably assumed level of political legitimacy, was waiting to be confirmed by the expected consequence that the people were prospering (Nuyen, 2013). Although Mao Zedong almost squandered the Mandate of Heaven, the system did not become obsolete automatically, because the Communists’ military victory did not bring about a mechanism that peacefully transferred power as Western democracies do. It would take political reform to bring China a mechanism for a smooth power transfer. The evidence that the overwhelming majority of the online survey participants did not

believe that “the CCP had sufficient courage and wisdom to speed up reform” reflects the fact that there have been too few tangible commencing efforts toward political reform. On the other hand, it may also indicate that the general public in China may not be well informed about what is going on about political reform in the country. Tangibility seems to be the key for the Chinese people to perceive success in the CCP’s political reform initiatives.

In fact, China has been building and has been increasingly practicing a “rule-based order.” Rudd (2014) claims that through constructing modernization as the facilitator of happiness, the government has the capacity to continue the “rules-based order” that has facilitated thirty years of rapid economic growth despite the rapid societal transformations and conflicts that characterize modernization. In effect, modernization as a priority for the government has been legitimized through laws designed to address human rights issues. Regardless of the perceptions of the CCP, China has legitimized modernization as the top legal priority. Through this process, China has developed a political structure that is intended to protect modernization efforts while addressing international calls for democratization. For example, the government typically allows for the communication of information between the government and the populace, but the government restricts the free-flow of communication if the communication threatens modernization efforts (Zhao, 2010). Furthermore, the focus upon rules-based order clarifies the roles of individual Chinese citizens in society. In doing so, political decisions and discourse have become arguably more participatory and more structured. There have been recent efforts to democratize intra-party relations (Zhao, 2010). Additionally, the party has bureaucratized towards a model of formal institutional

authority from a model of cults of personality while promoting transparency and supervision within the party. Finally, the party has introduced “piecemeal and gradual reform” in carefully selected, non-controversial areas (Zhao, 2010, p.429). This level of bureaucracy and impersonality further strengthens the government’s claims that it is on the path towards democratization.

In all of these initiatives, the Chinese government has more or less abandoned its position as the party for the workers, and has replaced this foundation with the belief that the party can be all things to all people (Zhao, 2010). The results of the survey, though, indicate that the Chinese people may not realize the extent to which the CCP is becoming more rationalized and bureaucratic. As such, the CCP will need to develop a transparent narrative that explains the connection between economic development and social modernization; this narrative must also explain why the perception of relative poverty is excusable based on the other benefits of modernization. The step towards a comprehensive and transparent narrative may function to cover the gap between de facto legitimacy and the Mandate of Heaven specifically by explaining why modernization is in the best interest of China’s populace.

Conclusion

Modernization in China is a very complex process that entails rapid societal change in multiple areas of social life. China has made huge strides in modernizing its economy and society. China’s experiences of the Four Modernizations have been highly successful and are unprecedented in the world’s modernization history. The economic and social gains achieved through this dedication to modernization are remarkable and

incomparable to any other country's experiences of modernization. Government plays a crucial role in this process. In order to justify modernization as a worth-while pursuit, the Chinese government is still faced with various daunting challenges. The rapidly growing inequality in China poses a threat to political legitimacy. This would not be a threat in a democracy, but it is in China, where the government is not elected and where it must provide for the prosperity of its people in order to justify its legitimacy. The government needs to strike a difficult balance between improving the standard of living for the poor and providing incentives for the rich to contribute to the economy.

The Chinese government needs to speed up political reform not only to fix the imbalance between the economic and political aspects of the modernization process, but also to break the spell of its lack of legitimacy if it fails to bring about fairly distributed prosperity. Most importantly, the Chinese Communist Party suffers from domestic perceptions of its incompetency to lead in further reform, not because of the country's economic performance, but because of the lack of progress in political reform.

The Chinese Communist Party's precarious legitimacy is also related to the perception that it stands opposite to the Western conception of democracy which has become a dominant global ideology (Torfason and Ingram, 2010). According to Rudd (2014), China and the United States should develop public narratives about each other to improve trust. The narratives should cover various issues including world order, security, prosperity and human rights. The creation of this common narrative in international relations would stabilize the legitimacy of the Chinese government on an international level. If the Chinese government explains modernization as a vehicle towards political

reform, then it is essential that other countries do not see China's modernization as a threat to the international world order.

One limitation of this study is that it uses aggregate data drawn from different sources that does not permit statistical analysis. Statistical analysis would provide direct support or lack thereof to the arguments. In other words, the arguments of this paper should be perceived as tentative, because they are based on inferences from the data and limited by leaps in the inferences. Future studies may need to collect or utilize comprehensive data that warrant rigorous statistical analysis and more confident conclusions.

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