

# Five Key Balances for China's Near Future

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The 18th National Congress of the Communist Party of China (CPC) reaffirmed that China will continue to reach modernity via the road of socialism with Chinese characteristics, a path that has gradually formed since the reform and opening in the late 1970s. This constitutes the greatest political consensus of today's China. But how to more quickly and more effectively develop China into a prosperous, democratic, civilized and harmonious modern nation has been at the center of debate in recent years.

Within this debate, the following five key balances are of particular importance to the progress of Chinese society and the revival of the nation.

## ECONOMIC DEVELOPMENT VS. SOCIAL FAIRNESS

In the late 1970s, China painstakingly moved to a new economic development pattern under the leadership of Mr. Deng Xiaoping, which not only opened a new chapter in China's history, but also pulled off a miracle in the history of global economics. Over the past three decades, China's annual GDP growth rate exceeded 9%. Thanks to this 30-plus years' rapid economic growth, China is now the second largest economy in the world. The living standards of ordinary citizens have greatly improved and China is now on its way towards becoming a middle-income country. If the economic momentum continues, the objective of building China into a

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comprehensive moderately prosperous society before 2020 will undoubtedly be realized.

However, as the saying goes, there is no such thing as a free lunch. China has also paid a dear price for its rapid growth. Two things in particular have cost China dearest. One is social injustice that has been exacerbated by income disparities. Today, China's Gini coefficient is above 0.47, relatively high compared to most other countries. The other is the environmental damage caused by pollution and over-use of resources. China is now one of the world's most polluted countries and largest emitters of CO<sub>2</sub>. China's future development, to a large extent, depends on whether she can successfully address these two challenges. Without shared wealth and justice for all, there can be no socialism or sustained peace. Without ecological balance or a clean environment, the people will neither enjoy a rising quality of life, nor will China achieve sustainable development.

Some Chinese have now begun to reflect on the relationship between economic development on the one hand and justice and fairness on the other, leading to heated debates around several key issues. After 30-plus years' of reform and opening up, should economic development continue to be the No. 1 priority of this country? Should development continue to be the absolute principle? Should justice continue to take a back seat compared with efficiency? How to contain the widening gap among individuals, among different regions as well as between rural and urban areas? Will China fall into the "Middle Income Country Trap"? Those debates also engendered some extremist opinions and some people even cast doubt on the legitimacy of reform and opening up policy and market economy.

The leadership of CPC didn't shy away from those issues. The 18th National Congress of CPC responded to them in two aspects of its political report. First, it responded theoretically by formally establishing the status of scientific development as a guiding philosophy, calling for a balance between the economy, politics, culture, society and the environment throughout the process of continued growth, and also for sustainable development. Second, it responded practically by accentuating the significance of justice

and fairness. It added emphasis to achieving the goals of fairness and justice, establishing a fair social security system centered on equal rights, equal opportunities and equal rules, and narrowing the widening income gap.<sup>1</sup> It's noticeable that the 18th National Congress of CPC attempts to find an ideal road going forward for China, by sustaining economic development while also maintaining fairness and justice.

Theoretically, both economic development and equality are the desirable goals that we should long for. In practice, however, there exists a kind of tension between the two, which requires decision-makers to reconcile them based on specific conditions and strike a balance. In the last three decades, we have been implementing the policy of "giving priority to efficiency with due consideration to fairness." As a result, economic development has been unduly favored. As for the reforms to come, we must pay extra attention to fairness and justice under the principle of "efficiency with more justice." The market economy has proved itself in improving efficiency, but it falls short on achieving justice and fairness. The latter can only be achieved through institutional adjustments by the state. Thus, to ensure continuing economic development, the focus of future reforms should gradually shift away from economic growth and towards social and political reform. Without groundbreaking reforms in social governance, it will be difficult to ensure fairness and justice.

#### ECONOMIC GROWTH VS. ECOLOGIC BALANCE

As a developing nation, China must continue to make economic development its first priority. Although development is not the same thing as economic growth, the two are closely related. On the other hand, we must grow the Chinese economy sustainably, while at the same time conserving resources and protecting the environment. The difficulty of maintaining this balancing act has triggered a whole range of worries in the minds of the Chinese people. Have the last 30-plus years of rapid economic growth been worth it? Can China continue to afford the high prices of ecological destruction and environment deterioration? Will China's economic

development mode be changed? If so, how? What kind of economic development strategy should we adopt in the future: “Development Oriented,” “Environment Oriented” or both?

Concerning these issues, the 18th National Congress of CPC proposed two strategies. The first was to transform the mode of economic development by deepening reforms to the economic system. More specifically, it includes the following measures: imposing an innovation-based development strategy, deepening the strategic adjustment of economic structure, tapping domestic consumption, optimizing industry structure, developing a modern service sector and emerging industry, and further enhancing the openness of the Chinese economy. The second was to energetically promote the building of “ecological civilization.” The 18th Party Congress openly put forward the principle of “giving high priority to conserving resources, protecting the environment and promoting its natural restoration” and called for the whole Party to strive for green, resource efficient and low-carbon development. The 18th Party Congress also advocated developing a systematic approach of promoting ecological progress. Resource consumption, environmental damage and ecological benefits should be covered by a system of standards for evaluating economic and social development, as well as related goals. Related evaluation methods and reward and punishment mechanisms should then be adopted.<sup>2</sup>

To strike a balance between maintaining rapid economic growth and protecting the ecology and environment is no easy job. As a developing country, China must not take the same path of industrialization walked by developed nations. As we address environmental issues, we cannot continue the old practice of “crossing the river by feeling stones.” If we still had the liberty to debate whether to follow “development first vs. environment first” or “development and environment at equal position” in the last three decades, we must now make a decisive break from the past and first protect the environment, then develop the economy. Otherwise, not only will we ruin the environment for future generations, but we will also be unable to achieve sustainable development.

SOCIAL STABILITY VS. POLITICAL DEMOCRACY

As one of the fundamental goals of the government, social stability is the prerequisite for economic development and people's welfare. Without social stability, rapid economic growth and people's happiness will become unthinkable. Since reform and opening, the nation has experienced immense historical changes. It has been an extraordinary achievement of the government to maintain social stability throughout this period. This achievement is largely attributable to Deng Xiaoping's principle of maintaining stability as the top priority. Stability has brought about economic prosperity and development, and this prosperity and development have given birth to people's desire for freedom, fairness, dignity and social participation. In order to satisfy the political demands of the citizens and curb corruption, we must reform the political system and substantively push forward democracy and the rule of law. Otherwise, prosperity alone will not generate higher levels of public satisfaction with the government. Instead, it will reduce citizens' trust in the government. The only way to reform the political system is to promote democracy and the rule of law — increasing the participation of citizens in political life and giving citizens more access to political power and rights; putting the law as the highest authority, and using the law to curb the authority and privileges of government officials. All these will shake the current interest structure of the society. Those who benefit from the status quo will do all in their power to halt such adjustments, and in the process the social order may even become unstuck. Under such circumstance, there will be increasing tension between social stability and democracy.

As to the question of how to address the tension between social stability and democracy, various opinions emerged among the people as a result of their divergent standpoints and interests: some people opted for the principle of stability as the top priority while others argued that rights should take the place of stability as the top priority; some unswervingly advocated democracy and rule of law while others were doing their utmost to block them; some viewed the development of democracy as the best way to achieve stability while others were demonizing "democratization," insisting

it will eventually ruin social stability; some acknowledged the inseparability between democracy and people's livelihood while others treated them separately; some insisted that both democracy and rule of law are indispensable to China while others deliberately separated the two, arguing that China can only have rule of law rather than democracy at its current stage. As a result, such political issues as maintaining stability vs. defending rights, democracy vs. people's livelihood, and democracy vs. rule of law as well as anti-corruption vs. anti-privilege have become the most contested issues in today's China.

Given the rapid transformation China is undergoing, social stability will continue to be a prerequisite for further development. But given our modern requirements for democracy, we no longer need the static kind of stability that comes from keeping a lid on the public's complaints, but rather a dynamic stability focused on free flows of opinion. The 18th Party Congress report outlined the concept of "dynamic governance," indicating that the notion of "dynamic stability" is getting more prominence than the notion of "static stability" which has been long held by the central authorities in the past. Compared with social stability, the 18th Party Congress paid more attention to building democracy and rule of law. According to the 18th Party Congress report, the ultimate objective of China's political development is to guarantee the fundamental position of the people as masters of the country and develop people's democracy. Democracy, liberty, equality, justice and rule of law are all core political values of China. Broadening socialist democracy and building a socialist country based on the rule of law are the two cornerstones for developing socialist political civilization. The substantive plan for realizing democracy in China should be an organic integration of leadership of the Party, the position of the people as masters of the country and the rule of law.<sup>3</sup> One realistic approach to push forward China's democratic politics is to develop inner-Party democracy and then create an enabling environment for the development of wider democracy.

Political progress represents the deepest progress of society since it institutionally consolidates the fruits of human civilization

and provides institutional guarantees to the maximization of public interests. In the years to come, China may face a serious challenge on how to strike a balance between promoting democracy and maintaining social stability. To successfully cope with this challenge, China needs extraordinary political wisdom. There are, of course, dangers to political reform, but only by reforming our political system can we avoid even greater dangers, and only by making breakthroughs in political reform can we avoid sudden political upheavals. CPC is the only ruling party in China and it holds tightly the political power of the whole country. In addition, CPC has more than 82 million members and it has absorbed the vast majority of Chinese elites. Therefore, reforms to the Party itself are the crux to reforms in all other arenas, particularly in the political arena, in China. In other words, China's political reform largely depends on whether CPC can transform itself from a revolutionary party into a ruling party and rule the country in a democratic, law-based and rational manner. Moreover, reforms to the leadership system of the Party and the state are an overwhelming task in China's political reform. As far as China is concerned, the optimal approach to political development is to stimulate people's democracy through promoting inner-Party democracy and promote rule of law in the whole country through governing the Party by law.

#### INDIVIDUAL RIGHTS VS. PUBLIC GOODS

Economic development, environment protection, stability maintenance, the promotion of democracy and rule of law as well as upholding justice and fairness are all the objectives we long for. All these objectives, however, will become meaningless if they are unattached to the ordinary people. The ultimate goal of the state should be to make its people's lives happier. That's why the people are regarded as the object of the state and society. In the current state of Chinese political discourse, "the people" or "the masses" are not only collective concepts, but are also political concepts. The term "the masses" can be used to designate any one person, but no one person can claim to be "the masses." During different



periods of the PRC, there existed different criteria to determine who belonged to “the mass” and who didn’t. So, it’s no wonder that a delicate relationship existed between people as individuals and people as “the masses,” which touched on the dialectic relationship between individual rights and public goods. Without consideration for the public interest of the whole community, there can be no individual rights to speak of. Conversely, if we are unable to protect the rights of the majority of individuals, then “collective interest” is just a sham.

Emphasizing collective interests and playing down individual rights are important traits of China’s traditional culture and was regarded as a virtue in traditional China, and led to public goods being achieved at the cost of individual interests. Even if it was unlawful, people always took it for granted and accepted it. There are many positive facets to such a political philosophy, such as affirming the roles of the state, family, enterprises and work units, upholding the virtue of unselfishness and fostering patriotism, but under its surface lurk major dangers. Using such a political philosophy, it is easy for rulers to strip people of their legal rights and stifle both innovation and liberty. Especially when political power goes unchecked, those in power will use their authority to obtain improper benefits in the name of public good, or they will egregiously violate the rights of individuals. In the last several decades, great strides have been made in protecting individual rights in China through the means of laws and institutions. As a result, the boundary between individual rights and public goods is becoming clearer than ever before. For example, the term “human rights” has been formally added to our constitution and protecting human rights has become a responsibility of the state. The concept of “citizen” is being taken more and more seriously, and civic awareness and civic spirit have become important parts of political education.

The progress China has achieved so far in market economy and democratic politics provided the fundamental economic and political basis for defending individual rights. However, everything has its pros and cons. Overemphasis of individual rights can easily result in the neglect of public goods and



watering-down of the prominence of the state, family, community and work units. So, it is a pressing task to reconcile the tensions between individual rights and public goods under the new realities of China. This also spawned a lot of debates: should the state treat public goods first or individual rights first? Is collectivity first or is the individual foremost? Should we continue to emphasize the notion of “the masses” or pay more attention to the notion of citizenship? Who has the right to define the boundary between public goods and individual rights? Centering on these issues, different opinions surfaced in Chinese academia and divergent thinking on China’s political and societal development emerged as a result.

The 18th Party Congress made some efforts to reconcile the relationship between public goods and individual rights, aiming to strike a balance between the two. On the one hand, it continued to emphasize the position of the people as masters of the country, justify the notion of “the masses,” uphold patriotism and collectivism and enhance the ethical and moral standards of citizens. On the other hand, however, it also advocated the “people first” principle and the all-round development of the people, upheld such values as liberty, equality and rights, and promised to “broaden the orderly political participation by the citizens in all fields and at all levels” and “ensure that the people enjoy extensive rights and freedoms as prescribed by law.” The rule of law is the basic way for governing a country. In any country where law is the most supreme authority, law is the basic guideline for defending public goods of the state and society and protecting individual rights of citizens. Any behavior, no matter how lofty its objective seems to be, should take place within the framework of the constitution and law.<sup>4</sup> In today’s China, This will require the government and the citizens to place even more stress upon “civic awareness” and “respect of the rule of law.” Any action to enhance collective benefits should come with the premise that individual rights are protected to the greatest extent possible.

## THE CHINA MODEL VS. UNIVERSAL VALUES

The success of Chinese reforms is largely attributable to our choice of a development path suitable to our national conditions. The path we have chosen has been called “the China road” or “the China model.” The essence of “the China model” is a strategic choice by China, as a developing country, in its efforts to realize modernization against the background of globalization. It consists of a set of development strategies and governance pattern China has developed (to cope with the challenges of globalization and modernization) during this process. China should not and cannot mechanically copy the development models of other nations. Since the 1980s, China has placed “the building of a socialist country with Chinese characteristics” as its fundamental goal. In the past three decades, China has gained valuable experience but also paid considerable prices in its efforts to meet the challenges of globalization and modernization. As a matter of fact, “the China model” is yet to be finalized, and there are still many challenges ahead of us. It is undeniable that there are some tensions between “the China model” and “universal values.” To overemphasize China’s particular characteristics or to wantonly apply the label of “with Chinese characteristics” to anything at all may lead us to reject universal values, and may obstruct the Chinese from learning from other nations. Conversely, to overemphasize universal values is to deny that China has its own particular development model and is a denial of the diversity of human civilization. In recent years, the debate on the issue of “China Model” vs. “Universal Values” has intensified in Chinese academia. This debate gave rise to the formation of two representative groups that are contradictory to each other. One is the “China Model” group, who gave high credit to “China Model,” exaggerating its success and insisting that “China Model” should be exported to other places. They discarded universal values and depicted the latter as just “beautiful lies.” The other is the “Universal Value” group, who completely denied the existence of “China Model.” Even if “the China Model” really exists, they argued, it’s totally negative and should be jettisoned without hesitation.

The 18th Party Congress report once again reaffirmed the importance of “Chinese characteristics.” As the report states,

China is in a unique situation and “we should develop the socialism with Chinese characteristics as required by the times, constantly enrich it in both practice and theory and enhance its distinctive national features in keeping up with the times.” The report also stated that “we will never copy a Western political system.” The report did not, however, deny any universal values of human society, but rather it established the concepts of democracy, liberty, equality, fairness and rule of law — basic values common to all mankind — as the core elements of the socialist value system. It also called for the whole country to “actively draw lessons from the achievements of human political civilization” and “actively absorb and draw lessons from the successes of foreign cultural achievements.”<sup>5</sup>

With regard to the issue of “China Model” vs. “Universal Values,” we must seriously examine the dialectic relationship between universalities and particularities. On the one hand, it’s undeniable that humanity has diverse development models and we shouldn’t neglect particularities when insisting on universalities. Conversely, we shouldn’t neglect universalities when insisting on particularities. “Chinese characteristics” shouldn’t become the legitimate pretext for denying universal values. When emphasizing Chinese characteristics or “China Model,” one must not deny the commonalities of all human civilization. There are common values shared across human society, and as such one must not apply the label “Western” or “Chinese” to such universal values as democracy, liberty, equality, human rights, impartiality, dignity, happiness and harmony. We should integrate Chinese civilization with universally held values, and furthermore, introduce Chinese civilization into the mainstream of human civilization.

1 Hu Jintao, “Jianding buyi yanzhuo zhongguotese shehuizhuyi daolu qianjin wei quanmian jiancheng xiaokangshehui er fendou (Firmly March on the Path of Socialism with Chinese Characteristics and Strive to Complete the Building of a Moderately Prosperous Society in All Respects: Report to the Eighteenth National Congress of the Communist Party of China) 坚定不移沿着中国特色社会主义道路前进为全面建成小康社会而奋斗,” People’s Press, Beijing, November 2012.

2 Ibid.

3 Ibid.

4 Ibid.

5 Ibid.