

In the countryside, it is almost always the case that only male heads of households sign contracts for land and other production resources, which means that men continue to dominate the rural economy. This is true even though farm labor has become increasingly feminized as many men move to jobs in rural industry or migrate to the cities. Economic and cultural pressures have also led to an alarming suicide rate (the world's highest) among women in China's villages.

China's unique and stringent population policy has had a particularly significant impact on rural women, and certainly one that has not always been to their benefit. The government insists that without such a policy, which has been in effect since the early 1980s, China's economic development would be endangered. It has used various means to encourage or even force couples to have only a single child.

Intensive media campaigns supporting the one-child policy laud the patriotic virtues and economic benefits of small families. Positive incentives such as more farmland or preferred housing have been offered to couples with only one child. Large fines and loss of jobs have been used to punish violators. In some places, workplace medics or local doctors monitor contraceptive use and women's fertility cycles, and a couple must have official permission to have a child. Defiance has sometimes led to forced abortion or sterilization.

The combination of the one-child campaign, the modernizing economy, and a comparatively strong record in improving educational and employment opportunities for women have brought China's population growth rate to about 0.5 percent per year. This is very low for a country at its level of economic development. India, for example, has also had some success in promoting family planning. But its annual population growth rate is 1.4 percent. Nigeria's is 2.0 percent. These may not seem like big differences, but consider this: At these respective growth rates, it will take 144 years for China's population to double, whereas India's population will double in about fifty years and Nigeria's in just thirty-six years.

While the PRC government praises the success of the one-child policy, it has been met with considerable resistance in the rural areas. Because family income now depends on having more people to work, many farmers have evaded the one-child policy by not reporting births and other means. Furthermore, the still widespread belief that male children will contribute more economically to the family and that a male heir is necessary to carry on the family line causes some rural families to take drastic steps, including female infanticide and the abandonment of female babies, to make sure that their one child is a son. Ultrasound technology has led to large numbers of sex-selective abortions of female fetuses.

As a result, China has an unusual gender balance among its young population. Most societies have a male-female ratio of 105:100 among newborns. In the PRC, the ratio is about 120:100. Estimates suggest that there are already 30 million more males in China than females. Such a large surplus of young, unmarried males (India has a similar situation) has led to the kidnapping and selling of women—even very young girls—to provide brides for men who can pay the fee. Some scholars point out that an extreme gender imbalance is likely to cause a rise in social instability, violent crime, and gang formation. They argue that it might even make a country more authoritarian at home in order to maintain law and order and militarily adventuresome abroad as a way to channel the aggressiveness of frustrated young males.⁹

Partly in response to rural resistance and international pressure, population control policies have been somewhat relaxed. Rural couples are often allowed to have two children if their first is a girl. Ethnic minorities, such as those in Tibet, are allowed to have up to four children. But the government has announced that the one-child policy will remain basically in effect until at least 2015.

China's economic boom and mixed state-private economy have also created enormous opportunities for corruption. Officials still control numerous resources and retain power over many economic transactions from which large profits can be made. The government has repeatedly launched well-publicized campaigns against official graft, with harsh punishment, even execution, for serious offenders.

A series of recent cases involving consumer product safety revealed another problem with China's superfast economic development. Some involved faulty, even dangerous lack of quality control in Chinese exports, including toys, pet food, tires, and toothpaste. But many more—and much more severe—such cases have occurred in China, most notably one involving the addition of an industrial chemical to powdered milk in order to boost its apparent protein content. Six babies died from the contaminated products, and more than 300,000 others, mostly children, became sick. Two men who worked for the responsible dairy firm were executed, six people went to prison, including the former chairwoman of the dairy, who was given a life sentence, and several government officials were fired. The father of one sickened child, however, was jailed after setting up a website to help victims and push for compensation.

Finally, China's economic growth has seriously damaged the environment. Industrial expansion has been fuelled primarily by highly polluting coal. The air in China's cities and even many rural areas is among the dirtiest in the world. Soil erosion, the loss of arable land, water shortages, and deforestation are serious. The government does little to regulate the dumping of garbage and toxic wastes. Roughly 80 percent of China's rivers are badly polluted. Private automobile use is just starting to take off, which will greatly add to urban pollution. China has surpassed the United States as the world's largest source of carbon dioxide (CO₂) emissions, although per capita emissions remain much lower than in most developed countries.

The PRC is critical of rich countries that press it (and other developing countries) to slow down economic growth or invest in expensive pollution controls when those countries paid little heed to the environmental damage caused by their own industrial revolutions. Nevertheless, the Chinese government has been paying more attention to protection of the environment. Sustainable development, which balances economic growth and ecological concerns, is a key part of the CCP's current emphasis on building a "harmonious socialist society." China has also become a leader in the development of alternative clean energy, including wind and solar power.

Dealing with the negative consequences of fast growth and market reforms is one of the main challenges facing China's government. The ability of citizen associations—including labor, women's, consumer protection, and environmental organizations—to place their concerns about such problems on the nation's political agenda is strictly limited by the Communist Party's tight control of political life and by restrictions on the formation of unauthorized interest groups.

China in the Global Economy

At the end of the Maoist era in 1976, the PRC was not deeply involved in the global economy. Total foreign trade was less 10 percent of GDP, and lingering Cold War estrangement kept trade with the United States almost to nothing. Foreign direct investment (FDI) in China was minuscule. The stagnant economy, political instability, and heavy-handed bureaucracy did not attract potential investors from abroad.

In the early 1980s, China embarked on a strategy of using trade as a central component of Deng Xiaoping's drive for economic development. In some ways it followed

the model of export-led growth pioneered by Japan and newly industrializing countries (NICs) such as the Republic of Korea (South Korea) and Taiwan. This model takes advantage of low-wage domestic labor to produce goods that are in demand internationally. It then uses the earnings from those goods to modernize the economy.

Chinese exports have soared from negligible levels in the late 1970s to the world leader, ahead of Germany, the United States, and Japan. China is often referred to as the “factory to the world” because so many countries import large quantities of Chinese products.

In terms of goods and services, China is now the world’s second-largest trading nation behind the United States. It is projected to surpass the United States in total trade volume sometime between 2015 and 2020. Foreign trade accounted for about 60 percent of the PRC’s GDP in 2000–2009, with a relatively equal balance between imports and exports. As the following table shows, China is much more economically dependent on trade than is the United States or Japan; but, in comparison with other major economies, it is less or comparably dependent.

For the most part, China imports industrial machinery, high-level technology and scientific equipment, iron and steel, and raw materials. Despite having large domestic sources of petroleum and significant untapped reserves, China is now a net importer of oil because of the massive energy demands of its economic boom and exploding private automobile market. The PRC’s hunger for oil and other raw materials has raised some concerns because of its potential to increase world prices for some commodities and put added pressure on nonrenewable resources.

Foreign investment in the PRC has also skyrocketed, topping \$100 billion in 2010. More than 400 of the world’s 500 top corporations have operations in the PRC. But the vast majority of investors in China are much smaller firms, producing electronics, clothing, footwear, and other consumer items for export. The low cost of labor has been a major attraction to investors from abroad, even though foreign

firms generally pay their workers considerably more than the average wage of about 60 cents per hour in Chinese-owned factories. But all wages in China have been going up, and the PRC is facing increasing competition from Vietnam, Bangladesh, and other developing countries for overseas investment looking to build labor-intensive export-producing factories.

Another lure to foreign investment in China is the huge domestic market. Companies such as Coca-Cola, General Motors, Starbucks, and Wal-Mart have poured vast amounts of money into China. The American tobacco industry hopes that grabbing a share of China’s 350 million smokers (one-third of the world total) can make up for sharply declining sales at home. American cigarette brands are mostly sold on the Chinese market as luxury imports, but Philip Morris recently began producing Marlboros as part of a deal with the PRC state-run tobacco monopoly.

	Imports (% of GDP)	Exports (% of GDP)	Total Trade (% of GDP)
Germany	35.4	40.0	75.4
Canada	34.8	38.0	72.8
China	26.5	31.1	57.6
Mexico	29.4	27.7	57.1
Russia	22.5	34.4	56.9
Britain	29.6	27.1	56.7
Japan	12.5	13.6	26.1
United States	15.3	10.7	26.0

Source: World Bank World Development Indicators.

China is itself becoming a major investor in other countries as part of a government-supported “going out” strategy to diversify its economy. In a sign of how far the PRC has come as a world economic power, China’s leading computer company, the Lenovo Group, bought IBM’s PC division in late 2004. Lenovo is now the world’s fourth-largest producer of PCs with 10.5 percent of the global market (Hewlett-Packard is number one with an 18 percent market share). At the same time, Chinese domestic brands, such as Haier refrigerators and air conditioners, are starting to find a market in the United States and elsewhere.

THE U.S. CONNECTION



Sino*-American Relations

China and the United States fought as allies during World War II. At that time, the Chinese government was controlled by the pro-American Nationalist Party of Chiang Kai-shek. The United States supported Chiang and the Nationalists in the civil war against the Chinese Communist Party. When the CCP took power and established the People’s Republic of China in 1949, Sino-American relations plunged into a period of Cold War hostility that lasted for more than two decades.

The United States continued to support Chiang and the Nationalists after they fled to Taiwan and protected Taiwan from an attack by the PRC. China and the United States also fought to a stalemate in the Korean War (1950–1953).

Furthermore, the PRC was closely allied with its communist big brother, the Soviet Union, America’s archenemy, for much of the 1950s. Relations between Moscow and Beijing soured in the early 1960s, and the two communist powers became bitter ideological rivals. But China and the United States still saw each other as enemies and, for example, backed different sides in the Vietnam War.

In the early 1970s, Sino-American relations warmed up. Each country saw the Soviet Union as its main enemy and decided to cooperate with each other in order to weaken their common foe. In 1972, Richard Nixon became the first U.S. president to visit the People’s Republic (in fact, he was the first U.S. president ever to visit China). Formal diplomatic relations between Washington and Beijing were established in 1978. Since then economic, cultural, and even military ties have deepened, despite some disruptions, such as following the Tiananmen massacre in 1989, and recurring tensions over trade, human rights, and other issues. Many scholars and diplomats believe that U.S.-China relations are the most important bilateral relationship in the post-Cold War world.

Economic relations between China and the United States are particularly important and complex. China now trades with the United States more than with any other country, while China is America’s second-largest trading partner (after Canada). In 2009, U.S. imports from China totalled almost \$300 billion, whereas U.S. exports to the PRC were about \$70 billion.

Wal-Mart alone buys over \$30 billion of goods from China (about 80 percent of the company’s total imports). Wal-Mart also operates about 190 stores in China and employs 50,000 people.

Many in the United States think that importing such a huge quantity of “cheap” products from China means lost jobs and lower wages for Americans. They argue that American firms can’t compete with Chinese companies because labor costs in China are so much lower. They also say that the PRC engages in unfair trade practices, exploits sweatshop labor, and suppresses independent union activity. Some see the fact that China owns \$900 billion of U.S. government debt (which it bought with part of the vast reserves of U.S. dollars earned from exports) as having made the United States dangerously dependent on the PRC. Critics of Sino-American economic relations want the U.S. government to put more restrictions on trade and financial dealings with China.

On the other side, many say that the benefits of U.S. trade with China far outweigh the negative impacts. First of all, consumers benefit greatly by the availability of a large variety of less-expensive products. Furthermore, in their view, the United States should focus on developing more high-tech businesses to create jobs rather than trying to compete with China and other countries in “old-fashioned” labor-intensive industries. They point out that many American firms have huge investments in China, which will grow—as will demand for American products—as that country becomes more modern and prosperous. U.S. government debt is the result of American overspending, and several other countries besides the PRC own large chunks of it, including Japan and Britain. Finally, those who oppose restrictions on Sino-American economic engagement see it as one important way to promote not only the free market in China but also a more open society and democracy.

* *Sino* is a term derived from Latin that is often used to refer to China. For example, scholars who specialize in the study of China are “sinologists.” Sino-American relations is another way of saying United States–China relations.

China occupies an important, although somewhat contradictory, position in the global economy. On the one hand, the PRC is still a relatively poor country in terms of its level of economic and technological development compared to richer nations. On the other hand, the total output and rapid growth of its economy, expanding trade and investment, and vast resource base (including its population) has made China a rising economic superpower.

Summary

During the Maoist era (1949–1976), the communist party-state thoroughly dominated the economy through a system of central planning in which government bureaucrats determined economic policies and by suppressing any kind of private economic activity. This approach achieved some success in promoting industrialization and raising the educational and health standards of the Chinese people. But, overall, it left China as a very poor country with little involvement in the global economy. Under Deng Xiaoping and his successors, the party-state has given up much of its control of the economy and encouraged free market forces, private ownership, international trade, and foreign investment. Living standards, modernization, and globalization have all increased dramatically. But serious problems, such as urban-rural inequality and pollution, are a challenge for China's current leaders.

SECTION 3

GOVERNANCE AND POLICY-MAKING

Focus Questions

What are the most important features of a communist party-state as a type of political system?

What is the difference between the government of the People's Republic of China and the Chinese Communist Party?

How does the party control the government?

Organization of the State

China, Cuba, Vietnam, North Korea, and Laos are the only remaining communist party-states in the world. Like the Soviet Union before its collapse in 1991, the political systems of these countries are characterized by communist party domination of all government and social institutions, the existence of an official state ideology based on Marxism-Leninism, and, to varying and changing degrees, state control of key sectors of the economy.

The Chinese Communist Party claims that only it can govern in the best interests of the entire nation and therefore has the right to exercise the “leading role” throughout Chinese society. Although China has moved sharply toward a market economy in recent decades, the CCP still asserts that it is building socialism with the ultimate objective of creating an egalitarian and classless communist society.

The underlying principles of China's party-state appear in the country's constitution.¹⁰ The preamble of the constitution repeatedly states that the country is under “the leadership of the Communist Party of China.” Article 1 defines the PRC as “a socialist state under the people's democratic dictatorship.” It also declares “disruption of the socialist system by any organization or individual is prohibited.” Such provisions imply that the Chinese “people” (implicitly, supporters of socialism and the leadership of the Communist Party) enjoy democratic rights and privileges under

CCP guidance. But the constitution also gives the CCP authority to exercise dictatorship over any person or organization that, it believes, opposes socialism and the party.

Marxism-Leninism, the foundation of communist ideology remains an important part of the Chinese party-state, at least officially. *Marxism* refers to the ideas of Karl Marx (1818–1883) and presents a theory of human history emphasizing economic development and the struggle between rich property-owning and poor working classes that inevitably leads to revolution. *Leninism* refers to the theories developed by Vladimir Lenin (1870–1924), the Russian revolutionary who was the leading founder of the Soviet Union. It focuses on how the workers should be organized and led by a communist party to seize political power in order to bring about socialism and communism.

The CCP says that Mao Zedong made a fundamental contribution to communist ideology. He adapted Marxism-Leninism, which evolved in Europe and Russia, to China's special circumstances. In particular, he emphasized the crucial role of peasants in the revolution that brought the Communist Party to power. Although the current CCP leadership acknowledges that Mao made serious mistakes such as the Great Leap Forward and the Cultural Revolution, the party continues to praise Mao and his ideology, which they call Mao Zedong Thought.

Communist ideology is much less important in China today than it was during the Mao era. But it still provides the framework for governance and policy-making by the Communist Party leadership and legitimizes the continuing rule of the CCP. It also sets the boundaries for what is permissible in politics.

The constitution of the PRC is more a political statement than a governing document that embodies enduring principles. Constitutional change (from minor amendments to total replacement) during the last fifty years has reflected the shifting political winds in China. The character and content of the constitution in force at any given time bear the ideological stamp of the prevailing party leadership. The constitutions of the Mao era stressed the importance of class struggle and revolutionary doctrine, while the current one (adopted in 1982) emphasizes national unity in the pursuit of economic development and modernization.

The government of the People's Republic of China (the "state") is organizationally and functionally distinct from the Chinese Communist Party. The Communist Party exercises direct or indirect control (a "leading role") over all government organizations and personnel. High-ranking government officials with any substantive authority are also members of the CCP's most powerful organizations.

The government of the PRC acts as the administrative agency for enacting, implementing, and enforcing policies made by the party. Nevertheless, to fully understand governance and policy-making in China, it is necessary to look at the structure of both the Chinese Communist Party and the government of the People's Republic of China and the relationship between the two.

CCP Organization

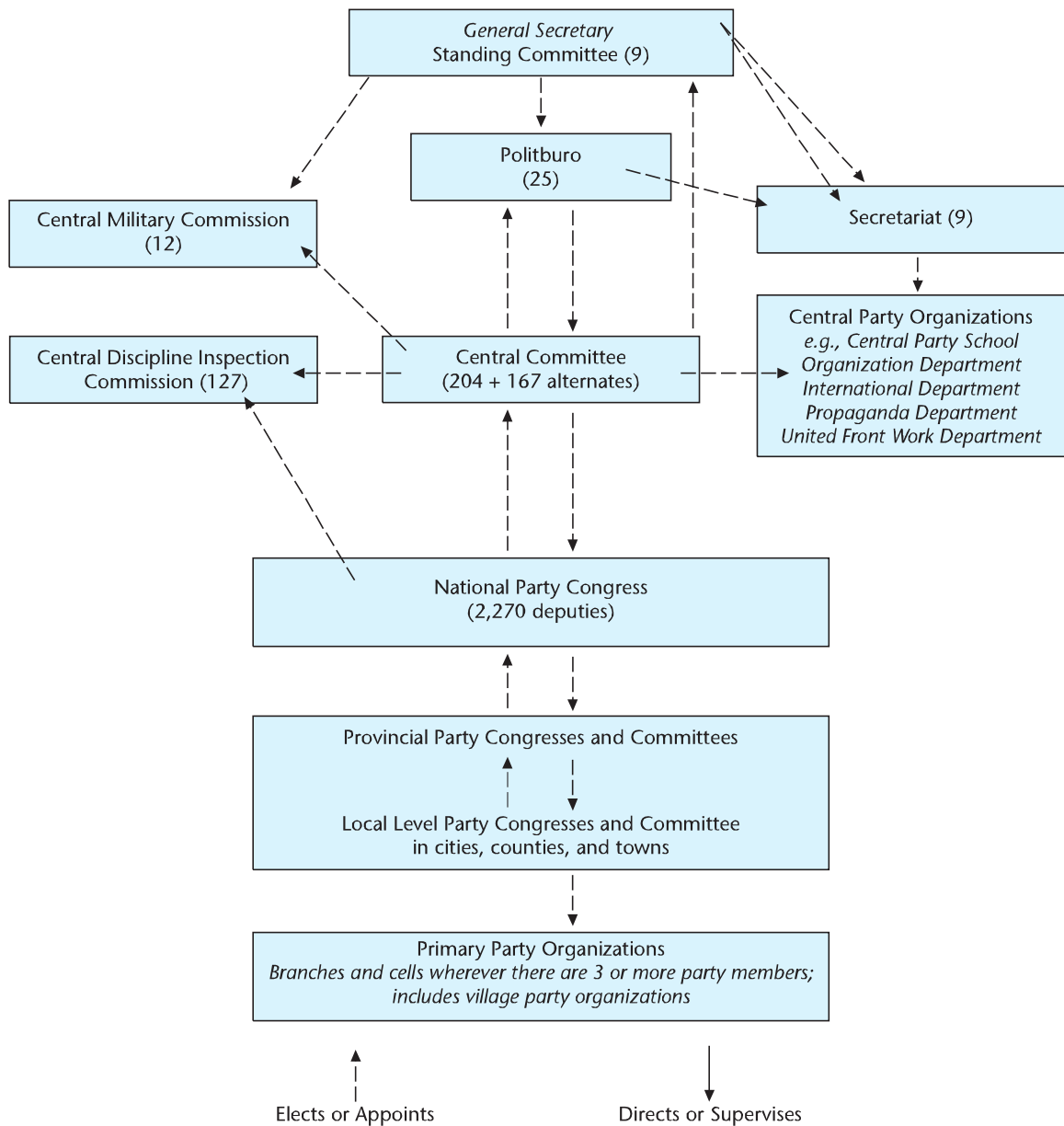
According to the CCP constitution¹¹ (a wholly different document from the constitution of the PRC), the "highest leading bodies" of the party are the **National Party Congress** and the **Central Committee** (see Figure 14.3). But the National Party Congress meets for only one week every five years, and it has more than 2,100 delegates. This reflects the fact that the role of the Congress is more symbolic than substantive. The essential function of the National Party Congress is to approve decisions already made by the top leaders and to provide a showcase for the party's current policies. There is little debate about policy and no seriously contested voting of any

National Party Congress

The symbolically important meeting, held every five years for about one week, of about 2,100 delegates represents the Chinese Communist Party, who endorse policies and the allocation of leadership positions that have been determined beforehand by the party's much smaller ruling bodies.

Central Committee

The top 350 or so leaders of the Chinese Communist Party. It meets annually for about two weeks and is charged with carrying on the business of the National Party Congress when it is not in session.



Note: Numbers in parentheses refer to the membership of the organization as of early 2008.

FIGURE 14.3 Organization of the Chinese Communist Party (78 million members)

consequence. The party congress does not function as a legislative check on the power of the party's executive leadership.

The Central Committee (with about 370 full and alternate members) is the next level up in the pyramid of party power. It consists of CCP leaders from around the country who meet annually for about a week. Members are elected for a five-year term by the National Party Congress by secret ballot, with a limited choice of candidates. The overall composition of the Central Committee is closely controlled by the top leaders to ensure compliance with their policies.

In principle, the Central Committee directs party affairs when the National Party Congress is not in session. But its size and short, infrequent meetings (called plenums)

greatly limit its effectiveness. However, Central Committee plenums and occasional informal work conferences do represent significant gatherings of the party elite. They can be a very important arena of decision-making and political maneuvering by contending party factions.

The most powerful political organizations in China's communist party-state are two small executive bodies at the very top of the CCP's structure: the **Politburo** (or Political Bureau) and its even more exclusive **Standing Committee**. These bodies are formally elected by the Central Committee from among its own members under carefully controlled and secretive conditions. The current Politburo has twenty-five members. Nine of them also belong to the Standing Committee, the formal apex of power in the CCP.

Before 1982, the leading position in the party was the chairman of the Politburo's Standing Committee, which was occupied by Mao Zedong (hence *Chairman* Mao) for more than three decades until his death in 1976. The title of chairman was abolished in 1982 to symbolize a break with Mao's highly personal and often arbitrary style of rule. Since then, the party's leader has been the **general secretary**, who presides over the Politburo and the Standing Committee, a position most recently held by Jiang Zemin (1989–2002) and Hu Jintao (2002 to the present).

Neither Jiang nor Hu has had the personal authority or charisma of Mao or Deng Xiaoping, and therefore both have governed as part of a collective leadership that included their fellow members on the Standing Committee and Politburo. Nevertheless, both have tried to put their own stamp on the party's major policy direction, Jiang by embracing the private sector and forging sort of a partnership between the CCP and the country's entrepreneurs, and Hu by calling for attention to problems like inequality, pollution, health care, and social security as part of the development of a "harmonious socialist society."

China's leaders are, as a whole, very well educated. Seven of the nine members of the Standing Committee were trained as engineers before beginning political careers, one has a Ph.D. in economics, and another a Ph.D. in law. All but one of the remaining sixteen members of the Politburo have undergraduate or advanced degrees. This is dramatic evidence of the shift in China's ruling circles from the revolutionary leaders of the Mao and Deng generations to technocrats who place highest priority on science, technology, and higher education as the keys to the country's development.

The Politburo and Standing Committee are not accountable to the Central Committee or any other institution in any meaningful sense. Although there is now somewhat more openness about the timing and subjects covered in their meetings, the operations of the party's executive organizations are generally shrouded in secrecy. Top leaders work and often live in a huge walled compound called Zhongnanhai ("Middle and Southern Seas") on lakes in the center of Beijing. Zhongnanhai is not only heavily guarded, as any government executive headquarters would be, but it also has no identifying signs on its exterior other than some party slogans, nor is it identified on public maps.

Two other executive organizations of the party deserve brief mention. The Secretariat manages the day-to-day work of the Politburo and Standing Committee and coordinates the party's complex and far-flung structure with considerable authority in organizational and personnel matters. The Central Commission for Discipline Inspection (CCDI) is responsible for monitoring the compliance of party members with the CCP constitution and other rules. Recently, the leadership has used the commission as a vehicle against corruption within the Communist Party.

The Communist Party has an organized presence throughout Chinese society. CCP organizations in provinces, cities, and counties are headed by a party secretary and party committee. There are also about 3.6 million primary party organizations,

Politburo

The committee made up of the top two dozen or so leaders of the Chinese Communist Party.

Standing Committee

A subgroup of the Politburo, with less than a dozen members. The most powerful political organization in China.

general secretary

The formal title of the head of the Chinese Communist Party. From 1942 to 1982, the position was called "chairman" and was held by Mao Zedong until his death in 1976.

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usually called branches. These are found throughout the country in workplaces, government offices, schools, urban neighborhoods, rural towns, villages, and army units. There is even a CCP branch organization at Wal-Mart's China headquarters. Local and primary organizations extend the CCP's reach throughout Chinese society. They are also designed to ensure coordination within the vast and complex party structure and subordination to the central party authorities in Beijing.

PRC Organization

State authority in China is formally vested in a system of people's congresses that begins at the top with the **National People's Congress (NPC)**, which is a completely different organization from the National *Party* Congress. The NPC is China's national legislature and is discussed in more detail in Section 4.

The National People's Congress formally elects the president and vice president of China. But there is only one candidate, chosen by the Communist Party, for each office. The president's term is concurrent with that of the congress (five years). There is a two-term limit. As China's head of state, the president meets and negotiates with other world leaders. The president of the PRC has always been a high-ranking Communist Party leader. Both Jiang Zemin and Hu Jintao served concurrently as CCP general secretary and PRC president. The recent pattern is for the Communist Party to use the position of vice president to groom the country's next top leader.

The premier (prime minister) of the People's Republic has authority over the government bureaucracy and policy implementation. The premier is formally appointed by the president with the approval of the National People's Congress. But in reality, the Communist Party leadership decides which of its members will serve as premier.

The premier directs the **State Council**, which functions much like the cabinet in a parliamentary system. It includes the premier, a few vice premiers, the heads of government ministries and commissions, and several other senior officials.

The size of the State Council varies as ministries and commissions are created, merged, or disbanded to meet changing policy needs. At the height of the Maoist era planned economy, there were more than one hundred ministerial-level officials. There are now fewer than thirty, which reflects both the decreased role of central planning and the administrative streamlining undertaken to make the government more efficient. Most State Council members run functionally-specific departments, such as the Ministry of Education or the Commission on Population and Family Planning. China has also created a number of "super-ministries," such as the National Energy Commission, to coordinate policies on complex issues that cannot be managed by a single ministry.

The work of the State Council (and the CCP Politburo) is supported by flexible issue-specific task forces called "leadership small groups." These informal groups bring together top officials from various ministries, commissions, and committees in order to coordinate policy-making and implementation on matters that cross the jurisdiction of any single organization. Some groups, for example, the Central Leading Group on Foreign Affairs, are more or less permanent fixtures in the party-state structure, while others may be convened on an ad hoc basis to deal with short-term matters like a natural disaster or an epidemic. Since most of the members are high-ranking CCP officials, they are also a means to insure party supervision of policy in that particular area.

China's bureaucracy is immense in size and in the scope of its reach throughout the country. The total number of cadres—people in positions of authority paid by the government or party—in the PRC is around 40 million. The term **cadre** applies

National People's Congress (NPC)

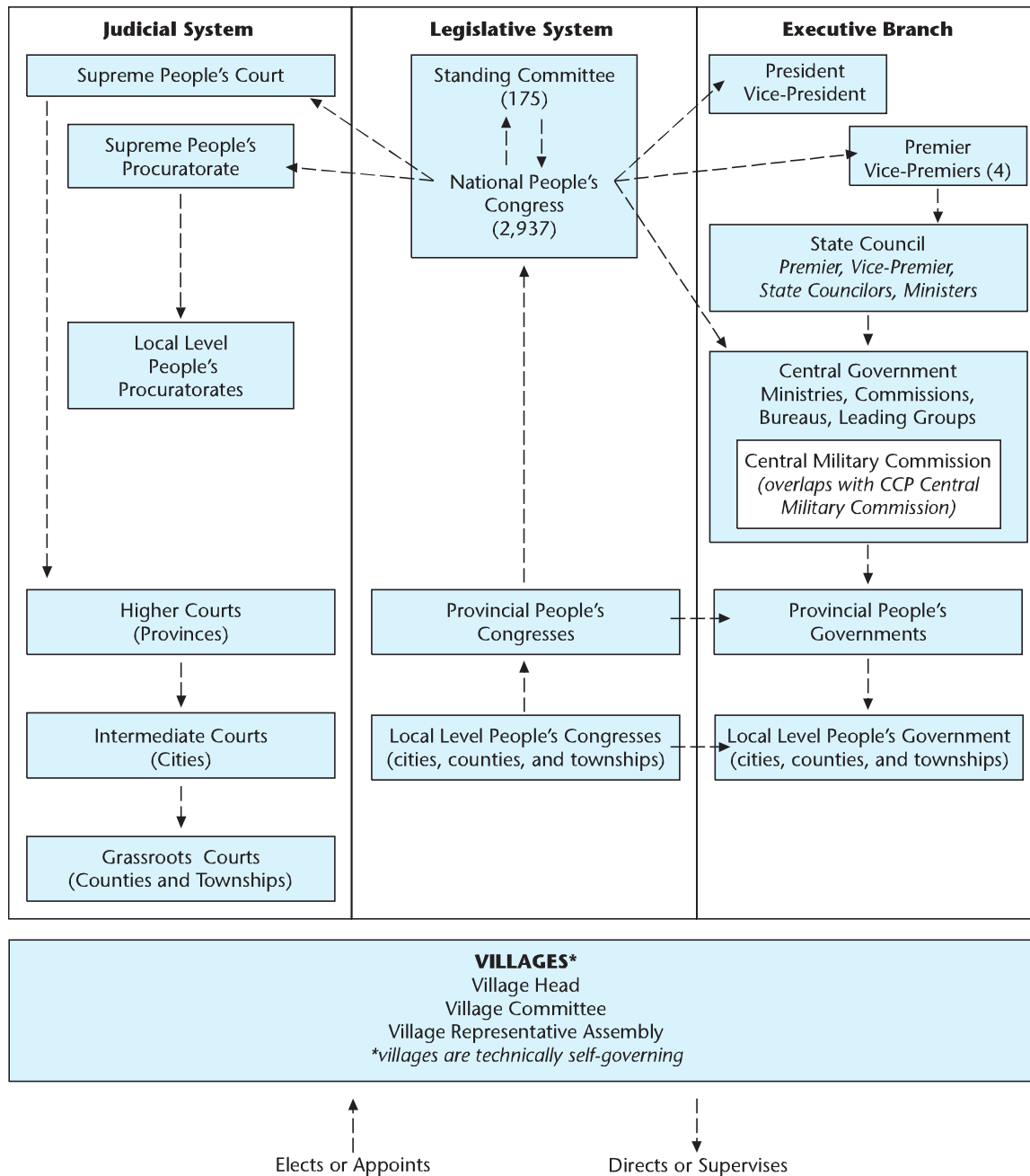
The legislature of the People's Republic of China. It is under the control of the Chinese Communist Party and is not an independent branch of government.

State Council

The cabinet of the government of the People's Republic of China, headed by the premier.

cadre

A person who exercises a position of authority in a communist party-state; cadres may or may not be Communist Party members.



Note: Numbers in parentheses refer to the membership of the organization as of early 2008.

FIGURE 14.4 Organization of the Government of the People's Republic of China (PRC)

to both the most powerful leaders as well as to local-level bureaucrats. Not all cadres are party members, and not all party members are cadres. The vast majority of cadres work below the national level, and a minority work directly for the government or the CCP. The remainder occupies key posts in economic enterprises, schools, and scientific, cultural, and other institutions. There have been important moves toward professionalizing the bureaucracy. More official positions are now subject to competition