

## **Panel 1: Reflections on the Resilience and Fragilities of the Chinese Communist Party Rule since Tiananmen**

This panel is chaired by Patrick Tilbury and composed of Patricia Thornton (Oxford), Rana Mitter (Oxford), and Minxin Pei (Claremont McKenna College). Discussions of the panel focus on the impact of several factors, including the governing party's reinventions, corruption, coups, and revolutionary origins, on the resilience and fragilities of the Chinese Communist Party Rule since Tiananmen. The Chinese authoritarian regime is compared and contrasted with other authoritarian regimes in Mexico and Iran while discussing corruption and the regime's revolutionary origins.

### **Patricia Thornton on the Robustness of China's Institutions**

It is impossible to predict the future. Despite methodological purity, political scientists were not very accurate in predicting the fall of the Soviet Union. How did political scientists fail to predict such a consequential event? How did we miss the fragility of the Soviet system? And what is the relative strength of the Chinese Communist Party? We need to focus on the role of institutions in contributing to resilience of authoritarian regimes. But at the same time, we must be aware that elites can stymie and obstruct the functioning of these institutions in authoritarian regimes and even in democracies like the U.S. In China today, institutions matter only until the powerful autocrats decide that they don't.

There are several notable developments that raise questions about the robustness of institutions in China today. In the ideological sphere, Xi Jinping has turned back to Marxism and Confucianism to reinforce nationalism as the collapse of communism created a moral and spiritual vacuum. Political centralization of power under Xi has resulted in the abolition of term limits, a reversal of institutionalization. It is important to pay attention to extra-institutional features. Outside of the formalized institutions, features such as language and culture play an important role in politics. In politics, institutions are not static but dynamic. The evolution of institutions is not necessarily linear but a dynamic flowing process, and it often does not have a predetermined direction. What has happened in China in the last five years is an excellent example.

### **Minxin Pei on the End of the Post-Tiananmen Order**

The post-Tiananmen era is commonly dated as 1992-2012. In many ways, it was the golden period of China's communist rule. To many scholars, this is a period of authoritarian resilience. One can identify ten most salient features of the Post-Tiananmen era: (1) Power-sharing through rotation of power and regular succession; (2) Consensus-based decision-making process; (3) Sharing of rents through corruption; (4) Consistent depoliticization, with ideology

de-emphasized; (5) Risk-aversion in policy-making; (6) Reactive/defensive repressive behaviors, with the regime launching crackdowns only when faced with direct challenge to its authority; (7) Defensive nationalism featuring the victimhood narrative; (8) A pragmatic approach in the foreign policy with China keeping a low international profile, and integration with the West; (10) A security pact for elites.

This is a system designed to avoid catastrophic mistakes and is by nature very conservative. The system reflects lessons learned from the Maoist era: elites respected each other's interest and did not aggressively harm each other's security. The regime places an overwhelming emphasis on achieving economic performance regardless of costs. Reactive repression allowed space for civil society to grow. Implicit boundaries were established that both the regime and public understood and respected. Relation with the west was beneficial and stable. The West perceived China as performing on the right track, which reduced uncertainties in the relationship. Nevertheless, the post-Tiananmen order also has weaknesses, such as rampant corruption. The party-state was colonized by patronage networks tied to individual leaders, which led to the loss of discipline and institutional loyalty. The whole system stagnated and there were missed opportunities. Institutionalization was superficial as there were no third-party enforcement mechanisms to safeguard the rules and norms governing elite politics.

Rampant corruption proved to be the undoing of the post-Tiananmen order. A political entrepreneur, such as Xi Jinping, could easily use the anti-corruption campaign to get rid of his opponents. Looking back, it is easy to see that structural factors, not institutional ones, helped maintain the post-Tiananmen order. The informal rules during the Post-Tiananmen era were enforced due to coincidental balance. The factional power struggle was balanced, and no single individual was able to challenge others. After the rise of Xi, this balance was broken and replaced with strongman rule.

### **Discussion (Chair: Rana Mitter)**

In this panel discussion, we talked about how Xi actualized Mao's totalitarian aspirations through digital revolution. The Chinese government now not only monitors its population through CCTV but also has access to information about their home address, ID card and browsed websites. Additionally, the CCP is also using the United Front Work Department to consolidate its control over Hong Kong and plan to retake Taiwan.

### **<Panel 2: "How Dictatorships Survive and Fall: Three Comparative Perspectives">**

#### **Rod Camp on Lessons from Mexican Democracy**

Debates on whether political liberalism can produce economic liberalism, or vice versa, have continued as Russia achieved the former while Mexico and China did the latter. Mexico is a notable case of semi-authoritarian political model that survived for 71 years. The Mexican

political model highlighted the leadership of party elites to the detriment of individual elites and established a no-reelection principle. The institutionalization and legitimization of the presidential rule for 6-year terms helps explain the stability of the single-party system. The only president of Mexico since 1920 who tried to evade the principle of no-reelection was assassinated after winning the election.

As early as in the 1950s, the leading opposition party was increasing its electoral successes in balloting stations in more economically successful areas. In 1968, Mexico experienced its own version of Tiananmen Square event, and students of the National University were appalled by the government's use of force. The event not only weakened the relationship between armed forces and the executive, but it had also introduced disenchantment within the political leadership. Approximately two decades later in 1985, massive earthquakes hit Mexico City. The incumbent president's poor response to the emergency weakened the legitimacy of the Institutional Revolutionary Party (PRI).

Therefore, Mexican experience is an incremental path toward democracy, preceded by and built upon a growing economy. No one party dominated the political process, and the winning party usually only wins plurality. Yet, the question of why electoral democracy is not sufficient for bringing about more substantial changes with regard to human rights, transparency, or the rule of law in Mexico remains unanswered. It may be due to the fact that the Mexican legislation has focused on institutional changes in governance structure and paid little attention to informal aspects of democracy. Mexico is increasingly challenged by overwhelming social problems such as criminal violence and drug cartels at borders. Such challenges test the political sovereignty of government and reduced the effect of the legitimacy of the democratic model. Mexico's future may answer the question of whether democratic structures can function effectively without changes in behavior regarding the informal aspects of democracy, such as human rights.

### **Hilary Appel on Lessons from the Soviet Collapse**

The collapse of the Soviet Union has been attributed to mainly three factors: the failure of command economy, the geopolitical challenges and the loss of ideological legitimacy.

Kotz and Weir argue that weak economic performance, including economic inefficiencies, lack of innovation, and low levels of domestic consumption, prompted Gorbachev's reforms. The stagnation also prompted elites to consider or covet alternatives to Communism. However, until the 1980s, the economy was only stagnant but not shrinking. The reform started before the situation was dire. Even dire economic conditions in 1990-1991 did not drive people into the streets to protest. After the Soviet Union collapsed, people suffered even more under Yeltsin, but that did not lead to mass mobilization.

Apart from the underperformance of the economy, Dudney & Ikenberry argue that the system also imposed too much geopolitical burden on the already weak economy. The Soviet Union was overextended. The Afghan War was especially expensive and keeping the Soviet troops levels high was costly. The Soviet Union's commitments and obligations in Central Asia, the Baltics and Eastern Europe were challenged by local nationalist movements. However, downsizing troop levels lowered costs and the troop withdrawals were compensated. Nationalist movements were challenges to the Soviet territory but not necessarily to the one party rule.

Poor economic performance also significantly undermined confidence in the Soviet system as an alternative to Western capitalism. Gorbachev, who was a true believer in Communism, was surrounded by elites who were very cynical. The system was also not strong enough to endure the Glasnost reforms, which allowed people to criticize the system from all aspects.

Apart from these three factors, two proximate causes also contributed to the Soviet Union's downfall: the Gorbachev's reforms and the 1991 failed coup attempt. During Gorbachev's reforms, Perestroika undermined the planned economy, Glasnost exposed the regime to criticism, Democratization weakened Gorbachev and New Thinking in foreign policy revealed the shallow alliance between the Soviet Union and satellite states. The 1991 coup failure emboldened Yeltsin and won him support from the military.

The Soviet collapse provides a few lessons for China. The discredited ideology is not as relevant because China is already a hybrid system. Overextension that leads to economic instability at home is more applicable given China's infrastructure projects and the Belt Road Initiative. Among various factors, elite rivalry is the most likely scenario that may lead to the CCP's downfall. Elites that are currently being pushed away from the spoils of power may seek a new system that serves their interests better.

### **Hicham Bou Nassif on the Resilience of Authoritarian Regimes**

Authoritarian regimes surround themselves with three defense lines, namely ideological legitimacy, consent-buying, and repressive and coercive apparatus. The Nasserite regime in Egypt, for instance, did not collapse despite its numerous military defeats, such as in the Suez Crisis of 1956, Yemen in the 1960s, and the Six-Day War in 1967. First, Nasser was able to build his image as the ultimate pan-Arab leader who would bring union to the Arab world, pushed the British out of Egypt, and prevented the American hegemony from taking over Egypt. Second, Nasser used the welfare state as a means for consent-buying. The Nasserite regime granted every university graduate a job and tried to achieve as much agrarian reform as possible. Lastly, Nasser used repression, such as purges of those who were not in his favor, and carried out crony appointments to maintain his power.

Hosni Mubarak, on the other hand, failed to survive in 2011, even though the defeat that Nasser faced in 1967 was even a bigger challenge than the one Mubarak did in 2011. Ideological legitimacy was non-existent for Mubarak, as he could not project the image of the ultimate Arab hero. Mubarak also failed to achieve consent-buying as Egypt under his rule moved rapidly from welfare state to neoliberalism and crony capitalism. Lastly, when the 2011 Arab Spring broke, the army was alienated by the fact that the police had become so powerful, and it was not ready to defend the regime.

Bashar al-Assad of Syria, on the other hand, effectively established the three circles among his core constituent bases. Assad's true political legitimacy came from defending the Alawit minority against historical oppression from the Sunnis. In addition, people from the Assad family were members of the intelligence services or the coercive apparatus, motivating the coercive apparatus to remain loyal to the regime for the safety of their families.

The combination of identity politics and ethnic stacking absent direct foreign intervention leads to authoritarian consolidation. It is difficult to create an effective opposition against ethno-nationalist propaganda. The opposition would need to find a way to neutralize the ethno-nationalist propaganda and coercive apparatuses.

### **Keynote Conversation: James Kynge: 'The Complexities of the Belt and Road Initiative: China's Political and Economic Embrace'**

China's technological development is catching up. It now leads the world in high speed rail technology, has caught up in the semiconductor chip development (Huawei), and has gained momentum in big data and space technology. In general, three traits make China different: the ability to mobilize economic resources, the ability to organize, and the fast development of its technology. What's important for China's development is to internationalize these three traits rather than to develop edge-cutting technology. For example, the success of Alibaba showed China's extraordinary power of organization.

China is currently involved in the development of Ultra High Voltage (UHV) in southern Europe. The development is separated into three steps. The first step is for the Chinese companies to start buying domestic grids around the globe. Then it moves into the stage of connecting domestic grids into regional grids, which will finally integrate into the global grid. China is now the main grid asset owner in Portugal and Italy that the grid in Europe is to be mostly controlled by China.

If we count both the grids and the operators, China has already invested \$425 billion in the UHV development, mostly located in Belt and Road countries. The Chinese government's ultimate goal is to build a global grid, which does not necessarily have to be completely owned by China. The development of the UHV is currently a part of the Global Energy Interconnection (GEI), of

which China enjoys the first mover advantage. Questions to be answered at this stage involves: how will the countries that receive Chinese investments perceive China? What is the political influence of the project? And will the tech journey deliver any new vulnerabilities in the future for the Chinese government?

### <Panel 3: Looking at Future of China: Durability and Risks of Xi Jinping's New Order'>

#### **Minxin Pei on the New Order under Xi Jinping**

Xi Jinping's new order is the opposite of the post-Tiananmen order, characterized by the following ten traits. First, there is a monopoly of power, and the winner-take-all politics prevails. The personality cult and centralized decision-making that China had not seen since Mao have returned. Elites and the central leader have formed mutual security guarantees, and constant purges of disloyal elites have also resurfaced. The repression under Xi's new order is much more aggressive and pre-emptive compared to that of the past. There is a renewed focus on orthodox ideology. Policymaking is far more risk-taking than in the past. Xi has also launched new imperial projects and relies on aggressive nationalism. Xi's new order is also a direct challenge to the liberal order and signals the end of China's integration. Pro-market reforms under Xi have also slowed down, if not stopped. Lastly, the party now plays authority over societal elites, and trials, sentencing, and abduction of tycoons sends a very clear message.

Intra-regime power dynamics can jeopardize the sustainability of the new Xi Jinping order. Tier-1 factions other than Xi's own have been destroyed, whereas Tier-2 factions that are emerging and allied with Xi do not necessarily have common interest. These new factions are competing to expand their power and influence and are jockeying for the position to succeed Xi.

In addition, the end of the term limit has caused disgruntlement among elites, as it reduces the circulation of power. While the top leader is exempt from term limits, other positions are still under term limits. The term limit exemption for the top leader may create a deeply alienated elite group and cause enormous conflict.

#### **Gordon Orr on Political Economy**

Policies in the economic and business area have enjoyed the longest continuity. Two things have changed that may lead to geopolitical risks of Xi's New Order from a business perspective: increased centralization and increased confidence in decision-making. Increased centralization has been the most aggressive on internet companies. Alibaba and Tencent used to operate without a license in financial service for years. This loophole is now filled that both companies have to acquire license to operate. In addition, the regulatory functions in all sectors, except the financial sector, are now operated under one group, which will affect different types of

companies in different ways. This consolidation of regulations facilitates the operation of the domestic market. It allows China to experiment with the domestic market and to obtain leadership before entering the international market. For example, the Chinese government plans to use strong subsidies to lead the development of electric cars in 30 years. The impact on multinationals depend heavily upon the China-U.S. relationship and the company's agility to navigate and deal with the government. Private companies in China need more true innovation, talented entrepreneurs, and in-depth financial market. Made in China 2025 will also help Chinese entrepreneurs take on opportunities and seize the market.

### **Matthew Erie on Law**

Law has always been used as a policy tool to control the Chinese society. Recent events, including the detention of thousands of uyers in re-education centers in Xinjiang, have completely privileged security over freedom, marking the end of the reform era. Motivations behind this consolidation include over-reaction to regime insecurity and the entrenchment of authoritarianism. These two motivations are in fact not mutually exclusive.

The old model adopted by the Chinese government emphasized pluralism in law while the post-modern model has completely politized the law. The Company Law now requires firms to set up a CCP branch and party cells to ensure compliance. The law itself is nothing more than party rules. Additionally, foreign companies must also abide by the party norms.

Upcoming challenges for the Chinese law system center around the question: what kind of law is to be used to settle cross-border disputes in the future. Since there are no clear guidelines for how Chinese companies should act overseas, projects such as the Budapest railway, Poland highway, Philippines north rail project, debt problem in Sri Lanka, and disputes in arbitrary centers in Africa could all pose significant risks and challenges. Even though the Chinese legal system is only 40 years old, it has a huge influence on other developing countries, especially with so many Chinese companies now operating in the global market.

### **<Discussion>**

Discussions in this section centered around Huawei's 5G technology and China's political legal system. Gordon Orr mentioned that Huawei learned the game successfully through 4G, and is now playing the game in the development of 5G. Huawei and Ericsson are currently leading the 5G development. In terms of the political legal system, Matthew Erie cautioned against a new state supervisory commission that could possibly put all Chinese employees under the CCP's disciplines, which means tens of thousands of people can be detained.

### **<Panel 4: The International Environment and the Future of One-Party Rule in China'>**

## **Aseema Sinha on India-China Relations**

It is important to consider what kind of domestic linkages are created within China as a consequence of the India-China relations. The domestic linkages may include international-level military conflict, persuasion, or linkages that may germinate as a result of trade or other economic relationships. The linkages need to be disaggregated in order to identify which mechanisms are making a difference. International-level explanations must be used in conjunction with domestic-level explanations to illustrate how certain constituencies are created in China as a result of India-China relations.

The Doklam plateau conflict of 2017 is an instance in which India and China almost came to war, according to many observers. War is one situation that may create political and social changes within China. The two parties ultimately reached an agreement, and both countries backed down. India has more or less control over that area today, and Modi and Xi had an informal summit in Wuhan and decided to communicate more regarding the control of the area. While there is seemingly greater communication between the two, underneath the diplomacy, there has been much greater military build up with the strategic buildup of air bases.

How will the changes in India-China relations affect the Chinese party state? A short war with India could harden China's personalist turn and stoke nationalism, and a long war may have the opposite effect. External danger from India may encourage the centralization of authority and may forestall development of democratization. The Sino-Indian conflict would prevent any leadership transition from happening. On the other hand, India's rising growth could create better public opinion about India and democracy in China. Trade and the potential creation of foreign policy "doves" within China may embolden inter-state communities and domestic constituencies. There has been no evidence of the creation of these doves yet, and trade or India's rising growth have not yet created linkages in China.

## **John Farnell on China and the EU**

In the mid-1970s, there was a strategic partnership between the European Union and China that involved dialogues and discussions and no agreement that formalized the economic relationship. Yet they were important partners to each other: biggest suppliers of goods and services. The EU is still an important source of technology and FDI, and it is less confrontational with China than the U.S. The EU and China share a more common way of looking at several problems, for example, social security and environment preservation.

The consolidation of power under Xi makes China an even more difficult partner for the EU. There is a much greater emphasis on nationalism and "China first," and there is less room for



real competition in both the Chinese market and the international market. The Chinese government under Xi has also demonstrated a selective approach to the rule of law. The announcement of further steps for economic reform seems relatively vague, and the implementation of economic reform has slowed down in the last five years. China treated its partners in a bilateral sense rather than as an equal member of the World Trade Organization. The Chinese development of bilateral economic links worries the EU, and the development of alternative energy sources could create conflicts in transport development.

The heightened tensions between the U.S. and China may lead to a diversion of Chinese exports to the EU market. If the EU-China relations become more bilateral, negotiations about the priorities for the 27 states will be difficult since the EU does not have a centralized political system.

A thorough analysis of the key features of the Chinese economy should include how subsidies will affect the price of exports in the future. A new dialogue among the EU states on how to treat foreign investments is necessary. There are also demands for a thorough discussion in Europe, especially within the WTO, about the rules of competition in the international economic system.

### **Paul Irwin Crookes on China and the UK**

The UK wants to build a strategic relationship with China. Economic openness is fundamentally believed as the best way forward in the UK-China relations. The UK focuses on narrow security–premise on market fairness on the strategic level, and it has chosen to take on a specific form of openness toward China while continuing to collaborate with the Chinese government and firms. For instance, a scrutiny committee reviews internal investments made by Chinese entities in the UK.

The UK responses towards the Chinese party structure has been quite mixed. There have been disconnections between the political aspect and the business engagement. The UK declined to support the Belt and Road Initiative. Evolutions in the China-UK relationship have occurred bilaterally and multilaterally. Opportunities on both sides to make a success of the relationship between UK and China still exist.

Brexit can be an opportunity for Britain to prioritize services and to look at overlappings in these services through trade. China will be looking for distinctive overlap between Britain's specialties and China's needs. China has distinctive capabilities that may create an overlap with the UK's needs. The Made in China 2025 initiative will probably fill the technological gaps in China. A normative assumption that the UK is making is that there is no movement towards neoliberalism in China.

There is little evidence to support Britain's optimism regarding its future relations with China. Nonetheless, there are opportunities for overlap and motives for engagement. The UK's success to engage with China depends on the UK's assumptions about where China is going, not what the UK assumes or hopes where China is going.