In 2011, standing in front of the Royal Society (the British academy of sciences), Chinese Premier Wen Jiabao declared, "Tomorrow's China will be a country that fully achieves democracy, the rule of law, fairness, and justice. Without freedom, there is no real democracy. Without guarantee of economic and political rights, there is no real freedom." Eric Li's article in these pages, "The Life of the Party," pays no such lip service to democracy. Instead, Li, a Shanghai-based venture capitalist, declares that the debate over Chinese democratization is dead: the Chinese Communist Party (ccp) will not only stay in power; its success in the coming years will "consolidate the one-party model and, in the process, challenge the West's conventional wisdom about political development." Li might have called the race too soon.

Li cites high public approval of China's general direction as evidence that the Chinese prefer the political status quo. In a country without free speech, however, asking people to directly evaluate their leaders' performance is a bit like giving a single-choice exam. More rigorous surveys that frame questions in less politically sensitive ways directly contradict his conclusion. According to 2003 surveys cited in How East Asians View Democracy, edited by the researchers Yun-han Chu, Larry Diamond, Andrew Nathan, and Doh Chull Shin, 72.3 percent of the Chinese public polled said they believed that democracy is "desirable for our country now," and 67 percent said that democracy is "suitable for our country now." These two numbers track with those recorded for well-established East Asian democracies, including Japan, South Korea, and Taiwan.

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There are calls for more democracy in China. It is true that the party’s antireform bloc has had the upper hand since the 1989 Tiananmen Square crackdown. But recently, voices for reform within the CCP have been gaining strength, aided in large part by calls for honesty, transparency, and accountability from hundreds of millions of Internet-using Chinese citizens. China’s new leaders seem at least somewhat willing to adopt a more moderate tone than their predecessors, who issued strident warnings against “westernization” of the Chinese political system. So far, what has held China back from democracy is not a lack of demand for it but a lack of supply. It is possible that the gap will start to close over the next ten years.

THE NOT-SO-GREAT WALL
Li acknowledges that China has problems, namely, slowing economic growth, the inadequate provision of social services, and corruption, but he claims that the CCP is more capable than any democratic government of fixing them. The CCP, Li argues, will be able to make tough decisions and follow through on them thanks to the party’s ability to self-correct, its meritocratic structure, and its vast reserves of popular legitimacy.

In its six-decade rule, the CCP has tried everything from land collectivization to the Great Leap Forward and the Cultural Revolution to privatization. According to Li, that makes the CCP “one of the most self-reforming political organizations in recent world history.” Unfortunately, China’s prime minister does not have Li’s confidence that Beijing has learned from the disasters of its past and can correct its mistakes. Last March, in response to myriad corruption and political scandals, Wen warned that without political reforms, “such historical tragedies as the Cultural Revolution may happen again.”

China does seem light years beyond both the Great Leap Forward and the Cultural Revolution, which were disastrous for the country. But the party has never explicitly repudiated or accepted culpability for either, nor has it dealt with the question of how to prevent similar catastrophes in the future. In a system with no true accountability or checks and balances, Wen’s worries—and those of hundreds of millions of Chinese who suffered through the horrors of those events—are sincere and justified.

After extolling the CCP’s adaptability, Li moves on to praising its meritocracy. Here, he relates the story of Qiu He, who, thanks to his
innovative public policies, rose from small-time apparatchik in a backward county to vice party secretary of Yunnan Province. The fact that the Chinese political system is sufficiently flexible to have allowed someone like Qiu to experiment with reforms is one reason it has not crumbled sooner. Nevertheless, it is odd that Li uses Qiu's story in his case against democracy. The features of the Chinese political system that allowed Qiu to experiment with policy innovations, subsidiarity (the organizational principle that matters should be handled by the lowest authority capable of addressing them) and federalism, are actually the foundation of any well-functioning democracy. Unlike in China, where the central government decrees subsidiarity and federalism, most democracies constitutionally enshrine the decentralization of political power.

There is another problem with the story: for each Qiu, there are countless Chinese politicians who were promoted up through the CCP for less positive reasons. Systematic data simply do not bear out Li's assertion that the Chinese political system as a whole is meritocratic. In a rigorous analysis of economic and political data, the political scientists Victor Shih, Christopher Adolph, and Mingxing Liu found no evidence that Chinese officials with good economic track records were more likely to be promoted than those who performed poorly. What matters most is patronage—what Wu Si, a prominent historian and editor in China, calls the "hidden rule" of the promotion system.

Li contends that a person with the credentials of Barack Obama before he was elected U.S. president would not have gone far in Chinese politics. He is right, but so is the flip side. Consider Bo Xilai, the former member of the Politburo whose wife confessed to murder, who could mysteriously afford an expensive overseas education for his son on a public servant's salary, and who oversaw a red terror campaign against journalists and lawyers, torturing and throwing in jail an untold number of citizens without a modicum of due process. No one with Bo's record would go very far in the United States. In China, however, he excelled. And before his downfall, he possessed the same unchecked power as Qiu, which he used to resurrect the very elements of the Cultural Revolution that Wen spoke out against.
Another of Li’s claims is about the popular legitimacy of the CCP. But corruption and abuse of power undermine that legitimacy. This is one of the lessons party leaders have drawn from the Bo Xilai affair. Remarkably, both Hu Jintao, the outgoing president, and Xi Jinping, the incoming one, have recently issued dire warnings that corruption could lead to the collapse of the party and the state. They are right, especially in light of China’s ongoing economic slowdown. That is not to say that some individual CCP leaders are not still widely respected by the Chinese population. But these officials tend to have been the reformers of the party, such as Deng Xiaoping, who initiated China’s market reforms beginning in the late 1970s, and Hu Yaobang, who was general secretary of the CCP during Deng’s leadership. The fact that such reformers remain popular today provides the CCP with an opportunity: it could pursue a proactive reform agenda to achieve a gradual and peaceful transition to democracy, avoiding the chaos and upheavals that are engulfing the Middle East. But the key would be to start those reforms now.

THE TRUTH IS OUT THERE
After walking through the positives of China’s political system, Li moves on to the problems with the West’s. He sees all of the West’s problems—a disintegrating middle class, broken infrastructure, indebtedness, politicians captured by special interests—as resulting from liberal democracy. But such problems are not limited to liberal democratic governments. Authoritarian regimes experience them, too. Think of the economic turmoil that struck the juntas of Latin America in the 1970s and 1980s and Indonesia in 1997. The only authoritarian governments that have historically managed to avoid financial crises were those with centrally planned economies that lacked financial systems to begin with. Instead of sharp cyclical ups and downs, those types of economies produce long-term economic stagnation.

Li cites Transparency International data to argue that many democracies are more corrupt than China. Putting aside the irony of using data from an organization committed to transparency to defend an opaque authoritarian system, Li’s argument reveals a deeper analytic point. Uncovering corruption requires information. In a one-party system, real information is suppressed and scarce. The Indian Web site I Paid a Bribe was set up in 2010 as a way for Indians to post anonymously to report incidents of having needed to
pay someone off to get a government service. As of November 2012, the Web site had recorded more than 21,000 reports of corruption. Yet when Chinese netizens tried to set up similar sites, such as I Made a Bribe and www.522phone.com, the government shut them down. It would therefore be useless to compare India’s 21,000 reported incidents with China’s zero and conclude that India is more corrupt. Yet that is essentially what Li did.

To be sure, there are many corrupt democracies. As Li points out, Argentina, Indonesia, and the Philippines have terrible track records on that score. But ruthless military dictators governed each of those countries for decades before they opened up. Those autocracies created the corrupt systems with which the new democracies must contend. Democracies should be taken to task for their failure to root out corruption, but no one should confuse the symptom with the cause. Worldwide, there is no question that autocracies as a whole are far more corrupt than democracies. As a 2004 Transparency International report revealed, the top three looting officials of the preceding two decades were Suharto, the ruler of Indonesia until 1998; Ferdinand Marcos, who led the Philippines until 1986; and Mobutu Sese Seko, president of the
Democratic Republic of the Congo until 1997. These three dictators pillaged a combined $50 billion from their impoverished people.

Since 1990, according to a report briefly posted a few months ago on the Web site of China's central bank, corrupt Chinese officials—about 18,000 of them—have collectively funneled some $120 billion out of the country. That figure is equivalent to China's entire education budget between 1978 and 1998. Beyond the sheer financial loss, corruption has also led to extremely poor food-safety records, since officials are paid to not enforce regulations. A 2007 Asian Development Bank report estimated that 300 million people in China suffer from food-borne diseases every year. Food safety is not the only woe. Corruption leads to bridge and building collapses that kill and chemical factory spills that poison China's environment—and their cover-ups.

The problem is not that China is lenient on corruption. The government routinely execute complicit officials. And some are high ranking, such as Cheng Kejie, who was vice chair of the National People's Congress before he was executed in 2000, and Zheng Xiaoyu, director of the State Food and Drug Administration, who was executed in 2007. The problem is the absence of any checks and balances on their power and the lack of the best breaks on corruption of all, transparency and a free press.

DEMOCRACY IS COMING

Even as Li argues that the CCP's one-party system is the best China can get, he also lays out some sensible reforms for improving it. He proposes stronger nongovernmental organizations, which would help the government deliver better services; more independent media, which would help check corruption; and elements of so-called intra-party democracy, which would help air the party's "dirty laundry and discourage unseemly behavior." He is right. Ironically, these are all core components of a well-functioning democracy.

No country can adopt such foundational elements of democracy without eventually adopting the whole thing. It would be impossible to sustain vibrant primary elections or caucuses, such as that in Iowa, but have a central government that ruled like Stalin. Consider Taiwan, where democracy evolved over time. In the early 1970s, Chiang Ching-kuo, who was to become president in 1978, began to reform the ruling party, the Kuomintang, in order to allow local competitive elections, indigenous Taiwanese participation (before, only
those living in mainland China had been allowed to stand for important positions), and public scrutiny of the party’s budget process. He also released political prisoners and became more tolerant of the press and nongovernmental organizations. When an opposition party, the Democratic Progressive Party, sprang up in 1986, it was a natural outgrowth of Chiang’s earlier reforms. For Taiwan, it was eventually impossible to draw a line between some democracy and full democracy. The same will be true for China.

And that is a good thing. Li is right that China has made huge economic and social gains in the past few decades. But it has also proved ineffective at creating inclusive growth, reducing income inequality, culling graft, and containing environmental damage. It is now time to give democracy a try. As the scholars David Lake and Matthew Baum have shown, democracies simply do a better job than authoritarian governments at providing public services. And countries that make the transition to democracy experience an immediate improvement. Already, China is seeing some of these effects: Nancy Qian, an economist at Yale University, has shown that the introduction of village elections in China has improved accountability and increased expenditures on public services.

It is unlikely that a democratic China would beat today’s China in GDP growth, but at least the growth would be more inclusive. The benefits would flow not just to the government and to a small number of connected capitalists but to the majority of the Chinese population, because a well-functioning democracy advances the greatest good for the most possible.

Two aspects of the Chinese economy presage a path to democratization. One is the level of per capita GDP. China has already crossed what some social scientists believe to be the threshold beyond which most societies inevitably begin to democratize—between $4,000 and $6,000. As the China scholar Minxin Pei has pointed out, of the 25 countries with higher per capita GDPs than China that are not free or partially free, 21 of them are sustained by natural resources. Other than this exceptional category, countries become democratic as they get richer.
The second structural condition presaging democratization is that China’s torrid growth will almost certainly slow down, heightening conflicts and making corruption a heavier burden to bear. When the economy is growing, people are willing to put up with some graft. When it isn’t, the same level of corruption is intolerable. If China continues with its political status quo, conflicts are likely to escalate sharply, and the pace of capital flight from the country, already on the rise due to declining confidence in China’s economic and political future, will accelerate. If not stemmed, the loss of confidence among economic elites will be extremely dangerous for the Chinese economy and could trigger substantial financial instabilities.

To be sure, democratization is in the CCP’s hands. But on that score, too, things are getting better. Even some of China’s establishment figures have come to believe that stability comes not from repression but from greater political and economic openness. On the eve of the 18th Party Congress, which was held in November, an open letter calling for more transparency and more intraparty democracy swirled around the Internet. One of the letter’s authors was Chen Xiaolu, the youngest son of one of the most decorated marshals of the Chinese army, who was also a former vice premier and foreign minister and a trusted aid to former Premier Zhou Enlai. Chen and many other Chinese elites no longer believe the status quo is viable.

Since 1989, the CCP has not adopted any genuine political reforms, relying on high growth rates to maintain its rule. This strategy can work only when the economy is booming—something Beijing cannot take for granted. It matters tremendously whether the CCP proactively adopts political reforms or is forced to do so in reaction to a catastrophic crisis. It would be far better for the political system to change gradually and in a controlled manner, rather than through a violent revolution. The CCP could regain its prestige by reclaiming the mandate of reform, and it could improve China’s political system without having to surrender its power. Not many autocratic regimes get this kind of an opportunity; the CCP should not squander it.