

China's Adaptive Governance as a “Red Swan” in Comparative Politics*

Observers have been predicting the imminent demise of the Chinese political system since the death of Mao Zedong more than forty years ago. Such forecasts gained currency and urgency with the Tiananmen Uprising almost thirty years ago, when it did appear that the regime was tottering on the verge of collapse.¹ Although the People's Republic of China (PRC) managed to outlast both the Eastern European and Soviet variants of communism, predictions of its impending demise did not disappear. In the last several years we have seen a steady parade of books with titles such as *The Coming Collapse of China*, *China's Trapped Transition*, *China: Fragile Superpower*, or, more optimistically, *China's Democratic Future: How it Will Happen and Where it Will Lead*.²

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The rapid economic growth of the post-Mao era generated expectations of a commensurate political transformation. It was widely believed that to sustain such economic progress in the face of mounting social unrest would require jettisoning an outmoded Communist Party in favor of liberal democratic institutions. With each passing decade, however, the characterization of the Chinese Communist system as exhausted and about to expire rings more hollow. Far from decrepit, the regime, having weathered Mao's death in 1976, the Tiananmen Uprising in 1989, Deng's death in 1997, and large-scale ethnic riots in 2008–9, seems over time to have become increasingly adept at managing tricky challenges, ranging from leadership succession and popular unrest to administrative reorganization, legal institutionalization, and even global economic integration. Contrary to expectations, the PRC regime has proven surprisingly capable of surviving serious unanticipated crises, from the Asian Financial Crisis of 1997–99 through the SARS epidemic of 2003 to the global economic downturn in 2008–9. These challenges would have sounded the death knell to many a less hardy regime.

To be sure, the phenomenon of rapid economic growth without political liberalization comes at a high price. The absence of civil liberties for ordinary Chinese citizens is perhaps the most obvious and egregious of these costs. But the lack of political restraints also contributes to numerous other serious problems in contemporary China, from cadre corruption to weak consumer protections and environmental degradation. It is certainly conceivable that some combination of these vulnerabilities sooner or later might lead to systemic change.

We have no predictions about how long Communist Party rule in China may persist. The vagaries of historical contingency render any such exercise of limited utility. Nor do we speculate on what an alternative future political system might be. Such prescriptions

are better left to Chinese policy makers and political reformers. Instead, as social scientists we will take a fresh look at the reasons and, more precisely, the policy mechanisms³ behind the staying power of Communist Party rule up to this point: How has the Communist Party in China achieved such rapid and profound organizational, economic, and social change over the last four decades? What political techniques and procedures has the authoritarian regime employed to manage the unsettling impact of the fastest sustained economic expansion in world history—a transformation that has been accompanied not only by greater wealth and global clout but also by political-ideological contestation, growing income and regional inequalities, and rampant popular protest?

China as a “Red Swan”

Conventional political science models of regime types and regime transitions, constructed around dichotomous systemic categories stemming from the Cold War period (“from dictatorship to democracy,” “from plan to market,” and so forth) assign almost no adaptability to Communist party-states. Institutionally, Communist political systems are judged to be inflexible and incapable of continuous improvements in administrative organization, economic coordination, technological innovation, and international competitiveness.⁴ However, this explanatory framework is not particularly useful to understand the complex dynamics of an innovative, competitive, and powerful China. In light of the country’s unusual development record, it has become increasingly problematic to try to fit China into the shop-worn categories of Cold War regime types, even if we add new attributes to the original categories.⁵

China has not taken the road anticipated by Western social scientists and desired by the Western public. Marketization has not

produced democratization. Although the intense ideological pressures, struggle campaigns, and organized dependency of the Mao era have given way to a more regularized administrative and technocratic, and in some fields even consultative, mode of governance, China has not made a transition in the direction of electoral, pluralist democracy.⁶ It remains an authoritarian party-state, characterized by Leninist institutions. Yet China's Soviet-inspired formal institutions have been combined with distinctive governance methods shaped by the Chinese Communists' own revolutionary and post-revolutionary past, and during the post-Mao era complemented by selective borrowing from "advanced" foreign organizational and regulatory practices. It is these governance techniques, we argue, that account for the otherwise puzzling pattern of spectacular economic success under the aegis of an institutionally unreformed Communist system.

Though market coordination has gained a considerable foothold in China's economy, the state still controls the "commanding heights" in key industries (from infrastructure, to telecommunications, and to finance) through public property rights, pervasive administrative interference, and Communist Party supervision of senior managers. China's political economy thus diverges fundamentally from the Anglo-American marketization-cum-privatization paradigm. Moreover, Chinese capitalism guided by the Communist Party also deviates from core features of the Japanese and South Korean "developmental states," in which state enterprises, public property, and political control over senior executives played a very limited role and in which the liberalization of foreign trade was introduced at a much more mature state of development than that in China.⁷

As we will detail, many contemporary methods of governance crucial to sustaining Communist Party rule in a shifting and uncertain environment can be traced back to its formative revolutionary

experiences. China's governance techniques are marked by a signature Maoist stamp that conceives of policy making as a process of ceaseless change, tension management, continual experimentation, and ad hoc adjustments. Such techniques reflect a mindset and method that contrast sharply with the more bureaucratic and legalistic approaches to policy making in many other major polities.

Due to its idiosyncratic developmental pathway during the past forty years, contemporary China presents an enigma to the field of Chinese politics, which did not predict the surprising resilience of the Communist system under reform and has yet to provide a convincing explanation for it. It also poses a major puzzle to the field of comparative politics, where prevailing theories of modernization, democratization, and regime transition offer little illumination for the case of post-Mao China.⁸

China stands as a "Red Swan" challenge to the social sciences.⁹ The political resilience of the Communist party-state, in combination with the rapidly expanding, internationally competitive, and integrated economy, represents a significant deviant and unpredicted case, with a huge potential impact not only for the global distribution of political and economic power but also for global debates about models of development. Framed in terms of social-science methodology, China's exceptional development trajectory represents an "extreme value on an independent or dependent variable of general interest."¹⁰ As such, it challenges conventional wisdom as well as conventional models of political change.

In relying upon concepts and theories derived from more familiar historical trajectories (e.g., the triumph of Western liberal democracies over the Communist regimes during the last decade of the twentieth century) to examine a political economy that emerged from very different experiences, analysts have tended to dismiss potentially powerful innovations as irregularities, deviations, externalities, or simply dead-ends. But what if China is in fact pursuing a unique path,

and—due to its size, history, and surprising success—introducing important unconventional, non-Western techniques to the repertoire of governance in the twenty-first century? Whether the PRC's institutional and policy solutions during the past four decades turn out to be transitional remains uncertain, but in any case so far they have served the Communist Party's management of economic and social change remarkably effectively, and for that reason alone they deserve our serious attention as social scientists. If these techniques continue to persist, they will surely command both widespread public interest as well as concern.

We wish to sound a cautionary note against the common tendency among Western observers to trivialize the contributions of political leadership and policy initiatives in China by reducing Chinese politics to an unremitting interplay of repression and resistance. We seek not to celebrate the reform record of the PRC but to understand it. In the first instance, such an understanding requires an investigation of its origins. Identifying the roots of contemporary methods of governance is important to analyze both the genesis and the generalizability of the specific array of solutions, institutions, and processes at work in China today. These roots are firmly planted, we will argue, in the fertile soil of China's Maoist past. The usual practice of restricting the study of contemporary Chinese political economy to the reform period has had the unfortunate effect of obscuring key sources of its dynamism. Therefore, here we focus on the formative legacy of revolutionary (1927–49) and early PRC (1949–76) techniques of policy creation and implementation that we label, in shorthand, “Maoist.”¹¹

To be sure, there were important variations within that eventful half-century of “Maoist” political history. At certain moments, both before and after the political victory of 1949, Mao Zedong's distinctive mass mobilization methods were challenged by a more orthodox Soviet style of bureaucratic control. That

Mao's approach repeatedly won out in these conflicts did not redound to the benefit of the Chinese people. The more disastrous effects of the Great Leap Forward exemplify the negative consequences of an unbridled Maoist mode of development. Leadership and ideology proved decisive in determining whether the power of revolutionary governance would be put to destructive or productive ends.

Prevailing institutional explanations

By highlighting the importance of the revolutionary experience for contemporary practices, we depart from mainstream explanations of regime resilience. As scholars have begun to seek an answer to the puzzling vigor of the Chinese Communist system, they have generally concentrated on the role of institutional factors. According to Andrew Nathan, the Chinese regime's surprising resilience can be attributed to its institutionalization of the elite succession process, its containment of factionalism, and its success in fostering a "high level of acceptance" through various "input institutions"—local elections, letters-and-visits departments, people's congresses, administrative litigation, mass media, and so forth.¹² David Shambaugh sees the Chinese Communist Party as "a reasonably strong and resilient institution" and suggests that "a range of intraparty reforms, as well as reforms affecting other sectors of the state, society and economy" have contributed to the party's ruling capacity.¹³ Barry Naughton and Dali Yang point out that "China has retained a core element of central control: the *nomenklatura* system of personnel management" and they argue that "this *nomenklatura* personnel system is the most important institution reinforcing national unity."¹⁴ As Andrew Walder has observed, although the composition of the political elite has changed